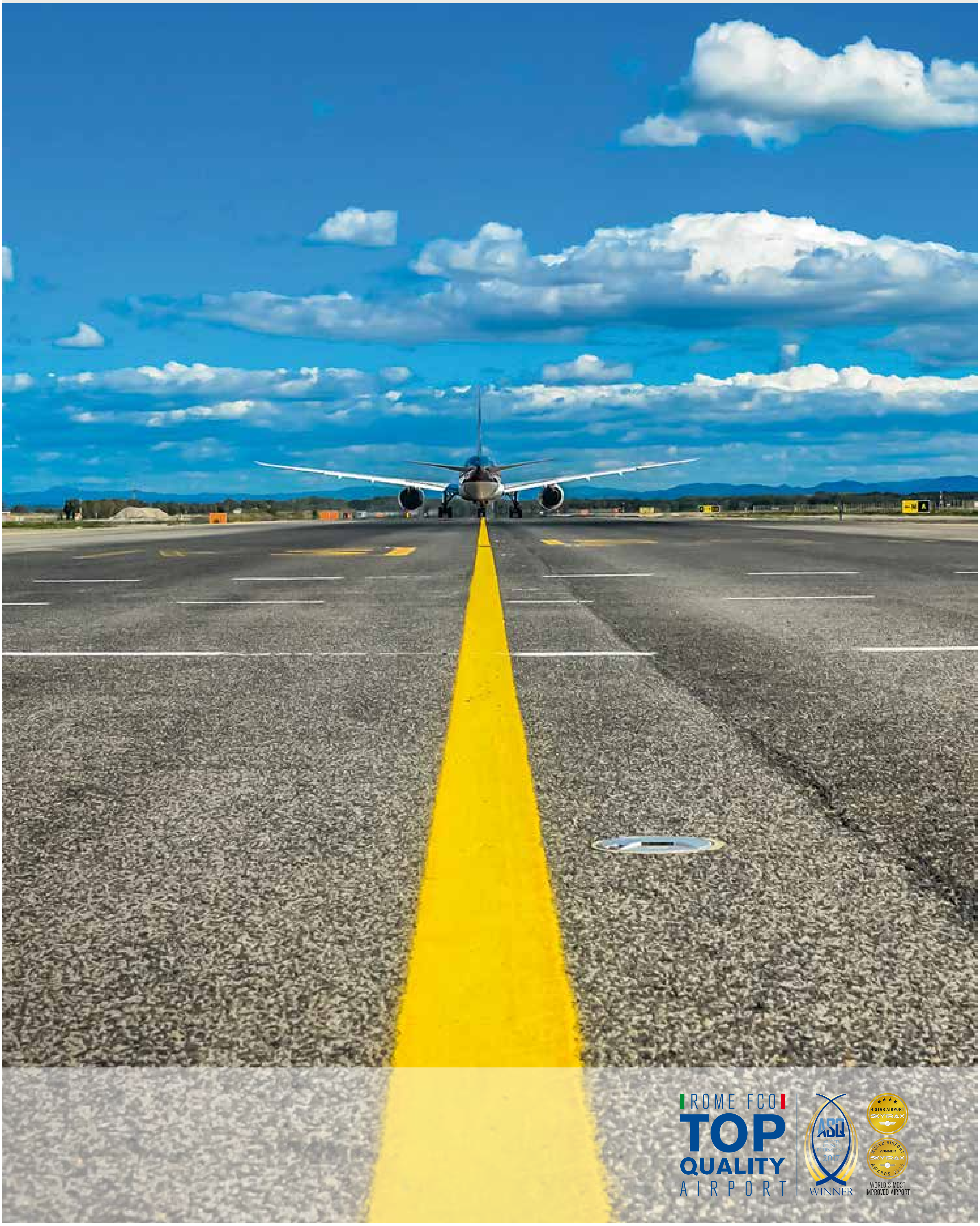
Aeroporti di Roma

gruppo Atlantia

ANNUAL REPORT 2017



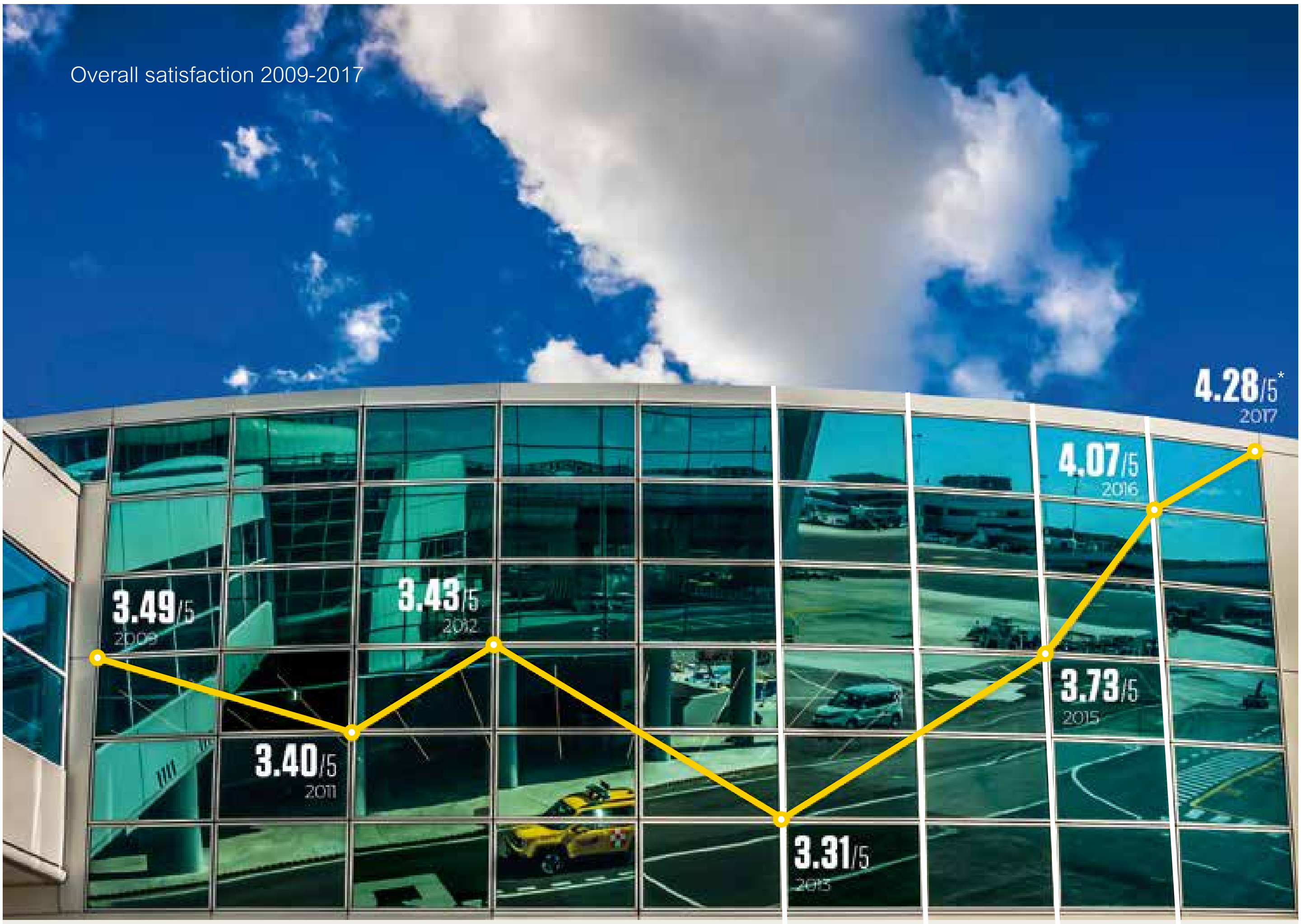
Aeroporti di Roma

ANNUAL REPORT 2017

UPGRADING FLIGHT RUNAWAY 1

During 2017, with an investment of about 7 million euros, Fiumicino runway 1 was completely renewed through modernization, maintenance and technological innovation actions.
The works involved the upgrade of the runway's surface and of the surfaces used for aircraft taxiing and the replacement of the entire lighting system. Innovative LED lamps were used in order to improve visibility and energy saving, and a new light monitoring system was installed.

7 MILLION
EURO
INVESTED



FIUMICINO, QUALITY RECORD

In 2017, for the first time Leonardo da Vinci airport classified as the most liked airport by passengers, on an annual basis, according to the official classification of ACI Airports Council International, the international association that includes more than 300 airports worldwide. According to interviews with travelers, Fiumicino ranks first among the main European hubs for the perceived quality of its welcoming, security, wi-fi, cleaning and comfort services. The results, which were achieved through an investment strategy, managerial choices, skills, motivated and participating personnel, have transformed Fiumicino airport into an international and competitive flagship for our country.

#1 FOR
QUALITY
AMONG MAIN
EUROPEAN HUBS

*Source: ACI - Airport Service Quality Report

LEONARDO DA VINCI AIRPORT AS A POINT OF ENTRY TO ITALIAN CULTURE

Fiumicino is now recognized internationally also as a site of cultural entertainment, thanks to an intense schedule of events organized by ADR to entertain passengers. Travelers at Leonardo da Vinci are given the opportunity to enjoy concerts, art exhibitions and cultural shows of every kind.
These initiatives are made possible by the partnerships launched by ADR with the most prestigious cultural institutions in the city, including the National Academy of St Cecilia, the Opera Theatre, the Parco della Musica Auditorium, the Conciliazione Auditorium and the Archeological Park of Ostia Antica. In 2017, more than 170 events were organized by ADR in the airport.

OVER **170**
EVENTS
ORGANIZED
IN THE AIRPORT

ONE OF OUR STRENGTHS: FOCUSING ON THE ENVIRONMENT

The Leonardo da Vinci-Fiumicino airport is being developed in a sustainable manner while paying utmost attention to the environment.
According to the figures from the Sustainability Report certified by KPMG, the Rome's airport is confirmed as the best practice at European level in various fundamental environment-related areas, such as the sorting of waste, water saving and reuse, energy production, the reduced use of ground.
This is the result of the efforts made by Aeroporti di Roma in its commitment to an optimal management of the airport system in order to effectively meet the trend of traffic volumes, combining service quality with security of airport operations, the protection of health and safety in the workplace, environmental protection and efficient use of energy resources.

WASTE SORTING
SAVING & REUSE OF WATER
ENERGY SAVING
PROTECTION EFFICIENCY

SYNTHETIC DATA AND GENERAL INFORMATION

MESSAGE TO THE SHAREHOLDERS

In 2017, the ADR Group achieved significantly positive results in a period characterized, from a macro-economic point of view, by a slow recovery, also supported by the expansive monetary policy adopted by the central banks, though still not resulting in considerable and sustainable economic growth.

International instability, affecting air traffic trends, derived from the latest serious terrorist attacks committed also in important European capitals, and from the political crisis in Spain, connected to Catalonia declaring independence from the central government; nationally, the scenario was marked by the economic-financial crisis of the airline Alitalia, culminating with the start of the extraordinary administration for the carrier starting from May and still underway.

In this context, the Group's positive performance is attributable to management focusing on infrastructural development as planned, in the framework outlined in the Planning Agreement and in line with traffic developments, the commercial valorization of the high-end traffic flows and the improvement of the quality standards while guaranteeing adequate levels of operating efficiency.

In this sense, an important contribution to the results came from the opening of the new Departure area E and the Front Building of Terminal 3 which, with more than 53,000 square meters dedicated to end-user comfort and retail activities, allowed us to attain the dual objective of improving the customer experience and the Group's profitability.

Traffic volumes remained essentially stable in 2017 compared to the previous year, with about 47 million passengers using Rome's airports. Fiumicino airport recorded a 1.9% drop in volumes mainly due to the known affairs connected to the situation of Alitalia, while Ciampino airport showed a growth of 9.1%: these trends were also affected by the closure of Ciampino airport in October 2016, consequently to the upgrade of the runway.

From a volume standpoint, the traffic performance was overall in line with 2016; as regards the breakdown of passengers, 2017 was a record year for traffic in the international segment and, in particular, for flights to and from Non-EU destinations, with a growth in passengers equal to 6.4% compared to 2016. This increase confirms the Group's strategy targeting the development of frequencies and new routes to the main global destinations. Once again this year, Fiumicino was one of the European airports with the most direct flights to and from China, with a traffic developing by more than 13% compared to the previous year.

As regards Rome's airports, the modernization and development works continued at full pace. In 2017 the Group made about 207 million euros worth of investments.

Regarding the creation of the New Pier A and the Front Building of Terminal 1 in particular, the works relating to Lot 1 were started in October, following the approval of the project by ENAC.

Also the works for upgrading runway 1 were carried out and initiatives are still in progress to develop the airside capacity, with works to build new aprons in the west area and in quadrant 300. Adjustment works were completed at Terminal 3 and Terminal 1 with the aim of receiving sensitive flights, which were first managed by Terminal 5.

With a view to consolidating the quality standards achieved, the creation of the renovation and improvement action plan continues.

The focus on service quality remains at the heart of the Group's strategy. In this respect both the quality perceived by passengers and that provided were higher than the 2016 figure. For all of 2017, Fiumicino airport was the best liked by passengers among the main hubs in the European Union[1].

[1] Source: *Airport Service Quality - Airports Council International*

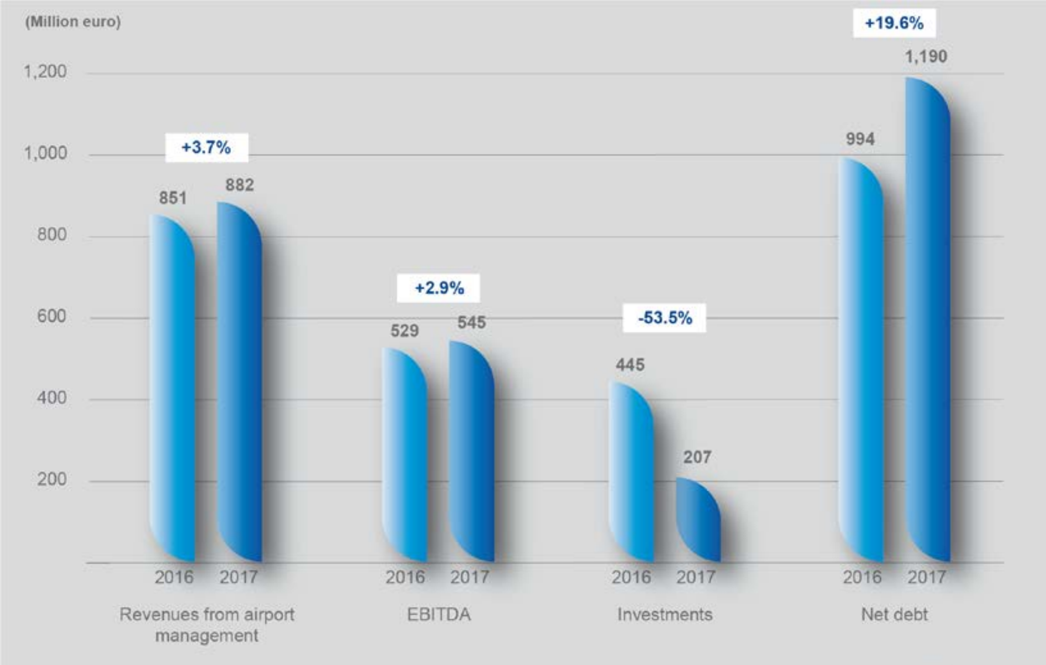
During 2017 Aeroporti di Roma also participated in the *"World Airport Rating"* program by *Skytrax*, an international rating organization for air transport that analyzes the quality offered to passengers at airports through the assessment of about 800 Key Performance Indicators. Following the audit conducted by the Skytrax inspectors, Fiumicino airport was attributed four out of five stars for the global passenger experience.

The positive results recorded in terms of long-haul traffic development and financial and economic performance, combined with consolidation of the position of solid Investment Grade, confirmed by the new issue of bonds places successfully at international institutional investors, meant that the ADR Group further consolidated its position as a leading player in the national air transport scenario and acquired an increasingly influential profile at global level.

In this context, the Group intends to continue its process of growth and development, always ensuring greater attention to the valuable relationship with the stakeholders and with the territory, guaranteeing the market an effective and efficient management, and contributing to the growth of the economy and the Italian system as a whole.

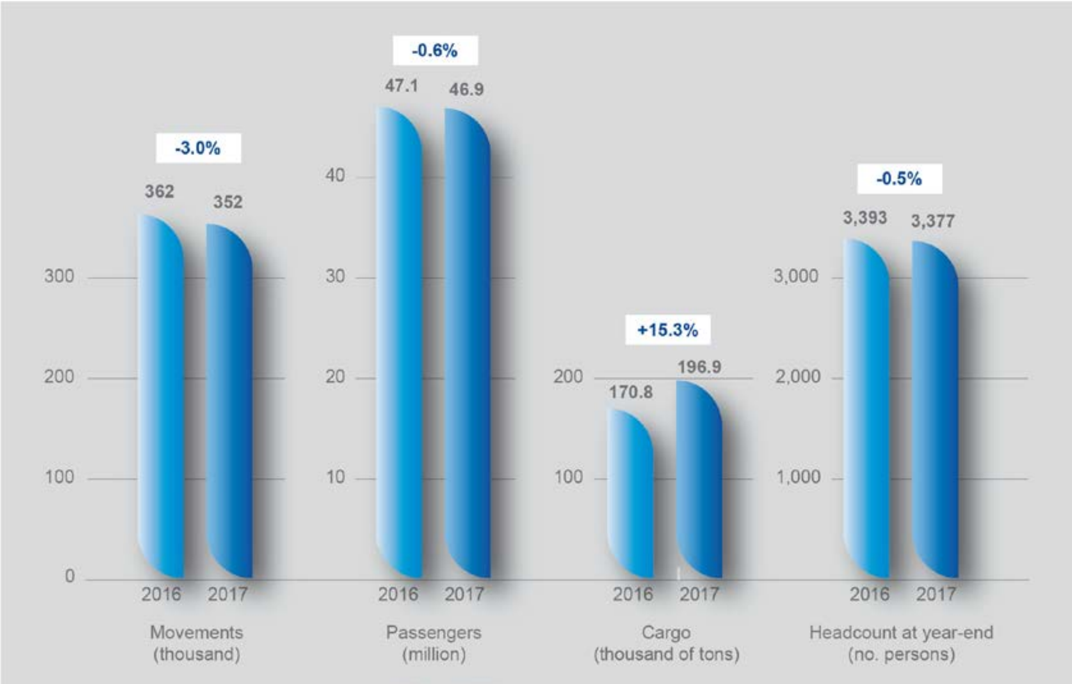
The Chairman **The Managing Director**

MAIN ECONOMIC AND FINANCIAL HIGHLIGHTS OF THE GROUP



	2017	2016
CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)		
Revenues from airport management	881,909	850,608
Gross operating income (EBITDA)	544,575	528,986
EBITDA %	61.7%	62.2%
Operating income (EBIT)	401,664	393,368
EBIT %	45.5%	46.2%
Net income (loss)	244,972	219,727
Group share of income (loss)	244,972	219,727
Investments	206,691	444,875
	12.31.2017	12.31.2016
Net invested capital	2,297,923	2,100,874
Shareholders' Equity (including minority interests)	1,108,224	1,106,402
Group Shareholders' Equity	1,108,224	1,106,402
Net debt	1,189,699	994,472
Net debt/Shareholders' equity	1.1	0.9
CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)	2017	2016
Net debt/EBITDA	2.2	1.9
R.O.I. (Operating income/Net invested capital)	17.5%	18.7%
RATING	12.31.2017	12.31.2016
Standard & Poor’s	BBB+	BBB+
Moody’s	Baa1	Baa1
Fitch Rating	BBB+	BBB+

OPERATING HIGHLIGHTS OF THE GROUP



	2017	2016
TRAFFIC VOLUMES		
Movements (no./000)	352	362
Total passengers (no./000)	46,858	47,140
Total cargo (tons)	196,940	170,780
GROUP HUMAN RESOURCES		
Average headcount (no. of individuals)	3,111	3,039
Headcount at year end (no. of individuals)	3,377	3,393
Average hours of training per employee	26	26
Number of accidents (no.)	259	298
Accident severity index	2.6%	3.9%
SERVICE QUALITY - FIUMICINO (%)		
Waiting time for baggage security checks *	97.9	97.5
Waiting time for last baggage claim - domestic*	96.1	93.1
Waiting time at domestic check-in desk*	90.7	94.3
ENVIRONMENT		
Electricity consumption (kWh)	182,663,248	161,284,639
Water withdrawal (m3)	2,080,540	2,101,355
Waste produced (tons)	12,990	11,830

* within time limits set by the Service Charter.

CORPORATE BODIES
(as at December 31, 2017)

BOARD OF DIRECTORS
(in office until the Meeting to approve the Financial Statements 2018)

> **CHAIRMAN**
> Antonio Catricalà

> **MANAGING DIRECTOR**
> Ugo de Carolis

> **DIRECTORS**
> Tommaso Barracco
> Carlo Bertazzo
> Giovanni Castellucci
> Giancarlo Guenzi

> **SECRETARY**
> Guglielmo Bove

GENERAL MANAGER > **Gian Luca Littarru**

BOARD OF STATUTORY AUDITORS
(in office until the Meeting to approve the Financial Statements 2018)

> **CHAIRMAN**
> Giampiero Riccardi

STATUTORY AUDITORS
Alessandro Bonura
Mauro Romano
Mario Tonucci
Pier Vittorio Vietti

ALTERNATE AUDITORS
Fabio Margara
Massimiliano Troiani

INDEPENDENT AUDITOR
(years 2013-2021)

> **EY SpA**

THE GROUP'S STRUCTURE
(as at December 31, 2017)

LOCAL AUTHORITIES

Metropolitan City of Rome	0.251%
Municipality of Fiumicino	0.100%

OTHERS

0.265%

Atlantia
99.384%

Aeroporti di Roma (*)

SUBSIDIARIES UNDERTAKINGS

ADR Tel SpA
99%

ADR Sviluppo Srl
100%

(ADR Tel SpA 99%, ADR Sviluppo Srl 1%)

ADR Assistance Srl
100%

ADR Security Srl
100%

ADR Mobility Srl
100%

Airport Cleaning Srl
100%

INVESTMENTS IN OTHER COMPANIES

Pavimental SpA
20%

Spea Engineering SpA
20%

Aeroporto di Genova SpA
15%

S.A.CAL. SpA
9.23%

Leonardo Energia Scarl
10%

Azzurra Aeroporti Srl
10%

(*) ADR SpA also holds a 25% interest in Consorzio E.T.L. - European Transport Law in liquidation and a 1% interest in Consorzio Autostrade Italiane Energia (CAIE).

MANAGEMENT REPORT ON OPERATIONS

MANAGEMENT REPORT ON OPERATIONS

CORE BUSINESS

Reference scenario

Airport sector performance

Aeronautical

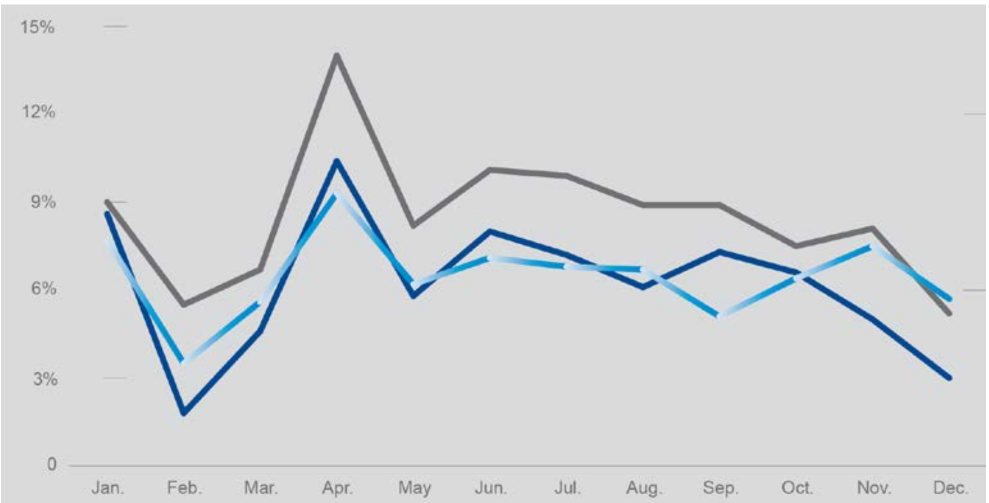
Air traffic grew worldwide for the eighth year in a row, aided by the improved global economy and the drop in the price of oil.

As a whole, airports recorded movements for more than 6.7 billion passengers and 100.9 million tons of transported cargo, rising 6.4% and 7.9% respectively, compared to 2016[2].

Good results were achieved for each geographic area, with developments in both the international segment (+8.4%) and the domestic segment (+4.9%). In particular, Asia recorded an increase of +7.8%, supported by China, which in the last decade tripled the traffic volumes. Also Europe improved at the end of the year just concluded, recording an increase in passenger traffic of 8.5%. While in Asia a development trend continues in internal and domestic flows, Europe saw a greater contribution from the international segment (+9.6%), combined, to a lesser extent, with the good performance of the domestic market (+5.6%).

With reference to the Italian market, during 2017 passenger traffic increased in line with the industry trend, recording growth of +6.4%[3]. The comparison reveals an international growth of 8.3%, while the increase in domestic traffic was more modest (+3.0%) due to greater competition from the High-speed rail, which is eroding traffic volumes on the main North-Centre and Centre-South connection basins. Finally, there are also good results for the cargo traffic, growing by +9.2%.

GRAPH 1. Percentage change in passenger traffic vs 2016: World, Europe and Italy

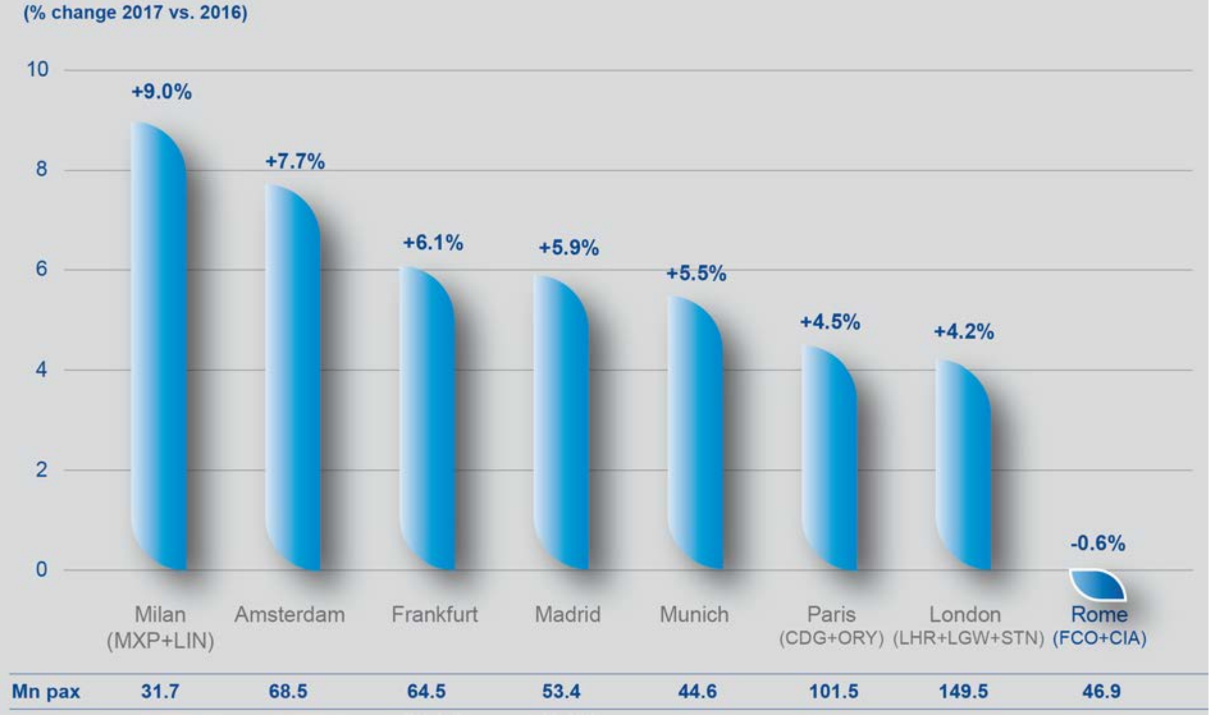


	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
World	7.7%	3.5%	5.6%	9.3%	6.2%	7.1%	6.8%	6.7%	5.1%	6.4%	7.5%	5.7%
Europe	9.0%	5.5%	6.7%	14.0%	8.2%	10.1%	9.9%	8.9%	8.9%	7.5%	8.1%	5.2%
Italy	8.6%	1.8%	4.6%	10.4%	5.8%	8.0%	7.2%	6.1%	7.3%	6.6%	5.0%	3.0%

[2] Source: ACI Pax/Freight Flash Report (January-December 2017).
[3] Source: Assaeroporti (January-December 2017).

The Roman airport system is the seventh in Europe in terms of passenger traffic volumes. In 2017 the main European airport operators recorded results ranging between -0.6% for Rome and +9.0% for Milan; the graph below shows overall traffic volumes and the related percentage differences compared to the previous year.

GRAPH 2. Results of the main airport systems in Europe



Source: ACI Rapidex (January-December 2017).

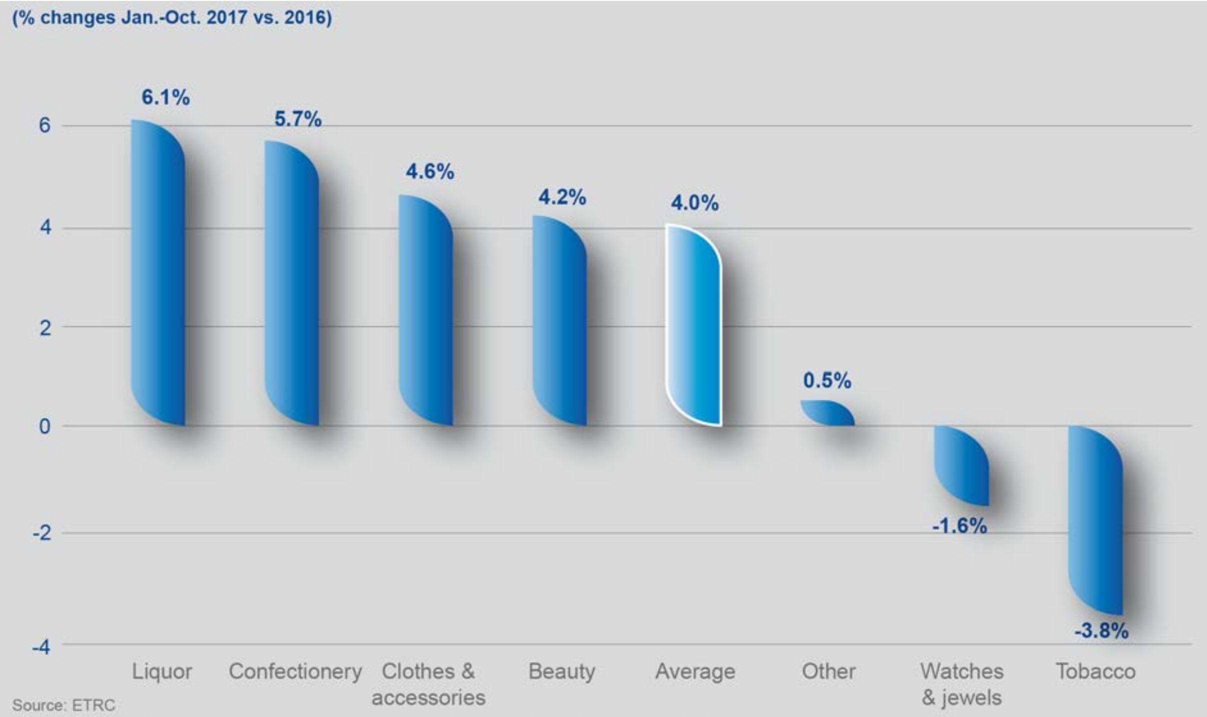
Non-aeronautical

The Travel Retail market recorded an overall negative trend at both national and international level. In Europe, this segment recorded a decline in passenger expenditure of 4.5%, despite the higher number of passengers.

The results in Europe were affected by the currency component on the main high spender passenger segments (increase of the Euro against the Dollar, Yen, Chinese Yuan, Pound Sterling and Ruble).

As shown in Graph 3, the categories with the greatest growth rate were: Liquors, Confectionary, Clothing and Accessories (including the “Luxury” segment); Watches and Jewelry and Tobacco recorded a decline.

GRAPH 3. Travel Retail, Percentage change in expenditure volumes by category compared to 2016[4]



[4] ETRC (European Travel Retail Confederation) Sales Index – Data relating to the period January-October 2017.

The Roman Airport System

Aeronautical

During 2017 about 46.9 million passengers used the Roman airport system, a total volume essentially in line (-0.6%) with the previous year. In terms of capacity, a decrease was recorded in movements (-3.0%), aircraft tonnage (-1.4%) and seats (-1.7%). The more than proportional increase in passengers compared to the capacity offered resulted in an improved average load rate (79.1%), which grew by 0.9 percentage points.

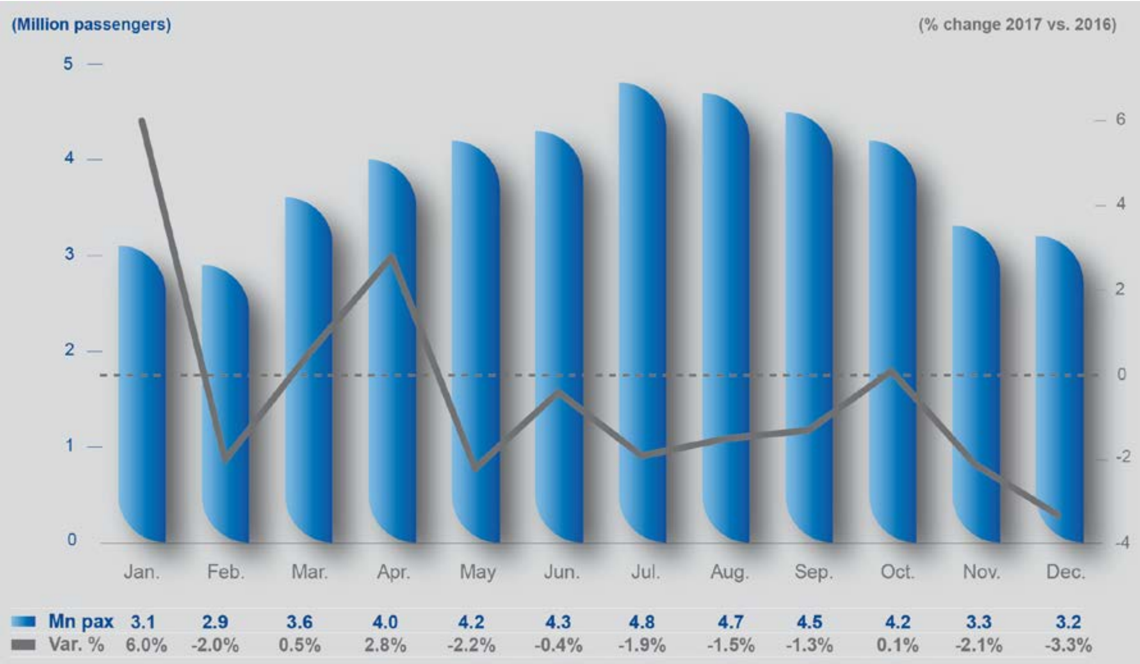
TABLE 1. Main traffic data of the Roman airport system

	2017	2016	Δ%
Movements (No.)	**351,727**	**362,419**	**(3.0%)**
Fiumicino	297,491	314,167	(5.3%)
Ciampino	54,236	48,252	12.4%
Passengers (No.)	**46,857,693**	**47,140,468**	**(0.6%)**
Fiumicino	40,971,881	41,744,769	(1.9%)
Ciampino	5,885,812	5,395,699	9.1%
of which: boarded	23,365,521	23,503,956	(0.6%)
Fiumicino	20,408,629	20,798,925	(1.9%)
Ciampino	2,956,892	2,705,031	9.3%
Cargo (t.)	**196,940**	**170,780**	**15.3%**
Fiumicino	179,927	155,013	16.1%
Ciampino	17,013	15,767	7.9%
Carriers (no.)			
Fiumicino	91	91	0.0%
Ciampino	2	2	0.0%
Destinations (no.)			
Fiumicino	203	206	(1.5%)
Ciampino	56	56	0.0%

During 2017 a structural maintenance of the network took place, due to new connections and an increase of the offer to international destinations already served, in particular outside Europe, which allowed, against a decrease in connections on the domestic markets, a continuity of the traffic volumes managed.

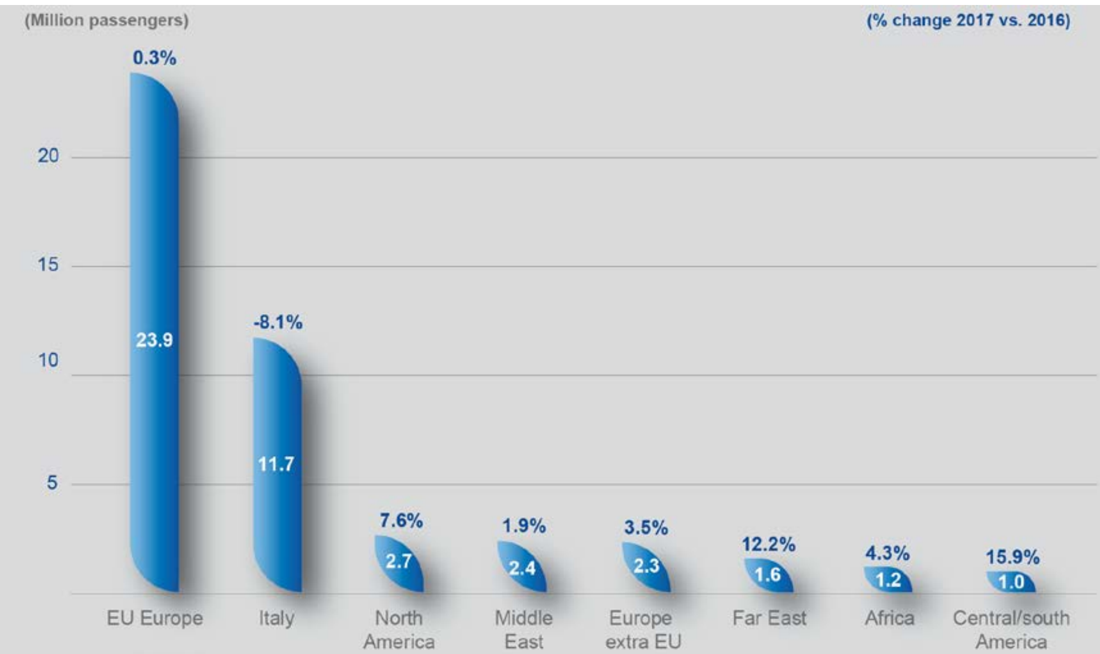
The graph below shows the monthly trend of passenger traffic both in terms of absolute volumes and percentage difference compared to the previous year.

GRAPH 1. Monthly trend in passenger traffic in the Roman airport system compared to 2016



In terms of distribution of passengers by geographic area, mention should be made of the growth in the Central/South America (+15.9%), Far East (+12.2%), North America (+7.6%), Africa (+4.3%) and Non-EU Europe (+3.5%) and the Middle East (+1.9%); EU Europe essentially stable (+0.3%), against the decreases recorded in domestic traffic (-8.1%).

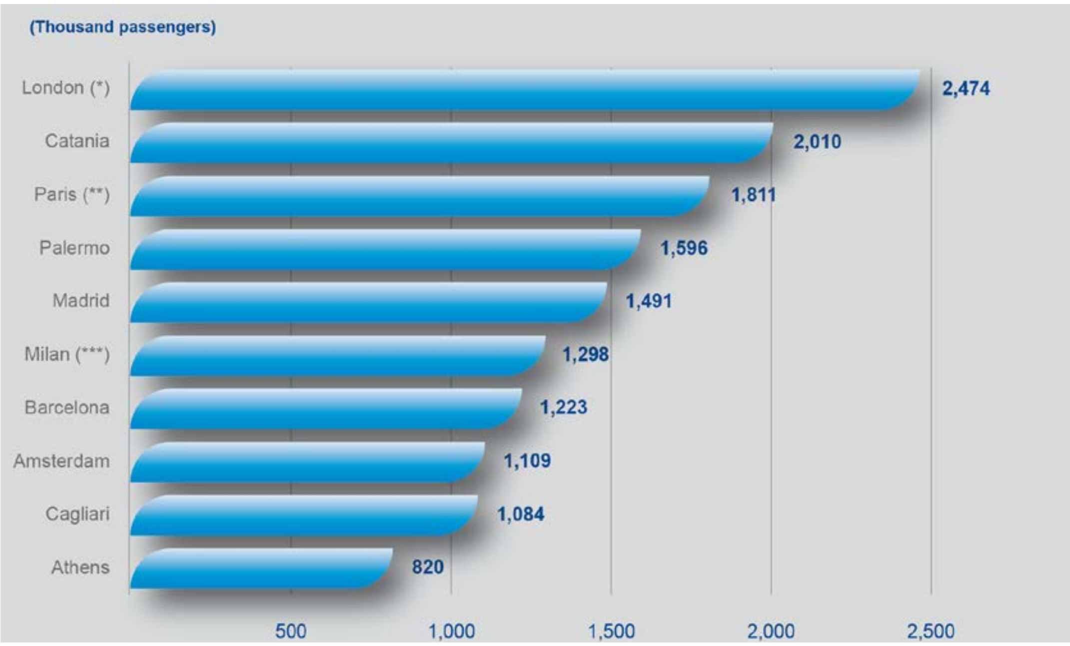
GRAPH 2. Passenger traffic distribution of the Roman airport system by geographic area



GRAPH 3. 2017 traffic composition for the Roman airport system (millions of passengers)

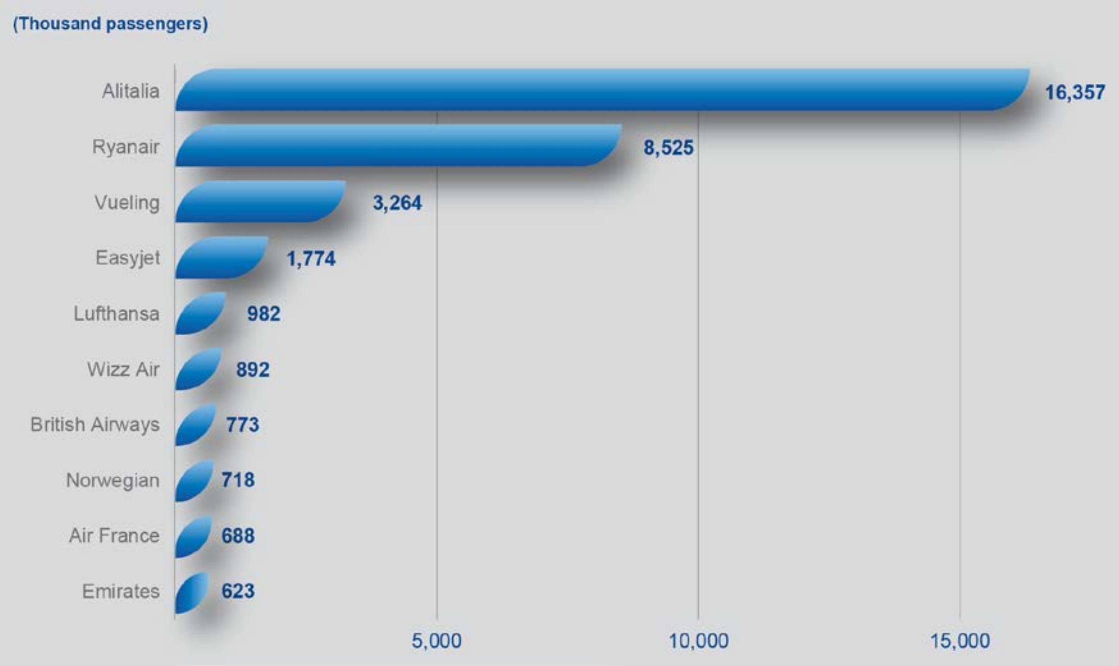
In terms of network, the Roman airport system, with the two airports of Fiumicino and Ciampino, permanently connected more than 230 destinations through about 100 airlines. The carriers and the most significant destinations are reported in the graphs below.

GRAPH 4. Main destinations served



(*) London: Heathrow, Gatwick, Stansted, Luton, London City
(**) Paris: Charles de Gaulle, Orly, Le Bourget
(***) Milan: Linate, Malpensa

GRAPH 5. Main carriers



Fiumicino

Fiumicino airport, which permanently connected Rome with more than 200 destinations, welcomed about 41 million passengers in 2017.

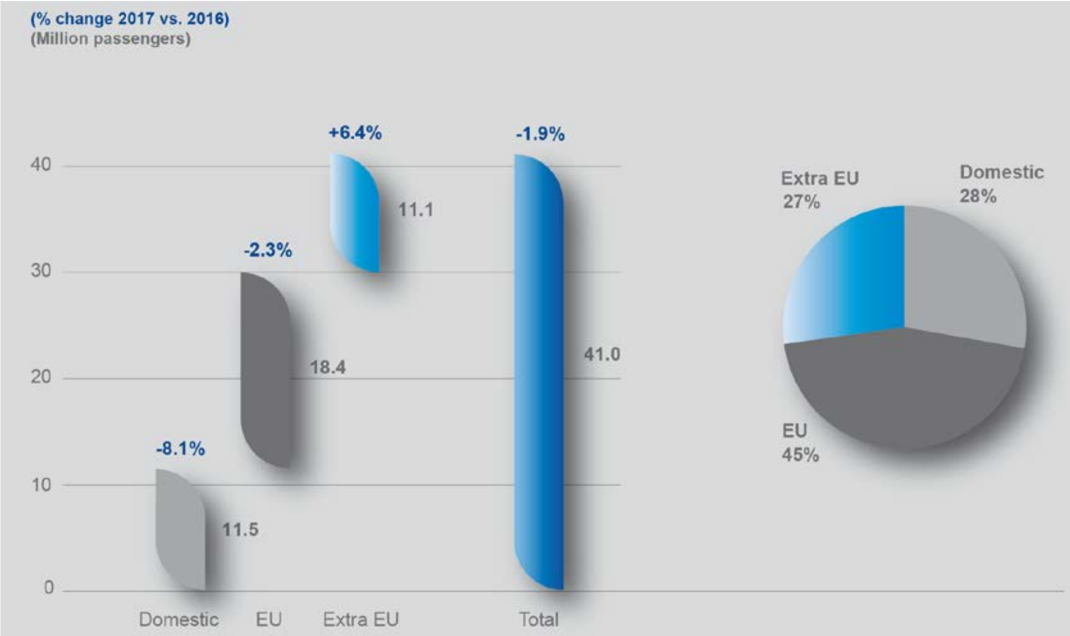
An analysis of the individual geographic areas reveals how the decreased volumes are the effect of the drop in movements on the domestic and European market, lessened by the strong increase on the Non-EU front.

International flows rose by +0.8%, with a growth of about 240 thousand additional passengers, for a total of about 29.5 million passengers. This increase is mainly due to traffic to non-EU destinations (about 11.1 million passengers, +6.4%), with positive performances to all the geographic areas.

Traffic volumes to the European Union are down (about 18.4 million passengers, -2.3%), just like those to the domestic segment (more than 11.5 million passengers, -8.1%), mainly due to the reductions in the offer of Alitalia and Ryanair.

The average load factor stands at 77.8%, with a growth of 0.7% compared to the previous year.

GRAPH 6. 2017 traffic composition at Fiumicino airport (millions of passengers)



The following results emerge when analyzing the performance of international traffic by geographic area:

- Europe (-1.7%): overall traffic from/to Europe (EU and non-EU) accounted for 50.4% of passenger traffic at Fiumicino. The collapsing volumes are mainly attributable to the reductions and cancellations on the EU networks of Alitalia and Ryanair. Non-UE traffic is increasing instead (+2.7%), especially as a consequence of the recovered traffic to Russia, Ukraine, Albania and the good performance towards Norway;
- Middle East (+1.9%): the positive results are attributable to the introduction of Vueling's Tel Aviv flight in October 2016, with a positive impact over the entire year 2017, replicated by Ryanair at the end of October 2017, in addition to the consolidation of the routes started in previous years (Dubai with Emirates, Abu Dhabi with Etihad and Doha in Qatar);
- North America (+7.6%): the increase in traffic is mainly attributable to the excellent performance of American Airlines, opening a new flight to Dallas in May, Norwegian starting operations on New York and Los Angeles, and the good results on the main airports in North America (Atlanta, Chicago and Canada);
- Far East (+12.2%): the growth is attributable to the developments started to China and Korea during 2016, which also had a positive impact throughout 2017. Worth highlighting is also the good performance of Alitalia (+23.2%) with the start of operations to Delhi and Male in October 2017;
- Central South America (+15.9%): the positive results mainly derive from Alitalia's excellent performance (+17.5%), thanks to the 2016 start-up of flights for Santiago in Chile, Mexico City and Havana, in addition to intensified connections to Sao Paulo; Another contribution comes from the increase in frequencies by Aerolineas Argentinas, which since the summer of 2017 has offered its daily product on Buenos Aires;
- Africa (+5.3%): the good performance derives from a partial recovery of the traffic lost in previous years due to geo-political issues, mainly towards the North African area.

The following table summarizes the additional developments (new connections and increases in frequency on routes already served) in 2017.

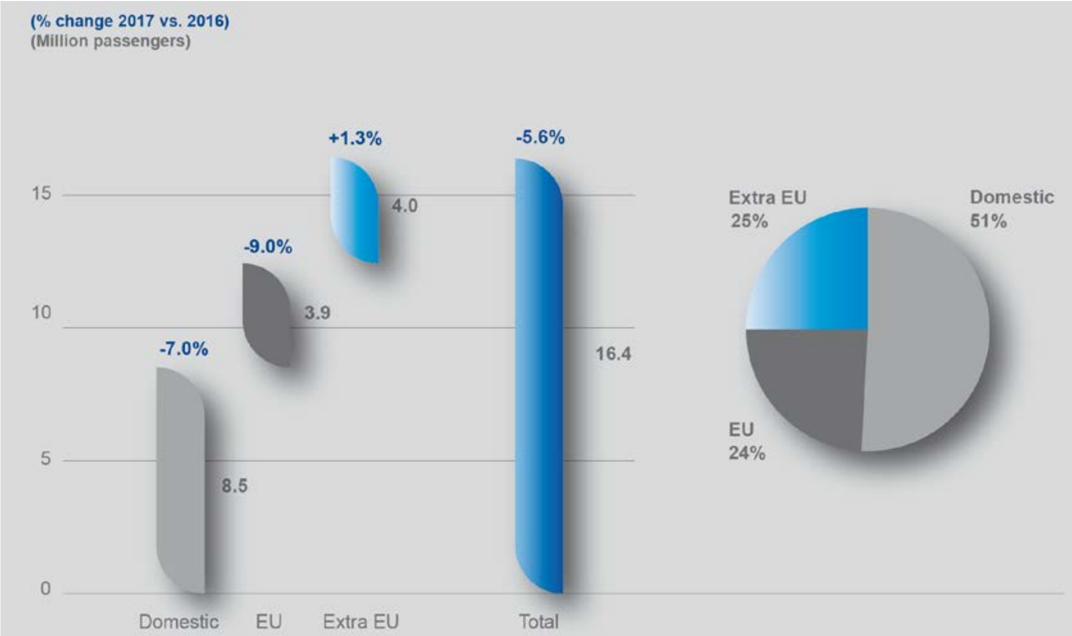
TABLE 2. New connections and increases in frequency in 2017

SEGMENT	TYPE	CARRIER	DESTINATION
DOMESTIC	Main new flights	Alitalia	Trapani S
	Main frequency/capacity increases on existing routes	Blue Panorama	Reggio Calabria A
EU	Main new flights	Flybe	Cardiff A
		Blue Air	Constanta S, Liverpool A
		Darwin Airlines	Lugano S
	Main frequency/capacity increases on existing routes	Blue Air	Bucharest A
		Eurowings	Wien A
		Alitalia	Malaga
		Air Malta	Malta A
		Norwegian	Stockholm A
		KLM	Amsterdam A
		Brussels Airlines	Brussels A
		British Airways	London A
		Air France	Paris A
		Ryanair	Ibiza S
NON-EU	Main new flights	American Airlines	Dallas S
		Flyone	Chisinau S
		Alitalia	Kiev A, Delhi A, Male S
		Norwegian	Newark A, Los Angeles A
		Air Arabia Maroc	Fez A
		S7 Airlines	Moscow A
		Ural Airlines	Zhukowsky A
		Ryanair	Tel Aviv
	Main frequency/capacity increases on existing routes	Singapore Airlines	Singapore A
		Asiana Airlines	Seoul A
		Aerolineas Argentinas	Buenos Aires A
		Kuwait Airways	Kuwait City A
		Alitalia	Sao Paulo A, Los Angeles, Tunis
		Emirates	Dubai A
		Turkish	Istanbul A
		United	Newark A
		Delta	Atlanta A
		Aeroflot	Moscow A
		China Airlines	Taipei A
		Korean Air	Seoul A
		Qatar Airways	Doha A

A: Annual
S: Seasonal

Passenger traffic trends at Fiumicino airport are influenced by the performance of the main carrier (Alitalia, with a share of around 40% of traffic), which in 2017 experienced a loss of passengers transported equal to -5.6% compared to the previous year. The negative result is attributable to a drop on the domestic (-7.0%) and European market (-9.0%), against the growth of the extra European market (+1.3%).

GRAPH 7. 2017 traffic composition for the carrier Alitalia

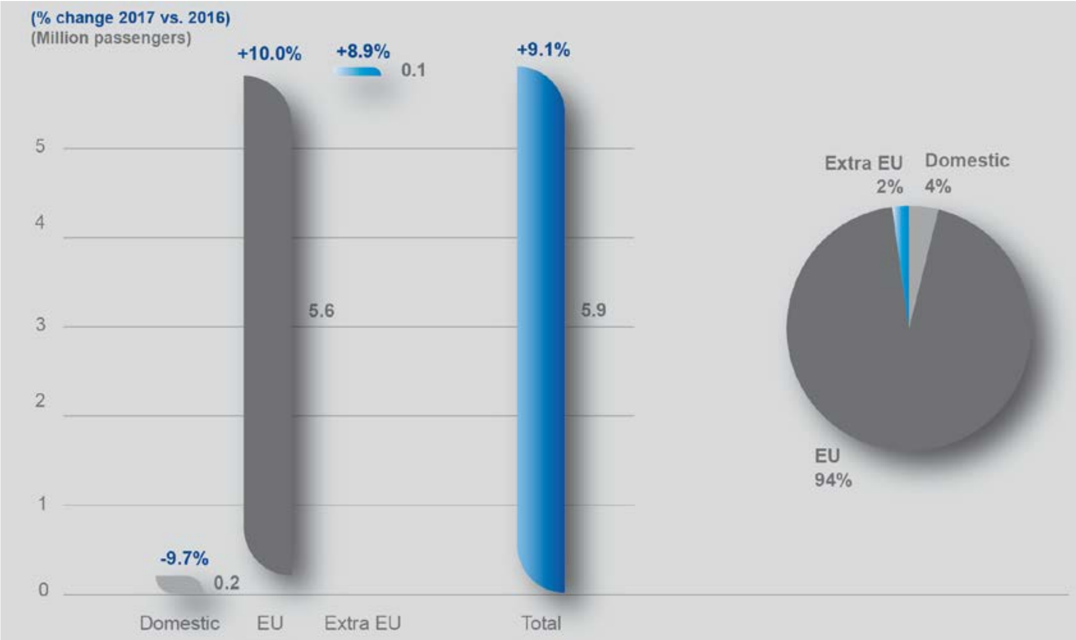


Ciampino

Ciampino airport in 2017 recorded a strong increase in passengers transported of +9.1%, in movements (+12.4%) and seats offered onboard the aircraft (+6.9%). The coefficient of the load factor rose (+1.8%), coming to 88.6%. However please note that part of the positive results is to be attributed to the positive delta of October 2017 compared to the same month of 2016, when the airport was closed to traffic for two weeks whilst runway resurfacing works were carried out.

In reference to traffic to the main geographic areas, the passengers transported to EU destinations represented 94% of total traffic, recording a +10% increase due to the introduction of new Ryanair routes (the airport's main carrier) to Nuremberg, Sofia, Prague, Lourdes and the increased frequencies for Valencia, Edinburgh, Berlin, Manchester, Budapest, Athens and Porto. Finally, the domestic segment recorded a drop of -9.7%, essentially due to the closure of some destinations operating during 2016 (Alghero, Crotone and Trapani) and the reduction in frequency to Cagliari.

GRAPH 8. 2017 traffic composition for Ciampino airport



Non-aeronautical

Non-aeronautical activities within the Roman airport system generated 27.4% of revenues from airport management deriving from the activities of the Aeroporti di Roma Group ("ADR Group").

In particular, please note the growth in commercial sub-concessions (+17.5%), mainly thanks to the full operation of the new "Commercial Front Building" and the improved passenger mix, which is qualitatively more favorable for commercial activities. All the categories, benefitting from this context, recorded a positive performance: the Core Categories increased revenues by 13.6%, Specialist Retail by 24.1%, mostly due to the "Luxury" segment and Food & Beverage by 14.9%. Also Commercial Service category recorded a positive performance (+21.7%), especially thanks to the growth of Extra-Schengen passengers.

TABLE 1. Main indicators of non-aeronautical activities for Fiumicino

	M.U.	2017	2016	Δ%
Shop average spending	€ / outbound passenger	14.69	12.23	20.1%
Retail area per million passengers	average m2	726	534	36.0%
Refreshment average spending	€ / outbound passenger	5.16	4.81	7.4%
Refreshment outlet per million passengers	average m2	668	576	16.0%
Passenger car parking average spending	€ / outgoing passenger	1.30	1.34	(3.0%)

TABLE 2. Main indicators of non-aeronautical activities for Ciampino

	M.U.	2017	2016	Δ%
Shop average spending	€ / outbound passenger	4.35	5.18	(16.0%)
Retail area per million passengers	average m2	237	310	(23.5%)
Refreshment average spending	€ / outbound passenger	3.23	3.19	1.3%
Refreshment outlet per million passengers	average m2	229	264	(13.3%)
Passenger car parking average spending	€ / outgoing passenger	0.70	0.77	(9.1%)

Consolidated financial review

Consolidated economic performance

TABLE 1. Reclassified consolidated income statement

(THOUSANDS OF EUROS)	2017	2016	Change	% Change
Revenues from airport management of which:	881,909	850,608	31,301	3.7%
aeronautical revenues	640,340	635,700	4,640	0.7%
non-aeronautical revenues	241,569	214,908	26,661	12.4%
Revenues from construction services	117,224	302,777	(185,553)	(61.3%)
Other operating income	18,789	32,773	(13,984)	(42.7%)
Total revenues	**1,017,922**	**1,186,158**	**(168,236)**	**(14.2%)**
External operating costs	(164,442)	(172,609)	8,167	(4.7%)
Costs for construction services	(109,269)	(291,215)	181,946	(62.5%)
Concession fees	(33,461)	(34,711)	1,250	(3.6%)
Payroll costs	(166,175)	(158,637)	(7,538)	4.8%
Total net operating costs	**(473,347)**	**(657,172)**	**183,825**	**(28.0%)**
Gross operating income (EBITDA)	**544,575**	**528,986**	**15,589**	**2.9%**
Amortization and depreciation, write-downs and reversals	(91,488)	(75,751)	(15,737)	20.8%
Allocation to provisions and other adjusting provisions	(51,423)	(59,867)	8,444	(14.1%)
Operating income (EBIT)	**401,664**	**393,368**	**8,296**	**2.1%**
Financial income (expense)	(52,991)	(47,646)	(5,345)	11.2%
Share of profit (loss) of associates accounted for using the equity method	5,229	(5,210)	10,439	(200.4%)
Income (loss) before taxes from continuing operations	**353,902**	**340,512**	**13,390**	**3.9%**
Taxes	(108,930)	(120,785)	11,855	(9.8%)
Net income (loss) from continuing operations	**244,972**	**219,727**	**25,245**	**11.5%**
Net income (loss) from discontinued operations	0	0	0	0.0%
Net income (loss) for the year	**244,972**	**219,727**	**25,245**	**11.5%**
Share of income (loss) for the year pertaining to third party shareholders	0	**0**	0	0.0%
Group share of income (loss) for the year	**244,972**	**219,727**	**25,245**	**11.5%**

Revenues

- Revenues from airport management, equal to 881.9 million euros, rose by 3.7% compared to the reference year, essentially due to the development of aeronautical activities (+0.7%), also consequently to the positive effect on the first two months of the year of the adjustment of the unit fees, updated each year from March 1. The non-aeronautical segment grew more significantly (+12.4%), driven by the positive performance of commercial sub-concessions (+17.5%), mainly linked to the commercial areas of the new “Front Building” of Terminal E coming into operation, and to the real estate sub-concessions, growing by 12.0%.
- Revenues from construction services equaled 117.2 million euros. The planned decrease compared to 2016 (-185.6 million euros) derives from a comparison with the previous year, characterized by a particularly high investment volume consequently to the completion of new important infrastructure, and mainly the new Front Building of terminal 3 and the first part of the departure area E.

- Other operating income amounted to 18.8 million euros, down by 14.0 million euros compared to 2016, a year which though had been affected, as a non recurring entry, by the definition of the insurance claim to cover the extra costs and the restoration and salvage costs incurred as a result of the fire at Terminal 3.

Net operating costs

- External operating costs, equal to 164.4 million euros, fell by 8.2 million euros overall compared to the end of 2016. In addition to the reduction in the costs for professional services and the costs for commercial development (promotional initiatives), this result benefits from the fact that 2016 was still affected, in the first part of the year, by the operating penalization due to the fire at Terminal 3 of May 2015. However, this performance was initially offset by the impact on the costs determined by entry into operation of the new airport infrastructure.
- Costs for construction services, equal to 109.3 million euros, fell, consistently with the trend of the corresponding revenues, by 181.9 million euros compared to the comparative period.
- The liability for concession fees amount to 33.5 million euros and decrease by 1.3 million euros compared to the comparative year in line with the adjustment of the parameters for calculating the concession fees to the inflation trend.
- Payroll costs, amounting to 166.2 million euros, rose by 4.8% (+7.5 million euros) in relation to the increase of the average cost, the higher average headcount of the ADR Group (+72 FTE) and the evolution of the fair value of the stock incentive plans. The increase in the average headcount is essentially attributable to the extension of the perimeter of the activities of Airport Cleaning to the newly created areas (Front Building and Pier E), to the initiatives of internalization and enhancement of maintenance activities, the increase in the points not directly connected with the trend of passenger traffic (e.g. facilitation at e-gates for boarding passes, direct management of service passages), the enhancement of the activities of information to passengers and first aid at Ciampino airport, in addition to the upgrade of the areas supporting the business. The effects described above were partially offset by the initiatives to make the cleaning activities and security check processes for passengers at check points more efficient.

Gross operating income (EBITDA)

The gross operating income (EBITDA), equal to 544.6 million euros, rose by 15.6 million euros compared to 2016 (+2.9%).

Amortization and depreciation

Amortization of intangible assets and depreciation of tangible assets stood at 91.5 million euros and mainly represented amortization of the airport concession owned by the Parent Company Aeroporti di Roma S.p.A. (hereinafter “ADR”, the “Parent Company” or the “Company”). The 15.7 million euros increase compared to 2016 is attributable to the operational start-up of new systems and infrastructures at the end of last year.

Allocation to provisions and other adjusting provisions

This item, totaling 51.4 million euros (59.9 million euros in the comparison period), is broken down as follows:

- allocation to the provisions for renovation of airport infrastructure, amounting to 44.3 million euros (54.1 million euros in the comparison period), as a result of the updated estimate of the expenses for restoration and replacement work scheduled in the latest business plan approved. The decrease compared to 2016 of 9.8 million euros is attributable for 3.3 million euros to the effect of the update of the interest rate taken as reference for the discounting of the financial flows expected in the future, which recorded a favorable trend in the six months in question, while in the comparison period it incurred a reduction, with a negative impact on the allocation of the period;

- provisions for risks and charges for 0.5 million euros, down 3.4 million euros compared to 2016;
- provisions for doubtful accounts, equal to 6.6 million euros (+4.7 million euros compared to 2016), mainly attributable to the receivables from Alitalia SAI under special administration accrued in the period before the carrier started the procedure, and for which there is no guarantee or privilege protecting the future collection.

Operating income (EBIT)

Operating income (EBIT) was equal to 401.7 million euros, increasing by 8.3 million euros (+2.1%) compared to 2016.

Financial income (expense)

Net financial expense amounts to 53.0 million euros, up 5.3 million euros (+11.2%) mainly due to the forward starting hedging contracts coming into operation, signed in 2015 and activated in the first half of 2017, as well as the increase in average indebtedness, effects partly offset by the reduction and the rate applied for the discounting provisions for renovation.

Share of profit (loss) of associates accounted for using the equity method

This item, equal to +5.2 million euros (-5.2 million euros in the comparison period), includes the revaluation of the equity investments in the associates Spea Engineering S.p.A. (+1.2 million euros) and Pavimental S.p.A. (+4.0 million euros).

Group share of income (loss) for the year

Net of the tax burden estimated for current and deferred taxation at 108.9 million euros (120.8 million euros in the comparative period), which takes into account the reduction of the IRES rate to 24% starting from January 1, 2017, the ADR Group, recorded as at December 31, 2017 a net profit of 245.0 million euros, growing by 25.2 million euros.

TABLE 2. Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	2017	2016
NET INCOME FOR THE YEAR	**244,972**	**219,727**
Profits (losses) from fair value measurement of the cash flow hedges	13,521	(3,607)
Tax effect	(3,244)	619
Share pertaining to the "other components of comprehensive income" of equity investments accounted for using the equity method	101	(89)
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**10,378**	**(3,077)**
Income (loss) from actuarial valuation of employee benefits	(172)	(566)
Tax effect	42	101
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(130)**	**(465)**
Reclassifications of the other components of the comprehensive income statement for the year	**1,370**	**0**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**11,618**	**(3,542)**
COMPREHENSIVE INCOME FOR THE YEAR	**256,590**	**216,185**
of which		
Comprehensive income attributable to the Group	256,590	216,185

Consolidated financial performance

TABLE 3. Reclassified consolidated balance sheet

	(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	Change
	Intangible fixed assets	2,349,800	2,275,581	74,219
	Tangible fixed assets	52,280	52,980	(700)
	Non-current financial assets	78,079	75,120	2,959
	Deferred tax assets	65,129	101,346	(36,217)
	Other non-current assets	443	432	11
A	FIXED ASSETS	2,545,731	2,505,459	40,272
	Trade assets	319,309	293,774	25,535
	Other current assets	14,058	51,392	(37,334)
	Current tax assets	18,881	8,348	10,533
	Trade liabilities	(191,502)	(289,739)	98,237
	Other current liabilities	(172,284)	(140,861)	(31,423)
	Current tax liabilities	(483)	(21,816)	21,333
B	WORKING CAPITAL	(12,021)	(98,902)	86,881
	Provisions for employee benefits	(938)	(1,437)	499
	Provisions for renovation of airport infrastructure	(68,799)	(98,610)	29,811
	Other allowances for risks and charges	(14,028)	(52,013)	37,985
C	CURRENT SHARE OF PROVISIONS	(83,765)	(152,060)	68,295
D = B + C	WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS	(95,786)	(250,962)	155,176
	Non-current liabilities	(152,022)	(153,623)	1,601
E	NON-CURRENT LIABILITIES	(152,022)	(153,623)	1,601
F = A + D + E	NET INVESTED CAPITAL	2,297,923	2,100,874	197,049
	Group Shareholders' Equity	1,108,224	1,106,402	1,822
	Minority Interests in Shareholders' Equity	0	0	0
G	SHAREHOLDERS' EQUITY	1,108,224	1,106,402	1,822
	Non-current financial liabilities	1,488,410	1,042,518	445,892
	Other non-current financial assets	(12,950)	(11,236)	(1,714)
H	NON-CURRENT NET DEBT	1,475,460	1,031,282	444,178
	Current financial liabilities	16,278	37,349	(21,071)
	Current financial assets	(302,039)	(74,159)	(227,880)
I	CURRENT NET DEBT	(285,761)	(36,810)	(248,951)
L = H + I	NET DEBT	1,189,699	994,472	195,227
G + L	HEDGING OF INVESTED CAPITAL	2,297,923	2,100,874	197,049

Fixed assets

Fixed assets as of December 31, 2017 equaled 2,545.7 million euros, rising by 40.3 million euros compared to the end of 2016, mainly due to the following changes:

- an increase in intangible fixed assets (+74.2 million euros), in relation to the investments for the year (124.8 million euros) and the advances paid to suppliers (29.7 million euros), partly offset by amortization and depreciation (79.2 million euros) and the recovery of advances paid to suppliers (-1.1 million euros);
- a decrease in tangible fixed assets (+0.7 million euros), attributable to the investments for the year (11.5 million euros), more than offset by amortization and depreciation (12.2 million euros);
- an increase in non-current financial assets (+3.0 million euros) attributable to the valuation of associated undertakings accounted for using the equity method, which mainly takes into account the pro ra-

ta results of the year equal to +1.2 million euros for Spea Engineering S.p.A. and +4.2 million euros for Pavimental S.p.A., offset by the dividend distribution resolved by Spea Engineering S.p.A. (2.4 million euros);

- decrease in deferred tax assets for 36.2 million euros mainly in relation to the trend of the provisions for renovation of airport infrastructure, allowances for risks and charges and the fair value of the derivatives.

Working capital

The Working Capital, with a negative 12.0 million euros, showed an increase of 86.9 million euros compared to December 31, 2016 due to the events described below.

- Trade assets increased by 25.5 million euros due mainly to the growing receivables from commercial customers (+37.3 million euros), partly offset by a reduction of 10.8 million euros in receivables for construction services accrued in previous years from the Italian Civil Aviation Authority ("ENAC") and collected in August 2017.

  The expansion of receivables from commercial customers is mainly due to the performance recorded towards the main national carrier and in particular to the components surcharge and IRESA (+28.2 million euros compared to December 31, 2016), which are offset against a specific counter-entry of Other liabilities. This increase formed, and subsequently became consolidated, as a consequence of the admission of the carrier to the extraordinary administration procedure on May 1, 2017. As known, all the receivables accrued prior to May 1, 2017 will be settled with the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. Moreover, any losses on receivables for services subject to settlement are granted regulatory protection as they derive from events outside the responsibility of the concessionaire and to the extent that they are of an amount that is such to alter the pre-existing economic-financial balance, in the same way as other cases of force majeure or of change in the regulatory framework.

  The receivables from Alitalia SAI under special administration regarding activities not regulated as of May 1, 2017, were posted as a loss instead; indeed, for these receivables there is no guarantee about the collection and the aforesaid privileges at the time of distribution or other protections.

  Finally, the receivables accrued after May 1, 2017 have been duly collected so far, as far as ADR is concerned.

- Current tax assets increased by 10.5 million euros and current tax liabilities decreased by 21.3 million euros due to the payment of the balance for 2016 and the advances of 2017, net of the estimated tax burden in the year.
- Other non-current assets declined by 37.3 million euros essentially due to the collection of the receivable entered in previous years against the insurance claims accrued following the incident on May 2015 (fire at T3).
- Trade liabilities decreased by 98.2 million euros. This is essentially attributable to the decrease in amounts due to suppliers deriving from the drop in the volume of investments made in 2017 compared to the previous year.
- Other current liabilities rose by 31.4 million euros overall, mainly as the combined effect of:
  - an increase in the payables for surtax on passenger fees of 22.7 million euros due to the impact of the performance in the period of this type of collections from carriers. For this type of charge, ADR is an intermediary in the collection of surcharges, which it pays back to the end beneficiaries in the month after the month of collection;

- o an increase of 6.5 million euros in IRESA payables, the tax charged to carriers by the Lazio Regional Authority. This payable, which is posted at the time of the receivable arising from amounts charged to the carriers, is settled in line with the collection performance with repayment back to the end beneficiaries by ADR on a quarterly basis.

Current share of provisions and Non-current liabilities

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	Change
Provisions for employee benefits	20,337	21,196	(859)
Provisions for renovation of airport infrastructure	181,198	205,429	(24,231)
Other allowances for risks and charges	30,169	78,123	(47,954)
TOTAL	**231,704**	**304,748**	**(73,044)**
of which:			
- current share	83,765	152,060	(68,295)
- non-current share[5]	147,939	152,688	(4,749)

The renovation provision, which includes the current value of the estimate of charges to be incurred for the contractual obligation to restore and replace assets under concession, decreased by 24.2 million euros due to the operating uses, net of provisions for the year, which absorb the values resulting from updating the scheduled replacement/renovation actions included in the latest long-term plan approved by the ADR Group.

Other allowances for risks and charges decreased overall by 48.0 million euros, after a reabsorption for 4.1 million euros and uses for 43.9 million euros. The uses refer mainly to a conciliation agreement signed with the Municipality of Fiumicino on the main disputes relating to the ICI/IMU (property taxes) issue pending for years and the settlement of disputes referring to the fire at T3.

Net invested capital

The consolidated net invested capital, equal to 2,297.9 million euros as of December 31, 2017, increased by 197.0 million euros compared to the end of the previous year.

Shareholders' equity

The Group shareholders' equity, equal to 1,108.2 million euros, increased by 1.8 million euros compared to December 31, 2016, due to the overall net income for the year (256.6 million euros, which includes the positive change in the fair value of derivatives) and the increase in shareholders' equity reserves for 0.9 million euros relating to the fair value accrued on the management incentive plans of the ADR Group based on Atlantia S.p.A's shares, partly offset by the distribution of the balance of the dividends that is valid for the year 2016 (148.1 million euros) and the advance on dividends 2017 (107.6 million euros).

Net debt

Net debt as of December 31, 2017 amounts to 1,189.7 million euros, up 195.2 million euros compared to the end of 2016.

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[5] Non-current liabilities also include the item Other liabilities equal to 4,083 thousand euros as of December 31, 2017 and 935 thousand euros as of December 31, 2016.

TABLE 4. Consolidated net debt

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	Change
Non-current financial liabilities	1,488,410	1,042,518	445,892
Bonds	1,101,516	834,195	267,321
Medium/long-term loans	249,464	69,804	179,660
Financial instruments - derivatives	137,430	138,519	(1,089)
Other non-current financial assets	(12,950)	(11,236)	(1,714)
NON-CURRENT NET DEBT	**1,475,460**	**1,031,282**	**444,178**
Current financial liabilities	16,278	37,349	(21,071)
Current share of medium/long-term financial liabilities	16,019	15,955	64
Financial instruments - derivatives	259	21,394	(21,135)
Current financial assets	(302,039)	(74,159)	(227,880)
Cash and cash equivalents	(301,975)	(74,159)	(227,816)
Other current financial assets	(64)	0	(64)
CURRENT NET DEBT	**(285,761)**	**(36,810)**	**(248,951)**
NET DEBT	**1,189,699**	**994,472**	**195,227**

Non-current net debt

The non-current net debt amounts to 1,475.5 million euros, up by 444.2 million euros as a result of the changes described below.

- Bonds (1,101.5 million euros) refer for 231.9 million euros to Tranche A4 in pound sterling of the bonds originally issued by Romulus Finance for 397.5 million euros and to the EMTN ("Euro Medium Term Note Program") bond loan issued by ADR in December 2013 for 472.1 million euros by the bond issued by ADR in June 2017. The increase of 267.3 million euros is mainly attributable to the effects of the new issue with a par value of 500 million euros (net of repayments for a par value of 200 million euros), of the valuation of the loans with the amortized cost method and of the adjustment of Tranche A4 to the exchange rate at the end of the year.
- Medium/long-term loans equal 249.5 million euros (69.8 million euros at the end of the previous year) and include the bank loans granted by BNL (99.9 million euros), EIB (109.8 million euros) and CDP (39.8 million euros). The increase, compared to the end of the last year (+179.7 million euros), mainly relates to the disbursement of the second and last tranche of 30.0 million euros of the BNL loan and the partial disbursement of the funding lines granted by EIB and CDP, for a par value equal to 110 and 40 million euros respectively.
- Derivative financial instruments, amounting to 137.4 million euros, include 136.3 million euros of Cross Currency Swaps to hedge the A4 bond loan in pound sterling, showed a negative fair value, down by 2.2 million euros overall, deriving from the combined effect of a reduction in the interest rate component and an increase of the exchange rate component. The residual amount of 1.1 million euros refers to the negative fair value of a forward starting Interest Rate Swap agreement (with deferred application: February 20, 2020), signed by the Parent Company ADR on October 18, 2017, for a notional amount of 100 million euros.
- Other non-current financial assets (13.0 million euros) include the positive fair value (10.4 million euros) of three forward starting Interest Rate Swaps (with deferred application: February 20, 2020), signed by the Parent Company ADR on October 18, 2016, for a total notional amount of 300 million euros, and the prepayment of the ancillary charges for the revolving loan (2.5 million euros). The increase for 1.7 million euros is mainly attributable to the higher fair value (+2.6 million euros) of the forward starting Interest Rate Swap agreements.

Current net debt

The financial position highlights, for the current part, net funds of 285.8 million euros, increasing by 249.0 million euros compared to December 31, 2016. In detail:

- Current financial liabilities, amounting to 16.3 million euros, dropped by 21.1 million euros in relation to the decrease in Financial instruments after the closing of two forward starting Interest Rate Swap agreements signed on June 15, 2015 by the Parent Company ADR, for a total notional of 250 million euros (with February 9, 2017 as the starting date), and the forward starting Interest Rate Swap signed on February 25, 2016 by ADR, for a notional value of 50 million euros (with April 20, 2017 as starting date).
- Current financial assets, amounting to 302.0 million Euros, were up by 227.9 million euros due to higher cash and cash equivalents (+227.8 million Euros) due mainly to the new bond issue.

TABLE 5. Consolidated Statement of Cash Flows

(THOUSANDS OF EUROS)	2017	2016
Net income for the year	**244,972**	**219,727**
Adjusted by:		
Amortization and depreciation	91,488	75,751
Allocation to the provisions for renovation of airport infrastructure	44,292	54,097
Financial expenses from discounting of provisions	1,976	3,811
Change in other provisions	(49,193)	16,558
Write-down (revaluation) of non-current financial assets and equity investments	0	350
Share of profit (loss) of associates accounted for using the equity method	(5,229)	5,210
Net change in deferred tax (assets) liabilities	32,582	21,942
Other non-monetary costs (revenues)	7,166	3,629
Changes in working capital and other changes	(83,734)	66,018
Net Cash Flow from Operating Activities (A)	**284,320**	**467,093**
Investments in tangible assets	(11,548)	(25,043)
Investments in intangible assets (*)	(154,556)	(313,246)
Works for renovation of airport infrastructure	(70,290)	(112,237)
Equity investments and minority shareholdings in consolidated companies	0	(52,001)
Dividends received from equity investments accounted for using the equity method	2,430	2,295
Gains from disinvestment of tangible and intangible assets and equity investments	1,098	11,154
Net change in other non-current assets	(11)	40
Net Cash Flow from Investment Activities (B)	**(232,877)**	**(489,038)**
Dividends paid	(255,744)	(201,608)
Issue of bonds	272,101	0
Raising of medium/long-term loans	180,000	69,797
Net change in other current and non-current financial liabilities	(19,799)	129
Net change in current and non-current financial assets	(181)	9,193
Net Cash Flow from Funding Activities (C)	**176,377**	**(122,489)**
NET CASH FLOW FOR THE YEAR (A+B+C)	**227,820**	**(144,434)**
Cash and cash equivalents at the start of the year	74,159	218,593
Cash and cash equivalents at the end of the year	301,979	74,159

(*) including advances to suppliers for 29,703 thousand euros in 2017 and 5,652 thousand euros in 2016.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2017	2016
Net income taxes paid (reimbursed)	108,218	88,377
Interest income collected	271	510
Interest payable and commissions paid	64,849	41,383

Operations of the ADR Group generated a financial flow of 284.3 million euros in 2017, dropping by 182.8 million euros compared to the comparative year, due mainly to the growth of the working capital and the use of the allowances for risks and charges.

The net cash flow from the operations was partly absorbed by investment activities, which recorded a final negative cash flow of 232.9 million euros compared to -489.0 million euros of 2016.

The net cash flow from funding activities was positive for 176.4 million euros due mainly to the disbursement, in the period, of the tranches of the BNL, EIB and CDP loans (30, 110 and 40 million euros, respectively) and the issue of a bond for a net amount of 472.2 million euros, which allowed for the partial repayment of the EMTN bond loan (expiring in 2021) for 200 million euros. These positive components were partly offset by the dividends paid for 255.7 million euros.

As a result of the trends described above, the net cash flow for the year (+227.8 million euros), increased the cash and cash equivalents at the end of the year to 302.0 million euros compared to the opening balance of 74.2 million euros.

Alternative performance indicators

In order to illustrate the economic result of the Group as well as its economic and financial position, reclassified statements were prepared which are different from those required under EU IFRS accounting standards adopted by the Group and contained in the Consolidated financial statements. These reclassified statements contain alternative performance indicators to those directly resulting from the Consolidated financial statements that management deem useful for monitoring the Group's performance and representing the economic and financial results from the business. These alternative performance indicators ("API") are:

- Net operating costs
- Gross operating income (EBITDA)
- Fixed assets
- Working capital
- Net invested capital
- Net debt

Reference is made to the next paragraph for a reconciliation of the above mentioned indicators with the Consolidated interim financial statements.

Moreover, in order to better assess the Group's operating performance at economic and financial level, the following additional alternative performance indicators are presented:

API	SOURCE/CALCULATION METHOD
EBITDA%	ratio between EBITDA and Revenues from airport management
EBIT%	ratio between Operating income (EBIT) and Revenues from airport management
Investments	are determined as follows:
	+ investments in tangible assets (see Note 6.1 of the Explanatory Notes)
	+ investments in intangible assets net of advances paid to suppliers in the period (see Note 6.2 of the Explanatory Notes)
	+ revenues for construction services for works funded by the government (see Note 7.1 of the Explanatory Notes)
	+ operating uses of the provisions for renovation of airport infrastructure (see Note 6.13 of the Notes)
Net debt/Shareholders' equity	ratio between Net debt and Shareholders' equity
Net debt/EBITDA (last 12 months)	ratio between Net debt and EBITDA
R.O.I. - Operating income/Net invested capital	ratio between operating income and the net invested capital

The reclassified statements and the above mentioned indicators must be considered as replacing the conventional ones required by IFRS.

Reconciliation between the reclassified consolidated income statement and the consolidated financial statements

The income statement was reclassified on a "value-added" basis, which shows the contribution of the financial and core areas of operation.

For the items that cannot be directly inferred from the consolidated financial statements, the calculation method and the reference to the sections of this Consolidated financial report containing the necessary information for calculation purposes are provided.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	SOURCE/CALCULATION METHOD
Revenues from airport management of which:	as inferred from the consolidated financial statements
aeronautical revenues	see Note 7.1 of the Explanatory Notes
non-aeronautical revenues	see Note 7.1 of the Explanatory Notes
Revenues from construction services	as inferred from the consolidated financial statements
Other operating income	as inferred from the consolidated financial statements
Total revenues	
External operating costs	calculated as follows
	+ Consumption of raw materials and consumables (as inferred from the consolidated financial statements)
	+ Service costs (as inferred from the consolidated financial statements)
	- Costs for construction services (see Note 7.3 of the Explanatory Notes)
	- Costs for renovation of airport infrastructures (see Note 7.3 of the Explanatory Notes)
	+ Expenses for leased assets (as inferred from the consolidated financial statements)
	+ Other costs (as inferred from the consolidated financial statements)
	- Allocations to provisions for doubtful accounts (see Note 7.5 of the Explanatory Notes)
Costs for construction services	see Note 7.3 of the Explanatory Notes
Concession fees	as inferred from the consolidated financial statements
Payroll costs	as inferred from the consolidated financial statements
Total net operating costs	
Gross operating income (EBITDA)	
Amortization and depreciation	as inferred from the consolidated financial statements
Allocation to provisions and other adjusting provisions	calculated as follows
	+ Allocation to allowances for risks and charges (as inferred from the consolidated financial statements)
	+ Allocations to provisions for doubtful accounts (see note 7.5 of the Explanatory Notes)
	+ Allocation to (use of) the provisions for renovation of airport infrastructure (as inferred from the consolidated financial statements)
	- operating uses of the provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Operating income (EBIT)	
Financial income (expense)	as inferred from the consolidated financial statements
Share of profit (loss) of associates accounted for using the equity method	as inferred from the consolidated financial statements
Income (loss) before taxes from continuing operations	as inferred from the consolidated financial statements
Taxes	as inferred from the consolidated financial statements
Net income (loss) from continuing operations	as inferred from the consolidated financial statements
Net income (loss) from discontinued operations	as inferred from the consolidated financial statements
Net income (loss) for the period	as inferred from the consolidated financial statements
Share of income (loss) for the period pertaining to third party shareholders	as inferred from the consolidated financial statements
Group share of income (loss) for the period	as inferred from the consolidated financial statements

Reconciliation between the reclassified consolidated balance sheet and the consolidated financial statements

The consolidated balance sheet was reclassified in accordance with “management criteria”, which on the one hand shows the division of invested capital between fixed capital and working capital, net of provisions, and on the other the related sources of funding, represented by self-financing (Shareholders’ equity) and borrowing (current and non-current net debt). For the items that cannot be directly inferred from the consolidated financial statements, the calculation method is provided.

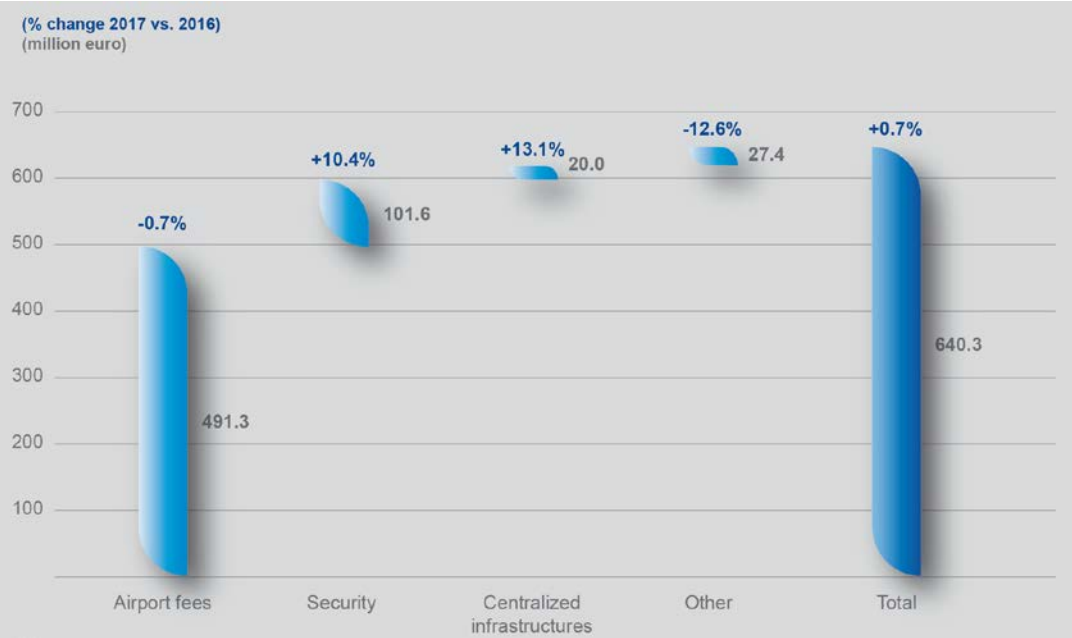
	RECLASSIFIED CONSOLIDATED BALANCE SHEET	SOURCE/CALCULATION METHOD
	Intangible fixed assets	corresponding to the item Intangible assets in the consolidated financial statements
	Tangible fixed assets	corresponding to the item Tangible assets in the consolidated financial statements
	Non-current financial assets	corresponding to the item Equity investments in the consolidated financial statements
	Deferred tax assets	as inferred from the consolidated financial statements
	Other non-current assets	as inferred from the consolidated financial statements
A	**FIXED ASSETS**	
	Trade assets	as inferred from the consolidated financial statements
	Other current assets	as inferred from the consolidated financial statements
	Current tax assets	as inferred from the consolidated financial statements
	Trade liabilities	as inferred from the consolidated financial statements
	Other current liabilities	as inferred from the consolidated financial statements
	Current tax liabilities	as inferred from the consolidated financial statements
B	**WORKING CAPITAL**	
	Provisions for employee benefits	as inferred from the consolidated financial statements
	Provisions for renovation of airport infrastructure	as inferred from the consolidated financial statements
	Other allowances for risks and charges	as inferred from the consolidated financial statements
C	**CURRENT SHARE OF PROVISIONS**	corresponding to the item Allowances for current provisions in the consolidated financial statements
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	
	Non-current liabilities	+ Allowances for non-current provisions as inferred from the consolidated financial statements
		+ Other non-current liabilities as inferred from the consolidated financial statements
E	**NON-CURRENT LIABILITIES**	
F = A + D + E	**NET INVESTED CAPITAL**	
	Group Shareholders' Equity	as inferred from the consolidated financial statements
	Minority Interests in Shareholders' Equity	as inferred from the consolidated financial statements
G	**SHAREHOLDERS' EQUITY**	
	Non-current financial liabilities	as inferred from the consolidated financial statements
	Other non-current financial assets	as inferred from the consolidated financial statements
H	**NON-CURRENT NET DEBT**	
	Current financial liabilities	as inferred from the consolidated financial statements
	Current financial assets	+ Other current financial assets as inferred from the consolidated financial statements
		+ Cash and cash equivalents as inferred from the consolidated financial statements
I	**CURRENT NET DEBT**	
L = H + I	**NET DEBT**	
G + L	**HEDGING OF INVESTED CAPITAL**	

ADR Group activities

Aeronautical activities

The aeronautical activities, i.e. those directly linked to the aeronautical activities carried out at the airports and including airport fees, security services, centralized infrastructures, etc., generated revenues for 640.3 million euros in 2017, up by 0.7% compared to the previous year (+4.6 million euros).

GRAPH 1. Economic performance of aeronautical activities



Airport fees

Revenues from airport fees in 2017 amounted to 491.3 million euros, with a decrease of 0.7%, attributable to:

- landing, take-off and parking fees: for 134.4 million euros, down 5.4% as the consequence of a number of movements lower than in the previous year (-3.0%), of the lower total aircraft tonnage (-1.4%) and of the adjustment of the prices as of March 1, 2017, in accordance with the Planning Agreement in force;
- passenger boarding fees: these amount to 354.3 million euros and recorded an increase of 1.3% compared to the previous year. This result is a consequence of the marginal decrease in passenger traffic (-0.6%), which was more than offset by the favorable passenger mix, as well as of the effects following the adjustment of the prices as of March 1 of each year;
- cargo revenues: these amounted to 2.6 million euros, down (-11.9%) compared to the final figure of the previous year, as a consequence of the increase in cargo (+15.3%), which was more than offset by the mentioned adjustment of the prices as of March 1, 2017, decreasing compared to those applied previously in accordance with the Planning Agreement.

Security services

Security services (security checks on passengers, carry-on and checked baggage, explosive detection checks and services on demand) generated revenues of 101.6 million euros during 2017, up 10.4% compared to the previous year. This result is the consequence of the breakdown of passenger traffic which, against a slight drop in passengers traffic (-0.6%), showed an increase in outbound passengers and a contextual decrease in passengers in transfer (-6.8%), who are entirely or partly exempted from paying the security fees, in addition to being positively affected by the above-mentioned annual adjustment of the prices as of March 1, 2017.

Centralized infrastructures

The management of centralized infrastructures, essentially attributable to the revenues from loading bridges, recorded a turnover of 20.0 million euros, up by 13.1% compared with the year 2016, as a consequence of the combined effect of the greater availability of infrastructure connected to new pier in the Extra-Schengen area becoming progressively operational and of the annual adjustment of prices as of March 1, 2017, dropping slightly compared to those applied previously.

Other revenues

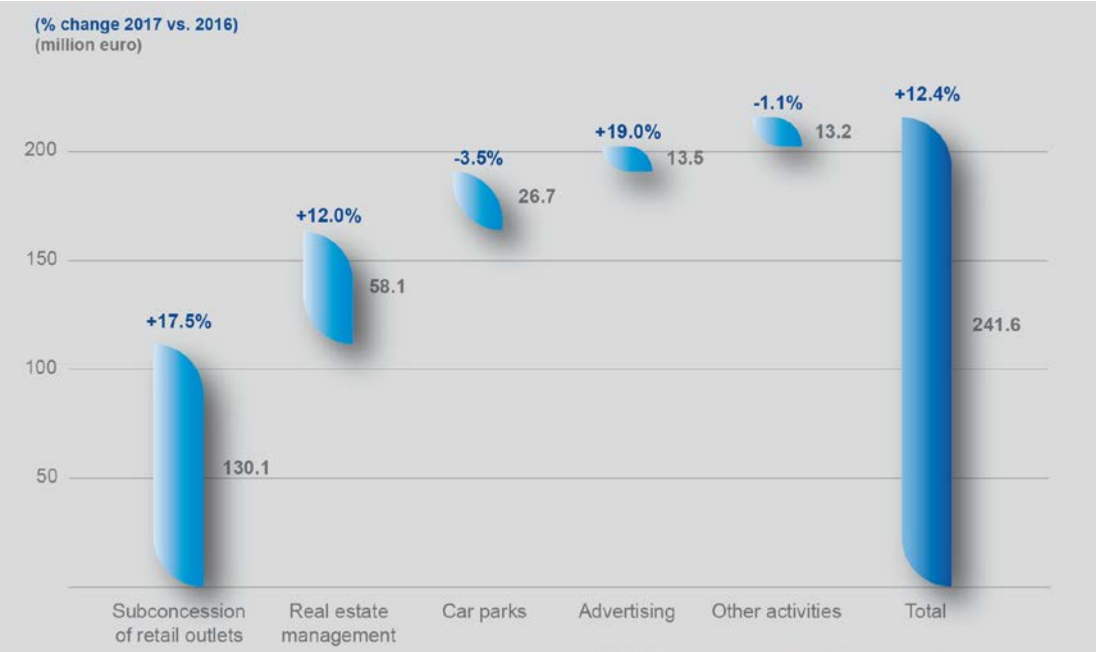
Revenues from other aeronautical activities stand at 27.4 million euros, down by -12.6% compared with the figure of the previous year and resulting from:

- assistance to passengers with reduced mobility (PRM), provided by ADR through a service agreement entrusted to the ADR Assistance subsidiary: revenues for 17.8 million euros, in line with the previous year (-0.3%), deriving essentially from the slight decrease in passenger traffic and the adjustment of the prices applied at Fiumicino and Ciampino airport in accordance with the Planning Agreement;
- passenger check-in desks: revenues for 8.8 million euros, a decrease compared to the previous year (-30.6%) and mainly due to the adjustment of the prices from March 1, 2017, down compared to those applied previously;
- other aeronautical revenues: amounting to 0.8 million euros and consisting of the revenues for the use of the porterage and left luggage services which recorded values in line (-0.1%) with 2016.

Non-aeronautical activities

Non-aeronautical activities include commercial activities (sub-concessions and utilities, car parks, advertising), real estate activities and other activities for third parties.

GRAPH 1. Economic performance of non-aeronautical activities (millions of euros)



Non-aeronautical revenues rose by 26.7 million euros compared to 2016 and amounted to 241.6 million euros. This positive trend is attributable to the full operation of the new commercial Front Building in the Extra-Schengen area as well as the more favorable passenger quality mix for the commercial activities. The most significant components recorded the trends below.

Sub-concession of retail outlets

Sub-concessions of retail outlets, which relate to the sub-concessions for the retail sale of goods and services, recorded revenues of 130.1 million euros in 2017, increasing by 17.5% compared to 2016. This positive trend is due to the opening of the new “Front Building” commercial space in the Extra-Schengen area where, consequently to an expansion of the commercial offer and to the concentration of the shops in one single area, a considerable rise was recorded (about +25% of turnover of the retail outlets in the Extra-Schengen area compared to the same period of 2016). In detail:

- Core Categories: the segment generated revenues for 46.7 million euros, up +13.6% compared to the previous period. The performance was positively affected by the mentioned opening of the “Front building” in the Extra-Schengen area, as well as by the favorable passenger mix. At Domestic/Schengen level, the turnover for retailers grew by 7%, partly as a consequence of the change in the passenger check-in flows;
- Specialist Retail: revenues were recorded for 38.6 million euros, growing by 24.1% thanks to the opening of the Front Building (about +36% of turnover in the Extra-Schengen area); the most significant growth was recorded in the Luxury categories (approx. +40% of turnover), Accessories (ap-

prox.+44%) and Gift (approx.+30%); in the Domestic/Schengen area, the impact of the changes in the flows at Terminal 1, contrary to what was recorded in the Core Categories, generated a drop in the turnover for retailers of 8% due to the scope restrictions;

- Food & Beverage: the revenues for the year equaled 34.2 million euros, up +14.9% concentrated in the Extra-Schengen area (about +21% of turnover of the outlets); at Domestic/Schengen level, despite the change in the security flows at Terminal 1 the performance of the refreshment outlets recorded growth of 1.3% of turnover;
- Other commercial activities: passenger service activities such as currency exchange counters, VAT Refunds and the luggage wrapping business recorded revenues for 10.6 million euros, up compared to the previous year (+21.7%), thanks to the growing reference passenger segment (non-Schengen).

Real estate management

Revenues from real-estate activities in 2017 amounted to 58.1 million euros, up 12.0% compared to last year. The revenues of the year are broken down as follows:

- fees and utilities for retail and other sub-concessions: the revenues amount to 49.2 million euros, increasing by 13.4%. This performance is mainly attributable to the increase in the sub-concession fee, already contractually required, for the Technical Area, and the fees deriving from the installation of new ATM equipment. Also worth noting are the higher revenues for utilities deriving from the opening of the front building, as well as the review of some unit parameters relating to the utilities;
- other fees charged at Fiumicino and Ciampino, calculated on the volumes of activities managed (hotels, car hire, car wash, fuel stations, etc.): revenues equaled 8.9 million euros, increasing by 5.2% compared to the previous year. This phenomenon is attributable to the improved performance of car rental companies (+10.8%) also thanks to the correlation with the non-EU traffic, while the other business segments recorded a drop.

Car parks

Car park management, with turnover of 26.7 million euros, slightly down compared with the previous year (-3.5%). This result was achieved despite the presence of a marked drop in the domestic originating traffic, which is more correlated with the car park business and the reduction in parking for Alitalia employees. In detail, the following trends for the main items were recorded:

- passenger car parking: revenues for 22.1 million euros (-2.9%), this segment was the most hit by the reduction in domestic traffic, though regaining market share on external car parks. Pressure continues on the competition in alternative means of transport to reach the airport; in particular, during the reference period, more frequent railway connections were made available, in addition to a generally better usability service, contributing to a decreased use of cars as a means of transport to reach the Fiumicino airport (-1.8%). To make the car park product at the airport more attractive, new parking areas were implemented, which allowed to differentiate the offer (covered and uncovered Long Stay), and new fee actions aiming to recover profitability margins and volumes in the passenger car park customer segments of the booking on line and e-commerce channels. Web marketing activities supporting the business and a new online booking platform were also further developed.
- airport operator car parking: revenues of 4.6 million euros, down compared to the previous year (-6.3%) due to the mentioned Alitalia effect.

Advertising

Revenues from advertising activities equaled 13.5 million euros, of which 13.2 million euros generated from the sub-concession of business advertising activities in the form of royalties on the turnover by the sub-concessions, exclusively on these activities; these revenues recorded an increase of 2.1 million euros compared to 2016.

Other activities

Revenues from other activities in 2017 amounted to 13.2 million euros, slightly down compared to the comparative year (-1.1%); the most significant items showed the following trends:

- revenues for the chargeback of cleaning and biological wastewater treatment for 3.4 million euros, down by 4.8% compared with 2016;
- revenues for other sales (fuel, consumable materials, etc.), equal to 2.4 million euros, down 0.1 million euros;
- revenues for information systems of 1.4 million euros, essentially in line with the comparative period.

ADR Group investments

The initiatives implementing the Planning Agreement continued in 2017.

TABLE 1. Breakdown of ADR Group investments in 2017

	2017			2016		
(MILLIONS OF EUROS)	INVEST-MENTS	RENEWALS (*)	TOTAL	INVEST-MENTS	RENEWALS (*)	TOTAL
Works on runways and aprons, extension of the East area aprons, AZ technical area	22.1	14.1	36.2	6.4	5.0	11.4
Departure area E/F (Front Building, Pier C and 3rd Bhs)	22.5	0.0	22.5	194.6	0.0	194.6
Urbanization of west area / aprons "W" 1st phase	21.3	0.0	21.3	9.5	0.0	9.5
Fiumicino - electrical network and air-conditioning maintenance works	1.8	18.3	20.1	1.1	18.4	19.5
Terminal maintenance and optimization works	10.7	6.9	17.6	5.1	17.6	22.7
Fiumicino - civil work maintenance (var. buildings)	3.1	8.1	11.2	5.6	11.3	16.9
Works on baggage systems and new x-ray machines	8.1	1.9	10.0	17.9	2.3	20.2
East Airport System	8.2	0.0	8.2	12.7	0.0	12.7
Works on commercial areas and multilevel car parks	4.8	2.3	7.1	4.1	3.3	7.4
New ADR HQ	6.6	0.0	6.6	4.4	0.0	4.4
Ciampino - infrastructure adaptation works	0.9	4.5	5.4	2.0	6.9	8.9
T5 reconfiguration and T1/T3 sensitive flights	4.7	0.0	4.7	2.3	0.0	2.3
Fiumicino - electrical equipment maintenance works	0.4	3.7	4.1	4.9	8.4	13.3
Fiumicino - sewer and water network maintenance works	0.0	4.1	4.1	0.0	2.5	2.5
Vehicle and equipment purchases	2.8	0.3	3.1	4.3	0.0	4.3
Fiumicino - electromechanical maintenance works	0.5	1.8	2.3	0.1	6.0	6.1
Works on airport access	0.6	1.5	2.1	0.5	3.7	4.2
Ciampino - airside system and airport terminals upgrade	1.3	0.6	1.9	3.8	9.7	13.5
Terminal 3 - restructuring	1.4	0.0	1.4	8.7	0.0	8.7
Energy saving actions	1.0	0.0	1.0	1.2	0.0	1.2
Fiumicino Nord - Long-term capacity development	0.9	0.0	0.9	2.5	0.0	2.5
Ciampino - airport reconfiguration from military to civil	0.0	0.8	0.8	0.0	3.6	3.6
Maintenance works on buildings managed by sub-concessionaires	0.2	0.1	0.3	1.3	0.2	1.5
Infrastructural restoration works at T3	0.0	0.0	0.0	0.0	8.4	8.4
HBS/BHS Terminal 1	0.0	0.0	0.0	28.4	0.0	28.4
Other	12.5	1.3	13.8	11.3	4.9	16.2
TOTAL	**136.4**	**70.3**	**206.7**	**332.7**	**112.2**	**444.9**

(*) These amounts are for the use of the provisions for renovation of airport infrastructure

Following is a description of the main investments for the various categories.

Runways and aprons

Works were carried out to upgrade runway 16R/34L (Runway 1). While the runway was closed, an underground crossing was created with the collectors to dispose of the rain water. This operation was the most critical in terms of operating interference and of the considerable work required for the works to mitigate the water risk in the West area, which is still in progress and will continue in 2018.

The works were completed to create the West aprons 1st phase as wells those to upgrade the W taxi way serving the same aprons and to upgrade and reconfigure (from code C to code E) the aprons of quadrant 800. The new Kilo taxiway and another 6 code C aprons were also completed and made accessible.

The works to adjust the shoulders between taxiway A, taxiway B and the BA/BB connections were completed.

Works continued for the construction of the quadrant 300 aprons in the new boarding area A.

Works are underway to upgrade a portion of strip at runway 07/25 (Runway 2) between connecting runways BB and BC. Specifically these are operations for the plano-altimetric arrangement aimed at reducing the risk of bird strike linked to possible water stagnation.

Works were started in order to adjust the “Mike” runway with code “F” and create new 2nd phase West aprons.

The project regarding the doubling of the Bravo taxiway continued.

Works were started in Ciampino to upgrade aprons 400-500 and a portion of the runway “A” was upgraded.

Terminals

The new Pier (Departure area “E”) has become progressively operational and was completed, for which the areas are operating at both passenger levels (departure level and arrival level above).

The actions were completed to adjust and internally upgrade Terminal 3 and Terminal 1, which allowed the transfer to such infrastructure of the sensitive flights operating from Terminal 5, conforming, to this end, the areas concerned to the specific requirements of functionality and security required by such flights; the new fast track was also opened at T1.

The restrooms at Terminal 5 were adjusted according to the new concept adopted in the other terminals, as part of the actions for the reconfiguration of this infrastructure according to the arrangement following the transfer of the sensitive flights to T3 and T1.

Concerning the East Airport System[6], in October, the works relating to Lot 1 were started after the approval of the project by ENAC. The part of the Lot 2 project that was recently updated in regulatory and functional terms is being completed, to be subsequent forwarded to ENAC for approval purposes; the preparatory actions have also been started for the reallocation of the existing warehouses on the area of the future technological centers.

The activities aimed at improving the image and services rendered to passengers continued at Fiumicino terminals. In particular:

- the third new concept reception area for passengers with reduced mobility was completed at Terminal 1, departures level, in addition to the two areas already created in 2016 at Terminal 1 and Terminal 3;
- a new lavatory was created according to the new concept at boarding area C8-C16; in the same area the upgrade works were completed in order to improve comfort and optimize the spaces;
- 6 unidirectional check points were created at Terminal 3 for passengers in transit towards departure area E;
- 6 unidirectional check points were created at Terminal 1 for arriving passengers;

[6] Lot 1: new Pier A and Front Building of Terminal 1; Lot 2: extension of Terminal 1, reconfiguration of boarding area C, creation of a node at boarding area D).

- the new “*One stop security*” point was created at pier E, allowing arriving passengers to reach passport control and the baggage reclaim area more rapidly;
- the works were completed to reconfigure the passenger passport area at Terminal 3 by increasing the passenger control station by 4 passport boxes and 4 e-gates, for the passengers in transit/originating towards non-Schengen airports, both common and directed to sensitive destinations;
- the works were completed for the creation of a new waiting area for passengers at boarding area B, with the installation of two new remote departure gates and one new lavatory area;
- at the Arrivals Hall of Terminal 3 the works were completed to predispose the area to be devoted to the new Tourist Information Point of the Municipality of Rome; the action also included the expansion of the connection ramp present in the area, with the consequent optimization of the flow of passengers heading for the exits, the railway station and the Bus Hub;
- the demolition of some commercial areas at Satellite Ovest was completed and the recovered surface was used for passenger circulation and seating areas;
- the works were completed that concern the new signs to direct passengers at terminals, featuring the same graphic and technological standards adopted for the Pier and the Front Building, allowing for improved readability and use of the indication, in addition to energy optimization;
- renovation and restyling works continued in the former boarding area H, including the area in front of the State Ceremonial hall and the One Stop Security checkpoints.
- boarding area D1 is being upgraded with new floor, false ceilings and lighting.

Regarding the initiatives aimed at improving the experience for Passengers with reduced mobility (PRM), while optimizing their travel time and decongesting the terminals from the transit of the “Club Car” vehicles, the works of a civil and system nature were completed, which are needed to reorganize the “CREW” and “PRM” flow leasing/entering and in transit at the “*Crew Briefing Center*”, with the consequent redistribution of the spaces dedicated to border police, customs and tax police.

At Ciampino airport, renovation works on the General Aviation Terminal have been completed.

Systems

The works to build the new high/medium voltage electric sub-station are being continued and so are the works to build the new electrical network for the runways: the medium voltage rings at Runway 3 were completed; the medium voltage rings at Runway 1 and at Runway 2 are being completed. The civil and electrical works of the switch boxes serving Runway 1 and the ring city side have been completed; the civil and system works at the central units of the UPS generators and the arrangement of the adjacent access aprons are all underway.

The electric switch boxes of Fiumicino airport network were upgraded by replacing the medium voltage panels and some of the low voltage general panels.

The system that monitors and remotely controls the AVL systems (lighting signals on runways) was replaced in order to improve performance and reliability and to make it expandable for integration with the flight infrastructures soon to be created.

The works to replace the lighthouse towers at aprons 200, 500, 800 are underway.

The works to create the perimeter protection system of the airport areas are in progress, covering about 36 km in total. This action implies the installation of thermal and optic video cameras and inertial sensors on the fence.

At Ciampino airport the extraordinary maintenance works on the baggage sorting lines are close to completion, in preparation for the installation of the new *Rx Standard* 3 machines for checking checked baggage.

Infrastructure and buildings

The works were completed for the creation of a footpath platform to improve pedestrian mobility in connection with the central area of the east area of Fiumicino airport.

11 vehicle traffic detection points were installed in the airport areas of Fiumicino, in order to monitor the vehicle volumes to and from the airport and assess optimizations and free-flow actions and increase airport access safety.

The works to upgrade the building for former Alitalia offices to be used as ADR's new headquarters are close to completion.

The upgrading is in progress of the structure located between the terminals and the multilevel parking areas, previously used as offices for rental companies, that will be dedicated to a new mix of passenger services (refreshment services, temporary rest, business services, showers, etc.).

Before the approval of the technical-economic feasibility project by ENAC, the activity of design of the “Business City” is being continued, a management and operating hub characterized by a mix of offices and add-on services, along the lines of the main European airports, with the aim of meeting the demand for efficient, high-quality office space. The planned location for this infrastructure is the area used currently as ADR’s offices.

A third “Airport Offices Building” (EPUA 3), located in the area in front of Terminal 1, is at planning stage.

The activities for the design of a third superior 4 star Hotel are underway. This will be located next to Terminal 1, with an accommodation capacity of about 280 rooms.

Regarding the investments in car parks, at Fiumicino the following was completed:

- the assembly of the EVAC system (public address) and the anti-panic columns in all the multilevel parking areas;
- the replacement of all the emergency staircases at multilevel parking areas;
- the additional storeys with metal structural units constructed on the PR8 operators car park;
- the subdivision of the Long Stay car park into covered and uncovered sectors;
- the installation and launch of the two new premium car parks called Executive T1 and Executive T3.

Preliminary works on additional storeys were completed at Ciampino, with metal structural units constructed on the P5 passenger car park. The works were also started in order to upgrade the bus hub to monitor its use by passengers.

The vehicle fleet of the subsidiary undertaking ADR Assistance was renewed with the purchase of one Ambulift and two minibuses.

ICT infrastructures and systems

As part of the initiatives aimed at improving the passenger experience, in terms of automation of the check points, traveling through the airport (Fast Travel) and journey simplification with customized services and information (Smart Travel), numerous ICT-related activities were carried out in 2017. The main ones are reported below:

- the new ADR app was released, which was redesigned according to a business and communication approach, in order to become an essential element for the digital transformation strategy of the airport; the new App includes innovative functions such as wayfinding, indoor guided navigation through beacon, push-notifications (proximity marketing) and flight tracking;
- the installation of *Pax Track* devices (automatic check of boarding passes at security points) was completed; 41 devices were installed in total at Fiumicino terminals, and 4 in Ciampino;

- at the upper level of the Front Building, two 23 square meter ledwalls, used for flight information, and two ledwalls were installed, with a surface of 8 and 18 square meters, respectively, dedicated to advertising the gastronomic offer;

  With the actions listed below, the technological initiatives continued, which are aimed at increasing the operating efficiency of the corporate lines:

- the new asset management system was released, which provides for the implementation on SAP platform of the main maintenance processes;
- the release of the Aeronautical Data Quality (ADQ) was completed; it allows the quality, tracking and integrity of the aeronautical data to be guaranteed (as required by EASA regulations);
- the new information system supporting the membership process was completed and made operational.
- the advanced system, based on Big Data technology, was made operational to manage, monitor, analyze performance and make the airport operations more efficient through passenger flow analysis;
- the pilot-creation of the passenger moving monitoring system was put into service (based on innovative technology, including a system of selective cameras), to monitor the state of the individual lines at the check points in the transit security control area at Terminal 3 (Station E); the extension of the system is underway to the Security Control T1 West departures and T3 East departures, as well as passport control T3 Departures, T3 Arrivals and T3 Transits;
- the Business Performance Monitoring platform supporting operations was released; it is able to acquire information coming from the airport operating systems in near real-time mode and produce suitable summary KPIs to control performance parameters (punctuality of flights, number of gates open, volumes of passengers present per area, passport check points open, check-in desks open, etc.).

  In addition, significant actions were launched on ADR's technological infrastructure. In particular the action was started to strengthen operating continuity at the airport, called "Continuity of the Distribution systems"; this action aims to tackle possible fault scenarios and mitigate the risk of disservice of huge areas of the airport, caused by catastrophic events (fires, earthquakes, etc.) which may involve a specific ICT technical room.

  In order to ensure that the current data network security levels are maintained, guarantee the ability to respond to new threats and optimize the performance and effectiveness of the network security policies, the ADR data network security infrastructure was developed with the following interventions:

- renewal of the firewall platform dedicated to the ADR internet service;
- renewal of the antivirus platform per endpoint (workstations and mobile devices).

  As regards the subsidiary ADR Tel, the migration of the new public switchboards has been completed for handling telephone traffic to and from the National Telephone Network (RTN). The new system, characterized by a latest generation architecture based entirely on IP technology replaced the previous traditional telephone technology (TDM).

Innovation, research and development

No specific investments in research and development have been carried out during 2017.

Risk factors of the ADR Group

The correct management of the risks inherent in performing the company's businesses is a fundamental element for the ADR Group to maximize opportunities and reduce the potential losses associated to unexpected events, preserve the creation of economic value in the long-term and protect the tangible assets and intangible interests of the stakeholders.

The ADR Group has adopted a preventive approach to risk management, to direct choices and activities of the management, with the belief that a suitable process of identification, measurement, management and monitoring of the main risks contributes to guaranteeing that the company is run smoothly, correctly and in line with the strategic objectives. The key principles of the internal control and risk management system of the ADR Group are based on:

- a suitable definition of the roles and responsibilities arranged in a way to prevent functional overlapping and a suitable system of operating mandates that consider the nature, size and risks of the individual categories of operations;
- a definition of operating processes that requires suitable documental support to allow the tracking of decisions and the compliance with suitable authorization procedures;
- a definition of security mechanisms that ensure a suitable protection of the assets and data of the corporate organization, in order to allow data access within the limits of what is necessary to perform the assigned activities;
- periodic and continuous repetition of the risk identification and assessment process, periodic assessment of the effectiveness and efficiency of the company processes for their constant adjustment;
- continuous monitoring of the internal control system carried out firstly by line management, and of the checks of the Internal Audit department to ensure the actual application of the procedures and compliance with regulations in force;

The arrangement of the risk management system can be summarized mainly as the activities performed by:

- The Board of Directors, which defines the nature and level of risk compatible with the strategic objectives (the Risk Appetite), through a continuous process of analysis and assessment of the business context in which the company works. In relation to the risk profiles, the guidelines for the risk management and containment action implementation system are outlined;
- ADR's top management pursues the company objectives in compliance with the guidelines defined by the Board of Directors and made operational in terms of risk assessment by the Legal Department entrusted with guaranteeing a risk management system that is in line with the methods specified by the parent company Atlantia.

With the purpose of providing a synthetic representation of the risks, the following four macro-categories can be identified: (i) strategic, (ii) operational, (iii) financial and (iv) compliance.

Strategic risks

The strategic risk factors may significantly affect the long-term performance, thus determining reviews of the ADR Group's development policies. The main strategic risks are attributable to the evolution of the air transport market: the ADR Group's economic results are highly affected by air traffic which, in turn, is conditioned by the economic scenario, the economic-financial conditions of the individual carriers, the alliances between carriers and the competition, on some routes, from alternative means of transport. The risk management tools are: i) short and long-term analysis of the competitive scenario, (ii) monitoring the trends of the demand, (iii) investment program in close cooperation with the stakeholders, (iv) diversification of the customers of the operating carriers.

The company performance is also influenced by situations concerning the main Italian carrier (Alitalia) and other important carriers including Ryanair, EasyJetand Vueling.

As for other sector operators, the possible decrease in or discontinuation of flights by one or more of the mentioned carriers and the termination or change of the connections to some destinations featuring high passenger traffic may negatively and significantly impact the activity and the growth prospects of the ADR Group and its results of operations and financial position.

Among the significant strategic risks, of particular importance are the risks connected to the development of the investments in compliance with the Planning Agreement and the commitments towards the stakeholders.

Operational risks

The operational risk factors are strictly connected to the performance of the company activities and, though able to affect the short and long-term performance, do not imply significant consequences on the strategic choices.

Air transport security risks are the most significant category of the operational risks: potential incidents have negative consequences with a highly significant impact on the business of the ADR Group. Among the chief management tools are: (i) the safety management system, (ii) continuing investments in safety and security (iii) staff training, (iv) strict control and constant monitoring activities of the security standards.

Important risks of an operational nature may affect the continuity of service: strikes of its own staff, airline, air traffic controllers and sector operators; adverse weather conditions (snow, fog, etc.), service interruptions by utility providers (e.g. water, electricity, etc.) or connectivity services, may lead to interruptions in the activity and have a negative financial and reputational impact. The main management tools primarily include the airport plans and procedures to manage contingencies and states of emergency.

Financial risks

The net debt of the ADR Group amounts to 1,189.7 million euros as of December 31, 2017 (994.5 million euros as of December 31, 2016).

The gross nominal debt of the ADR Group is exclusively referred to the Parent Company ADR (1,475.0 million euros) and comprises (i) two bond issues from 2013 and 2017 valid on the *Euro Medium Term Notes* (EMTN) of the senior unsecured type and with a par value as of December 31, 2017 equal to 900.0 million euros, (ii) bond issue in pound sterling called “Class A4 Notes” issued in 2003 and with a par value, converted into euro via a cross currency swap of 325 million euros and (iii) three bank loans granted by Banca Nazionale del Lavoro (“BNL”), expiring in 2020 for a total amount of 100 million euros fully used, by the European Investment Bank (“EIB”), expiring in 2031 for an amount used equal to 110 million euros (on a total value of the loan of 150 million euros), and by Cassa Depositi e Prestiti (“CDP”), expiring in 2031 for an amount used of 40 million euros (on a total value of the loan of 150 million euros).

The Class A4 Notes bond issue of 215 million pound sterling has been, right from the beginning, hedged against exchange rate risk and interest rate risk, through cross currency swap contracts for a total value of 325 million euros, at a fixed rate of 6.4%. It should be remembered that, after an Issuer Substitution operation finalized in March 2016, ADR became the direct debtor towards the A4 shareholders in place of the securitization special purpose company Romulus Finance, the original issuer of the bonds issued in 2003.

On 18 May 2017, the banks of the revolving facility (“RCF”) accepted the one year extension (to July 2022) of the contract’s duration based on the specific request of ADR. Indeed the contract in force assigns the company the right to request a one year extension of the contractual duration respectively in each of the first two anniversaries following the signing taking place in July 2016.

On January 31, 2017, the residual tranche of 30 million euros was used of the 100 million euros loan granted in November 2016 by BNL, a bank in the BNP Paribas Group which was also part of the lending banking pool for the RCF line. The BNL bank loan, fully used for the amount of 100 million euros, expires in November 2020 and was disbursed at cost conditions that are particularly advantageous for the company. From a contractual point of view, the terms and conditions that govern this loan are in line with those in the RCF contract.

It should be remembered that in December 2016 two new contracts had been signed with regard to the 300 million euros line resolved by the European Investment Bank (“EIB”) in favor of ADR in 2014: the latter contract totaled 150 million euros directly with the EIB, and the former, for the residual 150 million euros, with Cassa Depositi e Prestiti (“CDP”). The EIB/CDP loan was subscribed as financial support of the “Aeroporti di Roma – Fiumicino Sud” project regarding the execution of the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. As of December 31, 2017, these new funding lines granted by the EIB and CDP are used for 110 and 40 million euros, respectively. The lines used expire in 2031, are of the amortizing repayment type and with a fixed rate. The financial contracts that govern them are characterized by terms and conditions that are more orientated to a “project” type loan structure consisting of their disbursement.

In December 2017 the EIB approved an update of the infrastructural project above, which implied an extension of the line of credit granted to ADR by another 200 million euros to be granted by the bank in direct form. The relevant loan agreement will be signed during the year 2018.

Credit risk

This is the risk that a customer or the counterparty to a financial instrument fails to meet its obligations, thereby causing a loss. As of December 31, 2017, the ADR Group’s maximum exposure to this risk is the nominal value of the guarantees provided for third parties’ debt or commitments, the carrying value of the financial assets shown in the annual report and especially trade receivables due from customers.

For an analysis of the policies in place to control the investment in loans, please see Note 9.3 to the Consolidated Financial Statements.

Liquidity risk

Liquidity risk occurs when the ADR Group does not hold and finds it difficult to obtain the resources needed to face future financial commitments.

The financial structure of the ADR Group is distinguished by a limited incidence of the financial leverage component, since net debt as of December 31, 2017 equals 2.2 times the EBITDA of the year.

Commitments on repayments or refinancing of the existing short-term debt are not envisaged, since the BNL bank loan will be due in 2020, like the first capital units repaying the EIB and CDP loans, the new RCF facility (not used) will mature in 2022 (with optional extension by a further year), the EMTN bond loans in 2021 and 2027 and the Class A4 Notes in 2023.

Note that the cash on hand at the end of the period, for 302.0 million euros, and the RCF line of credit of 250 million euros help ensure a more than adequate liquidity reserve for unexpected needs. As of December 31, 2017, 150 million euros were also available on the medium/long-term EIB/CDP lines. Also see Note 9.3 in the Notes to the Consolidated Financial Statements.

Interest rate risk

The ADR Group uses external financial resources. All the funding lines currently used are at a fixed rate. Only the RCF line is at floating rate, but has not been used.

The ADR Group uses interest rate swaps (IRS) to manage its exposure to unfavorable fluctuations in interest rates.

With resolution of May 14, 2015 the Parent Company's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, “forward starting” interest rate swap transactions up to a notional 900 million euros and with a maximum duration of 10 years. With this type of instruments, which allow forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR improves its ability to tackle the risk of rising interest rates in a market featuring extreme volatility.

As of December 31, 2017 four forward starting interest rate swap contracts were in place for a total notional value of 400 million euros, effective starting from February 20, 2020 for a duration of 10 years, signed by ADR on October 18, 2017 and September 18, 2017.

Also see Note 9.3 in the Notes to the Consolidated Financial Statements.

Exchange rate risk

This is linked to unfavorable changes in the exchange rate with consequent increases in the outgoing cash flows.

The ADR Group has a financial exposure in pound sterling. For this reason, the Group uses currency swaps to manage its exposure to unfavorable fluctuations in exchange rates. Also see Note 9.3 in the Notes to the Consolidated Financial Statements.

Concerning transactions with consumers, the ADR Group has a negligible exposure to the risk since the transactions in currencies other than the euro are related to limited purchases of goods and services.

Risks related to outstanding loan agreements

Rating

ADR and its funding sources, both bonds and banking facilities, are directly or indirectly conditioned by the assignment of a rating by the rating agencies, which in ADR's specific case are released publicly by Standard & Poor's, Moody's and Fitch. The rating level assigned affects the cost of the debt (according to contractually defined parameters for the RCF line only) and the levels for triggering the residual financial ratios envisaged in the banking contracts.

With reference to the rating assigned to ADR by the above-mentioned agencies, it is worth noting that, on May 16, 2017, the rating agency Standard & Poor's, considering the factors relating to the current developments of the parent company Atlantia, also revised ADR's outlook from "stable" to "negative", though maintaining the rating level unchanged and equal to BBB+ just like the stand alone credit profile equal to "a+". Finally, it must be pointed out that, following the change to the rating outlook for the Italian Republic - from "stable" to "negative" on December 7, 2016 - Moody's, on January 20, 2017 adopted a similar decision for ADR's outlook, at the same time confirming the Baa1 rating. Finally Fitch Ratings maintains, unlike the other agencies, a "stable" outlook, combined with a rating level equaling BBB+.

As of December 31, 2017 no additional changes were made to the ratings assigned to ADR.

It is underlined that, following Alitalia's entry into extraordinary administration, all three of the agencies published explanatory notes - Moody's on May 2, Standard &Poor's on May 4 and Fitch on May 11 - regarding the potential impacts on ADR's rating of the crisis situation of the main carrier on Fiumicino Airport. Though making separate detailed comments, in the substance all three agencies agree in deeming that there are no risks, despite the changing situation, of negative impacts on ADR's rating in the short term.

Security and financial covenants

With the previously mentioned "Issuer Substitution" transaction, the complex security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains, ceased. The only, though more limited guarantee, is a "deed of assignment" under British law in favor of notes A4 on any receivables of AdR related to cross currency swaps in place with the counterparties Unicredit and Mediobanca. In any case this guarantee is limited to a maximum value of 96.5 million euros. Furthermore, after the acquisition by Atlantia and EDF Invest of 64% of the capital of Aéroports de la Côte d'Azur (ACA), through the financial acquisition vehicle Azzurra Aeroporti S.r.l., ADR committed to constitute a pledge in favor of the company's lenders on the total equity investment in Azzurra Aeroporti S.r.l., (10% of the company capital), once the latter company is transformed into a joint stock company. In any case also this potential guarantee is limited to a maximum amount of 130.6 million euros.

ADR's loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies classified as investment grade. Worth mentioning is the presence of a leverage ratio with constraint, respecting – in the most stringent contract – a threshold value not exceeding 4.75, which drops to 4.25 in case of downgrade of the Company's rating level to BBB-/Baa3.

The financial ratios must be checked twice a year, in accordance with the agreements, by applying the calculation formulas to the reference data of the Group (which must exclude any equity investments in companies funded through non-recourse financial debt) in the Consolidated Annual Financial Report as of December 31 and the Consolidated Interim Financial Report as of June 30.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program, updated on May 22, 2017, does not envisage limitations to the charge of ADR nor the observance of financial covenants or obligation to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for “investment grade” issuers.

Compliance risks

Risks of compliance with laws and regulations

The ADR Group operates in a sector that is highly regulated at domestic, EU and international level: an example of significant compliance risk categories can be related to the regulations concerning noise and the environment. The airport operator is obliged to respect the national and international laws on containing noise and environmental protection. The management of these risks is focused on the utmost substantial compliance with regulations and legislation in force, cooperation with the reference authorities and the implementation of activities to protect the environment.

Regulatory risks

The airport operator performs the activities under a concession agreement, in compliance with obligations whose non-fulfillment may cause the termination or cancellation of the concession. In addition it is possible to incur sanctions as a consequence of the non-fulfillment of concession obligations required by the Planning Agreement. The main risk management tool, in addition to the reference company procedures, is a close connection with the granting authority to ensure the utmost respect of fulfillments relating to the regulated activities.

ADR S.p.A.: financial performance

Economic performance

The economic and financial figures of the Parent Company ADR were substantially affected by the same factors which impacted the performance of the ADR Group. For more information, reference is made to paragraph relating to the Consolidated financial review.

TABLE 1. Reclassified income statement

(THOUSANDS OF EUROS)	2017	2016	Change	% Change
Revenues from airport management of which:	868,299	836,341	31,958	3.8%
aeronautical revenues	*640,324*	*635,700*	4,624	0.7%
non-aeronautical revenues	*227,975*	*200,641*	27,334	13.6%
Revenues from construction services	114,709	301,986	(187,277)	(62.0%)
Other operating income	16,453	31,883	(15,430)	(48.4%)
Total revenues	**999,461**	**1,170,210**	**(170,749)**	**(14.6%)**
External operating costs	(246,569)	(252,141)	5,572	(2.2%)
Costs for construction services	(107,078)	(291,212)	184,134	(63.2%)
Concession fees	(33,461)	(34,712)	1,251	(3.6%)
Payroll costs	(93,075)	(84,554)	(8,521)	10.1%
Total net operating costs	**(480,183)**	**(662,619)**	**182,436**	**(27.5%)**
Gross operating income (EBITDA)	**519,278**	**507,591**	**11,687**	**2.3%**
Amortization and depreciation, write-downs and reversals	(90,705)	(75,402)	(15,303)	20.3%
Allocation to provisions and other adjusting provisions	(47,827)	(58,198)	10,371	(17.8%)
Operating income (EBIT)	**380,746**	**373,991**	**6,755**	**1.8%**
Financial income (expense)	(35,419)	(44,552)	9,133	(20.5%)
Income (loss) before taxes from continuing operations	**345,327**	**329,439**	**15,888**	**4.8%**
Taxes	(102,310)	(113,697)	11,387	(10.0%)
Net income (loss) from continuing operations	**243,017**	**215,742**	**27,275**	**12.6%**
Net income (loss) from discontinued operations	0	0	0	0
Net income (loss) for the year	**243,017**	**215,742**	**27,275**	**12.6%**

Revenues

- Revenues from airport management, equal to 868.3 million euros, rose by 3.8% compared to the reference year, essentially due to the development of aeronautical activities (+0.7%), also consequently to the positive effect on the first two months of the year of the adjustment of the unit fees, updated each year from March 1. The performance of the non-aeronautical segment showed a 13.6% growth. Among the most significant components, the positive performance of commercial sub-concessions (+17.5%) stands out, mainly linked to the commercial areas of the new “Front Building” of Terminal E coming into operation, and to the real estate sub-concessions, growing by 12.5%.
- Revenues from construction services amounted to 114.7 million euros and decreased by 187.3 million euros compared to 2016, characterized by a particularly high investment volume.

- Other operating income amounted to 16.5 million euros, down 15.4 million euros. In the comparative period this item was affected by the definition of the extent of the insurance claim referring to coverage of the extra costs and the restoration and salvage costs incurred as a result of the fire.

Net operating costs

- External operating costs, equal to 246.6 million euros, fell by 5.6 million euros overall, essentially because of the reduction in the costs for professional services and the costs for commercial development (promotional initiatives), as well as the ceasing of the costs that had had an impact also in 2016 as a result of the operating penalization due to the fire at Terminal 3; this performance was partially offset by the impact on the costs determined by the entry into operation of new airport infrastructure.
- Costs for construction services, equal to 107.1 million euros, dropped by 184.1 million euros compared to 2016, in line with the performance of revenues.
- The liability for concession fees equals 33.5 million euros down by 1.3 million euros mainly due to the adjustment of the parameters for calculating the concession fees to the inflation trend.
- Payroll costs, equal to 93.1 million euros, rose by 8.5 million euros (+10.1%) in correlation to, in addition to the increase in the average cost and the evolution of the fair value of the stock incentive plans, the higher average headcount of ADR (+92.9 average resources), as a result of the initiatives internalization and enhancement of maintenance activities, of initiatives to improve passenger assistance levels as well as to recruitments linked to implementation of the Development Plan envisaged in the Planning Agreement.

Gross operating income (EBITDA)

The gross operating income (EBITDA) equaled 519.3 million euros, up 11.7 million euros compared to the previous year (+2.3%).

Amortization and depreciation

Amortization and depreciation of intangible and tangible fixed assets amounted to 90.7 million euros (+15.3 million euros) and mainly represented the amortization of the airport concession which ADR holds. The 15.3 million euros increase compared to the previous year is attributable to the operational start-up of new systems and infrastructures associated with the current investment plan.

Allocation to provisions and other adjusting provisions

This item, totaling 47.8 million euros (58.2 million euros in the comparative period), is broken down as follows:

- allocation to the renovation provision, amounting to 41.8 million euros (52.7 million euros in 2016), as a consequence of the updated estimate of the expenses for restoration and replacement work scheduled in the latest business plan approved;
- allowances for risks and charges for 0.5 million euros compared to 3.7 million euros in the previous year;
- provisions for doubtful accounts, equal to 5.5 million euros (+3.7 million euros compared to 2016), mainly attributable to the receivables from Alitalia SAI under special administration accrued in the period before the carrier started the procedure, and for which there is no guarantee or privilege protecting the future collection.

Operating income (EBIT)

Operating income (EBIT) came to 380.7 million euros, rising by 6.8 million euros (+1.8%) compared to the previous year.

Financial income (expense)

Net financial expense amounted to 35.4 million euros, decreasing by 9.1 million euros (-20.5%) due mainly to the increase in dividends from investees (+2.6 million euros), the partial value of the equity investment in Pavimental S.p.A. (+4.2 million euros) which instead in 2016 had been written down by 7.6 million euros, as well as the reduction of the rate applied for the discounting of provisions for renovation. These effects were partly offset by the increase in financial expenses for the forward starting hedging contracts coming into operation, signed in 2015 and activated in the first half of 2017, as well as the increase in average indebtedness.

Net income (loss) for the year

Net of the tax burden estimated for current and deferred taxation, equal to 102.3 million euros, the Company closed 2017 with a net income of 243.0 million euros, increasing by 27.3 million euros compared to the previous year.

TABLE 2. Statement of Comprehensive Income

(THOUSANDS OF EUROS)	2017	2016
NET INCOME FOR THE YEAR	**243,017**	**215,742**
Effective part of the profits (losses) on cash flow hedges	13,521	753
Tax effect of other gains (losses)	(3,245)	(428)
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**10,276**	**325**
Actuarial gains (losses) on benefits to employees posted in Shareholders' equity	(54)	(329)
Tax effect of other actuarial gains (losses)	13	44
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(41)**	**(285)**
Reclassifications of the other components of the comprehensive income statement for the year	**1,370**	**0**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**11,605**	**40**
COMPREHENSIVE INCOME FOR THE YEAR	**254,622**	**215,782**

Financial performance

TABLE 3. Reclassified balance sheet

	(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
	Intangible fixed assets	2,352,828	2,281,758	71,070
	Tangible fixed assets	50,267	51,033	(766)
	Non-current financial assets	83,936	79,689	4,247
	Deferred tax assets	64,163	100,577	(36,414)
	Other non-current assets	443	429	14
A	**FIXED ASSETS**	**2,551,637**	**2,513,486**	**38,151**
	Trade assets	319,366	294,410	24,956
	Other current assets	11,980	49,714	(37,734)
	Current tax assets	17,965	7,118	10,847
	Trade liabilities	(200,886)	(301,930)	101,044
	Other current liabilities	(160,381)	(129,521)	(30,860)
	Current tax liabilities	0	(21,862)	21,862
B	**WORKING CAPITAL**	**(11,956)**	**(102,071)**	**90,115**
	Provisions for employee benefits	(830)	(1,278)	448
	Provisions for renovation of airport infrastructure	(67,999)	(95,796)	27,797
	Other allowances for risks and charges	(13,655)	(51,284)	37,629
C	**CURRENT SHARE OF PROVISIONS**	**(82,484)**	**(148,358)**	**65,874**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	**(94,440)**	**(250,429)**	**155,989**
	Non-current liabilities	(141,873)	(146,679)	4,806
E	**NON-CURRENT LIABILITIES**	**(141,873)**	**(146,679)**	**4,806**
F = A + D + E	**NET INVESTED CAPITAL**	**2,315,324**	**2,116,378**	**198,946**
	Share capital	62,225	62,225	0
	Reserves and retained earnings (losses)	903,247	890,277	12,970
	Net income for the year, net of the advance on dividends	135,368	148,540	(13,172)
G	**SHAREHOLDERS' EQUITY**	**1,100,840**	**1,101,042**	**(202)**
	Non-current financial liabilities	1,488,410	1,042,518	445,892
	Other non-current financial assets	(12,950)	(11,236)	(1,714)
H	**NON-CURRENT NET DEBT**	**1,475,460**	**1,031,282**	**444,178**
	Current financial liabilities	30,420	50,624	(20,204)
	Current financial assets	(291,396)	(66,570)	(224,826)
I	**CURRENT NET DEBT**	**(260,976)**	**(15,946)**	**(245,030)**
L = H + I	**NET DEBT**	**1,214,484**	**1,015,336**	**199,148**
G + L	**HEDGING OF INVESTED CAPITAL**	**2,315,324**	**2,116,378**	**198,946**

Fixed assets

Fixed assets equaled 2,551.6 million euros as of December 31, 2017, up 38.2 million euros compared to the end of the previous year, due to:

- increase in intangible fixed assets (+71.1 million euros), as the net balance between the new investments exceeding amortization and depreciation, partially offset by a slight reduction of the tangible fixed assets (-0.8 million euros);
- increase in Non-current financial assets of 4.2 million euros, attributable to the partial value of the 20% equity investment held in Pavimental S.p.A.;

- decrease in deferred tax assets for 36.4 million euros mainly in relation to the trend of the provisions for renovation of airport infrastructure, allowances for risks and charges and the fair value of the derivatives.

Working capital

Working capital is negative by 12.0 million euros, up 90.1 million euros in the year mainly due to the increase in commercial assets (+25.0 million euros), the reduction in Trade liabilities (+101.0 million euros), partly offset by the decrease in Other non-current assets (-37.7 million euros) and the increase in Other non-current liabilities (30.9 million euros).

For an analysis of the main movements regarding the Working Capital, reference is made to what is illustrated for the ADR Group.

Current share of provisions and Non-current liabilities

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Provisions for employee benefits	14,008	14,764	(756)
Provisions for renovation of airport infrastructure	176,470	201,943	(25,473)
Other allowances for risks and charges	29,796	77,394	(47,598)
TOTAL	**220,274**	**294,101**	**(73,827)**
of which:			
- current share	82,484	148,358	(65,874)
- non-current share[7]	137,790	145,743	(7,953)

The renovation provision, which includes the current value of the estimate of the charges to be incurred for the contractual obligation to restore and replace assets under concession, decreased 25.5 million euros due to uses made, net of allocations for the year.

Other allowances for risks and charges decreased by 47.6 million euros, after a re-absorption for 4.1 million euros and uses for 43.9 million euros and provisions for 0.4 million euros. The uses refer mainly to a conciliation agreement signed with the Municipality of Fiumicino on the main disputes relating to the ICI/IMU (property taxes) issue pending for years and the settlement of disputes referring to the fire at T3.

Net invested capital

The net invested capital, equal to 2,315.3 million euros at the end of the year, rose by 198.9 million euros compared to December 31, 2016.

Shareholders' equity

Shareholders’ equity, equal to 1,100.8 million euros, recorded a reduction of 0.2 million euros compared to the end of last year. This change derives from the overall net income for the year (254.6 million euros, which includes the change in the fair value of derivatives) and the increase in shareholders’ equity reserves for 0.9 million euros relating to the fair value accrued on the management incentive plans of the ADR Group based on Atlantia S.p.A’s shares, essentially offset by the distribution of the balance of the dividends that is valid for the year 2016 (148.1 million euros) and the advance on dividends 2017 (107.6 million euros).

[7] Non-current liabilities also include the item Other liabilities equal to 4,083 thousand euros as of December 31, 2017 and 936 thousand euros as of December 31, 2016.

Net debt

Net debt as of December 31, 2017 amounts to 1,214.5 million euros, increasing by 199.1 million euros compared to the end of 2016.

TABLE 4. Net debt

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Non-current financial liabilities	1,488,410	1,042,518	445,892
Bonds	1,101,516	834,195	267,321
Medium/long-term loans	249,464	69,804	179,660
Financial instruments - derivatives	137,430	138,519	(1,089)
Other non-current financial assets	(12,950)	(11,236)	(1,714)
NON-CURRENT NET DEBT	**1,475,460**	**1,031,282**	**444,178**
Current financial liabilities	30,420	50,624	(20,204)
Current share of medium/long-term financial liabilities	16,019	15,955	64
Financial instruments - derivatives	259	21,394	(21,135)
Other current financial liabilities	14,142	13,275	867
Current financial assets	(291,396)	(66,570)	(224,826)
Cash and cash equivalents	(291,332)	(66,570)	(224,762)
Other current financial assets	(64)	0	(64)
CURRENT NET DEBT	**(260,976)**	**(15,946)**	**(245,030)**
NET DEBT	**1,214,484**	**1,015,336**	**199,148**

Non-current net debt

The non-current net debt amounts to 1,475.5 million euros, up in total by 444.2 million euros. For an analysis of the main movements, reference is made to what is illustrated for the ADR Group.

Current net debt

The current portion of net debt is equal to the net funds of 261.0 million euros, increasing by 245.0 million euros compared to December 31, 2016, as a result of the combined effects of the following changes.

- Current financial liabilities, amounting to 30.4 million euros, dropped by 20.2 million euros mainly in relation to the decrease in Financial instruments (-21.1 million euros), after the closing of two forward starting Interest Rate Swap agreements signed on June 15, 2015 by ADR, for a total notional of 250 million euros (with February 9, 2017 as the starting date), and the forward starting Interest Rate Swap signed on February 25, 2016 by ADR, for a notional value of 50 million euros (with April 20, 2017 as starting date).
- Current financial assets, amounting to 291.4 million Euros, were up by 224.8 million euros due to higher cash and cash equivalents (+224.8 million euros) due mainly to the new bond issue.

ADR's statement of cash flows is reported below. For a description of the financial trends, reference is made to what is illustrated for the ADR Group.

TABLE 5. Statement of cash flows

(THOUSANDS OF EUROS)	2017	2016
Net income for the year	**243,017**	**215,742**
Adjusted by:		
Amortization and depreciation	90,705	75,402
Allocation to the provisions for renovation of airport infrastructure	41,837	52,707
Financial expenses from discounting of provisions	1,865	3,674
Change in other provisions	(48,536)	16,806
Write-down (revaluation) of non-current financial assets and equity investments	(4,247)	7,556
Net change in deferred tax (assets) liabilities	32,750	21,735
Other non-monetary costs (revenues)	7,165	4,032
Changes in working capital and other changes	(86,968)	65,649
Net Cash Flow from Operating Activities (A)	**277,588**	**463,303**
Investments in tangible assets	(10,987)	(23,475)
Investments in intangible assets (*)	(151,151)	(311,952)
Works for renovation of airport infrastructure	(69,047)	(110,144)
Equity investments and minority shareholdings in consolidated companies	0	(52,001)
Gains from divestment of tangible and intangible assets	1,128	11,145
Net change in other non-current assets	(14)	39
Net Cash Flow from Investment Activities (B)	**(230,071)**	**(486,388)**
Dividends paid	(255,743)	(201,608)
Issue of bonds	272,101	0
Raising of medium/long-term loans	180,000	69,797
Net change in other current and non-current financial liabilities	(19,800)	129
Net change in current and non-current financial assets	(181)	9,193
Net Cash Flow from Funding Activities (C)	**176,377**	**(122,489)**
NET CASH FLOW FOR THE YEAR (A+B+C)	**223,894**	**(145,574)**
Cash and cash equivalents at the start of the year	53,295	198,869
Cash and cash equivalents at the end of the year	277,189	53,295

(*) including advances to suppliers for 29,703 thousand euros in 2017 and 5,652 thousand euros in 2016.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2017	2016
Net income taxes paid (reimbursed)	102,269	82,262
Interest income collected	271	517
Interest payable and commissions paid	64,856	41,387
Dividends received	13,214	10,574

Equity investments

Below the characteristics and economic performance of the investments in 2017. The balance sheets and income statements of subsidiary and associated undertakings relating to 2017 are summarized in the Annexes to the separate financial statements.

Investments in subsidiary undertakings

ADR Assistance S.r.l.

ADR Assistance started operating in July 2008 and became responsible for providing assistance services to passengers with reduced mobility (PRM) at Fiumicino and Ciampino airports, based on a service contract signed with ADR.

In 2017, the company recorded a profit of 0.3 million euros, compared to the loss of 0.1 million euros in the previous year. Revenues, equal to 18.1 million euros, increased by 3.0%, mainly due to the growth in assistance services and unit fees on Fiumicino (+2.5% the average fees compared to 2017). Operating costs, equal to 16.9 million euros, recorded an overall increase of 0.6%.

The gross operating income rose by 0.4 million euros to 1.1 million euros.

ADR Tel S.p.A.

The company creates and manages the computerized and telecommunication systems on the Roman airport system. On April 1, 2014, the project for the integration of all Information Technology activities became effective within ADR Tel S.p.A. (“ADR Tel”), with transfer of the IT company branch from ADR to ADR Tel.

In 2017 the company recorded a positive net income of 3.4 million euros (+43.6% compared to 2016) and revenues for 34.7 million euros, up 4.3% mainly as a result of the increased investment activities of the Parent Company commissioned to ADR Tel. Operating costs amounted to 28.7 million euros, of which 24.3 million euros relating to the consumption of materials and external services and 4.4 million euros for payroll costs, recording an overall decrease of 2.0%. The gross operating income equaled 6.0 million euros, increasing considerably compared to 2016 (+50.3%), while EBIT came to 4.9 million euros, up 38.3%.

ADR Security S.r.l.

The company was established on May 2, 2012 through the transfer by ADR of the company branch concerning the airport security services business at the two main Roman airports. Therefore a long-term tender contract (2012-2016) was entered into between ADR and the company to regulate the activities ADR Security must carry out as specialist corporate organization of the airport operator: passenger control services, related carry-on baggage, checked baggage, goods and express courier parcels, as well as on-demand services such as surveillance of the airport perimeter.

In the year the company recorded a net income of 1.5 million euros, down 1.8 million euros compared to the previous year. Revenues in 2017 were equal to 48.4 million euros, down 3.6% consequently to the revision of the agreement in place with ADR. Operating costs amounted to 46.1 million euros (-2.3%), of which 36.8 million euros as payroll costs (-3.2%). The gross operating income equaled 2.4 million euros (down by 0.7 million euros compared to 2016), with a percentage impact on revenues of 4.9%, compared to 6.2% in 2016.

ADR Mobility S.r.l.

The company was established on May 3, 2012 through the contribution in kind by ADR of the “car park” company branch, consisting of the assets and liabilities relating to management of the car parks within the airports of Fiumicino and Ciampino and relations with the car hire companies, with the exclusion of the activities carried out by ADR as the airport concession owner (e.g. the management of the parking of taxis, buses and/or minibuses of public and private services, etc.). Under an agreement stipulated with ADR, ADR Mobility S.r.l. (“ADR Mobility”) manages the parking areas of Ciampino and Fiumicino airports for 14 years by sub-concession.

In 2017 the company recorded a net income of 6.9 million euros, up slightly (+1.7%) compared to 2016. Revenues amounted to 39.5 million euros, rising by 0.5% compared to the previous year and attributable to the increase in the royalties recognized by car rental companies. Operating costs amounted to 26.4 million euros (-1.3% compared to 2016), of which 23.2 million euros relating to the consumption of external materials and services and 3.1 million euros for payroll costs. The gross operating income equaled 13.1 million euros, increasing by 12.6 million euros compared to the previous year, while the operating income stood at 9.9 million euros, down by 2.0%.

Airport Cleaning S.r.l.

The company, established on February 28, 2014, started operations on May 20, 2014. The company initially provided cleaning and minor maintenance services at some areas of Fiumicino airport (East Lot), management of the service for collection and distribution of baggage carts at Fiumicino airport as well as cleaning and cart handling services at Ciampino airport. The business was expanded in 2015 to include the cleaning service for the Fiumicino West Lot and the external areas cleaning service for Ciampino, and in 2016 the cleaning activities at the baggage handling area (BHS at Terminal 1) as well as extraordinary site cleaning of the new infrastructure of the Front Building and Pier E. During 2017 the company further modified its scope of activities by also performing services at the Terminal East and West, as well as various buildings, areas and room not open to the public in the terminals and Terminal 5.

In 2017, the company recorded a net income of 1.7 million euros, up 1.0 million euros compared to 2016. Revenues, equal to 28.4 million euros, rose by 8.9%, due to expansion of the scope of activities. External costs remained essentially stable with respect to 2016, whilst payroll costs amounted to 15.6 million euros, up 8.7% in relation to the increase in headcount (+7.2%) as a result of the change in business scope and the improved level of service quality. The gross operating income equaled 2.8 million euros (1.4 million euros in 2016), while EBIT came to 2.7 million euros (+1.2 million euros in the previous year).

ADR Sviluppo S.r.l.

The company, with the purpose of promoting and developing real estate initiatives for the airport premises of Fiumicino and Ciampino, had not yet started its operations in 2017. The net income for 2017 equals 22 thousand euros, in line with 2016 (+3 thousand euros), in relation to dividends (+24 thousand euros) collected from the investee ADR Tel; the shareholders’ equity as of December 31, 2017 equals 174 thousand euros.

Investments in other companies

Pavimental S.p.A.

ADR holds a 20% share in the company, engaged in the sector of motorway maintenance and the execution of some important infrastructural works for the Group as well as third parties.

Revenues from ordinary activities for 2017, equal to 389.2 million euros, were up by 80.3 million euros compared to 2016 (+26%), mainly due to the greater volumes of revenues for the infrastructure contracts commissioned by Autostrade per l'Italia S.p.A. and ADR. Furthermore, this increase was affected by the application, in 2016, of the permanent reductions set by the Ministry for Infrastructures and Transport on infrastructure contracts commissioned by Autostrade per l'Italia S.p.A in place of the provisional contractual ones, which had a negative impact on the production of 2016, in addition to defining, in 2017, a Transaction Deed with which Autostrade per l'Italia S.p.A recognized Pavimental about 28.2 million euros.

The gross operating income equaled 46.4 million euros, considerably up compared to the previous year (-30.0 million euros). The company closed 2017 with a net income of 15.8 million euros, up compared to the loss of 33.7 million euros in 2016. Shareholders' equity as of December 31, 2017, stood at 31.5 million euros.

Spea Engineering S.p.A.

The company, which ADR owns 20% of, provides engineering services for planning, work supervision and monitoring activities, serving the upgrading and extraordinary maintenance for the motorway and airport sector.

The revenues for 2017 equaled 110.6 million euros, down by 13.4 million euros (-10.8%) compared to the previous year, as a result mainly of the decrease in the activities related to Work Management, due to the closing of the work sites for jobs in the final accounts and a slowdown in airport activities. EBITDA in 2017, equal to 15.4 million euros, decreased by 13.7 million euros compared to the previous year. The company closed 2017 with a net income of 6.9 million euros, down compared to the result of 17.7 million euros in 2016. Shareholders' equity as of December 31, 2017, stood at 88.3 million euros.

Aeroporto di Genova S.p.A.

ADR holds a 15% investment in the company that manages Genoa airport. In 2016 (the year the last financial statements refer to), a decrease of 6.9% was recorded in passenger traffic and of 2% in movements, attributable to the cancellation and replacement of some routes, only partially balanced by the increase in the load factor of the flights of some carriers. The value of production amounted to 25.3 million euros, with an increase of 1.6 million euros, largely driven by the positive trend in aeronautical income, which benefits from the alignment of the fees to the costs, following the positive conclusion of consultations with users. The gross operating income (EBITDA), equal to 2.6 million euros, rose by 0.2 million euros compared to 2015. The company closed 2016 with a net income of 0.8 million euros, up compared with the result of the previous year (+0.7 million euros). Shareholders' equity as of December 31, 2016, stood at 6.6 million euros.

S.A.CAL. - Società Aeroportuale Calabrese S.p.A.

ADR owns a 9.23% investment in this company. In 2016 (to which the latest approved financial statements refer), passenger traffic at Lamezia Terme, the airport managed by S.A.CAL., reported

2.5 million passengers in total with an increase of 7.7% compared to the previous year, to be attributed to the growing low-cost traffic.

On July 1, 2016 the company branch performing ground services was spun off and transferred to the newly established company S.A.CAL. Ground Handling S.p.A., wholly owned by S.A.CAL. S.p.A.. As a consequence, the data relating to 2016 cannot be compared with the data of the previous year.

The value of production was 22.0 million euros, down by 0.9 million compared to 2015, whilst a considerable decrease was seen in costs of production (-2.6 million euros) and, in particular, in payroll costs, consequently to the mentioned spin off of the handling company branch; therefore EBIT is equal to -0.5 million euros (-2.2 million euros in 2016). The value adjustments of financial assets are negative for 0.8 million euros due to the write-down of the book value of the subsidiary S.A.CAL. Ground Handling S.p.A.. Given the trends described, the year closed with a net loss of 1.5 million euros compared to the negative result of 2.0 million euros recorded in 2015.

Shareholders' equity as of December 31, 2016, stood at 9.6 million euros and is affected by, in addition to the loss of 2016, the capital contribution equal to 5.3 million euros carried out in 2016 following the resolution of the Extraordinary Shareholders' Meeting of the company on December 18, 2015. The Shareholders' Meeting - pursuant to art. 3 of the Decree of the Ministry of Transport and Navigation no. 521 of November 12, 1997 - resolved the capital increase from the current 7.8 million euros to 12.9 million euros through the issue of new ordinary shares. On December 19, 2016, the Extraordinary Shareholders' Meeting resolved to raise the amount of the agreed share capital increase from 12.9 million euros to 15.9 million euros, subscribed on October 31, 2017 for 13.9 million euros.

Azzurra Aeroporti S.r.l.

ADR holds 10% of the capital of Azzurra Aeroporti S.r.l., which holds 64% of the capital of Aéroports de la Côte d'Azur (ACA), the company that, in turn, owns the airports of Nice, Cannes-Mandelieu and Saint Tropez.

The company closed 2017 with a profit of 27.6 million euros, relating mainly to income from equity investments for the dividend resolved by the subsidiary ACA, equal to 34.6 million euros; the Shareholders' equity as of December 31, 2017 amounts to 690.4 million euros.

Consorzio E.T.L. – European Transport Law (in liquidation)

The Consortium (25% ADR), which promotes training courses and research programs regarding European transport integration issues, has been in liquidation since December 31, 2010 and closed 2017 with a loss of 8 thousand euros and a negative shareholders' equity of 1 thousand euros.

Leonardo Energia Società consortile a r.l.

The limited liability consortium, in which Fiumicino Energia S.r.l. holds a 90% investment and ADR a 10% investment, has the purpose of producing, transforming and transporting electrical and thermal power in favor of consortium partners, through the management of:

- the new co-generation plant built at Fiumicino and owned by Fiumicino Energia S.r.l., made available to the company via a company branch lease contract;
- thermal power plant made available by ADR through a sub-concession agreement.

The company broke even in 2017, whilst shareholders' equity at December 31, 2017 amounted to 268 thousand euros.

Planning Agreement

Development of the Roman airport system

The Airport Management Agreement and the Planning Agreement

ADR manages the Roman airport system - Fiumicino and Ciampino airports - on an exclusive basis under the concession granted to the company by Italian Law No. 755 of November 10, 1973, and the Single Deed "Agreement for management of the Rome airport system and Planning Agreement, pursuant to art. 17, paragraph 34-bis, Law Decree no. 78 of July 1, 2009, converted with amendments to Law no. 102 of August 3, 2009, including the principles and criteria for its periodic updating" entered into on October 25, 2012 and approved by the Prime Minister's Office Decree of December 21, 2012. This Single Deed replaced the previous Management Agreement no. 2820 of June 26, 1974, and governs relations between the concessionaire ADR and ENAC until the expiry of the concession (June 30, 2044).

Following the Agreement of October 25, 2012, ENAC and ADR signed three Additional Deeds: on December 27, 2012 (incorporating the amendments to the text of the Prime Minister's Office Decree of December 21, 2012), on December 23, 2013 (remodeling the boarding fees for outgoing and transit passengers) and on December 9, 2014 (identifying further service quality measurement mechanisms).

The new regulatory framework has defined a consistent set of transparent and sound rules valid until the end of the concession, which will enable the financing of ADR investment plan through private funds. The pillars of the new Planning Agreement are:

- clarity of concessionaire and ENAC rights and obligations in all circumstances, including situations that can give rise to termination of the Agreement;
- identification of airport efficiency and service quality objectives subject to economic regulation;
- updating of the criteria to determine tariffs based on the actual cost of services, estimated traffic, the investment plan and quality objectives, in line with international best practices;
- central role of the investment plan in both the short and long term.

The Single Deed coming into force resulted in some appeals to the Lazio Regional Administrative Court and/or the Head of State; all the appeals lodged have been closed, except that filed by the Municipality of Viterbo following the decision to omit the construction of the third airport of the Roman airport system from the Infrastructural Development Plan. For more details, reference is made to the section on "Litigation" in the Notes to the Consolidated Financial Statements.

Art. 9 (Revocation of loans, unimplemented actions and repeal of airport procedures), paragraph 3 of Law Decree no. 185 of November 25, 2015 containing "Urgent measures for territorial interventions", converted to Law no. 9 of January 22, 2016, provided for the repeal of article 71 of Law Decree no. 1 of January 24, 2012, converted with amendments to Law no. 27 of March 24, 2012. With the repeal of art. 71, infrastructural interventions for Fiumicino and Ciampino airport are essentially no longer equated to strategic structures of preeminent national interest (so-called "major works") and go back to being subject to the ordinary regulations in force in terms of approval procedures (approval of the projects by ENAC). The original wording of Art. 9, paragraph 5 of the Planning Agreement (as amended by Council of Ministers Presidential Decree of December 21, 2012), which established the competence of the Inter-Ministerial Committee for Economic Planning (“CIPE”) for the approval of the projects, no longer applies.

The main elements of the Planning Agreement

- **Fee structure**: the fee structure is based on criteria recognized at international level in correlation with the costs of infrastructure and services, promoting the efficiency objectives in accordance with Directive 2009/12/EC and Law 27/2012, which absorbed the same directive into the national regulations. The fee rules are set until the end of the concession and are based on:
  - "price cap" method ("RAB-based"), which correlates the fees with the costs of the services subject to economic regulation. In addition, the initial RAB value is calculated as of January 1, 2013 at 1.8 billion euros, updated year on year with the rules for regulatory accounts;
  - "dual till" based on which all the revenues of the commercial activities are kept by the airport company;
  - provision of bonuses / penalties when the values recorded concerning environmental and quality indicators are above / below the objectives set with the ENAC (Civil Aviation Authority).
- **Fee review**: the Planning Agreement clearly defines, in terms of content, methods and schedules, the mechanisms and reasons that require updating of the economic-financial plan at 2044, of the ten-year regulatory periods, in turn subdivided into regulatory sub-periods, of the variables contained in the mechanism of annual fees.
- **Permissible remuneration**: for the first five-year period of tariff application (2012-2016), the real pre-tax Weighted Average Cost of Capital (or “WACC”) equaled 11.91%. For the second five-year period (2017-2021) this was set at 8.52% to reflect the changing financial market conditions (particularly the lowering of the cost of Italian public debt). Relating to the return rate recognized on the capital, the Planning Agreement clearly defines parameters and criteria for the update at the end of the regulatory five-year and ten-year period. The real pre-tax WACC, for the new works of particular strategic and environmental value, is expected to increase within the range of 2% to 4%.
- **Differences between forecast and final traffic**: the variations in traffic compared to the forecasts within a +/-5% range will be to the benefit of/charged to ADR. In the presence of greater variations, 50% of the higher revenues will be allocated for future investments without any impact on the tariffs; if lower, 50% of the lower revenues will be included in the costs permitted for the tariff calculation of the next sub-period of five years. Particularly significant traffic variations may legitimize the request for changes to the planned structural works.

Tariff update

The tariffs in force since March 9, 2013, the year of first applying the Single Deed, are calculated according to the principles contained in the Planning Agreement.

According to the rules of the Planning Agreement, the tariffs are updated annually in order to maintain a correlation between the revenues from regulated services and the relative costs. The update provides for (i) ADR’s compliance with the procedure of consultation with the users according to ENAC principles applying the terms and methods outlined in EU Directive 2009/12/EC on airport fees; (ii) ENAC’s approval of the tariffs after having checked the values presented by the company in the specific update proposal and standard disclosures (publication on the website and reporting to IATA).

In 2016 the series of actions for updating of the tariff parameters for the five-year period 2017-2021 and the underlying technical annexes to the Planning Agreement were carried out and are fully available on the ENAC web site and, during 2017, ADR and ENAC consulted the users and run the checks for the fee values to be applied from March 1, 2018.

Consultation with users and 2018 tariff proposal

As part of the consultation envisaged for the tariff update started by ADR on August 12, 2017 with the publication of the relevant documents on its website, a meeting was held on September 29, 2017 with the airport users (carriers, handlers and other parties concerned) with regard to the issues concerning investments, traffic performance, quality and the environment. The main infrastructural works completed and those in progress in line with the schedule of the second five-year period of the Planning Agreement were illustrated on that occasion. Lastly, the tariff proposal for the year 2018 (applied from March 1) was illustrated according to the principle of cost correlation established in the Planning Agreement. The consultation procedure ended on November 10, 2017 with publication of the final tariff proposal of the airport operator.

On December 22, 2017 ENAC, with its own note, confirmed for ADR the tariffs that will come into force at Fiumicino and Ciampino airports starting from March 1, 2018, publishing them on its website at the same time. Based on the agreements reached, the ratio between maximum revenues admitted for regulated services and passengers paying the fees, under the Planning Agreement, equals 30.5 euros, down compared to 30.8 euros of the previous year.

The periodic consultation of airport users by the airport operator is meant to illustrate to users the infrastructural development projects, the results in terms of service quality and the fees envisaged in the tariff proposal for the subsequent year. The consultation procedure is carried out in compliance with the fundamental transparency principle pursuant to article 6 of the EU Directive of 2009 on airport fees. On March 20, 2015, with the publication of the procedure to settle disputes in case no agreement is reached on airport fees, ENAC further applied the provisions of the EU directive on user consultation.

The strategic objectives

Having made the investments under the Planning Agreement, ADR continued the implementation of the Infrastructural Development Plan of the Roman airport system; the new infrastructure is created in line with a balanced demand and supply ratio, thus guaranteeing the constant improvement of the level of service offered to passengers.

In particular, the opening for business of the Front Building of Terminal 3 and the new annexed departures pier, which took place in December 2016 and became fully operational in 2017, allowed a capacity expansion of the airport capacity of Fiumicino terminals by 6 million passengers per year, in compliance with forecasts in the Planning Agreement, giving the airport a more complete and organized structure, particularly as regards non-Schengen flights and passengers. In 2017 also a series of key actions continued in terms of: service quality, capacity, environmental sustainability, operations, system redundancy, technology developments and space harmonization. The long-term objective of the ADR Group is to create, in the validity period of the Concession, an airport system in line with international best practices to drive the social-economic development of the local territory and the Italian system and serve as access point for intercontinental traffic. The following actions are envisaged in particular:

- the development of Fiumicino in order to turn it into one of the main hubs at European level both in terms of volume, increasing the capacity and service standards offered to passengers;
- the upgrade of Ciampino, improving the services currently offered, in line with the Masterplan, being approved also from an environmental standpoint.

The Investment Program

Under the Management Agreement, ADR is committed to guaranteeing the suitable and progressive planning and implementation of the infrastructural development for the airport system for the entire residual duration of the concession (June 30, 2044). The size of the infrastructure covered by this plan, in addition to considering ENAC's directives, must also guarantee high quality levels, based on the estimated traffic growth agreed with the granting administration.

The Airport Development Plan

ADR's commitment to making the investments, which, pursuant to the agreement, constitutes the "Airport Development Plan", is arranged into 10-year "regulatory periods" - the first period 2012-2021 is in progress - and five-year "regulatory sub-periods".

Following the approval in October 2015 of the Fiumicino and Ciampino Masterplan up to 2044, in compliance with ENAC requirements, in 2016 ADR prepared Masterplan with a time horizon of 2030 for Fiumicino airport and the associated Environmental Impact Study. The Masterplan to 2030 was submitted in October 2016 and was approved by ENAC in February 2017. The associated Environmental Impact Study was completed and will be sent through ENAC to the Ministries for the Environment and Cultural Heritage and is being surveyed at the competent Environmental Impact Assessment Commission. Concerning Ciampino, the investigations continue on the Environmental Impact Study linked to the Masterplan by the Environmental Impact Assessment Commission. As part of the proceedings, the Lazio Regional Authority sent its favorable opinion with requirements to the Environmental Impact Assessment Commission. The requirements also impose that the terms for the reduction of the flights at the airport be brought forward compared to the forecasts of the Masterplan, which state the year 2021. ADR, in consideration of the operating issues related to the possible implementation of the above-mentioned procedure, filed an appeal with the Lazio Regional Administrative Court.

With reference to the commitment to making the investments under the Development Plan, which the Agreement in force attributes to ADR, it is emphasized that, since the determination and update of the regulated fees are based on the application of a "RAB-based" methodology, at the end of each year the parties (concessionaire and granting authority), when determining the fees to charge in the next year, shall aggregate the investments made and verify the need to make corrective adjustments to the estimated traffic in the five-year period. On that occasion, if the requirements are met, necessary rearrangement of the detailed program of investments under the Plan can be agreed.

The fulfillments in relation to the Development Plan[8]

In compliance with the provisions of the Planning Agreement and the multi-year technical documents for the sub-period 2017-2021 approved by ENAC in 2016, ADR has started sending ENAC the projects for the actions scheduled in line with the approved airport development plans, the details of the actions to be taken to achieve the strategic objectives of capacity, quality, service level and environmental sustainability. For Fiumicino, the general structure is in line with that approved in the Fiumicino Sud completion project and envisages in particular the expansion of T1 and the restructuring and improvement of the capacity of T3. As regards Fiumicino Nord, a complex comprising a new runway, a new terminal block and related aprons is planned to be completed by the end of 2028. For Ciampino the plan is to streamline traffic, in line with the environmental impact study and in the plan for noise reduction and abatement.

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[8] Data ADR S.p.A. ITA GAAP.

In 2017 ADR invested a total of 193.9 million euros, compared to the 291.9 million euros envisaged in the first year of the second regulatory sub-period (2017-2021) approved by ENAC; the difference, equal to -98 million euros (-93 million euros net of the real estate development initiatives), is mainly due to an optimization and restructuring of the interventions, to take into account the reduction in traffic occurring and expected in the short and medium term as a consequence of the Alitalia situation, with the objective of balancing the demand and supply ratio and contain the tariff impact on carriers and passengers.

Service Conference of the Project of Completion of Fiumicino Sud - VIA decree

In 2017, ADR completed works envisaged in the development plan approved by ENAC and authorized by the VIA and Service Conference, carrying out the prescribed compliance checks with the competent Ministries or bodies.

The general and specific provisions of VIA Decree no. 236 of August 8, 2013, as amended by Ministerial Decree no. 304 of December 11, 2014, essentially referred to matters such as: land and water management, the arrangement of work sites and landscape-related aspects as well as the enhancement of Terminal 3, the airport's only historical building.

During 2017, the activities were completed, for the projects regarding the year, of preparation of the documents needed to fulfill the general requirements. The phase to update the different projects as arranged was continued by sending ENAC, during 2017, the updated projects and the documents needed for compliance with the actions planned in the Planning Agreement. ENAC, in its capacity as applicant, subsequently forwarded the above documents to the bodies in charge of the compliance audits based on their respective competence (Ministry of Cultural Heritage and Assets and Tourism, Ministry of the Environment and the Protection of Land and Sea, Lazio Regional Environmental Protection Agency).

Airport intermodality and connectivity

For an airport like Fiumicino the development of accesses is of the utmost importance in order to best address the mobility and accessibility needs connected to the demand for air transport for Rome. In addition to the continuous collaboration launched in previous years with ANAS and RFI, ADR continued its commitment as part of the work group coordinated by Unindustria Lazio to devise the "Integrated Plan for the sustainable development of infrastructures in the Northwestern Area of Rome", on the initiative of the Ministry of Infrastructure and Transport (MIT). The Plan aims to create the strategic reference tool for coordination of the various infrastructural and accessibility initiatives to be developed as part of the mentioned territorial context. On July 28, 2017 the Plan was approved with MIT Decree, and will be subject to the Environment and Strategic Assessment Procedure.

On December 15, 2016, ADR and RFI (Rete Ferroviaria Italiana) signed a Protocol on enhancement, with charges borne by RFI, of the Fiumicino Aeroporto rail station to increase and improve the rail service. The Protocol, through a work group created ad hoc, envisages:

- design and construction of the station expansion, adding two new tracks;
- definition of timing and costs of works identified;
- definition of the works implementation plan;

- analysis of other joint action for the short/medium-term enhancement of rail services for access to the airport.

  In 2017 the technical-economic feasibility study of enhancing the rail station was launched, which will end in 2018.

Environmental sustainability and quality

With a view to developing and managing an efficient airport system by improving every year the service levels offered to passengers, ADR periodically monitors the indicators shared with ENAC as part of the Planning Agreement and related to the service quality and the protection of the environment. Multi-year improvement objectives are defined for each indicator with a view to aligning the managed airport systems to the best comparable international airports. The outcome from measuring these objectives is used when defining the tariff updates according to the rules of the Planning Agreement.

Specifically, the main indicators agreed with ENAC for Fiumicino and Ciampino airports and subject to consultation together with the related improvement targets for the period 2017-2021, are reported below.

- Services provided:
  - availability of operating info points;
  - waiting time in line at check-in desks;
  - delivery time for the first and last bag from the block on;
  - time take to provide assistance to passengers with reduced mobility (PRM);
  - waiting time for security checks;
  - seating availability in the airside area.
- Passengers' quality perception regarding:
  - effectiveness of the assistance to passengers with reduced mobility (PRM).
  - wi-fi connection quality (*for Fiumicino airport only*);
  - presence of clear, understandable and efficient internal signs;
  - level of cleanliness of the restrooms;
  - level of comfort in the airport (only for Ciampino airport).

For ADR, environmental protection is a strategic priority and the sustainable approach to airport activities management is a working method that is increasingly insourced. ADR's attention to environmental issues can be summarized by the work carried out by the Sustainability Committee with the participation of the company management, chaired by an influential external figure and meeting each month to analyze the trend of the main environmental issues and define future lines of development. In 2017 the ADR Group's Sustainability Report was prepared for 2016. This is a major reference summarizing the results achieved and the activities in progress. As a consequence, at the end of 2016 the first regulatory sub-period established by ADR Planning Agreement (2012-2016) was concluded; an important improvement was recorded for environmental issues, in particular:

- rationalization of energy consumption and reduction of consumption per passenger;
- offsetting of residual CO_2 emissions from Fiumicino airport by purchasing the credits of "green" projects;
- integrated management of the waste cycle and increased separate waste management, resulting in more than 80% of waste correctly separated, also from the "door to door" collection method adopted at Fiumicino terminals;
- improvement and optimization of the system monitoring the quality of drinking water and waste water, and reduced drinking water consumption per passenger.

Also defined in 2016 was the new system of environmental indicators to be used for the second regulatory sub-period 2017-2021, which were transposed into the new Annex 10 to the Planning Agreement. Using the guidelines defined by ENAC in 2015, it was possible to select a list of indicators which, compared to the previous five-year period (2012-2016), allow the definition of improvement objectives that are significantly more relevant with a view to developing an increasingly sustainable airport system. For Fiumicino and Ciampino the following indicators and actions were identified:

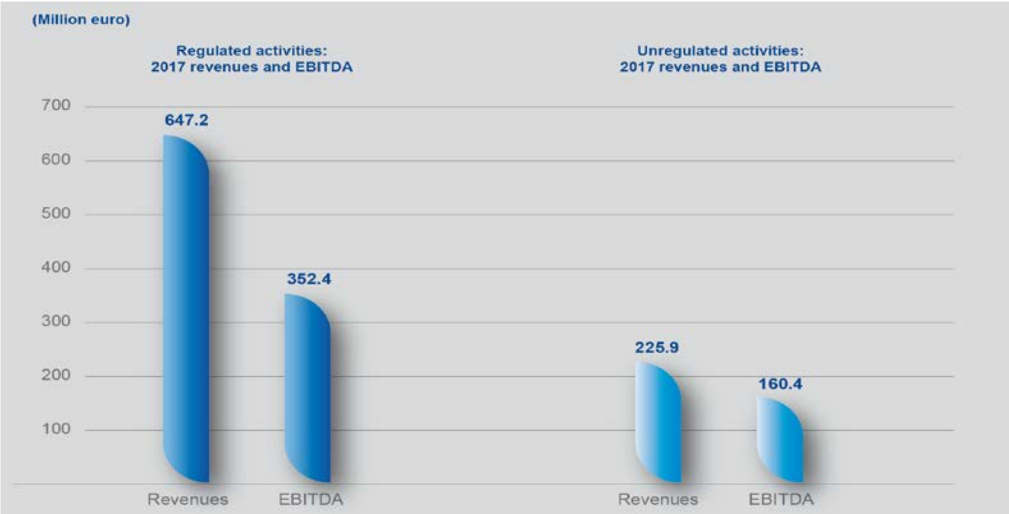
- reduced energy consumption at the terminals by 2.5% at the end of the second sub-period (2021) compared to 2015 (also including energy consumption relating to air-conditioning systems);
- energy production from the installation of photovoltaic plans: in the five-year period 2017-2021 ADR expects to produce 1.5% of electricity from renewable sources, at both airports;
- replacement of the company car pooling fleet with low-emission vehicles (mainly electric or hybrid), to achieve replacement of 35% of the vehicles at Fiumicino and 60% at Ciampino;
- separate waste collection of non-hazardous waste in the passenger transit areas, increasing by 4 and 5 percentage points, respectively, for Fiumicino and Ciampino, at the end of the second sub-period (2021) compared to 2015;
- reduced drinking water consumption per passenger by 5%, at the end of the second sub-period (2021) compared to 2015 (indicator only valid for Fiumicino airport);
- systematic verification of environmental clauses included in the contracts, to control operational implementation and reliability of the related contents.

Regulatory accounts

The regulatory accounts are developed annually on the scope of activity of the Parent Company ADR according to the Italian GAAP accounting standards. On this basis, it is possible to describe the turnover and profitability (EBITDA) of regulated and unregulated ADR activities.

In 2017, revenues from regulated activities amounted to 647.2 million euros (in 2016 this value equaled 642.5 million euros), with an EBITDA contribution of 352.4 million euros (352.3 million euros in 2016). With regard to unregulated activities, mainly managed via third parties on the basis of sub-concession agreements, revenues were recorded for 225.9 million euros (in 2016 this value equaled 211.3 million euros), with an EBITDA contribution of 160.4 million euros (142.6 million euros in 2016).

GRAPH 1. Volumes and profitability of regulated and unregulated ADR activities



THE SUSTAINABILITY SECTION

Human resources

As of December 31, 2017 the ADR Group had a headcount of 3,377, recording a -0.5% decrease (16 units) compared to the end of the previous year. This change is mainly attributable to the optimization and streamlining initiatives taken during the year within the operating companies (ADR Security, Airport Cleaning, ADR Mobility), which have offset the increase of 80 units regarding ADR, mainly due to:

- in-sourcing and enhancement initiatives for maintenance activities to improve the quality standards of the service provided and to enhance system control activities;
- enhancement of Ciampino airport also linked to the upgrading of the General Aviation Terminal and the direct management of the landside access, as well as the monitoring of the existing First Aid, made definitively independent from Fiumicino's operations;
- initiatives to enhance the other organizational areas supporting the business, with particular reference to the activities to develop and market airport products, as well as to optimize and digitalize the company processes.

The headcount on open-ended contracts as of December 31, 2017 equaled 2,780 people, essentially unchanged compared to December 31, 2016.

The Group's average headcount in 2017 equaled 3,110.9 FTE, rising by 72.0 FTE (+2.4%) compared to 2016. This increase was mainly attributable to:

- in-sourcing and enhancement initiatives for maintenance activities, with special reference to heat, electric, civil and electromechanical installations;
- expansion of the scope managed by Airport Cleaning to the newly created areas at Fiumicino airport (Front Building and Pier E). This increase was partially offset by the operating efficiency initiatives, which led to the introduction of "traffic" logics on the cleaning of the toilet facilities, as well as the re-definition of the frequency of the unscheduled nighttime cleaning activities;
- enhancement of the passenger and First Aid information at Ciampino airport, as well as the direct management of landside access;
- enhancement of the other organizational areas supporting the business;
- initiatives taken to optimize the passenger control processes at security check points and make them more efficient, and monthly planning of the requirements that completely absorbed the increase, in terms of number and covers, of the points not directly connected with the trend of passenger traffic, (e.g. direct management of the facilitation activity at e-gates for boarding passes, direct management of service passages).

Development

The commitment to creating the development projects continued in 2017. In particular, as part of the structured processes that assess expertise and performance, the following is noted:

- Performance Development: the output was analyzed of the assessment system launched in the first part of the year which, in addition to providing a photograph on the overall performance of the individual structures, allowed the development actions most in line with the professional career path to be identified and the skills of individual resources to be improved (127 people concerned);

- Individual and group assessments: the potential and "managerial readiness" continued to be assessed in order to support the assessment of the Line Managers and their path towards more complex roles. Therefore, based on the emerging evidence, a process was started to return individual feedback with the aim of defining specific skill improvement plans (137 people concerned).

Finally, in line with Atlantia's development policies, the development plans were continued, which are aimed at enhancing young professionals, as a group of valuable resources to build the managerial pipeline in the medium to long-term. Worth noting are:

- mentoring: involving 81 resources which were mentored by Group Managers, aiming to improve the technical knowledge, organizational conduct and the knowledge of the organization also through the assignment of transversal projects and the entry into specialist and managerial training paths;
- induction and on boarding activities: involved 45 newly hired resources, targeting the knowledge of the relevant business and the organization and of the other companies of the Atlantia Group;
- Green Expert: as part of the Group's initiatives focusing on sustainability, this project had the objective of improving and strengthening the technical-specialist skills of those resources who operate in the sectors linked to environmental protection and sustainability. For this purpose a sample of 14 resources was identified, for which a gap analysis of the environmental and energy expertise was carried out, based on which the training plan needed to control the expected skill levels was defined.

Training

In 2017, a total of 80,869 training and education hours were provided in the ADR Group, for a total of 10,726 attendees and at a cost of 980 thousand euros. 40% of the training hours provided in total were through internal trainers of the ADR Group, confirming, also for 2017, the attention paid to enhancing the professional knowhow that characterizes the ADR Group.

For managerial and behavioral training, during the year some activities were designed and created, which are aimed at the first and second management line of the ADR Group:

- change management: training and coaching activities were started for the first managerial line, aimed at increasing its effectiveness in terms of people engagement and development, integration among peers, interfunctional cooperation and personal impact within the work group mechanisms.
- a leadership course: a training course was designed and provided with in-house personnel intending to create a managerial culture and a shared leadership style, as well as spread the managerial skill model of the Atlantia Group. The initiative involved 84 people among managers, resource coordinators and young people.

With reference to the topic of improving the quality of Customer services, the ADR Group renewed, also in 2017, its commitment to the Customer Experience Education. As part of this initiative, On Boarding, Recurrent Training, Quality Groups and Coaching on field training activities were provided to a total of 2,339 attendees and a total of 19,812 hours.

As regard specialist training, the main initiatives concerned the activation of the following routes:

- project management: the course ended, which was addressed to 37 senior Project Managers at the Operation and Maintenance and Infrastructural Development departments (2,664 hours) with the aim of enhancing the technical skills and the managerial competence of Project Managers; At the end of this course, 12 of the attendees received the level C IPMA certification;

- Lean methodology, addressing 23 Project Managers from different corporate structures (1,472 hours) with the aim of spreading the process optimization methodology with regard to airport services. Following this action, numerous projects were launched to improve the effectiveness and efficiency of the company processes.

The ADR Group's commitment to spreading Safety culture during 2017 is confirmed by the 33,056 hours of training on Legislative Decree 81/08 provided, which involved 3,084 attendees. Importance was given in particular to training/education on managing Airport Emergencies through the Firefighting and Terminal Evacuation Plan courses targeting all staff involved in first responder activities in the event of an airport emergency.

During 2017, the Group also made an important investment to design and structure courses concerning ionizing radiation for the baggage control activities. The training course was provided by a qualified expert, as required by the reference legislation, for a total of 800 hours of training and 200 attendees relating to ADR Security personnel.

Finally, at the beginning of the year, a training activity was launched aiming to the right to drive the ramp vehicles in case of emergency and their safe use. The program concerned about 100 resources, for a total of 2,328 hours of training provided.

Training in e-learning mode mainly concerned issues of regulation compliance, such as Law 231/01, the law on Privacy, awareness on managing passengers with reduced mobility and the new "airside safety" course. In this area, 2,059 attendees were recorded for a total of 4,823 hours.

Welfare

With a view to developing the engagement and involvement of the airport and territorial community of Fiumicino and Ciampino, the following projects were promoted:

- Open day at Leonardo da Vinci: a program of guided tours and events to allow high school students to know and visit the most important Italian airport; This initiative involved a total of 300 young people in 2017;
- ADR Welcome: a program which allows local high school students to participate in a school - work project that involves them in passenger information activities. In 2017 two editions of the project were launched, involving a total of 100 young people.

To sustain and support the children of the employees in their school, training and university projects, the following initiatives were carried out:

- Parent Day: a school and coaching orientation day aimed at the parents who work in the company, to sustain and support the educational and professional choices of their children;
- university scholarships: competition to assign 8 scholarships with a unit value of 5,000 euros to the children of employees of the ADR Group to enhance the completion of their university education.

Furthermore, in order to combine professional commitments with family needs, for the third year in a row, the ADR Group confirmed the organization of the Summer Camps dedicated to the employees' children aged 4 to 18, contributing to 70% of the total expenses for the initiative. 117 young people participated in the project, with a total cost of 50 thousand euros.

Remuneration system

The main incentive systems used to support the remuneration policies in 2017 include:

- Management by Objective - MBO: variable short-term remuneration to pursue the business objectives while guaranteeing a correlation between corporate performance and individual performance. In 2017, 100% of Managers, 94% of Administrative staff and 8% of level 2A white collars participated in the MBO system of the ADR Group.
- One-year/Three-year MBO system: for 49% of managers in particular, a new cycle of the "One-year/Three-year" MBO system was introduced for the three-year period 2017-2019; it envisages both an annual portion of the incentives linked to individual objectives and a three-year portion of the same linked to quality objectives and Group objectives;
- Equity plans: variable medium/long-term incentive tool defined by the parent company Atlantia and dedicated to the directors and/or employees of the Company and its subsidiary undertakings with functions of strategic importance to attain the corporate objectives in order to encourage them to value the Company while also creating an engagement tool. The equity plans addressing beneficiaries of the ADR Group as of December 31, 2017 are as follows:
  - Stock Option 2011: the third cycle concerned 16 managers and directors of the ADR Group;
  - Stock Grant 2011: the third cycle concerned 16 managers and directors of the ADR Group.
  - Phantom Stock Option 2014: the first cycle concerned 16 managers and directors of the ADR Group; the second cycle concerned 17 managers and directors of the ADR Group; and the third cycle concerned 18 managers and directors of the ADR Group;
  - Phantom Stock Option 2017 and Phantom Stock Grant 2017: the first cycle of both Plans concerned 23 managers and directors of the ADR Group.

All of Atlantia's Equity Plans are described in the relevant documents prepared in compliance with art. 84-bis, paragraph 1 of the Issuers' Regulations, available on the website of the parent company Atlantia (www.atlantia.it/it/corporate-governance/documenti-informativi-remunerazione.html).

The Remuneration Report 2017, published on the website of the parent company Atlantia (www.atlantia.it/it/corporate-governance/remunerazione.html), contains information and more details on the remuneration systems and the short and medium to long-term incentive plans.

In addition, in 2017 the Flexible Benefit system was introduced, which gives those employees who chose to do so, the possibility to convert the Result Bonus into welfare services for themselves or their families, in a completely tax-free and contribution-free regime.

Organizational Model

The organizational structure of ADR was changed in 2017 through the following main organizational actions:

- the reconfiguration of the Infrastructure Development Division, through a greater focus of the Line Managers on the management of the "end-to-end" work, from the design phase to that of executing and establishing dedicated program management monitoring, the staffing of the resources and the control of investments;
- the new arrangement of the Real Estate Division, through the definition of a new Asset Management model and the creation of monitoring for the design and realization of real estate development initiatives;
- the new arrangement of the Information and Communications Technology Division, through a greater focus on the processes of technological innovation, security and management of architecture;

- the updating of the organizational arrangement of the Airport Management Division, with particular reference to the new configuration of Aviation Ciampino which acquires the new scope of General Aviation and the new arrangement of the Security Manager who establishes a dedicated monitoring of the security compliance assurance and the management of the activities at Ciampino airport;
- the review of the Health and Safety and Environment processes through the enhancement of the first and second level controls foreseen as part of the Management Systems;

Regarding subsidiaries, the main organizational actions concerned:

- the review of the organizational structure of ADR Security with the formalization of a single technical manager for the management of operations at the two airports;
- the new arrangement of ADR Mobility by focusing the responsibilities on the other activities for the implementation and operation of the airport mobility services;
- the new arrangement of ADR Tel aiming to strengthen the processes of technological innovation and performance management of the applications, also in light of the Group's Digital Transformation;
- the redefinition of the entire regulation system of Airport Cleaning to strengthen the internal control system, with particular reference to the Health and Safety and Environment aspects.

With a view to compliance with Regulation EU 139/14, the appointment of Post Holder and Deputy Post Holder for both the airports was completed and the appointment of the Compliance Manager for Ciampino airport was formalized.

The regulatory system was updated following the assessment of the Model 231 and the anti-corruption due diligence aiming at the adoption by the company of a Management System for the prevention of corruption (Standard ISO 37001). As part of the Legal and Corporate Department, a compliance control was established for the prevention of corruption.

Industrial and trade union relations

During 2017, the dialogue between ADR and the Social partners mainly focused on:

- operating impacts introduced into ADR Assistance after reviewing the organizational processes supporting the new operating models;
- management of the operating impacts from internalizing maintenance activities on electric and heat installations;
- introduction, for ADR Security personnel, of a new computerized system for attendance and access to check points;
- enhancement of the professional level of employees also through an agreement for funded training.
- development of the Polizza Sanitaria (health insurance) for employees for a significant enlargement of the services;
- continuation of the specific regulatory system for the Air Transport sector concerning seasonal contracts;
- issues linked to the variable wage component and the result bonus.

ADR also coordinated the negotiations between some Companies operating within the airport grounds and the Social Parties in order to encourage the airport service continuity.

Health and safety in the workplace

Regarding the protection of health and safety in the workplace, the ADR Group adopted a management system, certified according to the OHSAS 18001 international standard, applied to the companies ADR, ADR Security, ADR Assistance and Airport Cleaning.

In 2017, 204 accidents in the workplace were recorded and 55 accidents while travelling to and from work.

The analysis of the accidents in the workplace and the near misses is systematically carried out in order to identify opportunities to improve the safety levels.

During 2017, the methods for the specific assessment, control and authorization of hot works and works in confined spaces were also redefined, through the work permit tool, by formalizing suitable operating procedures. Finally, the PPEs were integrated to further reduce the risks connected with falling from a height, confined spaces and electric arc.

TABLE 1. Main human resource indicators

	M.U.	12.31.2017	12.31.2016	12.31.2015
ADR Group headcount by qualification (actual headcount)	No.	**3,377**	**3,393**	**3,260**
Managers	No.	52	53	50
Administrative staff	No.	233	225	207
White-collar	No.	1,947	1,963	1,949
Blue-collar	No.	1,145	1,152	1,054
ADR Group headcount by company (actual headcount)	No.	**3,377**	**3,393**	**3,260**
ADR	No.	1,389	1,309	1,241
ADR Tel	No.	57	54	52
ADR Assistance	No.	300	313	315
ADR Security	No.	955	1,030	1,038
ADR Mobility	No.	63	66	59
Airport Cleaning	No.	613	621	555
ADR Group headcount by contract type (actual headcount)	No.	**3,377**	**3,393**	**3,260**
Open-ended contract	No.	2,780	2,771	2,567
Fixed-term contract	No.	597	622	693

	M.U.	2017	2016	2015
ADR Group headcount by qualification (average headcount)	FTE	**3,110.9**	**3,038.9**	**2,807.6**
Managers	FTE	51.3	51.8	48.3
Administrative staff	FTE	227.3	218.4	197.0
White-collar	FTE	1,754.5	1,761.3	1,653.2
Blue-collar	FTE	1,077.8	1,007.4	909.1
ADR Group headcount by company (average head-count)	FTE	**3,110.9**	**3,038.9**	**2,807.6**
ADR	FTE	1,319.9	1,227.0	1,147.1
ADR Tel	FTE	55.4	52.4	51.2
ADR Assistance	FTE	303.8	295.6	285.5
ADR Security	FTE	814.5	879.5	827.4
ADR Mobility	FTE	60.2	64.7	58.3
Airport Cleaning	FTE	557.1	519.7	438.1
ADR Group headcount by contract type (average headcount)	FTE	**3,110.9**	**3,038.9**	**2,807.6**
Open-ended contract	FTE	2,587.6	2,404.8	2,315.8
Fixed-term contract	FTE	523.3	634.1	491.8
Passengers/FTE employees	FTE	**15,062**	**15,512**	**16,491**
ADR Group headcount by age bracket				
< 35	%	28%	30%	31%
36-45	%	33%	32%	30%
46-55	%	29%	28%	28%
> 55	%	11%	10%	11%
ADR Group headcount by educational qualification				
Degree	%	22%	21%	21%
Diploma	%	53%	53%	53%
Turnover rate				
negative turnover rate	%	3%	3.0%	5.0%
positive turnover rate	%	3%	11.1%	22.3%

TABLE 2. Industrial relations and trade union relations indicators

	M.U.	12.31.2017	12.31.2016	12.31.2015
Percentage of employees adhering to collective agreements	%	100	100	100
Number of agreements signed with trade union organizations	No.	23	18	18
Diversity				
Women out of the total workforce	%	37%	38%	38%
Women in managerial positions	%	1%	0.9%	0.6%
Training				
Training expenses	Euro/000	980	715	433
Average hours of training per employee per annum	h	26	26	16
Training by area:				
Health	%	41%	31%	65%
Airport security	%	17%	10%	21%
Managerial	%	5%	0%	7%
Role-specific - Specialist Technician	%	37%	59%	7%
Health and safety in the workplace				
Expenses for health in the workplace	Euro/000	825	851	1,130
Employee accidents	No.	259	298	561
Accident severity index for employees	%	2.6%	3.9%	6.1%
Fatalities	No.	0	0	0
Number of Workers' Safety Representatives (WSR)	No.	11	7	7

Airport safety

Airport certification

Fiumicino

On December 20, 2016 the first Italian airport certification IT.ADR.0001 was granted to Fiumicino airport in compliance with Regulation (EC) 216/2008 of the European Parliament and Council and the related implementing rules of Regulation (EU) 139/2014.

In compliance with the Regulation mentioned above, during the first twelve months from the conversion of the certificate, the main processes of the operator's Management System were subject to a compliance check. 38 checks were carried out, of which 34 scheduled (audit) and 4 unscheduled (inspection), which were triggered by the assessments made by the Safety and Compliance Monitoring Manager and the Accountable Manager about critical situations emerging at the airport.

The checks regarded:

- checking the main processes of the operator;
- checking the responsibility processes of the Safety and Compliance Monitoring Manager, via entrustment to a third party;
- checking the activities entrusted to sub-suppliers;
- checking the main handling companies operating at the airport.

The activities mentioned above have produced a total of 160 findings of non conformity, which were promptly managed.

Ciampino

On July 31, 2017 the Italian airport certification IT.ADR.0001 was granted to Ciampino airport in compliance with Regulation (EC) 216/2008 of the European Parliament and Council and the related implementing rules of Regulation (EU) 139/2014. The preparatory process for conversion of the airport certification in accordance with the European regulation, begun on February 28, 2017, was completed on July 31, 2017 with ENAC approval of all the documentation submitted by ADR, including the agreements signed with ENAV and the Italian National Firefighters Association for the definition of activities not under the responsibility of the airport operator, such as the air traffic control service and firefighting. The new airport certification has an unlimited duration, unless waived or canceled, and no longer for three years as was the previous certificate released in compliance with the Regulation on Airport Construction and Operation issued by ENAC in 2003.

As a result of action to comply with the new European regulation and after prompt compliance verification of around 11,330 technical and infrastructural requirements and 860 process and organizational requirements, the Accountable Manager announced conformity of the infrastructures, equipment and operations of the airport with the requirements of Regulation (EC) 216/2008 and related Implementing Rules contained in Regulation (EU) 139/2014.

The key roles in airport management, introduced by the Regulation, form part of an organizational structure that already envisaged the roles of Post Holder and Safety Manager - outlined in the previous Italian regulatory framework - added to which are the new central figures of Compliance Monitoring and the Training Manager required by the European Regulation to support the Accountable Manager. The Accountable Manager is currently responsible for the operational safety of the airport, ensuring availability of human resources - suitably qualified and trained - and the economic resources necessary to maintain the certification requirements, and therefore the levels of safety established in the European regulations. The other main organizational figures are the Maintenance Post Holder, the Movement Area and Terminal Post Holder, the Planning Post Holder, the Safety Manager and the Compliance monitoring manager.

With the new complex certification, ADR is at the heart of the airport system as guarantor of the safe operations of Ciampino airport and acts as coordinator of private and public entities on operational safety matters, with particular reference to the airport's airside activities.

Emergency management

Fiumicino

With the certification of Regulation 139/2014, ADR is at the heart of the airport system as guarantor of maintenance and of the safe operations of Fiumicino airport and acts as coordinator of private and public entities on operational safety matters, with particular reference to the airport's airside activities.

In line with this role, during 2017 ADR finalized the project to review and integrate the airport emergency plans in a single document which contemplates the coordination activities for the management of emergencies, states of crisis and business continuity, coordinating their preparation and implementation with the public and private subjects involved.

Before an initial assessment of the risk carried out by ADR on the possible accidental and catastrophic scenarios which may concern the grounds, the Emergency Response Committee ("ERC") was formally established.

The formal establishment of this Committee, coordinated by the airport operator and consisting of experts and representatives of bodies and companies involved in managing airport emergencies, constitutes a fulfillment of the requirement of EU Regulation 139/2014. The main tasks of the ERC are:

- identification and periodic review of the airport emergency scenarios;
- assisting in planning the total or partial exercises of the various types of emergency;
- implementing the de-briefing of the emergency exercises or of the significant events pertaining to the emergency plans by defining, where necessary, suitable improvement actions that each subject, for the parts under their responsibility, must adopt in order to ensure effective emergency management;
- sharing and approving all the parts of the airport emergency plan and its updates required by Regulation 139/2014;

The public bodies and private subjects directly involved in managing critical events at the airport are formally accredited by the ERC.

Capitaneria di Porto

Polizia Locale Fiumicino

Airline Operator Committee

Handler

Comitato utenti

The Public Bodies and private subjects accredited by the ERC participated in the review of the Emergency Plan made to the document during thirteen coordination meetings, aiming to define the operating interface among the various subjects involved in the management of an emergency scenario at Fiumicino airport.

In addition, a classroom was furnished, which is fitted with a remote training system, and dedicated training was carried out on these subjects. During the third four-month period of 2017, ADR Training Managers were provided with 49 training sessions, which trained more than 700 people from the various public and private bodies involved.

Prior to the coordination of the training activity and to the positive outcome of the first emergency exercise performed in table top mode in order to test the new airport emergency plan, the accredited subjects had signed to approve the Airport Emergency Plan – Review 1 of November 16, 2017, for each of the competent parties, based on the roles, functions and attributions assigned to them by national and European regulations.

Monitoring of safety levels

Fiumicino

In line with the provisions of the sector regulations, since 2006 for Fiumicino airport ADR has adopted a Safety Management System (SMS), i.e. a suitable system to guarantee that airport operations are carried out under preset safety conditions.

The SMS carries out continuous monitoring of the safety levels for operations in the aircraft movement area, making use of the system to collect and manage reports (reporting system) relating to aeronautical events taking place in airport operations.

The classification and analysis of reports received from the SMS, with the aim of constantly improving airport security levels, over the years has led to a significant drop in accidental events at the airport.

In particular, against an average of 2,680 reports per annum received from the SMS, from 2010 the damage rate to aircrafts reduced by 79%, the rate of runway incursion events by 65%.

The Safety Board and Safety Committee agree annually on certain Safety Performance Indicators and related targets, periodically monitored in accordance with current regulations. The Safety Board, a committee consisting of the Accountable Manager, the Post Holders (safety managers for the respective areas of responsibility), the Safety & compliance monitoring manager (responsible for the SMS) and the Training Manager, defines these targets and the relevant warning values.

During 2017 the objectives defined by the Safety Board and relating to the safety performance indicators adopted were all achieved.

Ciampino

In 2014, in line with the requests of the Regulatory Body, a Safety Management control was established at Ciampino airport, constituting the Safety Management CIA Activity that, in 2016, with the appointment of the Ciampino Safety Manager, became independent from Fiumicino airport.

The SMS carries out continuous monitoring of the safety standards for operations in the aircraft movement area, making use of the system to collect and manage data (reporting system) relating to aeronautical events taking place in airport operations.

The Safety Board and Safety Committee agree on certain Safety Performance Indicators and related targets, periodically monitored and shared in accordance with current regulations.

The decision on targets and warning values is based on the performance achieved in a given previous reference period (annual or multi-year). If a certain warning level is exceeded in a specific monitoring period, appropriate mitigation action is assessed by the Safety Board/Safety Committee and, if necessary, implemented through specific analysis that aims to analyze the causes of the anomalous trend.

A very low number of accidental events are recorded at Ciampino airport (to the tune of a few cases). This assigns the airport a good safety level, as shown by the Safety Performance Indicators compared, in terms of rate, to those gathered during a benchmarking of main European airports.

Safety of airside operations

The safety of operations in the area where aircraft move (airside) on the account of the airport operator, according to the provisions of regulation 139/2014, is the responsibility of the Movement Area Post Holder and is ensured via ADR's Operational Safety service. The main activities include: scheduled and requested (h24) inspection of the aircraft movement area, airside works controls, handling of the snow emergency plan, handling of the operations under low visibility conditions, coordination of the ADR activities airside during the activation of the emergency plan for air crashes, provides a bird and wild fauna control service through the Bird Control Unit (BCU) operating h24, measures runway braking action and the removal of the FOD.

Relationships with the territory

The ADR Group confirmed its commitment to establishing cooperative relations with its reference stakeholders, deeming the relationship with the surrounding economic and social environment fundamental. Special importance is thus given to the relationships with local stakeholders (Lazio Regional Board, Rome City Council, Rome Metropolitan Council, the Municipality of Fiumicino, the Municipality of Ciampino, the Municipality of Marino, the Consortium for the reclamation of the River Tiber and the Ager Romanus area, the Ministry for the Environment and Protection of the Land and Sea, the Ministry of Cultural Heritage and Assets and Tourism, the Special Superintendency for Archaeological Heritage of Rome) with the aim of ensuring a common territorial development program and complying with the approval procedures relating to the infrastructures envisaged by the Planning Agreement. To this end the ADR Group uses various tools and authorizing and consulting measures, whether voluntary or imposed by regulations.

Based on the Deed of Understanding signed in May 2013 with the Ministry of Cultural Heritage and Assets and Tourism - Special Superintendency for the Archaeological Heritage of Rome, in 2017 the archaeological survey activities continued to be carried out on the airport land of Fiumicino airport, in preparation for creation of the infrastructures envisaged in the Airport Development Plan and some maintenance interventions of an extraordinary nature.

The Service Conference regarding the project of completion of Fiumicino Sud was formally concluded in 2014 with ENAC’s forwarding to ADR and the bodies concerned of the Managerial Measure that concludes and finalizes the environmental and urban approval process regarding the works included in the project.

In order to be able to make the investments envisaged by the Planning Agreement, in line with the Project of Completion of Fiumicino Sud, ADR has undertaken, on ENAC's behalf at the Reference bodies, to define the methods of compliance with the provisions of the VIA (Environmental Impact Assessment procedure) Decree no. 236 of August 8, 2013, as amended by Ministerial Decree no. 304 of December 11, 2014. The requirements, both of a general and specific nature, essentially concern: land and water management, the arrangement of work sites and the landscape-related aspects. The planning proposals presented in December 2013 to the competent Ministries and indicating the methods of compliance formed the basis for the development of the projects aimed at the recovery and the start of the works for the individual actions of the Project of Completion of Fiumicino Sud. During 2017, the activities were completed for the preparation of the documents needed to fulfill the general requirements regarding works started and to be started in the year, with particular reference to those relating to the East Terminal System and the West aprons 2nd phase. As part of the procedures to check the compliance with the provisions of the VIA Decree on the Fiumicino Sud completion project, following the entry into force of the new Environment Code and the new provision on the management of excavated earth and rocks (Presidential Decree no. 120/2017), ADR integrated, by submitting a new request, the documentation previously filed at the Ministry for the Environment for the purpose of the preparatory activity by the Environmental Impact Assessment Commission. The definitive approval of the technical documentation relating to the compliance audits on the interventions of the Fiumicino Sud completion project is expected soon.

In partnership with MiBACT, the Municipality of Fiumicino and the Benetton Study and Research Foundation, in 2017 ADR continued the “Navigare il Territorio” initiative at the archeological site of Portus, 3km from the airport grounds. The initiative saw the opening, from April 20 until November 26, of the archeological sites of the Gate of Trajan (which can normally be visited by booking only), with a free shuttle service to and from Terminal 3. Educational visits during the week were also organized for school groups from the Municipality of Fiumicino during the week (Ostia area). The archeological site had approximately 22,800 visitors during the initiative “Navigare il Territorio”.

During 2017, ADR drew up an agreement, with the Consortium for the reclamation of the river Tiber and the Roman area and the Lazio Regional Authority, relating to the execution of some urgent extraordinary maintenance interventions on the channels and the dewatering pumps, which the water flows coming from Fiumicino airport are flowed into, in order to mitigate the water risk deriving from short-burst and high intensity rain; this agreement will be subject to specific resolution of the regional council.

2030 Fiumicino Masterplan

Following the transmission of 2030 Fiumicino Masterplan, which requires the upgrading of the North area by creating a new runway, the first module of a new terminal, the related aprons and the complementary works, with the aim of adjusting the system’s capacity to the expected traffic demands, in February 2017 ENAC issued the technical authorization, sharing the arrangement of the projected development framework.

On March 31, 2017, ENAC, in its capacity as applicant, communicated that it has presented to the Ministry for the Environment, Land and Sea (MATTM) a petition to start the Environmental Impact Assessment (VIA) procedure of the Masterplan, while publishing at the same time the notice in the newspapers and filing the Development Plan, the Environmental Impact Study and the project examination sheets, predisposed by ADR, with the Ministries and bodies concerned.

On May 30, 2017 the deadline expired for the public (Authorities, Bodies, Associations, private owners) to present options or observations to the MATTM. The Environmental Impact Assessment Commission subsequently promoted, for 28 September 2017, a first technical discussion with the applicant ENAC and with ADR. During the meeting, held at the Ministry for the Environment and attended by representatives from the Lazio Regional Authority and the Minister of Cultural Heritage, Activities and Tourism, the development project was presented by ENAC and ADR. The Commission will continue with the preliminary examination and will study the relevant issues in more detail in the coming months. At the same time, ENAC highlighted to the Ministries for the Environment and Infrastructure and Transport the need to promote the redefinition of the Natural Reserve of the Roman shoreline, partly concerned by the works included in the Masterplan.

Ciampino Master Plan

The investigations continue on the Environmental Impact Study linked to the Ciampino Master Plan by the Environmental Impact Assessment Commission. As part of the proceedings, the Lazio Regional Authority sent its favorable opinion with requirements to the Environmental Impact Assessment Commission. The requirements also impose that the terms for the reduction of the flights at the airport be brought forward compared to the forecasts of the Masterplan, which state the year 2021. ADR, in consideration of the operating issues related to the possible implementation of the abovementioned procedure, filed an appeal with the Lazio Regional Administrative Court.

Service quality

For ADR, 2017 was a year characterized by further acceleration of implementation of its continuous improvement policy for service quality. Continuing the renewal procedure launched in previous years, numerous actions were undertaken to improve all stages of the passenger travel experience, with the aim of aligning Fiumicino's performance with that of the best European airports of comparable size.

In 2017, the measurements taken by ACI - Airports Council International (the international association which, through passenger interviews, measures perceived quality in over 250 airports worldwide) showed a record score never previously achieved. The global passenger satisfaction score for services provided at Fiumicino airport was 4.28 (on a scale of 1-extremely poor to 5-excellent), a marked increase on the average date of 2016, which was 4.07, ranking Fiumicino first amongst the best hubs in the European Union in terms of the quality of services to passengers. Fiumicino's development was driven by the opening of the new area dedicated to Extra Schengen flights as well as by services such as security checks and courteous and helpful airport staff. In terms of comfort, the cleanliness and availability of rest rooms had a significant impact, as did the general cleanliness of the terminals, constantly monitored by dedicated airport staff.

As regards the quality provided, through a networked monitoring system of over 20,000 objective checks per month performed at Fiumicino and Ciampino airports, it was possible to detect a significant increase in the levels of service provided compared to 2016. Of note is the decrease in waiting times for last baggage delivery, from 24 minutes in 2016 for domestic flights (time in 90% of cases) to 22 minutes in 2017 (-8%). The result was similar for international flights, where the delivery time in 2017 was 33 minutes (in 90% of cases), down -6% compared to the 35 minutes recorded in 2016. The time for the security check process and rest room cleaning maintained an excellent level (3 minutes in 90% of cases), where on a scale of 1 (extremely poor) to 4 (good), the average score increased from 3.96 in 2016 to 3.98 in 2017. An improved performance was also seen in terms of perceived quality, with a percentage of fully satisfied passengers rising by 3%, reaching 93% in 2017.

Numerous incentives were also launched at Ciampino airport to improve the passenger travel experience, with clear results in terms of perceived quality: the percentage of fully satisfied passengers rising from 85% in 2016 to 88% in 2017. Worthy of note is the increase in the percentage of passengers satisfied with the baggage reclaim process, which jumped by over 13 percentage points from 74% in 2016 to 87% in 2017. In terms of quality provided, the improvements recorded in the waiting time in line at check-in desks were appreciable, falling by -18% to reach 14 minutes compared to 17 minutes in 2016 (times refer to 90% of cases).

As regards the Quality and Environmental Protection Plan, defined in the Planning Agreement signed with ENAC, also in 2017 ADR reached the objectives for both airports managed. The results obtained have allowed the highest awards to be achieved at both airports.

Service Charter

Compared to 2016, ADR intervened on the structure of the 2017 Service Charter only with reference to the change in the standard of some indicators.

At Fiumicino airport, the objectives of the following indicators were changed:

- Indicator no. 23 “Easy to view and updated website”: changing from 83% to 85%;
- Indicator no. 24 “Perception about the effectiveness of the operating information points”: changing from 86% to 90%;
- Indicator no. 25 “Perception about the clarity, intelligibility and effectiveness of internal signs”: changing from 87% to 90%;
- Indicator no. 26 “Perception about personnel professionalism (info point security)”: changing from 85% to 90%;
- Indicator no. 27 “Overall perception about the effectiveness and accessibility of the public information services (monitors, announcements, internal signs, etc.)”: changing from 85% to 87%;

For Ciampino airport, the standards were defined in light of the performance reached in 2016, compared with the values published in the previous Service Charter.

In terms of quality provided, as regards Fiumicino, the table below shows that the 2017 performance improved compared to that recorded in 2016.

The improvement relating to baggage delivery times was very significant, with increases found in the range of +2 p.p. (the last bag delivered for flights arriving from Schengen countries) and +9 p.p. (the first bag delivered for domestic flights). Also punctuality saw an increase of +4 p.p., standing at 77.2% and meeting the target of 77%. The performance of the process relating to carry-on baggage control is stable and of a high level.

The only indicator relating to Fiumicino to be down compared to 2016 is the check-in wait time of national flights which, though meeting the target of 90%, records a drop of -3 p.p. compared to the previous year, standing at 91%.

Regarding Ciampino, the analysis of the quality levels provided shows a performance above the Service Charter standard set for the control, security procedures, punctual departures and check-in, the latter recording a clear improvement compared to 2016. The baggage reclaim indicators were below the target instead.

TABLE 1. Main service quality indicators included in the Service Charter of Fiumicino and Ciampino

	M.U.	2017	2016	STANDARD
Fiumicino				
Waiting time in line at domestic check-in desks, within 6 minutes	%	90.7	94.3	90
Waiting time in line at Schengen check-in desks, within 12 minutes	%	94.2	91.8	90
Waiting time in line at non-Schengen check-in desks, within 16 minutes	%	96.4	96.1	90
Waiting time for carry-on baggage security checks, within 5 minutes for non-sensitive flights	%	97.9	97.5	90
Delivery of first bag from block-on within 19 minutes at domestic level	%	91.6	83.0	90
Delivery of first bag from block-on within 26 minutes at Schengen level	%	97.5	92.9	90
Delivery of first bag from block-on within 30 minutes at non-Schengen level	%	98.4	94.5	90
Delivery of last bag from block-on within 26 minutes at domestic level	%	96.1	93.1	90
Delivery of last bag from block-on within 35 minutes at Schengen level	%	96.4	94.4	90
Delivery of last bag from block-on within 37 minutes at non-Schengen level (narrow body)	%	97.2	93.6	90
Delivery of last bag from block-on within 40 minutes at non-Schengen level (wide body)	%	81.9	80.1	90
Punctuality of departing flights (flights leaving with less than 15 minutes' delay)	%	77.2	73.0	77
Ciampino				
Waiting time in line at check-in desks, within 17 minutes	%	93.4	90.5	90
Waiting time for carry-on baggage security checks, within 7 minutes	%	96.1	97.7	90
Delivery of first bag from block-on within 19 minutes	%	89.2	86.3	90
Delivery of last bag from block-on within 25 minutes	%	86.5	87.1	90
Punctuality of departing flights (flights leaving with less than 15 minutes' delay)	%	85.2	85.3	85

Suppliers

Supplier selection

The Group's activities aimed at awarding contracts for works, supplies and services are conducted according to the following principles:

- compliance with National and Community Legislation (Italian Legislative Decree 50/16, hereafter indicated as “Contract Code”);
- compliance with the Regulation to award public tenders of amounts lower than community threshold (hereafter indicated as “Contracts Internal Regulation”);
- respect for competition and non-discrimination among potential competitors;
- conduct transparency in every phase of competition and negotiation;
- efficiency and effectiveness of the company's action.

Public tender contracts are awarded according to the provisions of the Contract Code in case their estimated value, net of VAT, is equal to or greater than the community thresholds. The contracts of an estimated value lower than these thresholds, directly referring to the activities under art. 119 of the Contracts Code, are awarded, in compliance with the principles laid down by the EU Treaty protecting competition, through a Contract Internal Regulation adopted pursuant to art. 36, paragraph 8, of the Contracts Code available in the Business/Suppliers section of the website www.adr.it. This Regulation governs the principles to be adopted in the contracting process (e.g. supplier rotation, the minimum number of suppliers to invite to tenders depending on the type of contract and the relevant amount, cases where direct assignment is allowed, etc.). All participants are guaranteed receipt of the necessary information on tenders launched and the results of tender procedures.

The suppliers are obliged to enroll in the ADR corporate supplier Register. A supplier qualification process is in place as specified in the Contracts Internal Regulation. In addition, the suppliers are obliged to run their businesses in compliance with the principles and provisions of the Code of Ethics and the Anticorruption Policy adopted by the Group, both available in the Company/About ADR group/Corporate Governance of the website www.adr.it. A specific clause for the acceptance of the Code of Ethics and the Anticorruption Policy is included in each contract and its non-compliance constitutes serious breach of contractual obligations, legitimating the purchaser to assess suitable protection measures to be adopted, including the right to terminate the contract. For awarding the tenders the Group adopts procedures managed electronically on the “Purchasing Portal” platform. Introduced in 2008, this platform electronically manages the purchasing processes and provides: maximum transparency and equal opportunities in the tender awarding process, cutting the times required to prepare and send bids, more efficiency and effectiveness in interaction thanks to the automation and standardization of the communication and authenticity protocols, competition and integrity in data exchange.

Local suppliers

In 2017, in terms of purchasing activities, the economic impact generated by the Group on the surrounding territory was particularly significant. In particular, the percentage impact in value terms relating to local suppliers, i.e. with registered office in the Lazio region, equaled 47% of total trade.

TABLE 1. Main supplier indicators[9]

	M.U.	2017	2016	2015
Suppliers used	No.	694	648	604
Qualified suppliers	No.	1,237	1,134	1,035
Increase in qualified suppliers	%	8%	9%	14%
Number of orders by type				
Supplies	%	34%	31%	45%
Works	%	9%	17%	13%
Services	%	57%	52%	42%
Value of orders by type				
Supplies	%	8%	9%	17%
Works	%	44%	45%	38%
Services	%	48%	46%	45%
Number of orders by geographic origin				
Local	%	50%	52%	53%
Other Italy	%	46%	45%	45%
Abroad	%	4%	3%	2%
Value of orders by geographic origin				
Local	%	47%	57%	40%
Other Italy	%	51%	38%	45%
Abroad	%	2%	5%	15%

[9] Suppliers used are understood to be those with orders issued in the reference year. The data is based on the purchasing activities carried out by the Tenders and Purchasing department, which represent more than 90% of the total external traded value.

Environment

For ADR, environmental protection is a strategic priority and the sustainable approach to airport activities management is a working method that is increasingly insourced. In this perspective, also in 2017 the ADR Group’s Sustainability Report was prepared in reference to 2016 figures, which constitutes a major summary reference of the results achieved and of activities in progress. This is a further sign of a consolidated focus on environmental issues, confirmed since 1999 with the first ISO 14001 certification of the Environmental Management System (SGA) for Fiumicino airport and in 2001 the same certification for Ciampino airport.

ADR’s commitment to environmental issues became even more structured with the adoption in 2011 of the Airport Carbon Accreditation (ACA) of ACI Europe (Airport Council International), and the implementation in 2012 of the Energy Management System in accordance with ISO 50001 standard. In 2012, in the implementation of the integrated Quality, Environment and Safety in the workplace System, the “Integrated quality, environment, energy and health and safety in the workplace policy” of the ADR Group was issued. The handling of the aspects ratified in this policy therefore complies with standards recognized at international level on the basis of which the ADR management systems were certified. In this area, in 2017 ADR complied with the new standards, becoming ISO 14001:2015 certified.

As an additional sign of the awareness on to the subject of containing the business’ environmental footprint, in 2017 ADR, in line with its operating needs, closed runway 1 at night (from 11 pm to 6 am), with a consequent mitigation of the environmental impacts of the airport on the surrounding areas.

In this context and as part of its planning, implementation and management of new infrastructure, in 2017 ADR continued to adopt the most advanced environmental certification criteria to meet the LEED (Leadership in Energy and Environmental Design) sustainability requirements. The LEED standard is a form of voluntary certification, recognized at international level, which largely promotes the construction of environment-friendly, sustainable and efficient buildings from the standpoints of energy and the consumption of all environmental resources involved in the construction and management process.

2017 saw continuation of the commitment to improving the key environmental indicators:

- rationalization of energy consumption and reduction of consumption per passenger;
- offsetting of residual CO2 emissions from Fiumicino airport by purchasing the credits of “green” projects; Fiumicino was confirmed as one of the few major airports worldwide to be “neutral” in terms of CO_2 emissions;
- integrated management of the waste cycle and increased separate waste collection;
- improvement and optimization of the system monitoring the quality of drinking water and waste water;
- reduced drinking water consumption per passenger.

In the second half of 2017, with the start of the second regulatory sub-period 2017-2021 of the Planning Agreement, also the new system of environmental indicators came into force, which was defined according to the ENAC guidelines of 2015 and definitely forms a more current and challenging reference than the one used in the previous five-year period. The new system includes the following areas:

- reduced energy consumption at the terminals;
- energy production from photovoltaic plans: in the five-year period 2017-2021 ADR expects to produce 1.5% of electricity from renewable sources, at both Fiumicino and Ciampino airports;

- replacement of the car pooling fleet with low-emission vehicles (mainly electric or hybrid), to achieve replacement of 35% of the vehicles at Fiumicino and 60% at Ciampino;
- optimization of the separate waste collection of non-hazardous waste in the passenger transit areas;
- reduced drinking water consumption per passenger;
- verification of inclusion of environmental clauses in the contracts.

Water consumption

The high number of transit passengers at the two Rome airports and related accompanying guides, as well as the number of staff from the different companies operating on airport premises, have a significant impact on the use of drinking water and water for industrial use. Fiumicino in particular is characterized as an average-sized city whose population can exceed 250,000 inhabitants.

Ciampino airport uses exclusively drinking water taken directly from the public water supply and is used mainly for restrooms, catering and for the watering of green areas.

Fiumicino airport is instead characterized by the presence of a dual network that allows separate management of consumption for which drinking water is necessary from that for which the use of industrial water is possible. In fact, at Fiumicino the ADR Group has an organic treatment plant for airport waste water which allows the reuse of treated water in industrial applications, such as the heating and firefighting systems, as well as for cleaning the tanks and water pumps. At this airport, drinking water is supplied by the public water operator and distributed by ADR throughout the airport grounds, with consumption concentrated mainly in the terminals.

At both airports, the quality of the drinking water is ensured by carrying out chemical and biological analyses regularly during the year (around 210 samplings in 2017). ADR has constantly worked to optimize the management of the distribution network and reduce the consumption of drinking water; in the last few years the cubic meters of water consumed have dropped from 1,004 million in 2010 to 720 thousand in 2017, with a reduction of more than 36% in the drinking water consumed for each passenger using Fiumicino airport. The reduced consumption of drinking water is even more significant when considering that in the same period, in addition to the increase in the number of passengers using Fiumicino airport, also the size of the airport infrastructure expanded considerably; when considering the liters of drinking water consumed by passenger/square meter served as indicator, the reduction in consumption obtained reached 55%.

Energy consumption

In 2017 Fiumicino airport was powered by electricity, of which around 82% is generated by a co-generation plant, present on airport land, while the remaining 18% was purchased from the distribution network. Also the majority of the heating energy is generated by the co-generation plant and the remaining portion is supplied by methane plants.

The energy resources are guaranteed by two installations: (i) a methane-gas powered co-generation plant for the synergic production of electricity and heat energy with overall capacity of about 26 MW electric and 18 MW thermal and (ii) a methane-gas powered plant with an overall capacity of 48.8 MW thermal serving as back-up for the co-generation plant.

Five methane gas driven thermal central stations are present at the Ciampino site, three with a potential higher than 3 MW.

In January 2017, the ISO 50001 standard certification of the Energy Management System was maintained following a specific audit by the certifying body TUV.

At Fiumicino, consequently to the increase in airport infrastructure by about 30% in terms of serviced area, with the opening of the new Pier E, the front building and the relevant BHS, in addition to the new BHS of T1, energy consumption in 2017 was 14% greater than in 2016.

At Fiumicino, 172 GWh was consumed in 2017 with a kWh/(passenger x m^2) ratio of 9.3, down 17% compared to 2016, thanks to energy profile of the new buildings. From 2007 to 2017 the kWh/(passenger x m^2) ratio fell from 16.3 to 9.3, a reduction of 43%. The kWh/pax indicator was 4.20, down 21% compared to 5.29 of 2007.

This performance confirmed the decreasing trend of the previous years and was due to significant action taken to improve energy efficiency, implemented on an ongoing basis over the years. In 2017, consistently with the previous years, actions were continued to make energy consumption more efficient, including the start of an evolved system to manage the sequences of the refrigeration stations, the optimization of the systems for the automation and regulation of the air conditioning system with FDD (Fault Detection and Diagnosis) logics and with new and more efficient regulation techniques. The energy efficiency actions include the lighting regulation, in addition to the continuous activities of replacement of the lighting units using LED technology, now present in almost all the areas at the terminal and external roads.

Moreover, in June the installation of a 10 kW wind turbine was completed, whose annual production will be of about 24 MWh.

In 2017, with regard to the company for Energy Efficiency Monitoring, 500 reports were made that allowed the operational optimization of the systems with consequent energy savings.

At regulatory level, on February 28, 2017, Law 19/2017 was published, converting Decree 244/2016, which repeals the laws and decrees that had imposed the payment of the general system charges on the energy consumed (and thus also self-produced), reinstating its application only for energy drawn from public networks. The methods of application of this new regulation by the Italian Regulatory Authority for Electricity Gas and Water are still being defined.

At Ciampino, 10.5 GWh was consumed in 2017 with a kWh/(passenger x m^2) ratio of 7.9, down 30% compared to the 11.4 in 2009. The kWh/pax ratio was 1.78. Also at Ciampino airport, activities continued to improve energy efficiency and in the first half of the year the entire revitalization of the General Aviation building was completed, which was designed and constructed according to LEED standards.

Regarding mobility at the airport, energy consumption is related to the use of unleaded petrol, diesel and electricity for the movement of airport vehicles, including the vehicle fleet acquired via long-term hire and operational vehicles owned by the Company, comprising cars, special vehicles/ramps and electric and hybrid vehicles.

CO_2 emissions

From 2011 ADR adhered to the Airport Carbon Accreditation (ACA) of ACI Europe (Airports Council International), a certification system that envisages four levels of accreditation (Mapping, Reduction, Optimisation, Neutrality) aimed at reducing direct and indirect CO_2 emissions.

In 2017 Fiumicino airport maintained the “Neutrality” ACA level, offsetting direct and indirect 2016 emissions (Scope 1 and 2) with the purchase of “carbon credits” from projects certified Gold Standard and Voluntary Carbon Standard, located in non-Annex1 countries of the United Nations Framework Convention on Climate Change and with evidence of the contributions from these projects to the SDGs (Sustainable Development Goals).

In March 2017 ADR maintained accreditation level 3 ACA “Optimization” for Ciampino, which envisages the quantification of all direct and indirect emissions and the other indirect emissions (scope 1, 2 and 3) and the demonstration of the absolute or relative improvements of the performances achieved.

These results were mainly obtained thanks to energy savings actions.

In 2017 ADR replaced 15 car-pooling vehicles with hybrid vehicles, giving a signal of strong commitment to change, with a view to environmental sustainability.

Production of waste

Municipal or comparable waste (paper, cardboard, plastic, wood, etc.) represent about 79% of the total waste produced at Fiumicino and almost all (99.8%) of the waste produced at Ciampino and mainly derive from the terminals and the offices.

The separate collection program for certain types of municipal solid waste continued at both airports.

The “door to door” waste collection service at Fiumicino, referred to as “flying separate waste collection”, allowed 83.6% percent of waste to be sent for recycling. During the year in particular, the tariff system of the users served by the “door to door” arrangement was reviewed, increasing the weight of the portion linked to the contribution methods in order to encourage them to sort their waste further. A system was also implemented in order to monitor the waste contribution methods adopted by the mentioned users, with the aim of verifying their compliance with the sorting methods required by ADR. Moreover, the locations of waste containers along the roads of the airport were fenced and dedicated to specifically identified operators only.

Again with a view to developing a culture of sorting, meetings were held with the airport operators from the “food” area in order to share the actions to be taken. In this context, among other things, a decision has been made for ADR to implement a system for monitoring the sorting levels reached which, by measuring data at individual retail outlets aims to stimulate positive competition towards continuous improvement.

The set of actions taken has allowed, in the last few months of 2017, to reach values of correct waste sorting above 90%.

At Ciampino airport the percentage of waste to be recycled reached 36%, and 2017 the second waste separation and recycling area was set up. In the first few months of 2018, the “door to door” waste collection is planned to start in order to enhance the sorting of the waste produced at the airport’s terminals.

Water discharges

Numerous water treatment systems are present at Fiumicino, arranged by ADR in order to minimize the impact of airport activities on the surrounding areas. In detail, one activated sludge organic treatment plant and one bio-disc biological system are installed for waste water, four oil removal plants for the treatment of runoff water from runways and aprons, thirteen first flush rainwater plants and five cooling system units used for air conditioning at Fiumicino airport. During 2017 the works were carried out to build a new oil removal unit serving the West area, with regard to which the authorization procedure is in progress for discharge at the Metropolitan City of Roma Capitale.

These treatment plants, authorized by Rome City Metropolitan Council, make it possible to confer into the surface water bodies adjacent to Fiumicino airport, water that is compatible with the aquatic habitats present in the receiving channels and compliant with the limits set out by the provisions in force.

The sewer system at Ciampino is of a mixed nature because of the co-use made of it by ADR, the military bodies and the other civil facilities existing inside the airport areas. A primary network pertains to AMI (the Italian Air Force) while a secondary one is ADR's, which periodically arranges cleaning of the secondary network in order to prevent any clogging. In addition, the AMI premises have an oil removal unit for treating runoff rainwater and an organic treatment plant.

Noise pollution

Based on the current legislation, Fiumicino and Ciampino airports have a monitoring system in place that regularly detects any exceeded limits set according to airport noise zoning and connects this information with the data and trajectory of the aircraft concerned. At the end of 2017 there were 19 central units (including two which can be relocated) at Fiumicino and 9 (including two which can be relocated) at Ciampino.

The running systems were modernized by implementing new and updated hardware and software to manage the central units.

The annual monitoring activities conducted in 2017 at Fiumicino airport confirmed, at the measuring points, that no limits were exceeded, whilst at Ciampino airport a number of “limits exceeded” areas were found, also noted in previous years and for which ADR submitted the envisaged mitigation plan to the competent authorities.

In November 2013 ADR had forwarded the “Plan for noise reduction and abatement” for Ciampino airport to the Lazio Regional Authority and the Municipal authorities concerned (Rome, Ciampino and Marino). This plan was reviewed after the observations made by the above mentioned Bodies and presented again in November 2015. Subsequently, the Ministry for the Environment, Land and Sea Protection, in compliance with legislation introduced in the meantime that defined Ciampino as an “airport of national interest”, took over from the Lazio Regional Authority and the municipalities of Rome, Ciampino and Marino and launched its own investigations, following which it requested ADR several integrations, which were subsequently forwarded to the MATTM. The assessment of the plan by the competent authorities is still underway.

For Fiumicino airport, in order to curb the environmental impact in terms of noise pollution, ADR continued to cooperate with the Sapienza University of Rome and implement a simulation model with the objective of predicting the noise levels and promptly take the possible containment actions. In this respect, a constructive partnership began with ENAV which, in a manner compatible with weather and operational needs, aims to implement a series of actions of an operational nature with a view to limiting the noise as much as possible in certain “critical” areas.

TABLE 1. Main environment indicators - Fiumicino

	M.U.	2017	2016[9]	2015[9]
Water consumption				
Total water withdrawal per source of supply:	m3	1,970,540	1,991,355	2,105,120
Drinking water	m3	720,540	741,355	755,120
Industrial and firefighting water	m3	1,250,000	1,250,000	1,350,000
Energy consumption				
Total consumption of energy by type:				
Electricity	kWh	172,185,581	151,255,004	152,320,314
Methane (1)	m3	9,269,759	9,447,082	9,520,288
Diesel (2)	l	27,057	42,230	50,000
Consumption of green fuel for vehicle fleet	l	78,265	87,063	106,735
Consumption of diesel for vehicle fleet	l	372,896	369,184	372,353
Emissions				
Direct CO2 emissions	t	n.a. [4]	2,850	3,548
Indirect CO2 emissions (3)	t	n.a. [4]	58,820	57,674
NOx emissions (5)	t	1,720	1,870	1,876
Waste				
Production of waste:	t	11.719[6]	10.705[6]	9.932[6]
Municipal waste %	%	78.6%	86%	91.0%
Special waste %	%	21.4%	14%	9.0%
Total waste sent for recycling %	%	83.6%	82%	74%
Waste produced per 1,000 passengers (7)	t	0.2	0.2	0.2
Water discharges				
COD and BOD5 concentration of the purifier in Via F.lli Wright - annual average				
incoming COD	mg/l	1,375	874	560
incoming BOD5	mg/l	347	230.5	185.8
outgoing COD	mg/l	32	23.1	38.3
outgoing BOD5	mg/l	8	6.5	12.5
COD and BOD5 concentration of the cargo area purifier - annual average				
incoming COD	mg/l	290	324.4	239.2
incoming BOD5	mg/l	71	85.8	79.2
outgoing COD	mg/l	38.6	34.5	45.8
outgoing BOD5	mg/l	9.5	10	13.7

(1) Inclusive of the thermal energy purchased, expressed in m3, and methane gas for boilers.
(2) Since 2017 diesel oil has been used only for the generators and no longer for heating.
(3) Indirect emissions linked to energy consumption at Fiumicino excluding third party consumption.
(4) Due to the presence of complex energy indicators, the calculation of CO2 emissions in 2017 will be carried out during 2018.
(5) The value is estimated in consideration of the same type of aircraft and the same contribution from the remaining activities carried out at Fiumicino airport and considered in the update of the inventory of emissions of 2016.
(6) Inclusive of waste produced by third parties and handled by ADR acting as intermediary.
(7) Municipal solid waste.
(8) Data refers to maturities of the Planning Agreement.
(9) Since 2017 ADR has used owned- and directly-management meters for water consumption. The new meters installed during 2016 allow the monitoring of more than 90% of airport users, providing a clear picture about consumption. Consumption regarding previous years was recalculated compared to the data published in the previous financial reports, based on the new meters.

TABLE 2. Main environment indicators - Ciampino

	M.U.	2017	2016	2015
Water consumption				
Total water withdrawal per source of supply:	m3	110,000	110,000	144,000
Drinking water	m3	110,000	110,000	144,000
Industrial water	m3	0	0	0
Energy consumption				
Total consumption of energy by type:				
Electricity	kWh	10,477,667	10,029,635	11,000,000
Methane	m3	550,440	429,856	500,000
Diesel (1)	l	4,550	2,930	2,008
Consumption of green fuel for vehicle fleet	l	6,466	5,964	5,789
Consumption of diesel for vehicle fleet	l	45,084	38,957	17,096
Emissions				
Direct CO2 emissions	t	n.a. (3)	1,071	923
Indirect CO2 emissions (2)	t	n.a. (3)	3,125	3,303
NOx emissions (4)	t	350	320	327
Waste				
Production of waste by type:	t	1.271(5)	1.125(5)	945(5)
Municipal waste	%	99.8%	96.5%	99.1%
Special waste	%	0.2%	3.5%	0.9%
Total waste sent for recycling %	%	36%	40%	34%
Waste produced per 1,000 passengers (6)	t	0.2	0.2	0.2

(1) Since 2016 diesel oil has been used only for the generators and no longer for heating.
(2) Indirect emissions linked to energy consumption at Ciampino excluding third party consumption.
(3) Due to the presence of complex energy indicators, the calculation of CO2 emissions in 2017 will be carried out during 2018.
(4) The value is estimated in consideration of the same type of aircraft and the contribution from the remaining activities carried out at Ciampino airport.
(5) Inclusive of waste produced by third parties and handled by ADR acting as intermediary.
(6) Municipal solid waste.
(7) Data refers to maturities of the Planning Agreement.

* * *

It is underlined that ADR benefitted from the exemption to prepare a non-financial statement in compliance with the provisions of art. 6, par. 1 of Italian Legislative Decree no. 254 of December 30, 2016, since ADR, together with the Group companies, is included in the consolidated non-financial statement made by the parent company Atlantia S.p.A.

OTHER INFORMATION

Updates and changes to the reference regulatory framework

Some national and EU provisions were issued during 2017, which affect the regulatory framework of the airport sector in general and ADR's business in particular.

Planning Agreement

Tariff proposal 2018

At the beginning of August 2017 ADR started the consultation of users at Fiumicino and Ciampino airports regarding the proposal to update the prices in relation to the year 2018 (03.01.2018-02.28.2019), consistently with the national and EU regulations in force and with the "Consultation procedure between airport operator and users for exceptional and ordinary planning agreements" issued by ENAC on October 31, 2014.

In order to ensure broad communication with the users, on August 10, 2017 ADR published on its website the information documents pertaining to the 2018 tariff update proposal on which users are called to send a first set of observations by September 21, 2017.

A public hearing with the users was held on September 29, 2017 and October 20 is the deadline to receive any additional conclusive observations.

The consultation procedure ended on November 10, 2017, and on December 22, 2017 ENAC sent the communication regarding the definitive amounts of airport fees for the year 2018, which it published on its company website.

Amendment to art. 703 of the Navigation Code: concession start value and handing over of the non-removable works

Law no. 172/2017 of conversion with amendments of Italian L.D. no. 148/2017 (so-called "Fiscal L.D.) connected to the 2018 budget plan was published in the Official Gazette no. 284 of 12.5.2017. In the airport management sector, art. 15-quinquies rewrites the fifth paragraph of art. 703 of the Navigation Code, specifying in detail the provisions governing the handing over of the non-removable works, in case of entry in the concessions upon its natural expiry and in case of its early termination.

The new regulations on the handing over value, repayments and compensation, as novated by the provisions of art. 15-quinquies, does not apply in any case if the mechanisms for determining the mentioned values area already envisaged by the airport management agreements in force, which remain unchanged.

Paragraph 575 of art. 1 of the 2018 Budget Plan (Law 205/2017) subsequently made additional changes to the new text of paragraph 5 of art. 703 of the Navigation Code, within the limits of the handing over value for the properties and fixed installations of a commercial nature authorized by ENAC and needed for airport activities and to give value to the airport.

Airport operations

Continuity of the services provided by Alitalia SAI under special administration

With Min. Decree of the Ministry for Economic Development of May 2, 2017, published in the Official Gazette no. 104 of May 6, 2017, Alitalia - Società Aerea Italiana S.p.A. ("Alitalia SAI under special administration") was admitted, with immediate effect, to the extraordinary administration procedure, pursuant to Italian Decree Law no. 347 of December 23, 2003, and three extraordinary commissioners were appointed (Mr. Luigi Gubitosi, Mr. Enrico Laghi, Mr. Stefano Paleari).

The court of Civitavecchia declared the insolvency of Alitalia SAI under special administration with sentence of May 11, 2017.

The decree of the Ministry for Economic Development of May 12, 2017 was subsequently published in the Official Gazette no. 124 of May 30, 2017, with which also Alitalia Cityliner S.p.A. was admitted to the extraordinary administration procedure, with the appointment of the same commissioners' board of Alitalia.

On May 17, 2017, in compliance with the provisions of Italian Law Decree no. 55 of May 2, 2017, the Extraordinary Commissioners of Alitalia SAI under special administration published the "Call for expressions of interest" that are not binding to propose the contents of the possible Program for the economic rebalancing of the business in the company under special administration.

With Italian Law Decree no. 55 of May 2, 2017, in order to avoid the discontinuation of the service provided by Alitalia SAI under special administration, a loan for payment was arranged for 600 million euros with a duration of six months, in favor of the carrier, to be used for the management requirements of the company and of the other group companies under special administration that can no longer be postponed. The loan was granted with interest at the six-month Euribor rate, increased by 1,000 basis points, and shall be returned within six months from its disbursement, to be pre-deducted with priority over any other debt relating to the procedure.

Italian Law Decree 55/2017 was not converted but was repealed and completely re-protected by the provisions of art. 50 of Law no. 96 of June 21, 2017 for the conversion, with amendments, of Italian Law Decree no. 50 of April 24, 2017 containing "urgent provisions on financial issues, initiatives in favor of territorial bodies, additional actions in the areas hit by seismic events and development measures".

The mentioned law 96/2017 requires that the procedures that are consequent to the invitation, published by the Extraordinary Commissioners, to collect expressions of interest aimed at defining the extraordinary administration procedure, take place within six months from the granting of the loan, ensuring compliance with the transparency principles, equal treatment and non discrimination.

Art. 12 of Italian Law Decree no. 148/2017 containing "urgent provisions on financial issues and for non deferrable requirements" (so-called Fiscal Italian Law Decree), coordinated with conversion law no. 172/2017, arranged the extension to April 30, 2018 of the deadline to complete the procedure for the concession of Alitalia SAI under special administration and the other group companies and the integration of 300 million euros of the loan for payment granted by the Government, for the time needed to guarantee the continuity of the transport service while awaiting the execution of the transfer procedures. This amount shall be granted and returned in 2018. At the same time, the duration of the 600 million euro government loan disbursed in 2017 to guarantee a good liquidity level until the closing of the transfer, was extended until September 30, 2018.

European Law 2017

Law no. 167/2017 (European Law 2017) was published in the Official Gazette of 11/27/2017. With reference to the aviation sector, art. 26 identifies ENAC as the competent national Authority for the certification and supervision of airports as well as of the personnel and the organizations that operate in them, pursuant to Reg. (EU) no. 139/2014. This is without prejudice to the jurisdiction of the Italian National Firefighters Association according to art. 26 of Italian Legislative Decree no. 139 of March 8, 2006.

Sanctions for violations to Reg. (EC) no. 216/2008

Italian Legislative Decree no. 173/2017, published in the Official Gazette no. 284 of 12.5.2017 states the sanctions in case of violation of the provisions of Reg. (EC) no. 216/2008 regarding the common rules in the field of civil aviation and establishing a European Aviation Safety Agency. Art. 10 of the mentioned decree sets the administrative pecuniary sanctions – from 10 thousand euros up to 100 thousand euros - for the violations of the obligations by the airport operator and the provider of the apron management services. Art. 4 of the decree appoints ENAC, the competent national authority for the application of Reg. EC 216/2008, for the activity of ascertaining the violations and imposing the sanctions, establishing its consequent supervisory, investigation and inspection tasks.

Harmonization of the national regulations on noise pollution.

Italian Legislative Decree no. 42 of February 17, 2017 was published in O.G. no. 79 of April 4, 2017, which contains provisions to harmonize the national regulations on noise pollution. The decree makes some changes, among others, to Law 447/1995, including:

- the introduction of the obligation, when presenting the Environmental Impact Assessment (VIA) for airport infrastructure to “take into account, in the design phase, the cases of more than one infrastructure contributing to the emission of noise”;
- the clarification that the obligation to allocate 7% of the accounting provisions, destined for maintaining and upgrading the infrastructure, in order to execute noise mitigation works does not apply if it is proven that measures for containing and combating noise are not necessary since the acoustic limits set by the specific regulations are not being exceeded;
- the imposition of a sanction on the transport infrastructure operators that do not prepare, present and implement the noise containment and abatement plan.

Enhancement of the checks on people at air boarders in the Schengen Area

Regulation (EU) 2017/458 of March 15, 2017 was published, which introduces systematic checks in the national and European databases for all the people that cross external barriers, incoming and outgoing, including the beneficiaries of the right of free circulation pursuant to EU law, which in the previous regime were subject to a minimum check regarding identity, ticket and validity of the document. Member States are granted a transitional six-month period - starting from the regulation coming into force – during which targeted (and not systematic) checks are still possible in the databases. This period may be extended up to maximum 18 months, in case of infrastructural difficulties that require a longer period of time to make the necessary adjustments.

Checks regarding the accessibility and use of airport infrastructure

Law no. 48 of April 18, 2017 was published in the O.G, no. 93 of April 21, 2017, which converted, with amendments, Italian Law Decree no. 14 of February 20, 2017, regarding city security. The procedure includes some measures to control and supervise the territory, which are aimed at preventing and combating decay situations and ensuring the free use of particularly sensitive public areas that are focal points for mobility, such as railway, airport, maritime and public transport infrastructure. The mentioned measures provide for:

- administrative fines with the contextual order to leave the location where the event occurred, for those who behave in ways that prevent accessibility to and use of the mentioned infrastructure, violating the prohibitions to stay and occupy the relevant spaces;
- the jurisdiction of the mayor of the municipality in whose territory the conduct was ascertained, notwithstanding the powers of the sector Authorities;
- the application of the removal order against those who commit, in the same areas, the violations provided for by the following provisions: art. 688 of the Criminal Code (intoxication in a public place), art. 726 of the Criminal Code (acts against decency in public places), art. 29 of Italian Legislative Decree no. 114/1998 (illegal trade in state property areas) and art. 7, par. 15-bis of Italian Legislative Decree no. 285/1992 (illegal parking attendant service). The removal order is enforced without prejudice to the application of the administrative sanctions required by the relevant provisions.

Review of relief and fire fighting activities of the National Body of Firefighters.

Italian Legislative Decree no. 97 of May 29, 2017, published in the O.G. no. 144 of June 23, 2017, reviews and reorganizes the functions, tasks and arrangement of the personnel of the National Body of Firefighters, implementing Law 124/2015 containing delegations to the Government regarding the reorganization of the public administration. Regarding the relief and fire fighting service at airports, art. 4, par. 3 requires that:

- at civil and military airports open to commercial air traffic, the National Body of Firefighters exercises the role of competent Authority for the aspects relating to the certification and supervision of the relief and fire fighting services, in agreement with ENAC and in compliance with national and EU regulations;
- at the airports listed in table A of the decree, the National Body ensures the relief and fire fighting service in compliance with the national, international and EU regulations as well as the specific agreements reached with the airport operator as required by the regulations themselves.

ENAC provisions regarding the access, stay and occupation of terminals at Leonardo da Vinci Fiumicino airport

After law 48/2017 on city security came into force on July 6, 2017, Lazio Airport Management adopted Ruling no. 10/2017 to update, according to the new regulatory context, the provisions regarding the access, stay and occupation of terminals at Fiumicino airport and their pertinent areas open to the public, also to prevent any conduct that may hinder the accessibility to and the use of the airport infrastructure and the occurrence of decay situations.
With reference to the mentioned Ruling, the Antitrust Authority, based on a report received by it, on July 21, 2017 sent ADR a query regarding the organization and execution of the NCC services at the airport. On August 8, 2017 the Lazio Airport Management, with ruling no. 12/2017, marginally changed ruling no. 10/2017.

New provisions on procedures for the assessment of the environmental impact (VIA)

Italian Legislative Decree 104/2017 was published on the Official Gazette no. 156 of July 6, 2017, implementing directive 2014/52/EU concerning the assessment of the environmental impact of certain public and private projects. The decree, which has been in force since July 21, 2017, amends the provisions regarding the procedures for the assessment of the environmental impact, contained in Part II of the Consolidated Act on the Environment (Italian Legislative Decree 152/2006).

New provisions on the treatment of excavated earth and rocks

Presidential Decree 120/2017 was published in the Official Gazette of August 7, 2017 no. 183. It contains the new regulations that simplify and clarify the recent provisions regarding the management of excavated earth and rocks, including it in a single and self-sufficient text, with consequent repeal of the primary and secondary level provisions that govern this subject.

IRESA Agreement

Deliberation no. 389/2017 was published in the Official Bulletin of the Lazio Regional Board no. 57/2017. It approves the layout of the agreement with ADR for managing the Regional tax on aircraft noise (IRESA) for the three-year period 2016-2018. On October 2, 2017 ADR sent the signed Agreement to the Lazio Regional Board.

Tender for the award of outlets in the General Aviation Terminal at Ciampino

After the acquisition of the documents required by the applicable regulations and the tender documents, the procedure was completed to grant the sub-concessions to five of the six awarded parties. As regards the temporary association of companies (ATI) with the agent company ARGOS, ADR revoked the awarding of the tender due to the failed issue of the certification by ENAC and other documents.

Correction to the Tender Code

In the O.G. no. 103 of May 5, 2017 (Section no. 22), Italian Legislative Decree no. 56 of April 19, 2017 was published, which corrects the code of public tenders that came into force on May 20, 2017.

The decree comprises 131 articles that include several corrections to Italian Legislative Decree 50/2016, which are aimed at improving the regulatory system without undermining it, in order to make it more homogenous, clear and suitable while pursuing the development objective set by law 11/2016 with regard to the government delegation to implement EU directives, the awarding of concession agreements, public tenders and the tender procedures of the granting bodies in the water, energy, transport and postal service sectors, also to reorganize the regulations in force with regard to public contracts relating to works, services and supplies.

Preliminary investigation by ANAC of the Pier C tender

There are no updates with reference to the inspection visit of October 2016 carried out by ANAC officials to acquire suitable cognitive elements and documents regarding the contracting of Pier C, which ended with the reporting of the activities carried out and the request for documents, subsequently provided by ADR.

Inter-company relations and transactions with related parties

Disclosure on management and coordination of the company

From August 2, 2007, ADR qualifies as a company “managed and coordinated” by Gemina, which wholly owned Leonardo S.r.l., subsequently merged into Gemina. As a result of the merger by incorporation of Gemina into Atlantia, with effect from December 1, 2013, ADR is subject to “management and co-ordination” by Atlantia.

The notice regarding management and coordination required by Article 2497 bis of the Italian Civil Code is available in a specific section of the separate financial statements (Annex 1).

In turn, ADR “manages and coordinates” its subsidiary undertakings, ADR Tel, ADR Sviluppo S.r.l., ADR Assistance, ADR Security, ADR Mobility and Airport Cleaning.

Inter-company relations and transactions with related parties

All the transactions with parent companies, subsidiary undertakings and other related parties were carried out on an arm's length basis.

With reference to inter-company relations and transactions with related parties, please see Note 10 of the consolidated financial statements and Note 9 of the separate financial statements.

Subsequent events

Traffic trends in the first two months of 2018

In the first two months of 2018 the Roman airport system recorded a 0.5% increase in passengers transported, driven by the 3.1% rise in the International market, thanks to the significant increase in the non-EU component (+12.4%), though lessened by the slight decrease in the EU segment (-0.8%). The domestic market saw a downturn, however, recording a decrease of -6.5%.

TABLE 1. Main traffic data of the Roman airport system

	JAN-FEB 2018	JAN-FEB 2017	Δ%
Movements (No.)	**49,392**	**48,914**	**1.0%**
Fiumicino	41,448	41,520	(0.2%)
Ciampino	7,944	7,394	7.4%
Passengers (No.)	**6,104,786**	**6,075,604**	**0.5%**
Fiumicino	5,208,104	5,162,584	0.9%
Ciampino	896,682	913,020	(1.8%)
Cargo (t.)	**26,608**	**22,293**	**19.4%**
Fiumicino	23,843	19,719	20.9%
Ciampino	2,765	2,574	7.4%

Fiumicino

The main Italian airport ends the first two months of the year with a traffic volume growing by +0.9%, thanks to the increasing capacity in terms of seats offered (+2.3%), owning to a substantial stability of movements (-0.2%); this trend has led to a decrease in the load factor (-1.0 p.p.), which stood at 71.6% in the period. The positive performance described is attributable to the improved traffic results recorded on the International market (+4.8%), whose growth derives mainly from the development of the non-EU component (+12.1%), which is supported, to a lesser extent, by the EU component (+0.6%), while the traffic volume on the Domestic market decreased further by -7.6%.

Ciampino

In the period considered this airport recorded a decrease in passenger volumes transported (-1.8%), against a reduction in capacity in terms of seats offered (-2.1%). The parallel decrease in passengers and seats offered kept the Load Factor stable, which stood at 85.8%, recording a growth of 0.3 p.p. compared to the same period of the previous year.

Other significant events

There are no other significant subsequent events to report.

Business Outlook

The leading official sources confirm the economic growth trend of the developing countries for 2018, foreseeing for Italy the persistence of the situation of a growth below the average of the Eurozone, which in any case, as a whole, highlights the prospect of a moderate improvement.

Despite such a macroeconomic situation, a growth trend in traffic volumes is forecast to be maintained in line with that of 2017, with an improvement of the passenger mix in favor of the international segment.

ADR intends to continue the efforts to increase intercontinental connectivity, while seizing the possible development opportunities of enhancement of the short-mid haul services in Europe also by leveraging carriers with a high growth potential.

The implementation of the Infrastructural Development Plan will also continue, further intensifying the investments and continuing to enhance the synergies and know-how available within the Atlantia group.

The ADR Group intends to continue, along the path followed in 2017 with the opening of the Front Building of the new departure area E, with the consolidation of the quality levels and the improvement of the commercial offer so as to enhance the passenger experience at the airport, continuing the considerable efforts made in searching for maximum efficiency in managing its core business and the operating efficiency so as to ensure greater value for the user, the stakeholders and the shareholders.

For the year 2018, except for the negative effects that may potentially derived from a development of the Alitalia situation, and more generally, unless the traffic development worsens, an economic performance can be predicted in terms of profitability that is essentially in line with that of the year 2017.

AGENDA

Agenda

Notice is hereby given to Shareholders of the Ordinary Shareholders’ Meeting to be held at the registered offices at 10.00 a.m. on April 18, 2018, in one call, to discuss the following:

Agenda

1. Reports and Financial Statements as of December 31, 2017; related and consequent resolutions;

2. Proposal to supplement the fees to the auditing firm for the years from December 31,2017 to December 31, 2021; related and consequent resolutions.

Notice of call has been published in the Official Gazette of the Italian Republic - Second Part - Ad Sheet no. 28, of March 8, 2018.

PROPOSALS TO THE ORDINARY SHAREHOLDERS' MEETING

Proposals to the Ordinary Shareholders' Meeting

Dear Shareholders,

the Financial statements for the year ended December 31, 2017, report profit of 243,016,783.74 euros. Therefore, we hereby propose to:

1. approve the 2017 Financial statements and the Management Report on Operations, which disclose net income of 243,016,783.74 euros;

2. allocate the portion of net income for the year, amounting to 135,367,978.35 euros, remaining after the advance on dividends paid in 2017 for 107,648,805.39 euros (equal to 1.73 euros per share), as follows:
   - 2.17 euros to dividends, for each of the 62,224,743 shares making up the share capital, for a total of 135,027,692.31 euros;
   - the residual profit of 340,286.04 euros to be carried forward.

3. set the date of payment of the dividend with value date of May 16, 2018, with coupon date no. 13 of May 14, 2018.

Dear Shareholders,

with letter of January 26, 2018 the Independent Auditors presented to the Company the proposal to supplement the consideration consequently to the additional audits conducted for each of the years from December 31, 2017 to December 31, 2021, essentially due to regulatory amendments that imply additional recurrent activities (new Report model, Additional report for the Board of Statutory Auditors, judgment of conformity with the legal provisions of the Management Report on Operations) as well as additional non-recurrent activities for amendments to international accounting standards.

The additional fees proposed amount to 142,500.00 euros for the year ended December 31, 2017 and 82,500.00 euros for each of the years from December 31, 2018 to December 31, 2021.

This request was examined by the Company and will be subject to a motivated proposal by the Board of Statutory Auditors, in compliance with the provisions of art. 13, par. 1 of Italian Legislative Decree 39/2010, as amended by Italian Legislative Decree 135/2010.

You are invited to resolve on the matter.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

Consolidated Financial Statements as of December 31, 2017

CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP

Consolidated statement of financial position

ASSETS (THOUSANDS OF EUROS)	NOTES	12.31.2017	OF WHICH TOWARDS RELATED PARTIES	12.31.2016	OF WHICH TOWARDS RELATED PARTIES
NON-CURRENT ASSETS					
Tangible assets	6.1	52,280		52,980	
Concession fees		2,307,724		2,265,212	
Other intangible assets		42,076		10,370	
Intangible assets	6.2	2,349,800		2,275,582	
Equity investments	6.3	78,079		75,120	
Other non-current financial assets	6.4	12,950		11,236	
Deferred tax assets	6.5	65,129		101,346	
Other non-current assets	6.6	443		432	
TOTAL NON-CURRENT ASSETS		**2,558,681**		**2,516,696**	
CURRENT ASSETS					
Inventories		3,183		4,297	
Trade receivables		316,126	*3,453*	289,476	*2,812*
Trade assets	6.7	319,309	*3,453*	293,773	*2,812*
Other current financial assets	6.4	64		0	
Current tax assets	6.8	18,881	*17,940*	8,348	*7,470*
Other current assets	6.9	14,058	*657*	51,392	*533*
Cash and cash equivalents	6.10	301,975		74,159	
TOTAL CURRENT ASSETS		**654,287**	*22,050*	**427,672**	*10,815*
TOTAL ASSETS		**3,212,968**	***22,050***	**2,944,368**	***10,815***

SHAREHOLDERS' EQUITY AND LIABILITIES (THOUSANDS OF EUROS)	NOTES	12.31.2017	OF WHICH TOWARDS RELATED PARTIES	12.31.2016	OF WHICH TOWARDS RELATED PARTIES
SHAREHOLDERS' EQUITY					
GROUP SHAREHOLDERS' EQUITY					
Share capital		62,225		62,225	
Reserves and retained earnings		908,677		891,653	
Net income for the year, net of the advance on dividends		137,322		152,524	
		1,108,224		1,106,402	
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY		0		0	
TOTAL SHAREHOLDERS' EQUITY	6.11	**1,108,224**		**1,106,402**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	6.12	19,399		19,759	
Provisions for renovation of airport infrastructure	6.13	112,399		106,819	
Other allowances for risks and charges	6.14	16,141		26,110	
Allowances for non-current provisions		147,939		152,688	
Bonds		1,101,516	*242,328*	834,195	*251,116*
Medium/long-term loans		249,464		69,804	
Financial instruments - derivatives		137,430		138,519	
Non-current financial liabilities	6.15	1,488,410	*242,328*	1,042,518	*251,116*
Other non-current liabilities	6.16	4,083	*1,084*	935	*454*
TOTAL NON-CURRENT LIABILITIES		1,640,432	*243,412*	1,196,141	*251,570*
CURRENT LIABILITIES					
Provisions for employee benefits	6.12	938		1,437	
Provisions for renovation of airport infrastructure	6.13	68,799		98,610	
Other allowances for risks and charges	6.14	14,028		52,013	
Allowances for current provisions		83,765		152,060	
Trade payables	6.17	191,502	*48,899*	289,739	*67,406*
Trade liabilities		191,502	*48,899*	289,739	*67,406*
Current share of medium/long-term financial liabilities		16,019	*435*	15,955	*450*
Financial instruments - derivatives		259		21,394	
Current financial liabilities	6.15	16,278	*435*	37,349	*450*
Current tax liabilities	6.8	483		21,816	*15,020*
Other current liabilities	6.18	172,284	*1,697*	140,861	*2,603*
TOTAL CURRENT LIABILITIES		464,312	51,031	641,825	85,479
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,212,968**	***294,443***	**2,944,368**	***337,049***

Consolidated income statement

(THOUSANDS OF EUROS)	NOTES	2017	OF WHICH TOWARDS RELATED PARTIES	2016	OF WHICH TOWARDS RELATED PARTIES
REVENUES					
Revenues from airport management		881,909	*14,085*	850,608	*13,043*
Revenues from construction services		117,224		302,777	
Other operating income		18,789	*1,700*	32,773	*1,667*
TOTAL REVENUES	7.1	1,017,922	*15,785*	1,186,158	*14,710*
COSTS					
Consumption of raw materials and consumables	7.2	(31,499)	*(19,878)*	(32,046)	*(18,547)*
Service costs	7.3	(300,566)	*(67,634)*	(532,669)	*(71,259)*
Payroll costs	7.4	(166,175)	*(3,640)*	(158,637)	*(3,796)*
Concession fees		(33,461)		(34,711)	
Expenses for leased assets		(2,806)		(3,483)	
(Allocation to) use of the provisions for renovation of airport infrastructure		25,997		58,140	
Allocations to allowances for risks and charges		(535)		(3,899)	
Other costs		(15,725)		(9,734)	*(102)*
Other operating costs	7.5	(26,530)		6,313	*(102)*
Depreciation of tangible assets	6.1	(12,265)		(8,445)	
Amortization of intangible concession fees	6.2	(74,685)		(63,208)	
Amortization of other intangible assets	6.2	(4,538)		(4,098)	
Amortization and depreciation		(91,488)		(75,751)	
TOTAL COSTS		(616,258)	*(91,152)*	(792,790)	*(93,704)*
OPERATING INCOME (EBIT)		**401,664**		**393,368**	
Financial income		559		744	
Financial expense		(62,347)	*(13,269)*	(90,947)	*(14,333)*
Foreign exchange gains (losses)		8,797		42,557	
FINANCIAL INCOME (EXPENSE)	7.6	(52,991)	*(13,269)*	**(47,646)**	*(14,333)*
Share of profit (loss) of associates accounted for using the equity method	7.7	5,229		(5,210)	
INCOME (LOSS) BEFORE TAXES		**353,902**		**340,512**	
Income taxes	7.8	(108,930)		(120,785)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**244,972**		**219,727**	
Net income (loss) from discontinued operations		0		0	
NET INCOME FOR THE YEAR		**244,972**		**219,727**	
of which:					
Group income		**244,972**		219,727	
Minority interests		0		0	

Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	NOTES	2017	2016
NET INCOME FOR THE YEAR		**244,972**	**219,727**
Profits (losses) from fair value measurement of the cash flow hedges	6.15	13,521	(3,607)
Tax effect		(3,244)	619
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method	6.3	101	(89)
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect		**10,378**	**(3,077)**
Income (loss) from actuarial valuation of employee benefits	6.12	(172)	(566)
Tax effect		42	101
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect		**(130)**	**(465)**
Reclassifications of the other components of the comprehensive income statement for the year		**1,370**	**0**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT		**11,618**	**(3,542)**
COMPREHENSIVE INCOME FOR THE YEAR		**256,590**	**216,185**
of which:			
Comprehensive income attributable to the Group		256,590	216,185
Comprehensive income attributable to minority interests		0	0

Statement of changes in consolidated equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	CASH FLOW HEDGE RESERVE	RESERVE FOR THE VALUATION OF EQUITY INVESTMENTS ACCORDING TO THE EQUITY METHOD	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME FOR THE YEAR (net of the advance on dividends)	TOTAL	MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS OF DECEMBER 31, 2015	**62,225**	**12,462**	**667,389**	**(55,654)**	**(37)**	**267,721**	**136,575**	**1,090,681**	**0**	**1,090,681**
Net income for the year							219,727	219,727	0	219,727
Other components of comprehensive income:										
Profits (losses) from fair value measurement of the cash flow hedges, net of the tax effect				(2,988)				(2,988)		(2,988)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						(465)		(465)		(465)
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method					(89)			(89)		(89)
Comprehensive income for the year				(2,988)	(89)	(465)	219,727	216,185	0	216,185
Dividend distribution (balance)							(134,405)	(134,405)	0	(134,405)
Allocation of residual profit of the previous year						2,170	(2,170)	0		0
Distribution of advance on dividends							(67,203)	(67,203)		(67,203)
Other changes					39	1,105		1,144		1,144
BALANCE AS OF DECEMBER 31, 2016	**62,225**	**12,462**	**667,389**	**(58,642)**	**(87)**	**270,531**	**152,524**	**1,106,402**	**0**	**1,106,402**
Net income for the year							244,972	244,972	0	244,972
Other components of comprehensive income:										
Profits (losses) from fair value measurement of the cash flow hedges, net of the tax effect				11,647				11,647		11,647
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						(130)		(130)		(130)
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method					101			101		101
Comprehensive income for the year				11,647	101	(130)	244,972	256,590	0	256,590
Dividend distribution (balance)							(148,095)	(148,095)	0	(148,095)
Allocation of residual profit of the previous year						4,430	(4,430)	0		0
Distribution of advance on dividends							(107,649)	(107,649)		(107,649)
Other changes					60	916		976		976
BALANCE AS OF DECEMBER 31, 2017	**62,225**	**12,462**	**667,389**	**(46,995)**	**74**	**275,747**	**137,322**	**1,108,224**	**0**	**1,108,224**

Consolidated Statement of Cash Flows

(THOUSANDS OF EUROS)	NOTES	2017	2016
Net income for the year		**244,972**	**219,727**
Adjusted by:			
Amortization and depreciation	6.1/6.2	91,488	75,751
Allocation to the provisions for renovation of airport infrastructure	6.13	44,292	54,097
Financial expense from discounting provisions	7.6	1,976	3,811
Change in other provisions		(49,193)	16,558
Write-down (revaluation) of non-current financial assets and equity investments		0	350
Share of profit (loss) of associates accounted for using the equity method	7.7	(5,229)	5,210
Net change in deferred tax (assets) liabilities		32,582	21,942
Other non-monetary costs (revenues)		7,166	3,629
Changes in the working capital and other changes		(83,734)	66,018
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**284,320**	**467,093**
Investments in tangible assets	6.1	(11,548)	(25,043)
Investments in intangible assets	6.2	(154,556)	(313,246)
Works for renovation of airport infrastructure	6.13	(70,290)	(112,237)
Equity investments and minority shareholdings in consolidated companies		0	(52,001)
Dividends received from subsidiaries, valued according to the equity method		2,430	2,295
Gains from divestment of tangible and intangible assets and equity investments		1,098	11,154
Net change in other non-current assets		(11)	40
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**(232,877)**	**(489,038)**
Dividends paid		(255,744)	(201,608)
Issue of bonds		272,101	0
Raising of medium/long-term loans		180,000	69,797
Net change in other current and non-current financial liabilities		(19,799)	129
Net change in current and non-current financial assets		(181)	9,193
NET CASH FLOW FROM FUNDING ACTIVITIES (C)		**176,377**	**(122,489)**
NET CASH FLOW FOR THE YEAR (A+B+C)		**227,820**	**(144,434)**
Cash and cash equivalents at the start of the year	6.10	74,159	218,593
Cash and cash equivalents at the end of the year	6.10	301,979	74,159

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2017	2016
Net income taxes paid (reimbursed)	108,218	88,377
Interest income collected	271	510
Interest payable and commissions paid	64,849	41,383

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP

1. General information

Aeroporti di Roma S.p.A. (hereafter the “Company” or “ADR” or “the Parent Company”) manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority (“ENAC”) and ADR. On December 21, 2012 the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through the subsidiary undertakings, which specific activities are assigned to.

The registered office of the Parent Company is in Fiumicino, Via dell’Aeroporto di Fiumicino 320, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration is currently set until December 31, 2050.

On the date of presenting the Consolidated financial statements, Atlantia S.p.A. (“Atlantia”) is the shareholder that directly holds the majority of the shares of ADR (61,841,539, equal to 99.38% of the capital) and exercises the management and coordination towards the company.

These consolidated financial statements of ADR and its subsidiary undertakings (the “ADR Group”) were approved by the Board of Directors of the company during the meeting of March 1, 2018 and are subject to audit by EY S.p.A.

The consolidated financial statements were prepared in the assumption of going-concern.

2. Form and content of the Consolidated financial statements

The consolidated financial statements for the year ended December 31, 2017 were prepared pursuant to art. 2 of Italian Legislative Decree no. 38/2005, in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Commission, in force on the balance sheet date.

Consideration was also given to the measures issued by Consob (Commissione Nazionale per le Società e la Borsa) in implementing paragraph 3 of Article 9 of Italian Legislative Decree No. 38/2005 on the preparation of the accounting statements.

The consolidated financial statements comprise the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders’ equity, statement of cash flows and these notes, applying the provisions of IAS 1 “Presentation of Financial Statements” and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items. The statement of financial position is presented on the basis of the statement that provides for a distinction between current and non-current assets and liabilities, while these are classified on the basis of their nature in the income statement. The statement of cash flows was prepared by applying the indirect method. IFRS were applied consistently with the indications of the “Framework for the Preparation and Presentation of Financial Statements” and no issues emerged that required derogations pursuant to IAS 1.

All the values are expressed in thousands of euros, unless otherwise stated. Euro is the functional currency of the parent company and the subsidiary undertakings and the currency of presentation of the financial statements.

For each item in the consolidated financial statements, the corresponding value of the previous year is reported for comparison purposes.

3. Consolidation area and principles

The consolidated financial statements include the financial statements of ADR and its subsidiary undertakings for the year ending December 31, 2017, directly or indirectly controlled by ADR, both by virtue of the shares held to obtain the majority of votes in the Meeting (also when considering the potential voting rights deriving from options that can be exercised immediately) and due to other facts or circumstances that (also when excluding the related shares) assign the power over the company, the exposure or the right to variable returns on the investment of the company and the ability to use the power over the company to influence the returns on the investment.

The controlled entities are included in the consolidation area as of the date when control is acquired by the Group and are excluded from the area as of the date when control is lost by the Group. Annex 1 “List of equity investments” lists the companies included in the consolidation area. Compared to December 31, 2016, Romulus Finance S.r.l. left the consolidation scope and was removed from the Companies' Register on October 17, 2017, after closing the liquidation process.

The result of the comprehensive income statement relating to a subsidiary undertaking is attributed to the minorities, even if this implies a negative balance for minority interests. The variations in the interest of the parent company in a subsidiary undertaking that do not imply the loss of control are recorded as capital transactions. If the parent company loses the control of a subsidiary undertaking, it:

- cancels the assets (including goodwill) and the liabilities of the subsidiary undertaking;
- cancels the carrying values of all the minority shareholdings in the former subsidiary undertaking;
- cancels the accumulated exchange rate differences recorded in the shareholders’ equity;
- records the fair value of the payment received;
- records the fair value of all the shareholdings in the former subsidiary undertaking;
- records the profit or loss in the income statement;
- reclassifies the pertaining share of the parent company of the components previously recorded in the comprehensive income statement in the income statement or in the retained earnings, as the case may be.

For consolidation purposes, the accounting situations of the subsidiary undertakings were used, approved by the relevant Boards of Directors and the Sole Directors, adjusted on the basis of the IFRS standards adopted by the Group.

The main consolidation principles are described below:

- all assets and liabilities, charges and income of companies consolidated using the line-by-line method are fully included in the Consolidated financial statements;
- the carrying value of the equity investments is set off against the corresponding share of shareholders’ equity in the investee companies, attributing to the single asset and liability items their current value at the date of acquisition of control;
- where necessary, adjustments have been made to the financial statements of subsidiary undertakings to bring their accounting criteria in line with those adopted by the Group;
- minority interests in the shareholders’ equity of subsidiary undertakings are indicated separately from the Group shareholders’ equity;
- intercompany profits and losses still to be realized, as well as significant sums relating to payables and receivables and costs and revenues relating to consolidated companies have been eliminated;
- adjustments made to eliminate items of a purely tax nature, as well as other consolidation adjustments, take account, where applicable, of the related deferred taxation;

- dividends received by subsidiary undertakings during the year and recorded in the Parent Company's income statement as income from equity investments are eliminated against retained earnings.

Business combinations

Business combinations are recorded by using the acquisition method. The cost of an acquisition is valued as the sum of the transferred consideration, measured at fair value on the acquisition date, and the amount of the minority interest in the acquired company. For each business combination, the Group defines whether to measure the minority interest in the acquired company at fair value or in proportion to the share of the minority interest in the net assets that can be identified in the acquired company. The acquisition costs are written off in the year and classified under administrative expenses.

When the Group acquires a business, it classifies or designates the financial assets acquired or the liabilities assumed in accordance with the contractual terms, the economic conditions and the other relevant conditions in place on the acquisition date. This includes the check to establish whether an embedded derivative must be separated from the host contract.

If the business combination is created in several phases, the equity investment previously held is measured at the fair value on the acquisition date and any resulting profit or loss is recorded in the income statement.

Any contingent consideration due is recorded by the purchaser at fair value on the acquisition date. The change in fair value of the contingent consideration classified as asset or liability, as a financial instrument contemplated by IAS 39, must be recorded in the income statement or in other comprehensive income. In the cases where the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. If the contingent consideration is classified in the shareholders' equity, its value is not recalculated and its subsequent settlement is recorded in the shareholders' equity.

The transactions for the acquisition or sale of companies and/or branches under common control are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, making reference to both the (i) methods to determine the amount of the sale and the (ii) check of the added value generated for all the parties concerned, resulting in significant changes that can be measured in the cash flows before and after the transaction of the transferred assets. In this context:

- if both requirements being checked are met, these transactions for the purchase of companies and/or company branches are recorded according to IFRS 3, following the same criteria illustrated previously for similar transactions with third parties. In these cases, the transferor company posts in the income statement the possible difference between these carrying values of the assets and liabilities and the related amount;
- in the other cases, the transferred assets and liabilities are posted by the transferee with the same values these were recorded in the financial statements of the transferor company before the transactions, with the recognition in the shareholders' equity of any difference compared to the acquisition cost. Consistently with this, the transferor company records in the shareholders' equity the difference between the carrying value of the assets and liabilities sold and the amount agreed.

4. Accounting standards applied

Described below are the most important accounting standards and valuation criteria applied in preparing the financial statements for the year ended December 31, 2017. These standards and criteria comply with those used in preparing the consolidated financial statements of the previous year, since, during 2017, no new accounting standards, new interpretations or amendments to the applicable standards and interpretations came into force, which had a significant impact on the consolidated financial statements of the ADR Group.

In particular, it is specified that from January 1, 2017, the following amendments to already enforced accounting standards will be applied:

- **IAS 7 – Statement of cash flows**: the obligation was introduced to provide specific disclosure to allow the users of financial statements to evaluate changes in liabilities arising from financing activities, with the introduction of a specific reconciliation.
- **IAS 12– Income taxes**: the changes made to this standard clarified the recognition of deferred tax assets relating to debt financial instruments measured at fair value and the estimate of the taxable income for future years.
- **Annual Improvements to IFRSs: 2014 – 2016**: on December 8, 2016, the IASB published the document “Annual Improvements to IFRSs: 2014 – 2016 cycle”. The amendments entered into effect in 2017 refer to IFRS 12 – Disclosure of interests in other entities, and it was clarified that the disclosure obligations it dictates, except for those in paragraphs B10-B16, also apply to the interests in other entities classified as held for sale, held for distribution or discontinued operations pursuant to IFRS 5.

Tangible assets

The tangible assets are recorded at historical cost, inclusive of any directly attributable accessory charges. The cost of tangible assets whose use is limited over time is systematically depreciated on a straight-line basis in each year based on the estimated economic-technical life. If significant parts of these tangible assets have different useful lives, these components are recorded separately. Depreciation is recorded from the time the fixed asset is available for use, or is potentially capable of providing the economic benefits associated therewith. The annual depreciation rates applied are:

- plant and machinery: from 10% to 25%;
- equipment: from 10% to 25%;
- other assets: from 10% to 25%;

In the presence of specific indicators regarding the risk of failed recovery of the book value of tangible assets, these undergo an impairment test, as described in the specific paragraph.

Tangible assets are no longer shown in the financial statements after their transfer or if no future economic benefit exists expected from the use; any deriving profit or loss (calculated as the difference between the transfer value, net of sale costs, and the book value) is recorded in the income statement of the year of sale.

Any ordinary maintenance costs are charged to the income statement.

Intangible assets

Intangible assets are assets without physical substance, controlled by the company and able to produce future economic benefits and goodwill acquired in business combinations.

An asset is classified as intangible when there is the possibility of distinguishing it from the goodwill. This condition is normally met when: (i) the intangible asset arises from contractual or legal rights, or (ii) the asset is separable, i.e. can be sold, transferred, rented or exchanged autonomously or as an integral part of other assets. The company controls an asset if it has the power to obtain future economic benefits generated by the underlying assets and to restrict the access of others.

A peculiar element of those companies that, like ADR, operate under a concession agreement lies in the recognition of the so-called “Concession fees”, which, on the basis of the applicable accounting standards, and IFRIC12 in particular, represent the value attributed to the right to use the assets (infrastructure, plants, etc.) held under a concession agreement and with respect to which the company cannot exercise any right of ownership. Therefore, for this intangible asset, the recording value may include: A) the fair value of the construction and/or improvement services provided to the concessionaire (measured as illustrated in the standard regarding “construction contracts and services being executed”), net of the parts represented as financial assets, corresponding to the portions in the form of contribution; b) the rights acquired by third parties, in case costs are incurred to obtain concessions from the Grantor or third parties.

Except for the “Concession fees”, intangible assets are stated at cost as determined by the methods indicated for tangible assets, only when the latter can be reliably valued and when these assets can be identified, are controlled by the company and can generate future economic benefits.

Intangible assets with a definite useful life are amortized starting from the time when they are available for use, based on their residual possibility of use with respect to the residual useful life. On the other hand, concession fees are amortized throughout the entire concession, with a criterion that reflects the methods with which the economic benefits will be received by the company, with the use of constant rates determined with reference to the expiry of the concession on June 30, 2044. The amortization starts from the time when the fees in question start to generate the relevant economic benefits. The other intangible assets are amortized in three years.

The profit or loss deriving from the sale of an intangible asset is the difference between the sale value, net of sale costs, and the carrying value, and is recorded in the income statement of the year of sale.

Investments in associated undertakings and other companies

Equity investments in other companies, which can be classified in the category of financial assets held for sale as defined in IAS 39, are initially recorded at cost, as determined on the settlement date, as it represents the fair value, inclusive of the directly attributable transaction costs.

Subsequently, these equity investments are measured at fair value, if this can be determined, with the effects being attributed to the comprehensive income statement and thus in a specific shareholders’ equity reserve. At the time of an impairment loss, or when this is recognized, the profits and losses in this reserve are posted in the income statement.

Any losses in value identified as described in the section regarding “Impairment of assets (impairment test)”, are restored in the other components of the comprehensive income statement if the reasons for the write-downs made cease to apply.

If the fair value cannot be determined in a reliable manner, the equity investments classified under financial assets held for resale are valued at cost, adjusted by the impairment losses; in this case the losses in value are not subject to reinstatement.

An associated undertaking is a company the Group exercises significant influence on. Significant influence means the power to take part in the determination of the financial and management policies of the investee company without having control over it. Equity investments in associated undertakings are valued according to the equity method, with the portion of profits or losses of the year accrued for the Group being recorded in the income statement, except for the effects related to other changes in the shareholders' equity of the investment, reflected directly in the comprehensive income statement of the Group. The risk deriving from possible losses that exceed the carrying value of the equity investment is recorded in a specific liability fund proportionally to the investor's commitment to fulfilling the legal or implicit obligations towards the investee or in any case covering its losses. When they have no significant effects on the statement of financial position and on the results of operations, the equity investments in associated undertakings are recorded at cost, adjusted to reflect any loss in value. When the reasons for the write-down cease, the equity investments are revalued within the limits of the write-downs made.

Construction contracts and services being executed

The construction contracts being executed are assessed on the basis of the contractual payments accrued with reasonable certainty in connection with the work progress using the percentage of completion criterion determined with the methodology of physical measurement of the works executed in order to attribute the revenues and the economic result of the contract to the years of accrual proportionally to the work progress report. The positive or negative difference between the value of the contracts performed and the value of the advances received is posted as an asset or liability in the statement of financial position, respectively, in consideration also of possible write-downs made for risks related to the failed recognition of the works executed for the principals.

The revenues from the contract, in addition to the contractual consideration, include the variations, the price reviews and any claims to the extent these are likely to represent actual revenues that can be determined reliably. In case a loss is expected from the execution of the contract activities, this is immediately recorded in full in the accounts, regardless of the progress made in the contract.

The construction services in favor of the grantor pertaining to the concession agreement held by ADR are specifically recorded in the income statement based on the progress of the works. Revenues for construction and/or improvement services in particular, which represent the consideration due for the activity performed, are measured at their fair value, calculated on the basis of the total costs incurred, which mainly comprise the costs of external services and the costs of benefits for the employees devoted to these activities. These revenues from construction services are set off against a financial asset or the "airport management concession" entered among concession fees as intangible assets as shown in this paragraph.

Inventories

Inventories are valued at the lower of acquisition or production cost and the net realizable value that can be obtained from their sale during normal operations. The acquisition cost is determined by applying the weighted average cost method.

Receivables and payables

Receivables are initially recognized at fair value and then valued at the amortized cost by using the effective interest rate method, net of any impairment related to the sum considered non-performing and recorded in the specific provisions for doubtful accounts.

These flows consider the expected recovery terms, the likely salvage value, any guarantees as well as the costs that are estimated to be incurred to recover the receivables. The original value of the receivables is reinstated in the next years as the reasons for its adjustment cease to apply. In this case the value reinstatement is recorded in the income statement cannot exceed the amortized costs that the credit would have had in the absence of previous adjustments.

Payables are initially recorded at cost, corresponding to the fair value of the liability, net of any directly attributable transaction costs. After initial recording, payables are valued with the amortized cost criterion by using the effective interest rate method. Trade receivables and payables whose expiration falls within the normal commercial terms are not discounted.

Cash and cash equivalents

Cash and cash equivalents are recorded at par value and include the values that meet the requirements of high liquidity, availability on demand or in a very short term, good outcome and negligible risks of change in their value.

Financial instruments - derivatives

All derivative financial instruments are recorded in the statement of financial position based on their fair value, determined on the date when the period ends.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject of the hedge is formally documented and the hedge has a high hedge ranging between 80% and 125%, as initially and periodically checked.

For the instruments hedging against the risk of change in the cash flows of the assets and/or liabilities being hedged (cash flow hedge), the changes in fair value are recorded in the income statement in consideration of the relevant deferred tax effect; the ineffective part of the hedge is recorded in the income statement.

The changes in the fair value of derivatives that do not meet the conditions for qualification pursuant to IAS 39, as hedging financial instruments are recorded in the income statement.

Other financial assets and liabilities

Any financial assets which the Group intends and has the ability to maintain until maturity, based on the provisions of IAS 39, and the financial liabilities are recorded at cost, as measured on the settlement date, represented by the fair value of the initial remuneration, increased in the case of assets and decreased in the case of liabilities, by any transaction costs that are directly attributable to the acquisition of the assets and the issue of the financial liabilities. After initial recording, these financial assets and liabilities are valued with the amortized cost criterion by using the effective interest rate method.

Any financial assets held with the intention of obtaining a profit in the short term are recorded and valued at fair value, with recognition of the effects in the income statement; any financial assets other than those above are classified as financial instruments available for sale, recorded and valued at fair value with recognition of the effects in the comprehensive income statement. Financial instruments included in these categories have never been reclassified.

Financial assets and liabilities are no longer shown in the financial statements when, consequently to their sale or redemption, the Group is no longer involved in their management nor is liable for the risks and benefits related to these sold/redeemed instruments.

Fair value measurements

Fair value is the price that would be obtained from the sale of an asset or that would be paid for the transfer of a liability in a regular market transaction (i.e. in case of involuntary liquidation or a sale at a loss) on the measurement date (exit price).

The fair value of an asset or liability is determined by adopting the valuations that market operators would use to determine the price of the asset or liability. The fair value measurement also supposes that the asset or liability is exchanged in the main market or, in its absence, in the most advantageous market the company has access to.

The calculation of the fair value of a financial asset requires the inclusion of a fair value adjustment factor referred to the counterparty risk called CVA - Credit Valuation Adjustment. This credit risk must be quantified in the same way in which a market operator would determine it to define the purchase price of a financial asset. The termination of the fair value of a financial liability, as explicitly provided for by IFRS 13, also requires the quantification of a fair value adjustment factor referred to the own credit risk, i.e. DVA (Debit Valuation Adjustment).

In determining the fair value, a hierarchy of criteria is defined which is based on the origin, type and quality of the information used for the calculation. Such classification is aimed at establishing a hierarchy in terms of reliability of the fair value, with precedence given to the use of parameters that can be observed in the market and reflect the assumptions that the market participants would use to value the assets/liabilities. The fair value hierarchy includes the following levels: (i) level 1: Inputs represented by listed prices (unchanged) in active markets for identical assets or liabilities with access on the measurement date; (ii) level 2: inputs other than the listed prices included in level 1, which can be observed, directly or indirectly, for the assets or liabilities to be measured; (iii) level 3: inputs that cannot be observed for assets or liabilities.

In the absence of market prices available, the fair value is determined by using the measurement techniques that suit the specific case and maximize the use of important observable inputs, minimizing the use of non-observable inputs.

Employee benefits

The liabilities relating to short term benefits granted to employees, disbursed during the employment relationship, are recorded for the amount accrued at year end.

The liabilities related to benefits granted to employees and paid during or after the termination of the employment relationship through defined contribution plans, mainly consisting of the Severance Indemnities of the Group companies accrued until December 31, 2006 (or, where applicable, until the next date of adhesion to the complementary compensation fund), are recorded in the year when the right arises, net of any advances paid; these are calculated on the basis of actuarial assumptions and measured on an accrual basis in line with the services needed to obtain the benefits; the liabilities are valued by independent actuaries.

The actuarial gains and losses relating to defined benefit plans are recorded in the statement of comprehensive income and are not subject to subsequent attribution to the income statement; the cost for interest is recorded in income statement under financial income (expense).

Provisions for renovation of airport infrastructure

One of the main obligations that the concession agreement imposes on the concessionaire is that of guaranteeing that, for the entire duration of the concession, the requirements of operation and safety of the assets under concession continue to be met (see paragraph Intangible assets - concession fees). To this end the concessionaire, in addition to routine maintenance activities, must systematically plan the necessary extraordinary and replacement maintenance interventions to guarantee the fulfillment of this important concession obligation. The list of these interventions is included and updated systematically at every periodic update of the Investment plan included in the latest business plan approved, processed by the competent technical structures.

The processing and update of the Investment plan by ADR is governed by the Agreement, as illustrated in the paragraph dedicated to “The Planning Agreement” of the Management Report on Operations.

The Provisions for renovation of airport infrastructure include the current value of the estimate of the charges to be incurred for the contractual obligation imposed on the company by the concession agreement, for the execution of the necessary maintenance interventions of an extraordinary nature and to restore and replace the assets under concession. Since these charges cannot be posted as an increase in the value of the assets at the time when they are incurred from time to time, in the absence of the necessary accounting requirement (intangible assets) of the assets these are destined for, they are allocated to provisions according to IAS 37, based on the degree of use of the infrastructure, as they represent the charge that the company is likely to be called to incur to guarantee, over time, the correct fulfillment of the obligation to meet the requirements of operation and safety of the assets under concession.

As these are cyclical interventions, the value of the provisions in the accounts reflects the estimate of the charges that shall be incurred in the timeframe of the first cycle of interventions planned, subsequently to the year-end, calculated by taking into account the necessary discounting factors, analytically for each individual intervention.

The classification of the interventions among those that constitute the value of the provisions and those for building/improvement purposes in favor of the concessionaire, is based on a corporate assessment of the essential contents of the projects included in the Investment plan approved, supported by the technical functions, of those that present the characteristics mentioned in the criteria just outlined.

Other allowances for risks and charges

The Other allowances for risks and charges include the provisions arising from current obligations of a legal or implicit nature, deriving from past events, and the fulfillment of which will probably require the employment of resources, of which the amount cannot be reliably estimated.

Provisions are allocated based on a best estimate of the costs required for fulfilling the obligation at the year-end date or to transfer it to third parties.

If discounting produces a significant effect, provisions are determined by discounting the financial flows expected in the future at a discount rate that reflects the current market assessment of the time value of money, and the specific risks related to the liability. When discounting, the increase in the provision due to time passing is recorded as financial expense.

Assets held for sale and liabilities associated to assets held for sale

Assets held for sale and liabilities associated to assets held for sale, whose carrying value will be recovered mainly through the sale rather than through their continuous use, are presented separately from the other assets and liabilities in the Statement of financial position. Immediately before being classified as held for sale, they are posted on the basis of the specific reference IFRS applicable to each asset and liability and subsequently recorded at the lower between the carrying value and the presumed fair value, net of the relevant costs of sale. Any loss is immediately recorded in the income statement.

Regarding exposure in the income statement, disposed operations or operations being disposed are classifiable as “discontinued operations” when they meet the requirements below:

- they represent an important independent operational branch or geographical area of operation;
- they are part of a single coordinated plan to discontinue an important branch or geographical area;
- they are subsidiary undertakings acquired exclusively in order to be sold at a later stage.

The economic effects of these transactions, net of the related tax effects, are recorded under a single item in the income statement, with reference to the date in the year of comparison.

Impairment of assets (impairment test)

At year-end, the carrying value of tangible, intangible and financial assets and of equity investments is tested to find any indication of impairment of these assets.

If these indications exist, the recoverable amount of these assets is estimated to determine the amount of any write-down to be recorded. The Group has no goodwill or intangible assets with an indefinite useful life to be subject to impairment test every year.

If the recoverable value of an asset cannot be estimated individually, the estimate of the recoverable value is included within the framework of the unit generating financial flows the asset belongs to.

This test estimates the recoverable value of the asset (represented by the greater of the likely market value, net of sale costs, and the value in use) and compares it with the relevant net book value. If the latter is higher, the asset is written down until reaching the recoverable value. In determining the value in use, the financial flows expected in the future after taxation are discounted by using a discount rate, after taxation, which reflects the current market estimate referred to the cost of capital in connection with the time and specific risks of the asset.

Losses of value are recorded in the income statement and classified differently depending on the nature of written down asset. These losses in value are reinstated, within the limits of the write-down made, if the reasons that generated them ceased to apply, except for goodwill.

Revenues

Revenues are measured on an accrual basis to the extent to which it is possible to reliably determine their fair value and the related economic benefits are likely to be enjoyed. Depending on the type of transaction, revenues are recorded on the basis of the specific criteria reported below: a) the revenues from the sale of assets when the significant risks and benefits of the ownership of the same are transferred to the purchaser; b) the revenues from service provisions based on the stage of completion of the activities. If the value of revenues cannot be reliably determined, the revenues are recorded until reaching the costs incurred that are deemed as recoverable; c) the rental income and the royalties in the accrual period, based on the contractual agreements signed; d) interest income is measured on an accrual basis, calculated on the amount of the relevant financial assets, using the effective interest rate; e) dividends are measured when the right of the shareholders to receive their payment arises.

Costs

Costs are valued at the fair value of the amount paid or to be paid, and are recognized in the income statement on an accrual basis and in correlation with any related revenues. Any expense related to transactions of share capital increase is recorded as reduction in the shareholders’ equity.

Share-Based Payments

The cost of the services provided by the employees, associates and/or directors of the Group, remunerated through remuneration plans based on shares and settled with the conferment of securities, is calculated on the basis of the fair value of the rights assigned, valued by independent actuaries on the date the plan is transferred. This fair value is entered in the income statement, counterbalanced by the shareholders’ equity reserve, in the period of accrual set by the plan.

The cost or revenue in the income statement represents the change in the accumulated cost recorded at the beginning and end of the year. No cost is recorded for the fees which do not reach a definitive accrual, except for those fees with conferment subject to market conditions or a condition of non accrual; these are treated as if they had accrued, regardless of the fact that the market conditions or the other non-accrual conditions they are subject to are respected or not, notwithstanding that all the other performance and/or service conditions must be met.

If the conditions of the plan are changed, the minimum cost to be recorded is the one which would have been obtained in the absence of the change to the same plan. In addition, a cost is recorded for each change which means an increase in the total fair value of the payment plan, or that is in any case favorable for the employees; this cost is valued with reference to the amendment date.

The cost of the services provided by directors and employees that are remunerated through payments based on shares and settled in cash, is measured at the fair value of the liabilities assumed, counterbalanced under liabilities. For as long as the liability is not redeemed, the fair value of the liability is calculated with reference to the year-end, recording the relevant changes in the income statement.

Income taxes

The tax on the income of the year is calculated based on the tax expenses to be paid, in compliance with current legislation.

Deferred tax assets and liabilities resulting from temporary differences between the financial statements value of assets and liabilities, calculated by applying the criteria described in this section, and their tax value, deriving from the application of current legislation, are recorded: a) the former, only if sufficient taxable income is likely to allow the recovery; b) the latter, if any, in any case. Deferred tax assets and liabilities are measured based on the tax rates that are expected to be applied in the year when these assets will be created or these liabilities will be settled, considering the rates in force and those already issued, or substantially in force, on the date of the financial statements.

Deferred tax assets and liabilities are recorded in the income statement, with the exception of those relating to items that are directly recorded in shareholders' equity. In that case, also prepaid and/or deferred taxes are charged to shareholders' equity. Deferred tax assets and liabilities are offset where there is a legal right that allows current tax assets to be offset against current tax liabilities, and the deferred taxes refer to the same taxable entity and to the same tax authority.

Please note that for the three-year period 2017-2019 the parent company Atlantia adopts the tax consolidation regime, which ADR and some subsidiary undertakings adhered to.

Estimates and valuations

According to IFRS, the preparation of the financial statements requires estimates and valuations to be made, which affect the determination of the book value of assets and liabilities as well as the information provided in the Notes, also with reference to the assets and liabilities potentially existing at the end of the year. These estimates and hypotheses are used in particular for the valuation of receivables, the provisions for renovation of airport infrastructures, other allowances for risks and charges, employee benefits, the fair value of financial assets and liabilities, the recoverability of deferred tax assets and the concession fees.

Therefore, the actual results recorded may differ from these estimates; furthermore, the estimates and valuations are reviewed and updated periodically and the effects deriving from any variation are immediately reflected in the financial statements.

Conversion of the items in foreign currencies

Any transaction in a currency other than the euro is recorded at the exchange rate of the date of the transaction. The related monetary assets and liabilities denominated in currencies other than the euro are subsequently adjusted at the exchange rate in force on the date of closing the year of reference and any exchange differences are recorded in the income statement.

Non-monetary assets and liabilities denominated in currency and recorded at historical cost are converted by using the exchange rate in force on the date the transaction is first recorded.

Information by industry segment

The Group is engaged in one sector only, i.e. the development and management of airport infrastructures. Thus the Group's operations are subject to reporting and analysis by management as an individual unit. Consequently, with reference to the provisions of IFRS 8, no (financial and/or economic) segment information is provided for the business sectors, as this is not applicable.

Accounting standards and newly issued interpretations, revisions and amendments to existing standards not yet in force or not yet endorsed by the European Union.

As requested by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", stated below are the new accounting standards and interpretations, in addition to the amendments to the already applicable standards and interpretations not yet in force on the balance sheet date, which may be applied in the future to the consolidated financial statements of the Group:

DOCUMENT TITLE	DATE OF THE IASB DOCUMENT COMING INTO FORCE	DATE OF ENDORSEMENT BY THE EU
New accounting standards and interpretations (*)		
IFRS 9 - Financial Instruments	January 1, 2018	November 2016
IFRS 15 - Revenues from contracts with customers	January 1, 2018	September 2016
IFRS 16 – Leases	January 1, 2019	October 2017
Amendments to accounting standards and interpretations		
Amendments to IFRS 2 - Share-Based Payments	January 1, 2018	Not endorsed
Amendments to IFRS 9 – "Prepayment Features with Negative Compensation"	January 1, 2019	Not endorsed
Amendments to IAS 19 – "Plan Amendment, Curtailment or Settlement"	January 1, 2019	Not endorsed
Amendments to IAS 28 – "Long-term interests in associates and joint ventures"	January 1, 2019	Not endorsed
Amendments to IAS 40 – Investment property	January 1, 2018	Not endorsed
IFRIC 22 – Foreign currency transactions	January 1, 2018	Not endorsed
IFRIC 23 – Uncertainty over income tax treatments	January 1, 2019	Not endorsed
Annual Improvements to IFRSs: 2014 – 2016	January 1, 2017 - 2018	February 2018
Annual Improvements to IFRSs: 2015 – 2017	January 1, 2019	Not endorsed

(*) excluded from the list are IFRS 17 – Insurance contracts and the amendments to IFRS 4 - Applying IFRS 9 "Financial Instruments with IFRS 4 Insurance Contracts" since these accounting standards do not pertain to the activity carried out by the Group.

IFRS 9 - Financial Instruments

In July 2014, the IASB definitively published IFRS 9, i.e. the standard aimed at replacing the current IAS 39 for the accounting and valuation of financial instruments. The standard introduces new rules for the classification and measurement of financial instruments and a new model of impairment of the financial assets as well as of accounting of the hedging transactions that can be defined as "hedge accounting".

Classification and measurement

IFRS 9 envisages one single approach for the analysis and classification of all the financial assets, including those containing incorporated derivatives. The classification and relevant measurement consider both the model for the management of the financial assets and the contractual characteristics of the cash flows that can be obtained from the assets.

The financial asset is valued with the amortized cost method if both conditions below are met:

- the management model for the financial asset implies the holding of the same with the aim of collecting the related financial flows, and
- the financial asset contractually generates, on pre-set dates, the financial flows only representing the return of the same financial asset.

The financial asset is valued at fair value with posting of the effects in the comprehensive income statement, if the purpose of the management model is that of retaining the financial assets in order to obtain the relevant contractual cash flows or selling it.

Finally, there is the residual category of the financial assets valued at fair value with recognition of the effects in the income statement, which includes the assets held for trading.

A financial asset that meets the requirements for classification and valuation at amortized cost may, at the time of the initial recognition, be designated as financial asset at fair value with recognition of the effects in the income statement, if this measurement allows the asymmetrical valuation or recording ("accounting mismatch") to be eliminated or reduced significantly, which would otherwise result in the valuation of assets or liabilities or the recognition of the related profits or losses according to a different base.

In case of investments in equity instruments for which the recording and valuation at amortized cost is not possible, when these are investments in shares not held for trading but rather of strategic nature, according to the new standard, the entity may irrevocably choose, at the time of the initial recognition, to value them at fair value with posting of the next changes in the comprehensive income statement.

Regarding financial assets, the provisions of the current IAS 39 are confirmed by the new IFRS 9, also with reference to the new recognition and valuation, at amortized cost or at fair value, with posting of the effects in the income statement in specific circumstances.

Please note that, consequently to the amendment approved on October 12, 2017 (with mandatory application from January 1, 2019), it was specified that a debt instrument that provides an early repayment option could respect the characteristics of only the contractual flows requested by IFRS 9 and, as a consequence, be valued at amortized cost or at fair value, with posting of the variations in the comprehensive income statement, also in case a negative offsetting is provided for the lender.

The changes compared to the current provisions of IAS 39 mainly concern:

- the representation of the changes in fair value attributable to the credit risk associated to the liability, for which IFRS 9 provides recognition in the comprehensive income statement for some type of financial liabilities, rather than in the income statement like the changes in fair value attributable to other types of risks;
- elimination of the option to value at amortized cost the financial liabilities consisting of derivatives with delivery of unlisted equities. Due to this change, all derivative instruments must be valued at fair value.

Impairment

IFRS 9 defines a new impairment model of financial assets with the aim of providing useful information to the users of the financial statements with regard to the relevant losses expected. In particular the model requires the check and recording of any losses expected at any time throughout the life of the instrument and the update of the amount of losses expected at each balance sheet date, to reflect the changes in the credit risk of the instrument; therefore, the occurrence of a particular event ("trigger event") is no longer necessary to require the check and recognition of the credit losses. The impairment tests must be applied to all the financial instruments, except for those valued at fair value with the effects being posted to the income statement.

Hedge accounting

The main new elements introduced by IFRS 9 concern:

- the wider range of types of risks being covered to which the non-financial assets or liabilities are exposed, with the possibility of designating an aggregated exposure as hedged subject, which includes any derivative instrument;
- the possibility of designating also a financial instrument valued at fair value as hedged instrument, with recognition of the effects in the income statement;
- the different accounting methods for forward contracts and option contracts, when included in a hedge accounting context;
- the changes to the methods of predisposition of the tests on the effectiveness of the hedging ratios, as it introduces the principle of "economic relationship" between the hedged item and the hedging

instrument; moreover, the retrospective valuation of the effectiveness of the hedge is no longer required;

- the possibility of “re-balancing” an existing hedge if valid risk management objectives remain.

IFRS 15 - Revenues from Contracts with Customers

IFRS 15 replaces the previous standard IAS 18 and IAS 11, regarding construction contracts, and the relevant interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

IFRS 15 established the standards to follow for the recognition of the revenues deriving from contracts with customers, except for those contracts that are within the scope of the standards pertaining to lease agreements, insurance contracts and financial instruments.

The new standard defines an overall reference framework to identify the time and amount of the revenues to be posted in the accounts. Based on the new standard, the company needs to analyze the contract and its accounting impacts through the phases below:

- identification of the contract;
- identification of the performance obligations in the contract;
- determination of the price of the transaction;
- determination of the price of the transaction for each performance obligation identified;
- recognition of revenues when the performance obligation has been satisfied.

Therefore, the amount recorded by the entity as revenue must reflect the amount it is due in exchange for the assets transferred to the customer and/or the services rendered, to be recorded at the time when its contractual obligations have been fulfilled.

Furthermore, for the recognition of the revenue, emphasis is placed on the need for the probability to obtain/collect the economic benefits linked to the income; for contract work in progress, which is currently governed by IAS 11, the requirement is introduced of the recognition of the revenues also in consideration of the possible discounting effect deriving from collections deferred over time.

At the time of the first application, if the new standard cannot be applied retrospectively, an alternative ("modified approach") is available, based on which the effects from applying the new standard must be recorded in the opening shareholders’ equity of the year when first applying the standard.

IFRS 16 – Leases

On 13 January 2016 the IASB published the definitive version of the new accounting standard regarding the accounting of lease transactions, which replaces IAS 17, IFRIC 4, SIC 15 and SIC 27, whose adoption is set starting from January 1, 2019; early application is allowed to the companies that apply in advance IFRS 15 – Revenue from contracts with customers.

The new standard intervenes on the lessee by conforming the accounting treatment of operating and financial leasing. IFRS 16 requires the lessee to recognize in the balance sheet those assets deriving from a lease agreement, to be measured and classified as rights of use (thus as intangible assets), regardless of the nature of the leased assets, to be subject to amortization based on the duration of the rights; at the time of the initial measurement, the lessee recognizes the liability deriving from the contract, for an amount equal to the current value of the minimum mandatory lease payments. IFRS 16 also clarifies that a lessee, within the framework of the lease agreement, must separate lease components (to which the provisions of IFRS 16 apply) from those relating to other services, which instead must be subject to the relevant provisions of the other IFRSs.

The lease agreements with a duration equal to or shorter than 12 months and those regarding assets of a negligible amount may be excluded from the new methodology of accounting representation, due to their little significance for the lessee.

Regarding the lessor, the alternative accounting models of finance lease and operating lease, depending on the characteristics of the contract, remain essentially applicable, as currently governed by IAS 17; consequently, it will be necessary to recognize the financial receivable (in case of finance lease) or the tangible asset (in case of operating lease).

Amendments to IFRS 9 – Prepayment Features with Negative Compensation

The IASB published the Amendment to IFRS9 in December 2017, allowing companies to measure particular financial assets advanced through the so-called negative compensation at the amortized cost or at the fair value from “other comprehensive income”, if a specific condition is met, rather than at the fair value in the income statement. The standard will come into force on January 1, 2019.

Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement

In February 2018 the IASB issued the Amendment to IAS 19, which specifies the way in which companies must determine the pension expenses in case of amendments to a certain pension plan. IAS 19 “Employee benefits” specifies the way a company accounts for a pension plan with defined benefits. When an amendment to a plan – an adjustment, a curtailment or a settlement – is made, IAS 19 requires a company to recognize the net defined benefit asset or liability. The amendments require the company to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after such an event. The amendments will come into force on January 1, 2019.

Amendments to IAS 28 – Long-term interests in associates and joint ventures

In October 2017, the IASB issued the Amendments to IAS 28, clarifying that the entities must use IFRS 9 to represent the long-term interest in associates or joint ventures, for which the equity method is not applied. The standard will come into force on January 1, 2019.

Amendments to IAS 40 – Investment property

On December 8, 2016 the IASB published the amendment to this standard. These amendments are aimed at clarifying the application of paragraph 57 of IAS 40, which provides guidance in case of changing the intended use of an asset that was not an investment property or vice versa.

IFRIC 22 – Foreign currency transactions

On December 8, 2016 the IASB published this interpretation, which states the exchange rate to be used in foreign currency transactions when the payment is made or received in advance.

Amendments to IFRS 2 - Share-Based Payments

On June 20, 2016 the IASB published some amendments to IFRS 2 in order to clarify the methods of measuring cash-settled share-based payments linked to performance indicators, the classification of share-based payments settled net of withholdings and the methods of measurement in case of passage from equity-settled share-based payments and cash-settled share-based payments.

IFRIC 23 – Uncertainty over Income Tax Treatments

On June 7, 2017 the IASB published the interpretation document in the subject, which tackles the uncertainties about the tax treatment to be adopted for the determination of income tax. According to the interpretation, the uncertainties in the determination of the assets and liabilities regarding income taxes must be reflected in the financial statements only when it is probable that the entity will pay or collect the amount in question.

Annual Improvements to IFRSs: 2014 – 2016

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopter: The short-term exemptions set forth in paragraphs E3-E7 of IFRS 1 were deleted as they have fulfilled their purpose. The amendment came into force on January 1, 2018. This amendment is not applicable to the Group.
- IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice: the amendments clarify that an entity that is a venture capital organization, or another qualified entity, may decide, at the time of the initial recognition and with reference to the individual investment, to measure its investments in associates and joint ventures at the fair value recorded in the income statement. Furthermore, if an entity that does not qualify as an investment entity, has an investment in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, decide to maintain the fair value measurement applied by that investment entity (whether an associate or a joint venture) in measuring its own investments (of the associate or joint venture). This choice is made separately for each associate or joint venture that is an investment entity on the last (in terms of occurrence) of the following dates: (a) initial recognition of the investment in the associate or joint venture that is an investment entity; (b) when the associate or joint venture becomes an investment entity; e (c) when the associate or joint venture that is an investment company becomes the parent company for the first time. The amendments should be applied retrospectively from January 1, 2018; early application is allowed. If an entity applies these amendments early, it must give information about the fact. These amendments are not applicable to the Group.

Annual Improvements to IFRSs: 2015 – 2017

On December 12, 2017 the IASB published the document “Annual Improvements to IFRSs: 2015 – 2017 cycle”, relating to the changes to some standards with regard to the annual improvement process. The main changes that may be important for the Group concern:

- IFRS 3 – Business combinations and IFRS 11 – Joint arrangements: according to the amendment, in case of acquisition of control over a business that represents a joint operation, the entity must re-measure at fair value any interest previously held in the business. This approach must be applied in case of acquisition of joint control instead;
- IAS 12 – Income taxes: it is clarified that all the tax effects linked to the dividends (including the payments regarding financial instruments classified as equity instruments) must be recorded consistently with the transaction that generated them. Therefore, these will be recorded in the income statement, in the statement of comprehensive income or in shareholders’ equity.
- IAS 23 – Borrowing costs: it is clarified that a company treats as part of general borrowing any borrowing originally realized for the development of an asset when this is ready for the set use or for sale.

The Group is assessing the possible impact, which cannot currently be estimated reasonably, deriving from the application of all the newly issued standards above, as well as for all the reviews and amendments to the existing standards, except for IFRS 9, IFRS 15 and IFRS 16, for which the following is represented.

With reference to IFRS 15, the Group essentially completed the checks regarding the applicability of the new standard to the different types of contracts in place and the study of the management and accounting repercussions. A study was carried out on the applicability of the new standard with reference to the concession agreement held by ADR, of the sub-concession agreements, as well as the other agreements held by the Group, which represent the most significant component of the consolidated revenues.

Based on the examinations carried out, the concession agreement held by ADR is deemed not to fall within the scope of application of IFRS 15. As a result, the current methods of representation illustrated above in this note will not be subject to change and nor will the sub-concession agreements included in the application of the new standard as they are governed by IAS 17 – Leases, this regarding the lease of specific assets. Also for the more important agreements no possible significant amendments to their recognition have been identified as an effect of the adoption of the new standard.

Therefore, based on the analyses and examinations made so far, no significant impact emerged on the Consolidated Financial Statements of the ADR Group which may derive from adopting IFRS 15.

With reference to the new standard IFRS 9, the Group carried out the analyses about the possible impacts deriving from its application. In particular, the main types of items concerned are represented by trade receivables to customers, as part of the non-current financial assets and financial liabilities. For all these items, the treatments requested by the new standard were analyzed and the checks and examinations carried out do not reveal any material impact on the recognition value of trade receivables. With reference to non-current financial liabilities, and particularly to the debt renegotiation transaction finalized by ADR in 2017 (exchange tender offer), the IFRS 9 amendment of October 2017 appears to be applicable, which requires the recognition in the income statement of the difference between the pre-transaction amortized cost and the post-transaction one, calculated by using the internal original return rate. The analyses carried out revealed a reduction in financial liabilities of about 8 million euros (gross of the tax effect).

Concerning the possible impacts deriving from the introduction of IFRS 16, to be applied at a later time (in force from January 1, 2019), in any case it is specified that the Group does not hold significant leasing instruments as lessee, while the new standard is not deemed to have a significant impact on the agreements in which the Group plays the role of lessor, mainly including the sub-concession agreements of the areas destined to commercial activities.

5. Concession Agreement

Concessionary Relationship

ADR's corporate purpose is the construction and management of airports or of a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a Concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the Regulations of ENAC that govern the operation of the airport open to civil traffic.

The original Agreement for the management of the concession 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with specific Council of Ministers Presidential Decree. In a single document this regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be inspired by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

Duration of the Concession

The term of the concession expires on June 30, 2044 in compliance with art. 14 of Italian Law no. 359 of August 8, 1992, and art. 1-quater of Italian Law no. 351 of August 3, 1995, as set forth in the reports by the Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998.

The causes for revocation, default or termination of the concessionary relationship are specified in the new Single Deed - Planning Agreement under articles 18, 19 and 20 as well as art. 20-bis for the effects set for the natural expiry as of June 30, 2044.

Subject matter of the Concession

Italian Law 755/73 (art. 1) sets forth the subject of the concession, consisting in the single management of the Roman airport system, to be carried out under the supervision of the Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

ADR also provides security screening services for passengers and carry-on and checked baggage, always based on the concession regime.

Income

Pursuant to art. 6, paragraph 1, of Italian Law 755/73, "all revenues of the State, which derive from the management of the two airports, belong to the company holding the concession".

Art. 10 of the Single Deed - Planning Agreement lists in detail the income of the concessionaire, providing also the “fair fee” to be paid to it by anyone carrying out non-aeronautical activities for a profit, also occasionally, within the airports under concession that is not remunerated otherwise.

This article also specifies the income deriving from or connected to commercial activities that are not included in the tariff discipline of the Planning Agreement.

It regulates the so-called “regulated consideration”, i.e. the airport services originally identified in the “Reordering framework regarding the tariff system for airport services rendered on an exclusive basis” proposed by the Minister of Transport and Navigation in conjunction with the Minister of Finance and approved with CIPE Resolution no. 86 of August 4, 2000 and replaced by Resolution no. 51/08. These fees include the airport fees and all the fees for the services rendered on an exclusive basis.

Concession fees

Italian Law Decree 251/95, converted into Italian Law 351/95 introduced the obligation to pay a concession fee.

The reference parameter for calculating the fee (“WLU” - Work Load Unit) was adopted following the Decree of the State Property Office of June 30, 2003. The WLU corresponds to one passenger or 100 kg of cargo or post and is calculated using the data reported in the statistical yearbook of the Ministry for Infrastructure and Transport - ENAC (Italian Civil Aviation Authority). This fee quantification method was confirmed until 2018, with subsequent Decrees of the State Property Office.

According to art. 2, paragraph 4 of the Single Deed - Planning Agreement, if, consequently to regulatory provisions and/or administrative measures, the amount of the concession fee was to be changed compared to the one in force at the time of the stipulation, or if forms of taxation were introduced with an equivalent effect on the Concessionaire's account, the latter shall be entitled to a specific increase to cover the greater disbursement.

ADR also pays ENAC a fee for the concession of the baggage and passenger security checking services pursuant to Italian Ministerial Decree no. 85/99. The amount is set to 0.07 euros per outgoing passenger (Italian Ministerial Decree of July 13, 2005). The obligation to make this payment is reported also under art. 2, paragraph 5 of the Planning Agreement.

The asset regime

Art. 12 of the Single Deed- Planning Agreement governs the right to use the assets by the Concessionaire. The same is to be interpreted together with the provisions in articles 703 and 41 of the Navigation Code.

Additional rules contained in the Planning Agreement contribute to defining the legal treatment of the assets (e.g. art. 20-bis) which, though conditioned by the pertinence of the principle of correlation for the use to perform regulated activities or alternatively commercially (unregulated) activities, does not significantly differ from the pre-existing regime. In particular:

- the assets received under concession at the time of establishing the concessionaire or subsequently created by it by virtue of laws of the State with public funds, are possessed by the concessionaire under the right of use regime as these are government property; these assets are summarized in the table below:

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Assets received under the concession at Fiumicino	119,812	119,812
Assets received under the concession at Ciampino	29,293	29,293
Assets completed on behalf of the State (*)	742,197	742,197
TOTAL	**891,302**	**891,302**

(*) value of the construction services for works financed, realized and reported to the Italian Civil Aviation Authority

- the assets acquired/created by the Concessionaire with funding from its accounts and used to perform activities subject to fee regulation are possessed under the ownership regime until the end of the concession. This leads to the obligation to hand them over to the Grantor upon the natural expiry of the concession; this action will be in any case conditioned by the repayment of their value to be established according to the new convention rules;
- the same treatment applies to the goods acquired/created by the Concessionaire with funding from its accounts, but used to perform (unregulated) commercial activities, provided these are related to real estate whose need has been expressly declared by ENAC, due to their characteristics to perform airport functions, thus authorizing their creation;
- for commercial movable properties instead the concessionaire has full ownership; the Grantor is granted a right to purchase (art. 20-bis 4.d) upon the natural expiry of the concession, which can be exercised by paying the former concessionaire their residual carrying value.

  Based on the Single Deed - Planning Agreement, at the natural expiration of the concession, ENAC will send ADR a fee equal to the residual value of the investments made. The residue value will be taken from the regulatory accounts. To date the ADR Group does not have assets in service whose residual value from the regulatory accounts exceeds zero.

6. Information on the items of the consolidated statement of financial position

6.1 Tangible assets

(THOUSANDS OF EUROS)	12.31.2016			CHANGE				12.31.2017		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Plant and machinery	88,668	(50,340)	38,328	6,821	(9,055)	2,860	(10)	96,506	(57,562)	38,944
Industrial and commercial equipment	13,500	(10,725)	2,775	527	(809)	228	0	14,141	(11,420)	2,721
Other assets	25,006	(19,911)	5,095	2,452	(2,401)	3,481	(2)	30,796	(22,171)	8,625
Work in progress and advances	6,782	0	6,782	1,748	0	(6,540)	0	1,990	0	1,990
TOTAL TANGIBLE ASSETS	**133,956**	**(80,976)**	**52,980**	**11,548**	**(12,265)**	**29**	**(12)**	**143,433**	**(91,153)**	**52,280**

(THOUSANDS OF EUROS)	12.31.2015			CHANGE				12.31.2016		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Plant and machinery	60,302	(44,336)	15,966	14,716	(6,004)	13,650	0	88,668	(50,340)	38,328
Industrial and commercial equipment	12,144	(10,181)	1,963	1,396	(584)	0	0	13,500	(10,725)	2,775
Other assets	23,606	(18,969)	4,637	2,288	(1,857)	45	(18)	25,006	(19,911)	5,095
Work in progress and advances	13,783	0	13,783	6,643	0	(13,644)	0	6,782	0	6,782
TOTAL TANGIBLE ASSETS	**109,835**	**(73,486)**	**36,349**	**25,043**	**(8,445)**	**51**	**(18)**	**133,956**	**(80,976)**	**52,980**

Tangible assets, equaling 52,280 thousand euros (52,980 thousand euros as of December 31, 2016), decrease during the year by 700 thousand euros, mainly due to depreciation (12,265 thousand euros), partly offset by the investments.

Investments of 11,548 thousand euros mainly refer to:

- within the category Plant and machinery (6,821 thousand euros), mainly baggage inspection equipment for 5,256 thousand euros;
- within the category Industrial and commercial equipment (527 thousand euros) mainly to safety equipment (216 thousand euros);
- within the category Other assets (2,452 thousand euros), to electronic machinery (1,622 thousand euros) and Furniture/Furnishings (832 thousand euros);
- within the category Work in progress and advances (1,748 thousand euros), to advertising equipment for 835 thousand euros and sweepers for 428 thousand euros.

During the year no significant changes took place in the estimated useful life of the assets.

6.2 Intangible assets

(THOUSANDS OF EUROS)				12.31.2016			CHANGE				12.31.2017
	COST	W.D.	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(812,665)	1,355,301	0	(49,284)	0	2,167,966	0	(861,949)	1,306,017
Airport management concession - investments in infrastructure	1,061,137	0	(151,226)	909,911	117,224	(25,401)	(27)	1,178,334	0	(176,627)	1,001,707
TOTAL CONCESSION FEES	3,229,103	0	(963,891)	2,265,212	117,224	(74,685)	(27)	3,346,300	0	(1,038,576)	2,307,724
Other intangible assets	58,137	(41)	(48,826)	9,270	7,628	(4,538)	12	65,777	(41)	(53,364)	12,372
Advances to suppliers	1,100	0	0	1,100	29,704	0	(1,100)	29,704	0	0	29,704
TOTAL OTHER INTANGIBLE ASSETS	59,237	(41)	(48,826)	10,370	37,332	(4,538)	(1,088)	95,481	(41)	(53,364)	42,076
TOTAL INTANGIBLE ASSETS	**3,288,340**	**(41)**	**(1,012,717)**	**2,275,582**	**154,556**	**(79,223)**	**(1,115)**	**3,441,781**	**(41)**	**(1,091,940)**	**2,349,800**

(THOUSANDS OF EUROS)				12.31.2015			CHANGE				12.31.2016
	COST	W.D.	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(763,381)	1,404,585	0	(49,284)	0	2,167,966	0	(812,665)	1,355,301
Airport management concession - investments in infrastructure	758,360	0	(137,302)	621,058	302,777	(13,924)	0	1,061,137	0	(151,226)	909,911
TOTAL CONCESSION FEES	2,926,326	0	(900,683)	2,025,643	302,777	(63,208)	0	3,229,103	0	(963,891)	2,265,212
Other intangible assets	53,304	(41)	(44,728)	8,535	4,818	(4,098)	15	58,137	(41)	(48,826)	9,270
Advances to suppliers	6,651	0	0	6,651	5,651	0	(11,202)	1,100	0	0	1,100
TOTAL OTHER INTANGIBLE ASSETS	59,955	(41)	(44,728)	15,186	10,469	(4,098)	(11,187)	59,237	(41)	(48,826)	10,370
TOTAL INTANGIBLE ASSETS	**2,986,281**	**(41)**	**(945,411)**	**2,040,829**	**313,246**	**(67,306)**	**(11,187)**	**3,288,340**	**(41)**	**(1,012,717)**	**2,275,582**

Intangible assets, equal to 2,349,800 thousand euros (2,275,582 thousand euros as of December 31, 2016) rose by 74,218 thousand euros mainly due to the investments in the year, equal to 154,556 thousand euros, partly offset by the amortization equal to 79,223 thousand euros.

Concession fees include the concession relating to managing the Roman airport system; for further information on the concession relationship reference should be made to Note 5. In detail:

- Airport management concession - rights acquired: represents the value of the airport management concession, and reflects the difference between the price paid for ADR's shares by Leonardo S.p.A. (incorporated in Leonardo S.p.A. effective January 1, 2001) compared to the pro-rata value of shareholders' equity of ADR Group;
- Airport management concession - investments in infrastructure: includes the activities to create new infrastructure and/or improve and enhance the existing airport infrastructure carried out by the ADR Group.

The investments in the Airport management concession - investments in infrastructure equal 117,224 thousand euros and relate to construction services provided in the year on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded, as well as the fair value of the related construction services carried out.

Worth noting are:

- works to create departure area E/F (formerly Pier C) for 21.3 million euros;
- Works on runways and aprons for 22.1 million euros.
- urbanization work West area/Aprons W for 21.3 million euros;
- terminal maintenance and optimization works for 10.5 million euros;
- T5 reconfiguration interventions and T1/T3 sensitive flights for 4.7 million euros;
- work relating to the East Terminal System for 8.0 million euros.

In the absence of specific indicators regarding the risk of failed recovery of the book value of intangible assets, these did not undergo an impairment test.

The Other intangible assets, equal to 12,373 thousand euros (9,270 thousand euros as of December 31, 2016), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for the year, equal to 7,628 thousand euros, mainly refer to the implementation of airport systems, the evolutionary maintenance of the accounting system and the acquisition of licenses.

Advances to suppliers are equal to 29,704 as of December 31, 2017 compared to a balance of 1,100 thousand euros as of December 31, 2016, which referred to the advances for the works to create departure area F (formerly Pier C). The increase of 28,604 thousand euros compared to December 31, 2016 is attributable to the disbursement of price advances towards Pavimental S.p.A. for 29,704 thousand euros in total, valid on the agreements regarding the Completion of the east terminal system and the new West area aprons, net of the recovery of the residual advance of 1,100 thousand euros in relation to the end of the works at departure area E.

6.3 Equity investments

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
ASSOCIATED UNDERTAKINGS			
Pavimental S.p.A.	6,724	2,562	4,162
Spea Engineering S.p.A.	17,502	18,705	(1,203)
Consorzio E.T.L. (in liquidation)	0	0	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	24,226	21,267	2,959
OTHER COMPANIES			
Azzurra Aeroporti S.r.l.	52,000	52,000	0
Aeroporto di Genova S.p.A.	894	894	0
S.A.CAL. S.p.A.	957	957	0
Consorzio CAIE	1	1	0
Leonardo Energia - Società Consortile a r.l.	1	1	0
	53,853	53,853	0
TOTAL	**78,079**	**75,120**	**2,959**

Equity investments amount to 78,079 thousand euros, up by 2,959 thousand euros compared to December 31, 2016 due to the combined effect of:

- increase in the investment in Pavimental S.p.A. ("Pavimental") (20% of the capital) of 4,162 thousand euros, consequently to the valuation with the equity method (of which 4,037 thousand euros booked to the income statement, +92 thousand euros to the other components of the comprehensive income statement and 33 thousand euros to the shareholders' equity). The company operates in the building and maintenance sector and in the modernization of road, motorway and airport paving;
- reduction of the value of the investment in Spea Engineering S.p.A. ("Spea Engineering") (20%) of 1,203 thousand euros, consequently to the valuation with the equity method, which led to a 2,430 thousand euros reduction consequently to the resolution to distribute dividends and a revaluation of 1,227 thousand euros in relation to the result of the period (of which 1,192 thousand euros booked to the income statement, 9 thousand euros to the comprehensive income statement and 26 thousand euros to shareholders' equity). The company is engaged in the provision of engineering services for work design and management activities.

After the acquisition by Atlantia and EDF Invest of 64% of the capital of Aéroports de la Côte d'Azur (ACA), through the financial acquisition vehicle Azzurra Aeroporti S.r.l. ("Azzurra Aeroporti"), ADR committed to constitute a pledge in favor of the Azzurra Aeroporti's lenders on the total equity investment in the company (10%), once Azzurra Aeroporti is transformed into a joint stock company. In any case this potential guarantee is limited to a maximum amount of 130.6 million euros.

6.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)			12.31.2017			12.31.2016
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Derivatives with positive fair value	10,440	0	10,440	7,822	0	7,822
Other financial assets	2,574	64	2,510	3,414	0	3,414
TOTAL OTHER FINANCIAL ASSETS	**13,014**	**64**	**12,950**	**11,236**	**0**	**11,236**

Derivatives with positive fair value

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Interest rate hedging derivatives	10,440	7,822	2,618
Interest accrual	0	0	0
TOTAL DERIVATIVES WITH POSITIVE FAIR VALUE	**10,440**	**7,822**	**2,618**
non-current share	10,440	7,822	2,618
current share	0	0	0

Interest rate hedging derivatives

The ADR Group uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

During the month of October 2016 ADR signed three interest rate swap contracts of the forward starting type, with activation on February 20, 2020, with the purpose of hedging the interest rate risk for part of the new funding lines that will need to be signed, suitably in advance, to ensure the repayment of the bond loan expiring in 2021. Below is a table summarizing the main characteristics of the three contracts mentioned, which have a positive fair value at December 31, 2017.

									FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE	
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE COVERED	RATE APPLIED	AS OF 12.31.2017	AS OF 12.31.2016	TO THE INCOME STATEMENT	TO OCI (***)
Unicredit, BNPP, RBS	ADR	IRS FWD (*)	CF	I	10/2016	02/2030	300,000	They pay an average fixed rate of 0.969% and receive 6 month EURIBOR	10,440	7,822	0	2,618
					TOTAL				**10,440**	**7,822**	**0**	**2,618**
					of which:							
					Exchange rate hedging derivatives				0	0		
					Interest rate hedging derivatives				**10,440**	7,822		

(*) IRS forward starting: activation date February 20, 2020

(**) the change in fair value is posted in the OCI net of the tax effect

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

For the valuation techniques and the inputs used to determine the fair value of the derivatives reference is made to Note 9.4 Information on fair value measurement.

Other financial assets

The Other non-current financial assets, equal to 2,510 thousand euros (3,414 thousand euros as of December 31, 2016), refer to the ancillary charges incurred to sign the Revolving facility unused as of December 31, 2017. For details reference is made to Note 6.15.

6.5 Deferred tax assets

The Deferred tax assets, equal to 65,129 thousand euros (101,346 thousand euros as of December 31, 2016), are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below.

(THOUSANDS OF EUROS)	12.31.2016			CHANGE	12.31.2017
		PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME AND CHARGES RECORDED IN THE SHAREHOLDERS' EQUITY	
DEFERRED TAX ASSETS					
Allocation to (use of) the provisions for renovation of airport infrastructure	88,291	2,969	(19,508)	0	71,752
Allocations to allowance for obsolete and slow moving goods	95	19	(54)	0	60
Allocations to provisions for doubtful accounts	7,587	1,274	(1,299)	0	7,562
Amortized cost and derivative instruments	19,006	0	(261)	(3,677)	15,068
Allowances for risks and charges	17,487	85	(12,077)	0	5,495
Other	1,585	419	(545)	42	1,501
TOTAL DEFERRED TAX ASSETS	134,051	4,766	(33,744)	(3,635)	101,438
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET					
Application of IFRIC 12	32,705	5,545	(1,941)	0	36,309
TOTAL DEFERRED TAX LIABILITIES	32,705	5,545	(1,941)	0	36,309
TOTAL NET DEFERRED TAX ASSETS	**101,346**	**(779)**	**(31,803)**	**(3,635)**	**65,129**

The changes of 2017 mainly refer to the performance of the provisions for renovation of airport infrastructure, allowances for risks and charges and the change in the fair value of the derivative instruments.

6.6 Other non-current assets

Other non-current assets, equal to 443 thousand euros (432 thousand euros as of December 31, 2016), refer to guarantee deposits.

6.7 Trade assets

Trade assets, equal to 319,309 thousand euros (293,773 thousand euros as of December 31, 2016), include:

- inventories, equal to 3,183 thousand euros (4,297 thousand euros as of December 31, 2016) comprising consumable materials, clothing, spare parts, cleaning material, fuel, telephone material, etc.;
- trade receivables, equal to 316,126 thousand euros (289,476 thousand euros as of December 31, 2016).

In detail the trade receivables are broken down as follows:

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Due from clients	347,324	310,210	37,114
Due from parent companies	146	52	94
Receivables for construction services	8,051	18,872	(10,821)
Other trade receivables	1,085	930	155
TOTAL TRADE RECEIVABLES, GROSS OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	356,606	330,064	26,542
Provisions for doubtful accounts	(32,795)	(32,903)	108
Provisions for overdue interest	(7,685)	(7,685)	0
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(40,480)	(40,588)	108
TOTAL TRADE RECEIVABLES	**316,126**	**289,476**	**26,650**

"Due from clients" (gross of provisions for doubtful accounts) total 347,324 thousand euros and recorded a positive change of 37,114 thousand euros, mainly attributable to the increased exposure to the main domestic carrier.

The expansion of receivables from commercial customers is mainly due to the performance recorded towards the main national carrier and in particular to the components surcharge and IRESA (+28.2 million euros compared to December 31, 2016), which are offset against a specific counter-entry of Other liabilities. This increase formed, and subsequently became consolidated, as a consequence of the admission of the carrier to the extraordinary administration procedure on May 1, 2017. As known, all the receivables accrued prior to May 1, 2017 will be settled with the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. Moreover, any losses on receivables for services subject to settlement are granted regulatory protection as they derive from events outside the responsibility of the concessionaire and to the extent that they are of an amount that is such to alter the pre-existing economic-financial balance, in the same way as other cases of force majeure or of change in the regulatory framework.

The receivables from Alitalia SAI under special administration regarding activities not regulated as of May 1, 2017, were posted as a loss instead; indeed, for these receivables there is no guarantee about the collection and the aforesaid privileges at the time of distribution or other protections.

Finally, the receivables accrued after May 1, 2017 have been duly collected so far, as far ADR is concerned.

It is worth remembering that the ADR Group's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 11,045 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, worth remembering is that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia S.p.A. LAI under special administration (as well as to the aircraft owned by lessors, obliged in a fair manner) in order to allow the aircrafts owned by the lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under the Other current liabilities.

The receivables from ENAC for construction services (gross of the provisions for doubtful accounts) equal to 8,051 thousand euros, decreased to 10,821 thousand euros consequently to the collection, occurred in August 2017, of the receivables accrued in previous years and relating to the state-financed portion of construction works in departure area E/F.

The other trade receivables, equal to 1,085 thousand euros (930 thousand euros as of December 31, 2016), refer essentially to prepaid expenses of a commercial nature.

The table below shows the age of the trade receivables past due.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLE S THAT ARE NOT PAST DUE	RECEIVABLES THAT ARE PAST DUE		
			FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2017	**316,126**	56,627	59,828	172,574	27,097
12.31.2016	**289,476**	157,203	92,485	19,820	19,968

The increase in loans past due for over 90 days is mostly attributable to the receivables from Alitalia SAI under special administration.

The table below shows the movements of the provisions for doubtful accounts:

(THOUSANDS OF EUROS)	12.31.2016	INCREASES	DECREASES	12.31.2017
Provisions for doubtful accounts	32,903	6,597	(6,705)	32,795
Provisions for overdue interest	7,685	0	0	7,685
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**40,588**	**6,597**	**(6,705)**	**40,480**

The book value of trade receivables is close to the relevant fair value.

6.8 Current tax assets and liabilities

The table below shows in detail the assets and liabilities for current taxes at the start and end of the year.

	ASSETS			LIABILITIES		
(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE	12.31.2017	12.31.2016	CHANGE
Due from/to parent companies for tax consolidation	17,940	7,470	10,470	0	15,020	(15,020)
IRES	122	122	0	307	73	234
IRAP	819	756	63	176	6,723	(6,547)
TOTAL	**18,881**	**8,348**	**10,533**	**483**	**21,816**	**(21,333)**

Current tax assets, equal to 18,881 thousand euros (8,348 thousand euros as of December 31, 2016), mainly include the receivable from the parent company Atlantia (as consolidating company for tax purposes) of 17,940 thousand euros, comprised as so:

- 7,470 thousand euros (7,470 thousand euros also as of December 31, 2016) regarding the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs;
- 10,470 thousand euros (0 thousand euros also as of December 31, 2016) relating to receivables for tax consolidation deriving from the advances paid in 2017, above the estimated tax for the year.

For further information on the tax consolidation reference should be made to Note 7.8 Income taxes.

Current tax liabilities, equal to 483 thousand euros (21,816 thousand euros as of December 31, 2016), with a reduction of 21,333 thousand euros attributable, for 15,020 thousand euros, to the zeroing of the debt to Atlantia for tax consolidation after paying the balance of the taxes 2016.

6.9 Other current assets

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	10,288	10,251	37
Due from others	3,288	40,659	(37,371)
TOTAL OTHER CURRENT ASSETS	**14,058**	**51,392**	**(37,334)**

Due from tax authorities, equal to 10,288 thousand euros (10,251 thousand euros as of December 31, 2016), mainly include:

- VAT credit of 4,615 thousand euros (3,440 thousand euros as of December 31, 2016);
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 01.01.1993-03.23.1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required. These receivables reduced by 1,134 thousand euros compared to December 31, 2016, in relation to the partial repayment occurred in 2017 (for more information see Note 9.5 Litigation).

Due from others are equal to 3,288 thousand euros (40,659 thousand euros as of December 31, 2016). They dropped by 37,371 thousand euros mainly as a consequence of the collections from Insurance companies in line with the transactional agreements reached with them. For further information reference should be made to Note 11.1.

The table below shows the age of the Other current assets.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES THAT ARE NOT PAST DUE	RECEIVABLES THAT ARE PAST DUE		
			FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2017	**14,058**	13,443	0	0	615
12.31.2016	**51,392**	50,777	0	0	615

6.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Bank and post office deposits	301,519	73,757	227,762
Cash and notes in hand	456	402	54
TOTAL CASH AND CASH EQUIVALENTS	**301,975**	**74,159**	**227,816**

Cash and cash equivalents, amounting to 301,975 thousand euros, have increased by 227,816 thousand euros compared to December 31, 2016, mainly as a consequence of the financial transactions of the year. Funding lines were actually used: both banks (BNL, EIB and CDP for 180 million euros in total) and bonds (new EMTN issue for a par value of 500 million euros), the latter partially used to buy back a portion of the EMTN 2021 bond (for a par value of 200 million euros, in addition to the relevant repurchase premium).

6.11 Shareholders' equity

The shareholders' equity of the ADR Group as of December 31, 2017 amounts to 1,108,224 thousand euros (1,106,402 thousand euros as of December 31, 2016), while the minority interests in shareholders' equity amount to zero (zero also as of December 31, 2016).

The shareholders' equity is analyzed as follows:

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Share capital	62,225	62,225	0
Share premium reserve	667,389	667,389	0
Legal reserve	12,462	12,462	0
Cash flow hedge reserve	(46,995)	(58,642)	11,647
Reserve for the valuation of equity investments according to the equity method	74	(87)	161
Other reserves and retained earnings	275,747	270,531	5,216
Net income for the year, net of the advance on dividends	137,322	152,524	(15,202)
TOTAL GROUP SHAREHOLDERS' EQUITY	**1,108,224**	**1,106,402**	**1,822**
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	0	0	0
TOTAL SHAREHOLDERS' EQUITY	**1,108,224**	**1,106,402**	**1,822**

The changes taking place in the year are highlighted in the table entered among the accounting statements and mainly refer to:

- Group income for the year for 244,972 thousand euros;

- the positive result of the other components of the comprehensive income statement for 11,618 thousand euros deriving mainly from the positive change in fair value of the cash flow hedge derivatives (11,647 thousand euros net of the tax effect);
- the distribution of the balance of dividends of the year 2016 equal to 148,095 thousand euros (2.38 euros per share).
- the distribution of the advance on dividends of the year 2017 equal to 107,649 thousand euros (1.73 euros per share).

As of December 31, 2017 ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 ordinary shares with a par value of 1 euro each.

ADR’s legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details reference is made to Note 6.4 and Note 6.15.

Furthermore, pursuant to IFRS 2, the value accrued in the period of the fair value of the remuneration plans based on shares and settled with the conferment of securities as resolved by the Board of Directors of the Parent Company Atlantia also in favor of employees and directors of ADR, equal to 916 thousand euros, was booked to the income statement, counterbalanced by an increase in the specific shareholders’ equity reserve, classified in the item “other reserves and retained earnings”. For information on the remuneration plans based on shares reference is made to Note 11.2.

Reconciliation of net income for the year and ADR’s shareholders’ equity with the consolidated figures

	SHAREHOLDERS' EQUITY		NET INCOME FOR THE YEAR	
(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	2017	2016
ADR S.p.A. FINANCIAL STATEMENT VALUES	**1,101,340**	**1,101,042**	**243,517**	**215,742**
Recognition in the Consolidated financial statements of the shareholders' equity and the income for the year of the consolidated equity investments, net of the share pertaining to third party shareholders	35,030	32,603	596	2,826
Cancellation of the carrying value of the consolidated equity investments	(6,396)	(4,634)	0	(16)
Other adjustments[1]	(21,750)	(22,609)	859	1,175
VALUE OF CONSOLIDATED FINANCIAL STATEMENTS (GROUP PORTION)	1,108,224	1,106,402	244,972	219,727
VALUE OF CONSOLIDATED FINANCIAL STATEMENTS (THIRD PARTY PORTION)	0	0	0	0
VALUES OF CONSOLIDATED FINANCIAL STATEMENTS	**1,108,224**	**1,106,402**	**244,972**	**219,727**

[1] These refer mainly to the adjustments deriving from the different merger date compared to the first consolidation.

6.12 Provisions for employee benefits

Provisions for employee benefits are 20,337 thousand euros (21,196 thousand euros as of December 31, 2016) of which 19,399 thousand euros non-current, and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the bond, determined based on actuarial techniques, relating to the amount to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

(THOUSANDS OF EUROS)	2017	
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**21,196**
Current cost	143	
Interest payable	208	
Total costs recorded in the income statement		351
Liquidation / Releases		(1,383)
Actuarial gains/losses from changes in the demographic assumptions	(6)	
Actuarial gains/losses from changes in the financial assumptions	(37)	
Effect of past experience	216	
Total actuarial gains/losses recognized in the comprehensive income statement		173
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**20,337**
of which:		
non-current share		19,399
current share		938

Summarized below are the main assumptions made for the actuarial estimate process regarding the employee severance indemnities as of December 31, 2017:

FINANCIAL ASSUMPTIONS	2017	2016
Discounting rate	0.88%	0.86%
Inflation rate	1.5%	1.5%
Annual rate of increase in employee severance indemnities	2.2%	2.2%
Annual rate of pay increase	0.4%	0.2%
Annual turnover rate	0.6%	0.8%
Annual rate of disbursement of advances	1.0%	1.3%

The discounting rate used to determine the current value of the obligation was determined in accordance with paragraph 78 of IAS 19, with reference to the average return curve deriving from the index IBOXX Eurozone Corporates AA 7-10 with duration based on the average permanence of the collective measurement subject.

DEMOGRAPHIC ASSUMPTIONS	2017/2016
Mortality	Mortality tables RG48 published by the State's general office (with adoption of the age shifting)
Inability	INPS tables divided by age and gender, reduced to 70%
Retirement	Reaching the minimum foreseen by the regulations in force.

The effects of the obligation for the employee severance indemnities deriving from a reasonably possible change in the main actuarial assumptions at year end are indicated below:

(THOUSANDS OF EUROS)	1.0% INCREASE	1.0% DECREASE	0.25% INCREASE	0.25% DECREASE
Annual turnover rate	20,227	20,384		
Inflation rate			20,581	20,097
Discounting rate			19,926	20,761

The weighted average duration of the obligations for the defined benefit plans for the employees at year end is 10 years and the service costs predicted for 2018 equal 143 thousand euros.

The disbursements predicted for the next five years are as follows:

(THOUSANDS OF EUROS)	
1st year	512
2nd year	1,349
3rd year	1,035
4th year	1,689
5th year	1,754

The amount of the contributions expected to be allocated to the defined benefit plans in the subsequent year is equal to zero.

6.13 Provisions for renovation of airport infrastructure (non-current and current share)

The Provisions for renovation of airport infrastructure, equal to 181,198 thousand euros (205,429 thousand euros at December 31, 2016), of which 68,799 thousand euros for the current share (98,610 thousand euros at December 31, 2016), include the current value of the updated estimate of the charges to be incurred for extraordinary maintenance recoveries and replacements in the face of the contractual obligation set by the airport management concession signed by the granting Administration with the aim of ensuring the due functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the year.

(THOUSANDS OF EUROS)	12.31.2016	PROVISIONS	DISCOUNTING EFFECT	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	12.31.2017
Provisions for renovation of airport infrastructure	**205,429**	44,293	1,766	0	(70,290)	**181,198**
of which:						
current share	98,610					68,799
non-current share	106,819					112,399

6.14 Other allowances for risks and charges (current and non-current share)

The Other allowances for risks and charges are equal to 30,169 thousand euros (78,123 thousand euros at December 31, 2016), of which 14,028 thousand euros for the current share (52,013 at December 31, 2016). Reported below is the analysis of the breakdown of the item and the changes during the year.

(THOUSANDS OF EUROS)	12.31.2016	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	12.31.2017
Tax provisions	19,278	450	0	(7,055)	12,673
Provisions for current and potential disputes	57,596	85	(4,565)	(36,869)	16,247
Provisions for internal insurance	1,236	0	0	0	1,236
To cover investee companies' losses	13	0	0	0	13
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**78,123**	**535**	**(4,565)**	**(43,924)**	**30,169**
of which:					
current share	52,013				14,028
non-current share	26,110				16,141

Tax provisions, equal to 12,673 thousand euros, relate to the risk of a negative outcome of the pending cases regarding the dispute with UTF (now the Customs Office) on the tax and additional fee on electricity for the period 2002-2012, following the unfavorable decisions of the Supreme Court on some disputes already considered by the Court. The uses refer mainly to a conciliation agreement signed with the Municipality of Fiumicino on the main disputes relating to the ICI/IMU (property taxes) issue pending for years.

The provisions for current and potential disputes of 16,247 thousand euros (57,596 thousand euros at December 31, 2016) include the estimated charges that are expected to be incurred in connection with the disputes in progress at period end. These provisions reduced in the year by 41,349 thousand euros, essentially due to operating uses for 36,869 thousand euros, also relating to settlement of disputes referring to the fire at T3.

This fund includes, among others, a prudent valuation, made on the basis of the best current information, of the liabilities the Company is likely to be called to account for, for the claims for compensation of third parties referring to the fire event at T3. On this point, so far 160 claims have been lodged by third parties (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification of the damages, to date amounting to approximately 31 million euros. For more information on the fire event at Terminal 3, reference is made to Note 11.1.

For further information on the current disputes reference should be made to Note 9.5 Litigation.

6.15 Financial liabilities (current and non-current share)

(THOUSANDS OF EUROS)					12.31.2017			12.31.2016
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,101,516	0	1,101,516	397,465	704,051	834,195	0	834,195
Medium/long-term loans	249,464	0	249,464	137,355	112,109	69,804	0	69,804
Accrued expenses medium/long-term financial liabilities	16,019	16,019	0	0	0	15,955	15,955	0
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	1,366,999	16,019	1,350,980	534,820	816,160	919,954	15,955	903,999
FINANCIAL INSTRUMENTS - DERIVATIVES	137,689	259	137,430	1,099	136,331	159,913	21,394	138,519
TOTAL FINANCIAL LIABILITIES	**1,504,688**	**16,278**	**1,488,410**	**535,919**	**952,491**	**1,079,867**	**37,349**	**1,042,518**

Bonds

	12.31.2016				CHANGES	12.31.2017
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	AMORTIZED COST EFFECT	BOOK VALUE
Bonds	834,195	500,000	(199,999)	(8,788)	(23,892)	1,101,516
current share	0					0
non-current share	834,195					1,101,516

As of December 31, 2017, bonds are equal to 1,101,516 thousand euros (834,195 thousand euros as of December 31, 2016). The increase, equal to 267,321 thousand euros, is the result of the combined effect of (i) the new issue transaction, performed in June and expiring in 2027, and (ii) the simultaneous buyback of the bond issued in 2013 expiring originally in 2021. Both bonds were issued with validity on the EMTN issue plan approved by ADR in 2013 for a maximum amount of 1.5 billion euros. The change in the year was affected by the valuation of loans with the amortized cost method and the adjustment of the A4 bond value in pound sterling to the exchange rate at the end of the year.

Reported below is the main information regarding the bond issues existing as of December 31, 2017.

(THOUSANDS OF EUROS)									
NAME	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	231,967	5.441%	every six months	at maturity	20 years	02.2023
€600,000,000 3.250% EMTN 02.2021	ADR	400,000	EUR	397,465	3.25%	yearly	at maturity	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06.2027	ADR	500,000	EUR	472,084	1.625%	yearly	at maturity	10 years	06.2027
TOTAL BONDS				**1,101,516**					

(*) the book value recorded in the financial statements (232.0 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the year.

(**) originally issued by the vehicle Romulus Finance, subsequently "replaced", as issuer of the bonds, by ADR following the Issuer Substitution operation.

Note that 99.87% of the A4 Romulus bonds are held by the parent company Atlantia, which acquired them consequently to the Tender Offer procedure concluded in January 2015. For further information reference should be made to Note 8.

In addition to the mentioned A4 bond, which is the last existing bond tranche of the series that has characterized the securitization structure of 2003 performed on the vehicle Romulus Finance, the bonds currently existing consist of the senior unsecured issue of December 10, 2013 for a total equaling a par value of 600 million euros on the issue date - of which to date a par value of 400 million euros remain, following the buyback transaction, - implemented as part of the previously mentioned EMTN Program in 2013, in addition to, as part of the same Program, the new issue, finalized on June 8, 2017, for a par value of 500 million euros. The securities representing both bond issues were placed with qualified investors and listed in the regulated market of the Irish stock exchange.

The latest senior unsecured bond issue in 2017 was rated with a solid investment grade of “BBB+”, “Baa1” and “BBB+” by the agencies Standard & Poor’s (“S&P”), Moody's and Fitch Ratings, respectively. However, during the year 2017 Moody’s assigned a negative outlook because of the direct connection, considered by the agency as part of the assessment of the creditworthiness of ADR, compared to the opinion expressed on the sovereign rating of the Italian Republic. Also S&P assigned ADR a negative outlook in consideration of the possible implications of the acquisition transactions regarding the Atlantia Parent Company. Instead the outlook assigned by Fitch remained “stable”.

The fair value of the bond issues is reported in the table below.

(THOUSANDS OF EUROS)	12.31.2017		12.31.2016	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,101,516	1,242,897	834,195	974,172
TOTAL BOND ISSUES	**1,101,516**	**1,242,897**	**834,195**	**974,172**

The fair value of the bond issues was determined on the basis of the market values available at December 31, 2017; in particular, the future cash flows were discounted on the basis of the standard discounting curves used in market practice (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2016, a reduction is recorded in the fair value of the bond in pound sterling, only partly deriving from the exchange rate effect, while the new issue and simultaneous buyback of the bond in euros already in circulation lead to an increase in the fair value. The result of these combined effects translates into an overall increase in the fair value of 268.7 million euros compared to December 31, 2016.

Medium/long-term loans

	12.31.2016				12.31.2017
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	BOOK VALUE
Medium/long-term loans	69,804	180,000	0	(340)	249,464
current share	0				0
non-current share	69,804				249,464

Medium/long-term loans equal 249,464 thousand euros (69,804 at the end of the previous year) and include the bank loans granted by BNL (99,855 thousand euros), EIB (109,787 thousand euros) and CDP (39,823 thousand euros). The increase, compared to last year (+179,660 thousand euros), relates to the disbursement of the second and last tranche of 30.0 million euros of the BNL loan and the partial disbursement of the funding lines granted by EIB and CDP, for a par value equal to 110.0 and 40.0 million euros respectively.

Reported below is the main information regarding medium/long-term loans existing as of December 31, 2017.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	DURATION	EXPIRY
Syndicate of banks	*Revolving Credit Facility ("RCF")*	250,000	0	0	EUR	variable index-linked to the Euribor + margin	quarterly	revolving	5 years	07.2022(*)
Banca Nazionale del Lavoro ("BNL")	*BNL Loan*	100,000	100,000	99,855	EUR	0.18%	every six months	at maturity	4 years	11.2020
European Investment Bank ("EIB")	*EIB Loan*	150,000	110,000	109,786	EUR	1.341%	yearly	amortizing from 2020	14 years	09.2031
Cassa Depositi e Prestiti ("CDP")	*CDP Loan*	150,000	40,000	39,823	EUR	1.629%	yearly	amortizing from 2020	14 years	09.2031
TOTAL MEDIUM/LONG-TERM LOANS		**650,000**	**250,000**	**249,464**						

(*) this date may be extended in accordance with the relevant contracts and optionally, for another year.

The Revolving Credit Facility ("RCF"), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the Company's development plans. The syndicate of banks that granted this loan comprises: Barclays, BNP Paribas Group, Crédit Agricole Group, Mediobanca, Natixis, Société Générale, NatWest (formerly The Royal Bank of Scotland) and UniCredit. The interest rates applied to the RCF in case of request of the line, vary in relation to the level of ADR's rating.

The line of credit granted by BNL was signed by ADR in November 2016. This line of credit, amounting to 100 million euros, is completely used as of December 31, 2017 and must be repaid in full in November 2020. The contractual structure is in line with the previously mentioned RCF and is characterized by a covenant structure in line with the best corporate investment grades. This line of credit enjoys an especially favorable interest rate since the funds made available by the granting bank benefit from the Targeted Longer-Term Refinancing Operations ("TLTRO") program provided by the European Central Bank.

In December 2016 two loan agreements were drafted with regard to the 300 million euro line resolved by the European Investment Bank ("EIB") in favor of ADR in 2014, with contracts partly with EIB (150 million euros) and partly, for the residual 150 million euros, with Cassa Depositi e Prestiti ("CDP"). The EIB and CDP loans were granted by the two banks to support the "Aeroporti di Roma – Fiumicino Sud" project regarding the execution of the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. As of December 31, 2017 these new lines of credit are used for 110.0 and 40.0 million euros respectively and were both signed at fixed rate for a duration of about 14 years with a grace period of about 3 years. These loans, precisely for their purpose, are subject to terms and conditions that are more similar to project-type contractual structures.

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)	12.31.2017		12.31.2016	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	249,464	250,723	69,804	69,053
Floating rate	0	0	0	0
TOTAL BOND ISSUES	**249,464**	**250,723**	**69,804**	**69,053**

The fair value of the medium/long-term loans was determined on the basis of the market values available at December 31, 2017; in particular, the future cash flows were discounted on the basis of the standard discounting curves used in market practice (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Exchange rate hedging derivatives	82,692	73,903	8,789
Interest rate hedging derivatives	54,738	85,767	(31,029)
Interest accrual	259	243	16
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**137,689**	**159,913**	**(22,224)**
non-current share	137,430	138,519	(1,089)
current share	259	21,394	(21,135)

Exchange rate and interest rate hedging derivatives

The ADR Group uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

As of December 31, 2017 the ADR Group has a cross currency swap allowing the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in pound sterling to be stabilized. During the month of June 2015 (subsequently restructured in June 2016) and in February 2016, ADR also signed interest rate swap contracts of the forward starting type, starting on February 9, 2017 and April 20, 2017, respectively, adopting a policy of hedging against the prospective rate risk deriving from future financial requirements. These hedges, after their activation, were subject to unwinding in correspondence to the new debt assumed with the 500 million euro bond issue of June 2017. The relative negative fair value, at the date of unwinding the contracts, was paid to the counterparties; the corresponding negative cash flow hedge reserve (equal to 19,878 thousand euros) is amortized again in the income statement for the residual life of the new bond issue. The amount of the cash flow hedge reserve attributed to the income statement in 2017 equals 1,803 thousand euros. Below is a table summarizing the outstanding derivative contracts with negative fair value of the ADR Group at December 31, 2017.

									FAIR VALUE OF THE DERIVATIVE		*CHANGE IN FAIR VALUE*		
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE COVERED	RATE APPLIED	AS OF 12.31.2017	AS OF 12.31.2016	TO THE INCOME STATEMENT	TO OCI (***)	AMOUNTS PAID
Mediobanca, UniCredit	ADR	CCS	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3 month Euribor + 90bps until 12.2009, then pays a fixed rate of 6.4%	(53,639)	(64,616)	236	10,741	
				C					(82,692)	(73,903)	(8,789)		
									(136,331)	(138,519)	(8,553)	10,741	
Société Générale	ADR	IRS FWD (*)	CF	I	06.2015 (restructured on 6.2016)	02.2027	250,000	It pays a fixed rate of 1.530% and receives 6-month EURIBOR	0	(20,819)	11	1,200	19,608
Société Générale	ADR	IRS FWD (**)	CF	I	02.2016	04.2026	50,000	It pays a fixed rate of 0.688% and receives 6-month EURIBOR	0	(332)	0	62	270
Société Générale	ADR	IRS FWD (***)	CF	I	09.2017	02.2020	100,000	It pays a fixed rate of 1.458% and receives 6-month EURIBOR	(1,099)	0	0	(1,099)	
					TOTAL				**(137,430)**	**(159,670)**	**(8,542)**	**10,904**	**19,878**
					of which:								
					Exchange rate hedging derivatives				(82,692)	(73,903)			
					Interest rate hedging derivatives				(54,738)	(85,767)			

(*) IRS forward starting: activation date February 9, 2017
(**) IRS forward starting: activation date April 20, 2017.
(***) IRS forward starting: activation date February 20, 2020
(****) the change in fair value is posted in the OCI net of the tax effect
CF: Cash Flow Value Hedge - C: exchange rate - I: interest

For the valuation techniques and the inputs used to determine the fair value of the derivatives reference is made to Note 9.4 Information on fair value measurement.

6.16 Other non-current liabilities

The other non-current liabilities are equal to 4,083 thousand euros (935 thousand euros as of December 31, 2016) and consist for 3,232 thousand euros of amounts due to personnel and 851 thousand euros of amounts due to social security agencies. The increase of 3,148 thousand euros is essentially attributable to the allocation relating to the remuneration plans based on shares and settled in cash. For info on the remuneration plans based on shares reference is made to Note 11.2.

6.17 Trade payables

Trade payables are equal to 191,502 thousand euros (289,739 thousand euros as of December 31, 2016).

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Due to suppliers	177,053	279,937	(102,884)
Due to parent companies	1,788	1,033	755
Deferred income	1,347	1,329	18
Advances received	11,314	7,440	3,874
TOTAL TRADE PAYABLES	**191,502**	**289,739**	**(98,237)**

Payables due to suppliers, equal to 177,053 thousand euros, are down 102,884 thousand euros. This is attributable to the decrease in the volume of investments made in 2017 compared to the previous year.

The advances received, equal to 11,314 thousand euros, rose by 3,874 thousand euros compared to December 31, 2016 consequently to the application of the advance billing mechanisms for carriers.

6.18 Other current liabilities

The Other current liabilities are equal to 172,284 thousand euros (140,861 thousand euros as of December 31, 2016).

The item is analyzed in the table below.

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Payables for taxes other than income taxes	114,048	83,369	30,679
Payables to personnel	15,759	17,062	(1,303)
Due to social security agencies	9,452	9,316	136
Payables for security deposits	12,037	9,826	2,211
Other payables	20,988	21,288	(300)
TOTAL OTHER CURRENT LIABILITIES	**172,284**	**140,861**	**31,423**

The Payables for taxes other than income taxes are equal to 114,048 thousand euros (83,369 thousand euros as of December 31, 2016) and mainly include:

- payable for the passenger surcharges for 94,044 thousand euros (71,296 thousand euros as of December 31, 2016). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commissarial surcharge) for the commissarial management of the Municipality of Rome. The trend of the payable for the surcharge, up by 22,748 thousand euros compared to the end of 2016, reflects the correlated effect of the trend, in the year, of the corresponding fees from the carriers;
- payable of 14,441 thousand euros to the Lazio Regional Authority for IRESA (7,934 thousand euros as of December 31, 2016). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board. ADR started to charge this tax in May 2014, applicable from January 1, 2014, in relation to the agreement for tax management signed on January 30, 2014 with the Lazio Regional Authority. The 6,507 thousand euro increase in IRESA charges compared to December 31, 2016 reflects the correlated effect of the performance in the year of this type of collections from carriers.

The Other payables, equal to 20,988 thousand euros, (21,288 thousand euros as of December 31, 2016), include the payable to ENAC for the concession fee of 16,754 thousand euros (17,186 thousand euros as of December 31, 2016).

7. Information on the items of the consolidated income statement

7.1 Revenues

Revenues in 2017 equal 1,017,922 thousand euros (1,186,158 thousand euros in 2016) and are broken down as follows:

(THOUSANDS OF EUROS)	2017	2016
AERONAUTICAL		
Airport fees	491,341	494,640
Centralized infrastructures	19,985	17,672
Security services	101,599	92,035
Other	27,415	31,353
	640,340	*635,700*
NON-AERONAUTICAL		
Sub-concessions and utilities:		
Properties and utilities	58,110	51,865
Shops	130,117	110,730
Advertising	13,416	11,273
Car parks	26,679	27,643
Other	13,247	13,397
	241,569	*214,908*
REVENUES FROM AIRPORT MANAGEMENT	881,909	850,608
REVENUES FROM CONSTRUCTION SERVICES	117,224	302,777
OTHER OPERATING INCOME	18,789	32,773
TOTAL REVENUES	**1,017,922**	**1,186,158**

Revenues from airport management, equal to 881,909 thousand euros, rose by 3.7% compared to the reference year, essentially due to the development of aeronautical activities (+0.7%), also consequently to the positive effect on the first two months of the year of the adjustment of the unit fees, updated each year from March 1. The non-aeronautical segment grew more significantly (+12.4%), driven by the positive performance of commercial sub-concessions (+17.5%), mainly linked to the commercial areas of the new “Front Building” of Terminal E coming into operation, and to the real estate sub-concessions, growing by 12.0%.

Revenues from construction services equal to 117,224 thousand euros (302,777 thousand euros in 2016) refer to revenues from construction services for self-funded works. The planned decrease compared to 2016 (-185,553 thousand euros) derives from a comparison with the previous year, characterized by a particularly high investment volume consequently to the completion of new important infrastructure, and mainly the new Front Building of terminal 3 and the first part of the departure area E.

Consistently with the accounting model adopted, according to the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (external costs mainly).

Other operating income amounted to 18,789 thousand euros (32,773 thousand euros in 2016), down by 13,984 thousand euros compared to 2016, which had been affected by the definition of the insurance claim referring to coverage of the extra costs and the restoration and salvage costs incurred as a result of the fire at Terminal 3, and are broken down as follows:

(THOUSANDS OF EUROS)	2017	2016
Grants and subsidies	214	67
Gains on disposals	24	16
Reabsorption of funds:		
Other allowances for risks and charges	4,565	6,906
Expense recoveries	5,662	4,822
Damages and compensation from third parties	198	12,536
Other income	8,126	8,420
TOTAL OTHER OPERATING INCOME	**18,789**	**32,773**

7.2 Consumption of raw materials and consumables

The item Consumption of raw materials and consumables is equal to 31,499 thousand euros (32,046 thousand euros in 2016). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Fuel and lubricants	2,780	2,939
Electricity, gas and water	22,852	22,027
Consumables, spare parts and various materials	5,867	7,080
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**31,499**	**32,046**

7.3 Service costs

Service costs equal 300,566 thousand euros (532,669 thousand euros in 2016). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Costs for maintenance	42,582	42,538
Costs for renovation of airport infrastructure	70,290	112,237
External service costs	11,272	13,718
Costs for construction services	109,269	291,215
Cleaning and disinfestations	7,964	8,769
Professional services	8,289	13,000
Firefighting services	7,904	8,408
Other costs	41,894	41,853
Remuneration of Directors and Statutory Auditors	1,102	931
TOTAL SERVICE COSTS	**300,566**	**532,669**

The decrease in service costs is essentially attributable to lower costs for construction services (-181.9 million euros), for renovation of airport infrastructure (-41.9 million euros) and for professional services (-4.7 million euros), for the commercial development (classified in Other costs), in addition to the effect of the extra costs incurred in the comparative period ceasing as a result of the operating penalization due to the fire at Terminal 3 of May 2015.

This performance was initially offset by the costs incurred for the operation of the new infrastructure.

7.4 Payroll costs

Payroll costs equal 166,175 thousand euros (158,637 thousand euros in the comparison year). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Salaries and wages	120,638	116,943
Social security charges	32,101	31,579
Post-employment benefits	7,455	7,110
Previous years payroll costs adjustments	8	(261)
Other costs	5,973	3,266
TOTAL PAYROLL COSTS	**166,175**	**158,637**

The increase in payroll costs of 7,538 thousand euros compared to 2016 derives from the increased average cost and the greater workforce employed by the ADR Group (+72 fte) and from the evolution of the fair value of the stock incentive plans. The increase in the average headcount is essentially attributable to the extension of the perimeter of the activities of Airport Cleaning to the newly created areas (Front Building and Pier E), to the initiatives of internalization and enhancement of maintenance activities, the increase in the points not directly connected with the trend of passenger traffic (e.g. facilitation at e-gates for boarding passes, direct management of service passages), the enhancement of the activities of information to passengers and first aid at Ciampino airport, in addition to the upgrade of the areas supporting the business. The effects described above were partially offset by the initiatives to make the cleaning activities and security check processes for passengers at check points more efficient.

The table below shows the average headcount of the ADR Group (broken down by treatment):

AVERAGE HEADCOUNT	2017	2016	CHANGE
Managers	51.3	51.8	(0.5)
Administrative staff	227.3	218.4	8.9
White-collar	1,754.5	1,761.3	(6.8)
Blue-collar	1,077.8	1,007.4	70.4
TOTAL AVERAGE HEADCOUNT	**3,110.9**	**3,038.9**	**72.0**

The following table also shows the average number of employees by Company:

AVERAGE HEADCOUNT	2017	2016	CHANGE
ADR S.p.A.	1,319.9	1,227.0	92.9
ADR Tel S.p.A.	55.4	52.4	3.0
ADR Assistance S.r.l.	303.8	295.6	8.2
ADR Security S.r.l.	814.5	879.5	(65.0)
ADR Mobility S.r.l.	60.2	64.7	(4.5)
Airport Cleaning S.r.l.	557.1	519.7	37.4
TOTAL AVERAGE HEADCOUNT	**3,110.9**	**3,038.9**	**72.0**

7.5 Other operating costs

The Other operating costs are equal 26,530 thousand euros (-6,313 thousand euros in the comparison year). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Concession fee	33,461	34,711
Expenses for leased assets	2,806	3,483
Allocation to (use of) the provisions for renovation of airport infrastructure	(25,997)	(58,140)
Allocations to allowances for risks and charges	535	3,899
Other costs:		
Allocations to provisions for doubtful accounts	6,595	1,871
Indirect taxes and levies	6,125	5,644
Other expenses	3,005	2,219
TOTAL OTHER OPERATING COSTS	**26,530**	**(6,313)**

Concession fees, equal to 33,461 thousand euros, decreased by 1,251 thousand euros compared to 2016 in line with the adjustment of the parameters for calculating the concession fees to the inflation trend.

The item Allocation to (use of) the provisions for renovation of airport infrastructure includes the allocation to the provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the period, classified in the corresponding item of the income statement by nature.

The Allocations to allowances for risks and charges are equal to 535 thousand euros compared to the 3,899 thousand of the reference year. For more details reference is made to Note 6.14.

Provisions for doubtful accounts, equal to 6,595 thousand euros (+4,724 thousand euros compared to 2016) reflect an updated assessment of the recoverability of the ADR Group's trade receivables. The allocations of 2017 are mainly attributable to the receivables from Alitalia SAI under special administration accrued in the period before the carrier started the procedure, and for which there is no guarantee or privilege protecting the future collection.

7.6 Financial income (expense)

The item financial income (expenses) equals -52,991 thousand euros (-47,646 thousand euros in 2016). The tables below provide details on the financial income and expenses.

Financial income

(THOUSANDS OF EUROS)	2017	2016
Interest income		
Interest on bank deposits and loans	299	118
Income on derivatives		
Valuation of derivatives	247	234
Other income		
Interest on overdue current receivables	6	0
Interest from clients	1	374
Other	6	18
TOTAL FINANCIAL INCOME	**559**	**744**

Financial expense

(THOUSANDS OF EUROS)	2017	2016
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	1,767	3,613
Interest on outstanding bonds	33,690	33,875
Interest on medium/long-term loans	2,043	766
Effects of applying the amortized cost method	4,688	3,493
Other financial interest expenses	9	6
TOTAL FINANCIAL INTEREST EXPENSE	40,430	38,140
Valuation of derivatives	8,788	41,831
IRS differentials	11,153	6,815
TOTAL EXPENSES ON DERIVATIVES	19,941	48,646
Devaluation of investments valued at cost	209	350
Financial expense from discounting employee benefits	0	198
Other expenses	0	0
TOTAL OTHER EXPENSES	209	548
TOTAL FINANCIAL EXPENSE	**62,347**	**90,947**

The Financial expense from discounting provisions for renovation of airport infrastructure, equal to 1,767 thousand euros, includes the financial component for the discounting of the provisions and dropped by 1,846 thousand euros consequently to the change in the rate applied.

The Interest on outstanding bonds amounts to 33,690 thousand euros; the 185 thousand euros decrease compared to 2016 derives from the combined effect of: (i) the reduction in the interest accrued in pound sterling and converted into euro (equal to 1.1 million euros), (ii) the increase in the par value of the EMTN bond issues, partially offset by the saving from the amount subject to buyback (net increase of 0.9 million euros), which was financed by the new issue at lower rates.

Interest on medium/long-term loans are equal to 2,043 thousand euros, with an increase of 1,277 thousand euros due to new issues made in the year 2017, partially offset by the reduction in the commitment fee accrued on the revolving line. This reduction is attributable to the new conditions, more favorable than in the past, obtained by the pool of lending banks as part of the renegotiation of the line in the second half of 2016.

An increase in the IRS differentials is recorded in the income statement for 4,388 thousand euros due to both the exchange effect in the incoming flows in pound sterling (increase of 1.0 million euros) and the effects of the three IRS forward starting derivatives started in 2017, closed and amortized in the income statement after the issue of June 2017 (total increase of 3.3 million euros).

The Expense from valuation of derivatives, equal to 8,788 thousand euros (41,831 thousand euros as of December 2016) reflects the change in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in pound sterling (shown in Note 6.15). This change is offset by a component of the same amount recorded under foreign exchange gains, which refers to the decrease in the par value of the bonds in pound sterling.

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	2017	2016
Foreign exchange gains	8,813	42,623
Foreign exchange losses	(16)	(66)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**8,797**	**42,557**

For the notes refer to the paragraph relating to the Financial expense.

7.7 Share of profit (loss) of associates accounted for using the equity method

The share of profit (loss) of associates accounted for using the equity method, equal to 5,229 thousand euros (-5,210 in 2016), includes the effect on the income statement of the valuation of the associate Spea Engineering for 1,192 thousand euros and the associate Pavimental for 4,037 thousand euros (+3,520 thousand euros and -8,730 thousand euros respectively in 2016).

7.8 Income taxes

The income taxes equal 108,930 thousand euros (120,785 thousand euros in 2016). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	2017	2016
CURRENT TAXES		
IRES	57,971	79,025
IRAP	19,319	19,973
	77,290	**98,998**
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	(942)	(154)
	(942)	**(154)**
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	28,978	16,152
Deferred tax liabilities	3,604	5,789
	32,582	**21,941**
TOTAL INCOME TAXES	**108,930**	**120,785**

With reference to IRES, please note that in June 2017 ADR, together with the companies of the Group, ADR Tel S.p.A. (“ADR Tel”), ADR Assistance, ADR Mobility (“ADR Mobility”) and ADR Security, communicated to the consolidating company Atlantia the desire of exercising the group taxation option, pursuant art. 117 of TUIR, for the three-year period 2017-2019.

The estimated IRES tax burden in the year 2017 takes into account the reduction in IRES rate from 27.5% to 24% from the year 2017, in accordance with the “Stability law” 2016.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

For more details on the calculation of prepaid taxes reference should be made to Note 6.5.

The incidence of the taxes for the year on the pre-tax result equals 16.4% (23.2% in 2016). The analysis of the difference between the theoretical and the actual tax rate for IRES is reported below:

(THOUSANDS OF EUROS)		2017		2016
	TAXABLE AMOUNT	TAX	TAXABLE AMOUNT	TAX
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES	**353,902**		**340,512**	
THEORETICAL RATE		24.0%		27.5%
Theoretical IRES		**84,936**		**93,641**
Permanent differences	6,162	1,479	12,050	3,314
Temporary differences	(118,517)	(28,444)	(65,199)	(17,930)
Actual IRES		**57,971**		**79,025**
EFFECTIVE RATE		**16.4%**		**23.2%**

8. Guarantees and covenants on medium/long-term financial liabilities

The Class A4 Notes bond in pound sterling issued originally in 2003 by the securitization special-purpose company Romulus Finance, and currently – subsequently to an “issuer substitution” operation – directly on ADR’s account, are guaranteed, as of December 31, 2017, by a lien (via a so-called Deed of Assignment under British law) on the receivables that may derive from cross currency swap contracts hedging Class A4 Notes. This guarantee in favor of the creditors of the bond in pound sterling would be enforced only in case of positive fair value of the swap contracts (as of December 31, 2017 this value of the CSS (cross currency swaps) is negative for 136.3 million euros) and for an overall value up to 96.5 million euros.

Furthermore, after the acquisition by Atlantia and EDF Invest of 64% of the capital of Aéroports de la Côte d’Azur (ACA), through the financial acquisition vehicle Azzurra Aeroporti, ADR committed to constitute a pledge in favor of the Azzurra Aeroporti’s lenders on the total equity investment in the company (10%), once Azzurra Aeroporti is transformed into a joint stock company. In any case also this potential guarantee is limited to a maximum amount of 130.6 million euros.

ADR’s loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies with a sound investment grade rating. Worth mentioning among these is the presence of the leverage ratio, which ADR undertakes to maintain – in the contract that contains the most stringent thresholds – within the value of 4.75x, decreasing to 4.25x in case of downgrade of ADR to BBB-/Baa3 by the rating agencies.

The financial ratios must be checked once a year, pursuant to the contracts, based on the Group results (making specific corrective adjustments to the various bank agreements) of the six months or year.

The closing data at December 31, 2017 confirms, based on the simulations carried out, the respect of the financial ratios set in the agreements. The calculation of the financial ratios will be formalized after the approval of this Financial report as of December 31, 2017.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program, updated on May 22, 2017, does not envisage limitations to the charge of ADR nor the observance of financial covenants or obligation to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for “investment grade” issuers.

9. Other guarantees, commitments and risks

9.1 Guarantees

As of December 31, 2017 the ADR Group has guarantees issued as part of the loan agreements mentioned in Note 7. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2016).

9.2 Commitments

The commitments on purchases of the ADR Group amount to 98.5 million euros regarding investment activities.

9.3 Management of financial risks

Credit risk

As of December 31, 2017, the ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets posted in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

The greatest credit risk is given by the receivables arising from its transactions with customers. The risk of customers' default is dealt with by making provisions in a specific allowance for doubtful accounts, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves the making of provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, the progress in the receivable management and collection process.

The Group's commercial policies set out the procedure illustrated below for the creation of trade receivables:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

Liquidity risk

The liquidity risk is the risk that the financial resources available may be insufficient to cover the expiring obligations. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the Company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of December 31, 2017 the ADR Group had a liquidity reserve estimated at 702.0 million euros, comprising:

- 302.0 million euros refer to cash and cash equivalents;
- 400 million euros of unused credit facilities (for more details see Note 6.15).

Furthermore, in December 2017 the EIB approved an extension of the direct line of credit granted to ADR in 2014 by another 200 million euros. By signing the relevant loan agreement scheduled during the year 2018, ADR will further increase the value of the lines of credit available to support the airport development plan.

The tables below represent the payments that are contractually due in relation to the financial assets and liabilities, including interest payments.

	12.31.2017				
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,342,742)	(34,310)	(34,310)	(488,972)	(785,150)
Medium/long-term loans	(268,634)	(2,307)	(2,307)	(143,545)	(120,475)
Derivatives with positive fair value	11,593	0	0	(1,288)	12,881
Derivatives with negative fair value	(124,635)	(7,905)	(7,905)	(25,180)	(83,645)
TOTAL	**(1,724,418)**	**(44,522)**	**(44,522)**	**(658,986)**	**(976,389)**

	12.31.2016				
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,031,388)	(33,068)	(33,163)	(698,101)	(267,056)
Medium/long-term loans	(70,502)	(112)	(126)	(70,264)	0
Derivatives with positive fair value	9,063	0	0	(1,536)	10,599
Derivatives with negative fair value	(141,023)	(9,660)	(12,045)	(33,443)	(85,875)
TOTAL	**(1,233,850)**	**(42,840)**	**(45,334)**	**(803,344)**	**(342,332)**

Interest rate and exchange rate risk

The ADR Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

With resolution of May 14, 2015 the Parent Company's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, “forward starting” interest rate swap transactions up to a notional 900 million euros and with a maximum duration of 10 years. With this type of instruments, which allow forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR improves its ability to tackle the risk of rising interest rates in a market featuring extreme volatility.

As of December 31, 2017 the ADR Group has:

- cross currency swap derivatives, signed originally in 2003 and transferred to new counterparties in 2010, to cover the A4 bonds in pound sterling; Class A4, equal to a par value of 215 million pound sterling and included in the series of bond issues originally issued by Romulus Finance, was actually covered, for the entire duration (until expiration in 2023) by two equivalent cross currency swaps in euro. The characteristics of this derivative instrument are described in Note 6.15;

- four “forward starting” interest rate swap contracts signed on October 18, 2016 and September 18, 2017 for a total notional value of 400 million euros, effective starting from February 20, 2020 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15.

The Group does not have any other transaction in foreign currency in place.

Sensitivity analysis

RATE RISK EXPOSURE AND SENSITIVITY ANALYSIS	FAIR VALUE MEASUREMENT		INTEREST RATE RISK				EXCHANGE RATE RISK			
	12.31.2017	12.31.2016	*SHOCK UP +10 BPS IR*		*SHOCK DOWN -10 BPS IR*		*SHOCK UP +10% FX*		*SHOCK DOWN -10% FX*	
			12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016
Non derivative financial liabilities (cash flow sensitivity)	(1,493,620)	(1,043,225)	0	0	0	0	(24,223)	(25,112)	24,233	25,112
Derivative instruments with positive fair value treated in hedge accounting	10,440	7,822	2,699	2,718	(2,740)	(2,765)	0	0	0	0
Derivative instruments with negative fair value treated in hedge accounting	(137,430)	(159,670)	1,541	3,671	(1,559)	(3,708)	24,233	25,112	(24,223)	(25,112)
Derivative instruments not treated in hedge accounting	0	0	0	0	0	0	0	0	0	0
TOTAL	**(1,620,610)**	**(1,195,073)**	**4,240**	**6,389**	**(4,299)**	**(6,473)**	**0**	**0**	**0**	**0**

The main sources of exposure of the ADR Group to the interest rate and exchange rate risk are related to the bonds and the existing derivative instruments. In particular, the potential impacts on the income statement and the balance sheet for the year 2017 (2016 for the comparison) related to the rate risks are:

- potential change of the financial expense and differentials regarding the derivative instruments in place;
- the potential change of the fair value of the derivative instruments in place.

The ADR Group has estimated the potential consolidated impacts produced by a shock of the interest rates and exchange rates, by using internal assessment models based on generally accepted logics. Hypothesized in particular were:

- for the derivative loans, a parallel change of +10 basis points (+0.1%) and -10 basis points (-0.1%) of the term rate curve;
- for the bonds issued in foreign currency and the relative derivative financial instruments, a change in the GBP/EUR exchange rate of +/-10%.

The effects highlighted in the table in particular report the change, compared to the base scenario, in the hypotheses of Shock Up and Shock Down in the different market data.

Supplementing the information shown in the table above, it is specified that the impact deriving from the exchange rate risk on the cash flow hedge reserve to the shareholders’ equity would be a reduction of 6.1 million euros in case of shock down and an increase of 5.0 million euros in case of shock up.

9.4 Information on fair value measurements

Below is the fair value measurement at period end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non recurring basis):

				12.31.2017
(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	10,440	0	10,440
Derivatives with negative fair value	0	(137,430)	0	(137,430)
TOTAL HEDGING DERIVATIVES	**0**	**(126,990)**	**0**	**(126,990)**

The only financial instruments of the Group valued at fair value are the derivative instruments described in Note 6.4 and Note 6.15. These derivative instruments are included in “level 2” of the “fair value hierarchy” defined by IFRS 7, with the fair value measured on the basis of the valuation techniques that refer to the parameters that can be observed in the market, other than the price of the financial instrument.

During 2017 no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, for which Note 6.15 indicates the fair value, this fair value, calculated according to the techniques stated in the above mentioned notes, is included in level 2 of the “fair value hierarchy” defined by IFRS 7.

9.5 Litigation

As regards litigation as a whole, the ADR Group carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific allowance under “Allowances for risks and charges” to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome for the ADR Group, while negligible, could not be measured.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

Tax litigation

Significant disputes involving the ADR Group are summarized below.

Litigation with the Customs Office - Electricity

- In 2006 the Tax Office of Rome (UTF - now the Customs Office) issued demands for payment of a total of 13 million euros (including interests, expenses and sanctions), regarding failure to pay the tax on electricity consumption and the related surcharge for the period 2002-2006 in addition to notifications of administrative irregularities. The disputes relate to the alleged sale to third parties of electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act to entities qualifying for inclusion in the category “industrial operators”. ADR appealed the demands in question before the Provincial Tax Commission, defined with a favorable outcome for the Company. In the appeals against the sentences presented by the Customs Office, the Lazio Regional Tax Commission confirmed the outcome in first instance. The Attorney General's Office contested the sentences issued by the Regional Tax Commission. In 2013 the Supreme Court filed nineteen sentences that accept the reasons for appeal proposed by the Attorney’s Office, rejecting those proposed by the company on cross-appeal. Regarding the sentences issued by the Supreme Court and pertaining to the refusal to recognize the favorable terms applied to industrial facilities, the Company filed a motion for revocation as it believes these were issued by excluding essential facts whose existence is inferred from the documents of the case, which were not subject to dispute between the parties in the case.

- Similarly with the audit undertaken, for the years 2002-2006, by the Rome Tax Office, the Customs Office started two subsequent audits towards ADR on its taxation of the consumption, excise tax and surcharge on electricity in the periods 2007-2010 and 2011-2012. Following these audits, the Customs Office notified the relevant Demands for payment and the Imposition of administrative sanctions. The Revenue Agency subsequently notified, for the same tax periods, tax assessments for the VAT due on the challenged taxation of the consumption. In relation to the payment orders issued by the Customs Office for the tax periods 2007-2010 and the Revenue Agency for VAT 2007, the Provincial Tax Commission accepted, after the meeting, the appeals lodged by the Company.

  On June 11, 2015 the Regional Tax Commission accepted the appeal submitted by the Customs Office and the Revenue Agency against the sentence submitted in first instance. In consideration of the legal interpretation formed on the previous years, ADR lodged an appeal against the Supreme Court in relation to the refusal to recognize the favorable terms applied to industrial facilities, as well as VAT assessment challenged by the Revenue Agency.

  In consideration of the rulings of the Supreme Court regarding the finding on the transfer of energy to third parties, the Company settled the complaint for the tax periods 2011 and 2012 with the reduced payment of the taxes and sanctions.

  For the new tax assessments notified by the Revenue Agency for the VAT due on the taxation of consumption of the years 2008-2012, the company appealed before the Provincial Tax Commission. For the years 2008 and 2009, the Provincial Tax Commission filed the rulings with which it rejected the mentioned appeals. Considering its arguments still open, ADR lodged an appeal before the Regional Tax Commission. For the year 2010, the Regional Tax Commission accepted the appeal lodged by ADR against the sentence submitted in first instance. The term for the General Attorney's Office to file an appeal with the Supreme Court is pending.

ICI / IMU (PROPERTY TAXES)

- In 2007 the Municipality of Fiumicino notified the company two tax assessments, challenging the failure to declare and pay the local property tax for 2001 and 2002 due for Hilton Rome Airport Hotel. The Company, considering that there are valid arguments in favor of its non-liability to pay this tax, has appealed with the Provincial Tax Commission, which accepted the one concerning the tax year 2001, while it rejected the one for the tax year 2002. Following the appeals lodged against these decisions, the Regional Tax Commission filed unfavorable rulings for the company, which lodged appeal with the Supreme Court.

  The tax assessments for the years 2005 and 2006 were notified in 2011, which were also appealed against with the Provincial Tax Commission. In line with the previous unfavorable rulings for the company, the competent Tax Commissions rejected the appeals of first and second instance and ADR has appealed to the Supreme Court.

  In line with the previous years, the Municipality of Fiumicino continued the assessments by notifying tax assessments for the failure to pay the ICI/IMU (property taxes) for the tax periods 2007-2016, promptly contested by the company. Also in this case, in line with the previous legal cases, the Tax Commissions rejected the appeals filed by ADR.

In consideration of the unfavorable rulings of first and second instance filed by the Tax Commissions, and the risk of a probable negative outcome also of the rulings of the Supreme Court, on 09.21.2017 the company signed a “Conciliation report outside the ruling pursuant to art. 48 of Italian Legislative Decree no. 546/92” with which it defined the years being disputed.

- In 2011 the Municipality of Fiumicino notified ADR tax assessments for the failure to pay the local property tax only for 2007-2009 regarding buildings of Alitalia Technical Area. The company contested the mentioned deeds and appealed before the Provincial Tax Commission. For the year 2007 the Commission accepted the appeal filed by the company, while the appeals for the other two years were rejected. ADR appealed against the rulings of first instance regarding the years 2008 and 2009. The Regional Tax Commission rejected the appeal for the year 2008 and the Company has appealed to the Supreme Court.

Check of ADR fiscal position

In order to check the fiscal position of the company, on October 24, 2017 the Revenue Agency started a tax audit for the purposes of IRES, IRAP, VAT and withholdings for the tax period 2014.

Check of ADR Assistance fiscal position

On October 3, 2016 the Revenue Agency notified a request for documents in order to check ADR Assistance’s fiscal position for the tax periods 2013 and 2014. On December 29, 2016 the Revenue Agency notified the company a tax assessment for the tax period 2014 regarding the deduction of employment expenses. The company, though deeming these components deducted in the year of accrual, proposed a tax settlement with the Revenue Agency and subsequently settled its position through the reduced payment of just the penalty, offsetting the ascertained tax with the taxes paid in the taxation period 2015.

Tax Indemnity

In 2002, when IRI obtained the consent to sell to the Macquarie Group 44.74% of ADR, the entities Gemina, Impregilo S.p.A. and Falck S.p.A. replaced the same IRI and directly assumed the commitment towards ADR (with a 50%, 13.1% and 36.9% share, respectively) to compensation as issued by IRI during the privatization of ADR, aimed at covering 51.166% of the losses that the company may incur for tax claims relating to periods prior to the privatization that took place in July of 2000. The dispute between ADR and the Customs Office refers to the period of 1993/1998 and is covered by the mentioned guarantee. As Impregilo S.p.A. and Falck S.p.A. repudiate the validity of the guarantee, ADR has brought a case against the latter companies to obtain the payment of the sums due conditionally to the definitive sentence convicting ADR. With sentence of October 2012, the Court of Rome accepted ADR’s application, against which Impregilo S.p.A. and Falck S.p.A. have appealed. The hearing for final judgment, already scheduled for November 10, 2017, was postponed ex officio to November 14, 2018.

Administrative, civil and labor litigation

The most significant disputes involving the Parent Company ADR, are shown below, given that no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements, are reported.

Airport fees and regulated tariffs

- On April 2014, EasyJet Switzerland SA summoned ADR to return 1 million euros, plus interest, equaling the amount paid, in its words, in excess (non-EU fees rather than EU fees for flights from/to the Swiss Confederation) from 2009 to 2013 for the landing and take-off fees and passenger boarding fees. The hearing for final judgment, initially scheduled for December 20, 2017, was postponed to February 6, 2019.
- In February 2013, an appeal to the Lazio Regional Administrative Court was notified by the Municipality of Viterbo, with which the Planning Agreement was contested together with the Prime Ministerial Decree of December 21, 2012 and all the other conditioning, connected and consequent deeds with a claim for damages, which to date is pending with no set hearing.
- In February 2014 Easyjet Airline Company Ltd notified ADR of an appeal to the Lazio Regional Administrative Court for the cancellation, with prior suspension, of the restructuring, from March 1, 2014, of the passenger boarding fees in connection with the determination of the new transit fees. With the appeal, Easyjet contested the Italian Civil Aviation Authority directive relating to “Fiumicino Tariff Arrangement” of December 27, 2013 (and all of the assumed deeds, to the extent to which they restructure the passenger boarding fees at Fiumicino airport). The plaintiffs deem the mentioned restructuring - resulting from the application of a 65% discount on the abovementioned fees to the passengers in transit at the airport and the contextual increase of the same fee for outbound passengers - to be a violation of the Italian and community regulations. At the hearing of May 29, 2014 the Lazio Regional Administrative Court rejected Easyjet’s application for interim relief since the appeal was not secured by the “fumus boni iuris”. An announcement of the date of the relevant hearing is awaited.

Limitation of the handlers authorized to operate in Fiumicino

With appeal before the Lazio Regional Administrative Court of January 14, 2016, also WFS S.r.l. challenged ENAC's awarding procedure, in particular in the part regarding its exclusion. On November 10, 2016 the sentence was published with which the Lazio Regional Administrative Court (TAR) rejected the appeal of WFS, as this is partly inadmissible and partly groundless; the latter consequently appealed against this ruling before the Council of State. With sentence of October 25, 2017, the Council of State rejected the appeal lodged by WFS.

Airport Fuel Supply Fees

- ENI S.p.A. has brought a claim before the Rome Civil Court against its own client airlines in order to ascertain their obligation to pay the oil company the amounts it owes to airport operators, and to order them to pay the amount accrued since October 2005. In the same claim, ENI S.p.A. has also brought a secondary claim against airport operators, including ADR, in order to ascertain that the concession fees paid by ENI to airport operators should not be calculated on the basis of the amount of fuel supplied to airlines. Moreover, as specifically regards ADR, ENI requests that the Company be ordered to return the amount paid in October 2005, totaling 0.2 million euros and that it be determined that ENI does not owe the amount of 1.1 million euros requested by ADR until May 2006 and yet unpaid. Following a referral order on the role, on May 28, 2014 a hearing was held on the outcome, for which the judge reserved the right to decide on the need to obtain a preliminary ruling before the European Court of Justice, however without any specification as regards the subject of the abovementioned issue. With sentence filed on April 12, 2017, the Court of Rome declared the lack of jurisdiction of the Ordinary Judge. In November 2017 Alitalia SAI under special administration lodged an appeal before the Appeal Court of Rome to reform the ruling mentioned above. According to the records, the court appearance is scheduled for March 12, 2018.

- AirOne S.p.A. has taken out legal proceedings at the Civil Court of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators including ADR claiming the illegality of the fees charged to oil companies by operators in return for the use of airport infrastructure, which these companies subsequently “pass on” to carriers. Consequently, AirOne also requests that Tamoil – together with the above airport operators – be ordered to repay the sum paid by AirOne since 2003, amounting to 2.9 million euros. With no definitive sentence in 2012, the Judge provided an expert to examine the case. At the hearing of February 19, 2015 the judge reserved the right to decide how to continue the case, due to the various requests regarding the trial put forward by the Parties. With order of February 21, 2015 the judge, having reported the need for an additional technical assessment, required an expert to examine the case. At the hearing of February 25, 2016, the examining magistrate, having acknowledged the positions of the Parties with regard to the additional documents requested by the expert, ordered the latter to reply to the questions based on the documents in the records, setting a term for the expert until June 30, 2016 to file the definitive report. At the hearing of September 14, 2016 scheduled for examining the appraisal, the examining magistrate postponed the judgment to the hearing of May 16, 2018 for final judgment.
- Alitalia LAI under special administration has taken out legal proceedings at the Civil Court of Milan against some oil companies to force them to return the amounts paid from time to time as royalties on fuel in the period 2000 – 2009, due to the alleged mismatch between these amounts and the management costs for the specific service. In these proceedings, the oil company executives invoked ADR, as third parties, and other airport operators in consideration of the fact that the royalties on fuel were requested by the latter. In some proceedings underway, with partial judgment, the Court of Milan, after deciding on the preliminary exceptions raised by the parties, such as, for example, the limitation of Alitalia’s right before May 2000, submitted the case to preliminary inquiry in order to carry out an economic and accounting appraisal “*that may determine a mismatch between the consideration in question and the actual costs incurred for the service, stating the amount of the possible difference between the costs and the consideration paid as airport fees, also in order to ascertain whether and to what extent the plaintiff carried out a passing on operation for the mentioned consideration towards its passengers*". Within the framework of these appraisals - which were started in April 2016 and are planned to end in December 2017 for all the proceedings, ADR appointed its own technical consultant. At the end of December 2017 the expert forwarded a draft Report to the parties and the relevant technical consultants. The technical consultants, in turn, filed the submissions in reply. The final Report was filed by the expert in January 2018. At the hearing held on February 13, 2018, the Parties made some observations on the Report and requested that the Appraisal be supplemented with regard to certain matters. The Judge has given the parties until February 28, 2018 for the notes and for the formulation of specific questions to be asked to the expert, and until March 26, 2018 for the responses. The ruling was postponed to the hearing of April 13, 2018.
- Within the framework of the appeal started by Wind Jet against sentence issued by the Court of Milan, regarding the claimed return, by some oil companies - which, in turn, invoked SEA and ADR - of the jet fuel fees paid in the period 2004-2009, the Court, with decree issued in June 2017, deeming that “*with regard to disputes having a similar content to the one in question, rulings have already been issued about the validity of the claim ……; sharing the need to require, in the same way as regulated for these disputes, an appraisal aimed at determining the amount paid by Wind Jet as airport fee as well as the costs incurred by the airport operators to allow the supply of fuel and any other useful figure for deciding on the case*”, arranged for an expert to examine the case. Upon the outcome of the applications for revocation of the mentioned procedure requested by the parties involved, the Court confirmed the appraisals, scheduling the operations to start on October 3, 2017,

with the deadline to file the appraisal set to June 30, 2018. ADR appointed its own technical consultant.

Noise abatement measures

ADR appealed to the Lazio Regional Administrative Court requesting cancellation of the proceedings of July 1, 2010 by which the Services Conference, convened to define and approve acoustic zoning for said airport, with which the mentioned Service Conference approved acoustic zoning Proposal no. 2 for Ciampino airport. No request for suspensive relief was made and a date for the relevant hearing has yet to be fixed.

Creation of the exit in the East area - Project of completion of Fiumicino

The Project of completion of Fiumicino Sud (which completed its approval procedure before the competent Authorities) includes the creation of the new exit interconnecting “Autostrada A91 Roma – Fiumicino” and the “East Area – Cargo City” of Fiumicino airport. To proceed with the works, despite the authorizations already obtained, the project was subject to an additional road safety check requested by the Ministry of Transport pursuant to Italian Legislative Decree no. 35 of March 15, 2011. This check led to two intermediate reports with which ADR received some measures. On October 26, 2016 the Company sent the Ministry of Transport a note highlighting the measures adopted in the project and those not adopted with reason for the failed adoption. The Ministry of Transport replied to ADR on November 22, 2016, requesting the project to be aligned with the measures contained in the Reports. ADR challenged the ruling of the Ministry of Transport with appeal to the Lazio Regional Administrative Court (TAR) and interim application to set the scope in the short term (the proceedings must be settled before 2019, when the restriction arranged for the expropriation of the areas concerned by the Exit will expire). The appeal was notified to the counterparties on January 7, 2017 (the same Ministry and Anas, which will be in charge of managing the infrastructure after its creation) and registered on February 2, 2017. At the council meeting to deal with the interim application held on February 22, 2017, ADR waived its claim, accepting the indications of the Chairman, who urged the filing of a motion to withdraw where to specify the urgency reasons that require determination of the scope. ADR filed a motion to withdraw on March 9, 2017 and the hearing for a discussion is scheduled for March 28, 2018.

Bankruptcy proceedings involving clients

- A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia S.p.A. under special administration, Volare S.p.A. under special administration, Alitalia Express S.p.A. under special administration, Alitalia Servizi S.p.A. under special administration, Alitalia Airport S.p.A. under special administration, between the end of 2011 and 2013 initially insolvencies and subsequently some distribution plans were filed following which, on March 20, 2014, 10.3 million euros were collected as “insolvency claim” secured by a lien. 0.1 million euros were collected on March 19, 2014, in accordance with the distribution plan regarding Alitalia Express under special administration.
- In 2009 Volare Airlines S.p.A. under special administration and Air Europe S.p.A. under special administration entered into civil proceedings in order to obtain cancellation of payments made to ADR during the year prior to the carrier's entry into bankruptcy and an order requiring ADR to pay back a sum of 6.7 million euros and 1.8 million euros. With sentence of June 2011, the Court ordered ADR to pay the requested amounts; the Company lodged an appeal. Regarding the ruling for Volare Airlines under special administration, with sentence filed on July 2012, the Appeal Court of Milan rejected ADR's appeal. In order to avoid the enforceable proceeding, ADR paid 7.4 million euros (including interests and expenses). Regarding the ruling for Air Europe under special

administration, with sentence filed on July 18, 2014, the Appeal Court of Milan rejected ADR's appeal. In order to avoid the enforceable proceeding, ADR paid about 2 million euros (including interests and expenses). ADR has proposed the appeal to the Supreme Court in both cases. The council meeting for the ruling on Volare Airlines S.p.A. under special administration already scheduled for November 22, 2017, was postponed to February 14, 2018. The issue of the sentence is awaited. Regarding the ruling on Air Europe S.p.A. under special administration, the hearing has not been scheduled yet.

Sub-concession of retail outlets

- The technical consultant and Concora entered into civil proceedings in order to ascertain a case of abuse of dominant position pursuant to art. 102 TFEU for ADR's conduct when activating the tender procedure (they were excluded from due to lack of requirements) aimed at the sub-concession of stands in front of the terminal for NCC to exercise its business. Consequently to such conduct, the plaintiffs demand ADR be ordered to compensate one million euros each, pursuant to art. 2043 of the Italian Civil Code. The same deed demands the stay of proceedings and the referral to the Court of Justice for the preliminary rulings, also with regard to the Airport management concession granted to ADR. At the hearing in November 23, 2017 held to discuss the appeal, the case was adjourned until February 14, 2019 for final judgment.
- ADR has entered into civil proceedings against Moccia Conglomerati S.r.l. in order to ascertain that the Sub-concession agreement of December 19, 2007 regarding an area to be allocated to a system for the production and marketing of asphalt concrete was terminated consequently to serious breach by the counterparty. In ADR's opinion, the latter was actually unable to obtain the permits from the competent Authorities, which are needed to practice the business for which the use of the area had been granted. Therefore, ADR requested the immediate release of the area and to obtain compensation for damages and/or the payment of a sanction for the delayed release and/or an indemnity for unlawful seizure. Within the framework of the ruling, Moccia filed a counterclaim towards ADR for 38.4 million euros, 33.6 million euros of which for loss of earnings. After the hearing held on December 21, 2017, the case was postponed to May 10, 2018.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of Runway 3 at Fiumicino airport, appealed sentence of 2006 handed down by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim. The appeal reiterates the claims for damages made in first instance (66 million euros, including legal interest accrued from the time of the claim). With sentence filed on July 14, 2014 the Appeal Court of Rome, in the substance, rejected the appeal on the proposals of the ATI Alpine Bau, accepting the arguments put forward by ADR and declared the contract stipulated on December 30, 1997 terminated, due to the fault of the ATI contractor. On June 19, 2015 bankrupt Alpine Bau lodged an appeal with the Supreme Court regarding the sentence of the Appeal Court. An announcement of the date of a hearing to discuss the matter is awaited.
- In 2005 Fondedile Costruzioni S.r.l. lodged an appeal against sentence of 2004 of the Civil Court of Rome. This appeal reiterates the claim submitted in first instance for 3.6 million euros, as well as legal and overdue interest and revaluation, regarding higher charges and damages incurred during the execution of construction works on a service tunnel at Fiumicino airport. With sentence of June 2014 the Appeal Court of Rome fully rejected the claims of Fondedile Costruzioni S.r.l. In October 2014, the counterparty put forward an appeal with the Supreme Court. An announcement of the date of a hearing to discuss the matter is awaited.

- ATI NECSO Entrecanales – Lamaro Appalti has appealed to the Supreme Court against the sentence of the Rome Appeal Court, which in 2011 fully rejected the claim for damages for 9.8 million euros, plus interest, revaluation and costs, in relation to claims posted in the contract accounts relating to the contract for work on the extension and restructuring of Satellite Ovest (Satellite West) at Fiumicino airport. On February 15, 2017 the appeal was discussed and the Prosecutor, while referring to the reasons of inadmissibility and groundlessness mentioned by ADR, concluded by requesting that the appeal be declared inadmissible and groundless. With sentence of April 13, 2017 the Supreme Court rejected the appeal lodged by ATI NECSO against the sentence of the Court of Appeal.
- Consorzio Stabile Imprese Padovane Società Consortile a r.l. and Sertech s.r.l., with regard to the contract for the execution of restructuring works at the office building in Fiumicino destined to host the new ADR HQ, entered into civil proceedings in order to obtain, among other claims, from ADR compensation in favor of Sertech for 2.4 million euros (plus interest) for the reasons specified in the brief filed in the accounting register and, subordinately, charge ADR for undue profit and have it compensate Sertech for 0.5 million euros for damage due to the loss of opportunity. At the hearing of February 20, 2018, both parties insisted for the acceptance of all their claims and exceptions; the Judge subsequently set the deadlines for filing the briefs and postponed the case to June 26, 2018.

Claims for damages

- In 2011 ADR received a claim for damages for 27 million dollars for direct damages (the indirect ones are still being defined) from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. ADR declines any responsibility for the event. Should the survey being conducted by the competent authorities reveal ADR's clear responsibility, the compensation would be covered by the third-party liability insurance policy of the airport operator.
- About 160 claims have been received from third parties (mainly sub-concessionaires, handlers and passengers) with reference to the fire, only a portion of which, however, is concerned by a clear quantification of the damages (about 31 million euros). To face these claims for compensation, included in the provisions was a prudent valuation, made on the basis of the best current information, of the liabilities the Company is likely to be called to account for.

Reserves on works posted by the contractors

Reserves posted by the contractors amount to about 77 million euros as of December 31, 2017 (6 million euros as of December 31, 2016) towards ADR. Based on past evidence, only a small percentage of the reserves posted is actually due to the contractors. If recognized, the reserves will be recorded as an increase in the cost of concession fees.

If these refer to claims or maintenance, they are posted under the provisions for risks and charges for the portion deemed probable.

10. Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the year no significant transactions or transactions that significantly affected the Group's financial position or results took place.

Trade transactions and other transactions

(THOUSANDS OF EUROS)	12.31.2017		2017		12.31.2016		2016	
	ASSETS	LIABILITIES	REVENUES	COSTS	ASSETS	LIABILITIES	REVENUES	COSTS
PARENT COMPANIES								
Atlantia S.p.A.	18,218	1,788	122	(1,254)	7,691	16,048	66	(1,105)
TOTAL RELATIONS WITH PARENT COMPANIES	18,218	1,788	122	(1,254)	7,691	16,048	66	(1,105)
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	1,237	12,563	650	(45,330)	610	21,267	636	(29,215)
Spea Engineering S.p.A.	36	28,554	576	(17,878)	151	40,046	561	(38,232)
Ligabue Gate Gourmet S.p.A. (insolvent)	482	968	0	0	482	968	0	0
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	1,755	42,085	1,226	(63,208)	1,243	62,281	1,197	(67,447)
RELATED PARTIES								
Leonardo Energia S.c.a r.l.	62	3,346	296	(19,878)	154	2,853	264	(18,561)
Fiumicino Energia S.r.l.	34	0	172	0	35	0	170	0
Infoblu S.p.A.	0	26	0	(39)	0	26	0	(38)
Telepass S.p.A.	172	121	50	(182)	51	68	77	(280)
Autogrill S.p.A.	1,048	198	12,774	(553)	1,098	89	12,271	(499)
Azzurra Aeroporti S.r.l.	0	0	0	0	160	0	160	0
Autostrade per l'Italia S.p.A.	704	1,074	548	(1,155)	383	902	505	(902)
Autostrade Tech S.p.A.	0	270	0	(357)	0	178	0	(200)
Consorzio Autostrade Italiane Energia	0	0	0	(10)	0	0	0	(23)
Edizione S.r.l.	0	27	0	(27)	0	22	0	(22)
Retail Italia Network S.r.l.	55	0	597	0	0	0	0	0
Telepass Pay S.p.A.	2	0	0	0				
Key Management Personnel	0	2,745	0	(4,489)	0	3,016	0	(4,627)
TOTAL RELATIONS WITH RELATED PARTIES	2,077	7,807	14,437	(26,690)	1,881	7,154	13,447	(25,152)
TOTAL	**22,050**	**51,680**	**15,785**	**(91,152)**	**10,815**	**85,483**	**14,710**	**(93,704)**

Relations with Atlantia refer mainly to the tax consolidation of some companies of the ADR Group and to charging back the cost for the seconded personnel.

The main relations with other related parties break down as follows:

- Pavimental: A company owned by Atlantia, it carries out maintenance and modernization work of the airport paving for the ADR Group;

- Spea Engineering: A company owned by Atlantia, carries out airport engineering services (work design and management) for the ADR Group;
- Fiumicino Energia S.r.l.: A company owned by Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Telepass (a subsidiary undertaking of Atlantia): Costs related to the Telepass system used in the car parks managed by ADR Mobility.
- Autogrill S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a sufficient interest in Atlantia): revenues from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Autostrade per l'Italia (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive and non-executive directors, the managers with strategic responsibilities (so-called key management personnel) in office at December 31, 2017 amount to 4,489 thousand euros and include the amount pertaining to remuneration, employment compensation, non-monetary benefits, bonuses and other incentives for assignments at ADR (the remuneration is indicated regarding the directors that in the period covered the position, also for a portion of the year).

Financial relations

(THOUSANDS OF EUROS)	12.31.2017		2017		12.31.2016		2016	
	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia S.p.A.	0	242,763	0	(13,269)	0	251,566	0	(14,333)
TOTAL RELATIONS WITH PARENT COMPANIES	0	242,763	0	(13,269)	0	251,566	0	(14,333)
TOTAL	0	242,763	0	(13,269)	0	251,566	0	(14,333)

The financial liabilities with Atlantia, as well as the related financial expense, concern the A4 bonds, 99.87% of which is held by the parent company upon the conclusion of the Tender Offer procedure launched by the same during January 2015 towards the holders of the outstanding A4 bonds.

11. Other information

11.1 Information on the fire on May 6-7, 2015 at Fiumicino airport

Regarding the fire that, on the night between May 6 and 7, 2015, concerned a large area of Terminal 3 (hereafter also “T3”), a proceeding is pending before the Public Prosecutor at the Court of Civitavecchia; the proceeding regards the offences under articles 113 and 449 of the criminal code (participation in arson) and personal injury, in relation to which, on November 25, 2015, the proceeding under art. 415 bis of the Criminal Procedure Code was issued, notifying the conclusion of the preliminary investigation against: (i) five employees from the contractor of the ordinary maintenance of the air-conditioning systems and two ADR employees, all investigated also with regard to the offence under art. 590 of the criminal code (personal injury through negligence), (ii) the then Managing Director of ADR in the capacity as “employer” of the Company, (iii) the Head of the Fire Corps Contingent and (iv) the Director of the Lazio Airport System (ENAC).

In 2017 the preliminary hearing was held, which continued on more days, at the end of which, on February 15, 2018, the judge arranged the indictment for the offences of participation in arson and personal injury.
The debate before the Court of Civitavecchia will start on October 15, 2018.

For an analysis of the accounting treatment in these Consolidated financial statements as of December 31, 2017, reference is made to the following notes: Note 6.9 Other current assets, Note 6.14 Other allowances for risks and charges and Note 9.5 Litigation.

11.2 Information on remuneration plans based on shares

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the valorization of the Group, in addition to the managerial efficiency of management, in the Atlantia Group there are incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving preset corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans also to personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia group resulting from the merger more coherent.

The table below shows the chief elements of the incentive plans as of December 31, 2017, highlighting the rights attributed to directors and employees of the ADR Group. In addition, the unitary fair values of the assigned rights are shown, determined by a purposefully entrusted expert, using the Monte Carlo model and the parameters shown below.

	NO. OF RIGHTS ASSIGNED	NO. OF RIGHTS REVOKED	NO. OF RIGHTS FOR TRANSFERS	NO. OF RIGHTS OPTED FOR	NO. OF RIGHTS AS OF 12.31.2017	VESTING EXPIRY	EXP. EX./ ASSIGN.	EXERCISE PRICE (EURO)	UNIT FAIR VALUE ON THE ASSIGN. DATE	REV. UNIT FAIR VALUE AS OF 12.31.2017	EXPECTED EXPIRY ON THE ASSIGN. DATE (YEARS)	RISK-FREE INTEREST RATE	EXP. VOLATILITY (=HISTORICAL)	DIVIDENDS EXPECTED ON THE ASSIGN. DATE
Stock option plans 2011 of Atlantia extended to ADR	516,905	(98,458)	0	(359,316)	59,131	11.8.2016	11.9.2016	16.02	2.65	-	6	0.86%	29.5%	5.62%
Stock grant plans 2011 of Atlantia extended to ADR	56,105	(15,007)	0	(18,171)	22,927	11.8.2016	11.9.2018	na	11.87	-	4 -5	0.69%	28.5%	5.62%
Phantom stock option plans 2014 of Atlantia extended to ADR	766,032	(269,732)	(73,301)	(153,802)	269,197	5.9.2017	5.9.2020	na	2.88	5.63	3 -6	1.10%	28.9%	5.47%
Phantom stock option plans 2014 of Atlantia extended to ADR	758,751	(256,467)	(71,951)	0	430,333	5.8.2018	5.8.2021	na	2.59	3.37	3 -6	1.01%	25.8%	5.32%
Phantom stock option plans 2014 of Atlantia extended to ADR	611,682	0	(7,384)	0	604,298	6.10.2019	6.10.2022	na	1.89	3.05	3 -6	0.61%	25.3%	4.94%
Phantom Stock Option plans 2017	428,074	0	0	0	428,074	7.1.2020	7.1.2023	na	2.37	2.90	3,13-6,13	1.31%	25.6%	4.40%
Phantom Stock Grant plans 2017	42,619	0	0	0	42,619	7.1.2020	7.1.2023	na	23.18	26.44	3,13-6,13	1.31%	25.6%	4.40%

In accordance with IFRS 2, consequently to the incentive plans in place, on December 31, 2017 a charge to the income statement was recorded for 2,061 thousand euros, corresponding to the value accrued in the period of the fair value of the attributed rights, 916 thousand euros of which posted as an increase in the shareholders' equity reserves, while the payables relating to the fair value of the "phantom" option existing at December 31, 2017 are posted under other current and non-current liabilities, in relation to the presumed exercise date.

11.3 Remuneration of independent auditors

In accordance with art. 149-12 of the Issuers' Regulations, which apply to ADR as it is a company controlled by a listed company (Atlantia), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below (in thousands of euros):

TYPE OF SERVICE	SERVICE PROVIDER	RECIPIENT	REMUNERATION 2017
Auditing	EY S.p.A.	ADR S.p.A.	232
Certification services	EY S.p.A.	ADR S.p.A.	45
Other Services (*)	EY S.p.A.	ADR S.p.A.	152
Other Services (**)	EY S.p.A.	ADR S.p.A.	4
Auditing	EY S.p.A.	ADR Tel S.p.A.	22
Auditing	EY S.p.A.	ADR Assistance S.r.l.	16
Auditing	EY S.p.A.	ADR Security S.r.l.	21
Auditing	EY S.p.A.	ADR Mobility S.r.l.	19
Auditing	EY S.p.A.	Airport Cleaning S.r.l.	16
Other Services	EY S.p.A.	ADR Tel S.p.A.	1
Other Services	EY S.p.A.	ADR Assistance S.r.l.	1
Other Services	EY S.p.A.	ADR Security S.r.l.	1
Other Services	EY S.p.A.	ADR Mobility S.r.l.	2
Other Services	EY S.p.A.	Airport Cleaning S.r.l.	1
TOTAL			**533**

(*) Comfort letter on the issue of the bond loan, Subscription of Income Tax Return, 770 and IFRS assistance forms

(**) EMIR regulation compliance.

11.4 Events and non-recurring, atypical or unusual transactions

During the year 2017, no non-recurring, atypical or unusual transactions were performed with third parties or related parties. No significant non-recurrent events occurred in the year under review.

12. Subsequent events

There are no significant subsequent events to report.

The Board of Directors

ANNEXES

Annex 1 - List of equity investments

NAME	REGISTERED OFFICE	ASSETS	CURRENCY	SHARE CAPITAL (EURO)	SHAREHOLDERS	% HELD	% ADR GROUP INTEREST	CONSOLIDATION METHOD OR VALUATION CRITERION
PARENT COMPANY								
Aeroporti di Roma S.p.A.	Fiumicino (Rome)	Airport management	Euros	62,224,743				
SUBSIDIARY UNDERTAKINGS								
ADR Tel S.p.A.	Fiumicino (Rome)	Telephony	Euros	600,000	Aeroporti di Roma S.p.A.	99	100	Line-by-line
					ADR Sviluppo S.r.l.	1		
ADR Assistance S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility (PRM)	Euros	4,000,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Sviluppo S.r.l.	Fiumicino (Rome)	Real estate management	Euros	100,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Mobility S.r.l.	Fiumicino (Rome)	Management of parking and car parks	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Security S.r.l.	Fiumicino (Rome)	Security and control services	Euros	400,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Airport Cleaning S.r.l.	Fiumicino (Rome)	Cleaning services	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	Rome	Building	Euros	10,116,452.45	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Spea Engineering S.p.A.	Rome	Engineering and design services	Euros	6,966,000	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Consorzio E.T.L. - European Transport Law (in liquidation)	Rome	Study on European transport rules	Euros	8,879	Aeroporti di Roma S.p.A.	25		Valued at cost
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	Airport catering	Euros	103,200	Aeroporti di Roma S.p.A.	20		Valued at cost
OTHER INVESTMENTS								
Aeroporto di Genova S.p.A.	Genova Sestri	Airport management	Euros	7,746,900	Aeroporti di Roma S.p.A.	15		Valued at cost
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	Airport management	Euros	13,920,225	Aeroporti di Roma S.p.A.	9.23		Valued at cost
Azzurra Aeroporti S.r.l.	Rome	Real estate, financial investments, etc.	Euros	2,500,000	Aeroporti di Roma S.p.A.	10		Valued at cost
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	Electricity production	Euros	10,000	Aeroporti di Roma S.p.A.	10		Valued at cost
Consorzio Autostrade Italiane Energia	Rome	Supply on the electricity market	Euros	113,949	Aeroporti di Roma S.p.A.	1		Valued at cost

REPORT
OF THE INDEPENDENT AUDITORS

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Indipendent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aeroporti di Roma Group (the Group), which comprise the statement of financial position as at 31 December 2017, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Aeroporti di Roma S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matter:

Key Audit Matter	Audit Response
Valuation of the Provision for renovation of airport infrastructure The provision for renovation of airport infrastructure, recorded in the consolidated financial statements as of December 31, 2017 for 181 euro millions, includes accruals for non-	The audit procedures performed in response to this Key Audit Matter included, among others:

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recurring maintenance expenses, as well as estimated future costs for restoration and replacement of assets under concession that the Group plans to incur in accordance with the current concession agreements. The amount of the provision recognized in the consolidated financial statements represents the Director's best estimate of the nature, timing and amount of the maintenance costs, including the relevant financial component applied to account for the timing of such maintenance services. Considering the judgment required by Management in order to evaluate the nature, timing and the amount of such maintenance services, we believe that the valuation of the provision for renovation of airport infrastructure represents a key audit matter. The disclosures related to the accounting principles adopted for the provision for renovation of airport infrastructure are included in Note 4 of the Consolidated Financial Statement.	(i) assessment of the process and key internal controls implemented by the Group surrounding the valuation process of the provision for renovation of airport infrastructure; (ii) test of details on a sample of provision utilizations accounted for during the fiscal year; (iii) analytical procedures on changes in the provision compared to the preceding fiscal year; (iv) analysis of the consistency of the assumptions used in estimating the provision for renovation of airport infrastructure against the Investment Plan approved by the Directors; (v) testing of the discount rate assumed and the mathematical accuracy of the provision calculation. Lastly, we reviewed the adequacy of the disclosures provided in the Notes to the Consolidated Financial Statements.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Aeroporti di Roma S.p.A. or to cease operations, or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be

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expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Aeroporti di Roma S.p.A., in the general meeting held on 9 April 2013, engaged

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us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2013 to 31 December 2021.

We declare that we have not provided prohibited non-audit services, referred to in article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the Management Report on Operations and of the specific section on Corporate Governance and Ownership Structure of Group Aeroporti di Roma as at 31 December 2017, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Management Report on Operations and of the specific information included in the section on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Aeroporti di Roma Group as at 31 December 2017 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Aeroporti di Roma Group as at 31 December 2017 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

As described on the Management Report on Operations the Directors of Aeroporti di Roma S.p.A. they availed themselves of the exemption to prepare the non-financial information pursuant to article 6, paragraph 1, of Italian Legislative Decree n. 254.

Rome, 23 March 2018

EY S.p.A.
Signed by: Roberto Tabarrini, partner
This report has been translated into the English language solely for the convenience of international readers.

SEPARATE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2017

Separate Financial Statements as of December 31, 2017

FINANCIAL STATEMENTS OF AEROPORTI DI ROMA S.P.A.

Statement of financial position

ASSETS (EURO)	NOTES	12.31.2017	OF WHICH TOWARDS RELATED PARTIES	12.31.2016	OF WHICH TOWARDS RELATED PARTIES
NON-CURRENT ASSETS					
Tangible assets	5.1	50,267,379		51,033,104	
Concession fees		2,312,204,314		2,272,463,921	
Other intangible assets		40,624,185		9,294,011	
Intangible assets	5.2	2,352,828,499		2,281,757,932	
Equity investments	5.3	83,936,493		79,689,493	
Other non-current financial assets	5.4	12,949,910		11,235,664	
Deferred tax assets	5.5	64,162,530		100,576,942	
Other non-current assets	5.6	443,079		428,834	
TOTAL NON-CURRENT ASSETS		2,564,587,890		2,524,721,969	
CURRENT ASSETS					
Inventories		2,930,352		3,309,554	
Trade receivables		316,436,375	*9,503,022*	291,100,167	*9,389,689*
Trade assets	5.7	319,366,727	*9,503,022*	294,409,721	*9,389,689*
Other current financial assets	5.4	64,027		0	
Current tax assets	5.8	17,965,008	*17,388,457*	7,117,504	*7,081,338*
Other current assets	5.9	11,978,939	*482,332*	49,713,960	*486,070*
Cash and cash equivalents	5.10	291,332,413		66,570,439	
TOTAL CURRENT ASSETS		640,707,114	*27,373,811*	417,811,624	*16,957,097*
TOTAL ASSETS		**3,205,295,004**	***27,373,811***	**2,942,533,593**	***16,957,097***

SHAREHOLDERS' EQUITY AND LIABILITIES (EURO)	NOTES	12.31.2017	OF WHICH TOWARDS RELATED PARTIES	12.31.2016	OF WHICH TOWARDS RELATED PARTIES
SHAREHOLDERS' EQUITY					
Share capital		62,224,743		62,224,743	
Reserves and retained earnings		903,247,098		890,277,470	
Net income for the year, net of the advance on dividends		135,367,978		148,539,472	
TOTAL SHAREHOLDERS' EQUITY	5.11	**1,100,839,819**		**1,101,041,685**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	5.12	13,178,041		13,486,480	
Provisions for renovation of airport infrastructure	5.13	108,470,846		106,146,582	
Other allowances for risks and charges	5.14	16,140,962		26,110,351	
Allowances for non-current provisions		137,789,849		145,743,413	
Bonds		1,101,515,780	*242,327,244*	834,194,956	*251,115,420*
Medium/long-term loans		249,463,908		69,804,160	
Financial instruments - derivatives		137,429,899		138,519,168	
Non-current financial liabilities	5.15	1,488,409,587	*242,327,244*	1,042,518,284	*251,115,420*
Other non-current liabilities	5.16	4,083,169	*1,083,929*	935,416	*454,055*
TOTAL NON-CURRENT LIABILITIES		1,630,282,605	*243,411,173*	1,189,197,113	*251,569,475*
CURRENT LIABILITIES					
Provisions for employee benefits	5.12	830,273		1,277,562	
Provisions for renovation of airport infrastructure	5.13	67,999,000		95,796,000	
Other allowances for risks and charges	5.14	13,655,000		51,284,170	
Allowances for current provisions		82,484,273		148,357,732	
Trade payables	5.17	200,885,916	*75,369,840*	301,930,266	*98,314,057*
Trade liabilities		200,885,916	*75,369,840*	301,930,266	*98,314,057*
Current share of medium/long-term financial liabilities		16,018,989	*434,671*	15,955,297	*450,435*
Financial instruments - derivatives		258,702		21,393,753	
Other current financial liabilities		14,142,481	*14,142,481*	13,275,461	*13,275,457*
Current financial liabilities	5.15	30,420,172	*14,577,152*	50,624,511	*13,725,892*
Current tax liabilities	5.8	0		21,861,661	*15,228,529*
Other current liabilities	5.18	160,382,219	*1,696,985*	129,520,625	*2,602,928*
TOTAL CURRENT LIABILITIES		474,172,580	*91,643,977*	652,294,795	*129,871,406*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,205,295,004**	***335,055,150***	**2,942,533,593**	***381,440,881***

Income statement

(EURO)	NOTES	2017	OF WHICH TOWARDS RELATED PARTIES	2016	OF WHICH TOWARDS RELATED PARTIES
REVENUES	6.1				
Revenues from airport management		868,298,685	*41,311,003*	836,340,925	*39,482,368*
Revenues from construction services		114,709,553		301,986,068	
Other operating income		16,452,800	*5,784,936*	31,883,091	*5,894,219*
TOTAL REVENUES		999,461,038	*47,095,939*	1,170,210,084	*45,376,587*
COSTS					
Consumption of raw materials and consumables	6.2	(30,072,384)	*(19,878,383)*	(29,669,730)	*(18,547,523)*
Service costs	6.3	(380,911,935)	*(192,157,136)*	(612,995,065)	*(189,110,527)*
Payroll costs	6.4	(93,074,834)	*(3,639,551)*	(84,553,879)	*(3,796,000)*
Concession fees		(33,460,915)		(34,711,612)	
Expenses for leased assets		(2,938,847)		(3,300,429)	
Allocation to (use of) the provisions for renovation of airport infrastructure		27,209,437		57,437,068	
Allocations to allowances for risks and charges		(450,114)		(3,675,055)	
Other costs		(14,310,449)	*(813,716)*	(9,347,108)	*(733,172)*
Other operating costs	6.5	(23,950,888)	*(813,716)*	6,402,864	*(733,172)*
Depreciation of tangible assets	5.1	(11,740,538)		(8,056,193)	
Amortization of intangible concession fees	5.2	(74,941,966)		(63,498,281)	
Amortization of other intangible assets	5.2	(4,022,391)		(3,848,121)	
Amortization and depreciation		(90,704,895)		(75,402,595)	
TOTAL COSTS		(618,714,936)	(216,488,786)	(796,218,405)	(212,187,222)
OPERATING INCOME (EBIT)		380,746,102		**373,991,679**	
Financial income	6.6	18,018,678	*13,215,145*	11,296,774	*10,588,458*
Financial expense	6.6	(62,234,030)	*(13,275,750)*	(80,880,923)	*(18,902,980)*
Foreign exchange gains (losses)	6.6	8,796,400		25,031,601	
FINANCIAL INCOME (EXPENSE)		(35,418,952)	*(60,605)*	(44,552,548)	*(8,314,522)*
INCOME (LOSS) BEFORE TAXES		**345,327,150**		**329,439,131**	
Income taxes	6.7	(102,310,366)		(113,696,937)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**243,016,784**		**215,742,194**	
Net income (loss) from discontinued operations		0		0	
NET INCOME FOR THE YEAR		**243,016,784**		**215,742,194**	

Statement of Comprehensive Income

(THOUSANDS OF EUROS)	NOTES	2017	2016
NET INCOME FOR THE YEAR		**243,017**	**215,742**
Effective part of the profits (losses) on cash flow hedges	5.15	13,521	753
Tax effect of other gains (losses)		(3,245)	(428)
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect		**10,276**	**325**
Actuarial gains (losses) on benefits to employees posted in Shareholders' equity	5.12	(54)	(329)
Tax effect of other actuarial gains (losses)		13	44
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect		**(41)**	**(285)**
Reclassifications of the other components of the comprehensive income statement for the year		**1,370**	**0**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT		**11,605**	**40**
COMPREHENSIVE INCOME FOR THE YEAR		**254,622**	**215,782**

Statement of changes in Shareholders' equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	CASH FLOW HEDGE RESERVE	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME FOR THE YEAR (net of the advance on dividends)	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS OF DECEMBER 31, 2015	**62,225**	**12,462**	**667,389**	**(5,101)**	**257,173**	**134,556**	**1,128,704**
Net income for the year						215,742	215,742
Other components of comprehensive income:							
Profits (losses) from fair value measurement of the cash flow hedges, net of the tax effect				325			325
Actuarial gains (losses) on benefits to employees, net of the tax effect					(285)		(285)
Comprehensive income for the year				325	(285)	215,742	215,782
Dividend distribution (balance)						(134,405)	(134,405)
Allocation of residual profit of the previous year					150	(150)	0
Distribution of advance on dividends						(67,203)	(67,203)
Debt assumption pursuant to art. 1273 of the Italian Civil Code of A4 Notes				(53,865)	10,924		(42,941)
Other changes					1,105		1,105
BALANCE AS OF DECEMBER 31, 2016	**62,225**	**12,462**	**667,389**	**(58,641)**	**269,067**	**148,540**	**1,101,042**
Net income for the year						243,017	243,017
Other components of comprehensive income:							
Profits (losses) from fair value measurement of the cash flow hedges, net of the tax effect				11,646			11,646
Actuarial gains (losses) on benefits to employees, net of the tax effect					(41)		(41)
Comprehensive income for the year				11,646	(41)	243,017	254,622
Dividend distribution (balance)						(148,095)	(148,095)
Allocation of residual profit of the previous year					445	(445)	0
Distribution of advance on dividends						(107,649)	(107,649)
Other changes					920		920
BALANCE AS OF DECEMBER 31, 2017	**62,225**	**12,462**	**667,389**	**(46,995)**	**270,391**	**135,368**	**1,100,840**

Statement of cash flows

(THOUSANDS OF EUROS)	NOTES	2017	2016
Net income for the year		**243,017**	**215,742**
Adjusted by:			
Amortization and depreciation	5.1/5.2	90,705	75,402
Allocation to the provisions for renovation of airport infrastructure		41,837	52,707
Financial expenses from discounting of provisions		1,865	3,674
Change in other provisions		(48,536)	16,806
Write-down (revaluation) of non-current financial assets and equity investments		(4,247)	7,556
Net change in deferred tax (assets) liabilities		32,750	21,735
Other non-monetary costs (revenues)		7,165	4,032
Changes in the working capital and other changes		(86,968)	65,649
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**277,588**	**463,303**
Investments in tangible assets	5.1	(10,987)	(23,475)
Investments in intangible assets	5.2	(151,151)	(311,952)
Works for renovation of airport infrastructure		(69,047)	(110,144)
Equity investments		0	(52,001)
Gains from divestment of tangible and intangible assets and equity investments and divisions		1,128	11,145
Net change in other non-current assets		(14)	39
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**(230,071)**	**(486,388)**
Dividends paid		(255,743)	(201,608)
Issue of bonds		272,101	0
Raising of medium/long-term loans	5.15	180,000	69,797
Net change in other current and non-current financial liabilities		(19,800)	129
Net change in current and non-current financial assets		(181)	9,193
NET CASH FLOW FROM FUNDING ACTIVITIES (C)		**176,377**	**(122,489)**
NET CASH FLOW FOR THE YEAR (A+B+C)		**223,894**	**(145,574)**
Cash and cash equivalents at the start of the year	5.10	53,295	198,869
Cash and cash equivalents at the end of the year	5.10	277,189	53,295

Reconciliation of cash and cash equivalents

(THOUSANDS OF EUROS)	2017	2016
Net cash and cash equivalents at the start of the year	**53,295**	**198,869**
Cash and cash equivalents	66,570	206,201
Current accounts with subsidiary undertakings	(13,275)	(7,332)
Net cash and cash equivalents at the end of the year	**277,189**	**53,295**
Cash and cash equivalents	291,331	66,570
Current accounts with subsidiary undertakings	(14,142)	(13,275)

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2017	2016
Net income taxes paid (reimbursed)	102,269	82,262
Interest income collected	271	517
Interest payable and commissions paid	64,856	41,387
Dividends received	13,214	10,574

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF AEROPORTI DI ROMA S.P.A.

1. General information

Aeroporti di Roma S.p.A. (hereafter the “Company” or “ADR”) manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority (“ENAC”) and ADR. On December 21, 2012 the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through the subsidiary undertakings, which specific activities are assigned to.

The registered office of the Company is in Fiumicino, Via dell’Aeroporto di Fiumicino 320, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration is currently set until December 31, 2050.

On the date of these Separate Financial Statements, Atlantia S.p.A. (“Atlantia”) is the shareholder that holds the majority of the shares of ADR (61,841,539, equal to 99.38% of the capital) and exercises the management and coordination towards the Company.

These financial statements were approved by the Board of Directors of the company during the meeting of March 1, 2018 and subject to audit by EY S.p.A.

The financial statements were prepared in the assumption of going-concern.

2. Form and content of the financial statements

The financial statements for the year ended December 31, 2017 were prepared pursuant to articles 2 and 4 of Italian Legislative Decree no. 38.2005, in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Commission, in force on the balance sheet date.

Consideration was also given to the measures issued by Consob (Commissione Nazionale per le Società e la Borsa) in implementing paragraph 3 of Article 9 of Italian Legislative Decree No. 38/2005 on the preparation of the accounting statements.

The financial statements comprise the accounting statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders’ equity, statement of cash flows) and these notes, applying the provisions of IAS 1 “Presentation of Financial Statements” and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items. The statement of financial position is presented on the basis of the statement that provides for a distinction between current and non-current assets and liabilities, while these are classified on the basis of their nature in the income statement. The statement of cash flows was prepared by applying the indirect method. IFRS were applied consistently with the indications of the “Framework for the Preparation and Presentation of Financial Statements” and no issues emerged that required derogations pursuant to IAS 1.

All the values are expressed in thousands of euros, unless otherwise stated. The euro is both the ADR’s functional currency and the currency of presentation of the financial statements.

For each item in the accounting statements, the corresponding value of the previous year is reported for comparison purposes.

3. Accounting standards applied

The accounting standards and valuation criteria applied in preparing the Financial Statements for the year ended December 31, 2017 are the same as those adopted for the preparation of the Consolidated Financial Statements, to which reference is made, except for the recognition and measurement of Equity investments.

Equity investments in subsidiary undertakings, associated undertakings and joint ventures are valued at purchase cost, inclusive of directly attributable accessory charges, rectified in the presence of any losses in value identified as described in the section regarding "Impairment of assets (impairment test)", which are recorded in the income statement. The same are restored if the reasons for the write-downs made cease to apply.

The term "subsidiary undertakings" means all companies over which ADR has the power to determine, either directly or indirectly, the financial and operating policies in order to obtain benefits from their activities.

Investments in associated undertakings are those in which ADR is capable of exercising a significant influence, but not control or joint control, by contributing to the financial and operating decision-making policies of the investee.

The assets in other companies can be classified in the category of financial assets held for sale as defined in IAS 39 and are initially recorded at cost, as determined on the settlement date, as it represents the fair value, inclusive of the directly attributable transaction costs.

Subsequently, these equity investments are measured at fair value, if this can be determined, with the effects being attributed to the comprehensive income statement and thus in a specific shareholders' equity reserve. At the time of an impairment loss, or when this is recognized, the profits and losses in this reserve are posted in the income statement.

Any losses in value identified as described in the section regarding "Impairment of assets (Impairment test)", are restored in the other components of the comprehensive income statement if the reasons for the write-downs made cease to apply. If the fair value cannot be determined in a reliable manner, the equity investments classified under financial assets held for resale are valued at cost, adjusted by the impairment losses; in this case the losses in value are not subject to reinstatement.

The transactions for the acquisition or sale of companies and/or branches between companies under common control are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, making reference to both the (i) methods to determine the amount of the sale and the (ii) check of the added value generated for all the parties concerned, resulting in significant changes that can be measured in the cash flows before and after the transaction of the transferred assets. In this context:

- if both requirements being checked are met, these transactions for the purchase of companies and/or company branches are recorded according to IFRS 3, following the same criteria illustrated previously for similar transactions with third parties. In these cases, the transferor company posts in the income statement the possible difference between these carrying values of the assets and liabilities and the related amount;
- in the other cases, the transferred assets and liabilities are posted by the transferee with the same values these were recorded in the financial statements of the transferor company before the transactions, with the recognition in the shareholders' equity of any difference compared to the acquisition cost. Consistently with this, the transferor company records in the shareholders' equity the difference between the carrying value of the assets and liabilities sold and the amount agreed.

4. Concession Agreement

Concessionary Relationship

ADR's corporate purpose is the construction and management of airports or of a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a Concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the Regulations of ENAC that govern the operation of the airport open to civil traffic.

The original Agreement for the management of the concession 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with specific Council of Ministers Presidential Decree. In a single document this regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be inspired by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

For more details on the Concession Agreement reference is made to the Consolidated Financial Statements.

5. Information on the items of the statement of financial position

5.1 Tangible assets

(THOUSANDS OF EUROS)	12.31.2016			CHANGE				12.31.2017		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Plant and machinery	81,498	(44,569)	36,929	6,538	(8,698)	2,860	(12)	89,050	(51,433)	37,617
Industrial and commercial equipment	13,303	(10,646)	2,657	452	(761)	227	0	13,953	(11,378)	2,575
Other assets	25,413	(20,618)	4,795	2,359	(2,282)	3,324	(2)	29,576	(21,382)	8,194
Work in progress and advances	6,652	0	6,652	1,638		(6,409)	0	1,881	0	1,881
TOTAL TANGIBLE ASSETS	**126,866**	**(75,833)**	**51,033**	**10,987**	**(11,741)**	**2**	**(14)**	**134,460**	**(84,193)**	**50,267**

(THOUSANDS OF EUROS)	12.31.2015			CHANGE			12.31.2016		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	COST	ACC. DEPR.	NET VALUE
Plant and machinery	54,323	(38,868)	15,455	13,524	(5,701)	13,651	81,498	(44,569)	36,929
Industrial and commercial equipment	11,929	(10,080)	1,849	1,374	(566)	0	13,303	(10,646)	2,657
Other assets	22,860	(18,369)	4,491	2,063	(1,789)	30	25,413	(20,618)	4,795
Work in progress and advances	13,783	0	13,783	6,514	0	(13,645)	6,652	0	6,652
TOTAL TANGIBLE ASSETS	**102,895**	**(67,317)**	**35,578**	**23,475**	**(8,056)**	**36**	**126,866**	**(75,833)**	**51,033**

Tangible assets, equaling 50,267 thousand euros (51,033 thousand euros as of December 31, 2016), are down in the year by 766 thousand euros, mainly due to depreciation (11,741 thousand euros), partly offset by the investments.

Investments of 10,987 thousand euros mainly refer to:

- within the category Plant and machinery (6,538 thousand euros), mainly baggage inspection equipment for 5,256 thousand euros;
- within the category Industrial and commercial equipment (452 thousand euros) mainly to safety equipment (216 thousand euros);
- within the category Other assets (2,359 thousand euros), to electronic machinery (1,606 thousand euros) and Furniture/Furnishings (754 thousand euros);
- within the category Work in progress and advances (1,638 thousand euros), to sweepers for 428 thousand euros and advertising equipment for 835 thousand euros.

During the year no significant changes took place in the estimated useful life of the assets.

5.2 Intangible assets

(THOUSANDS OF EUROS)	12.31.2016 COST	ACC. AMORT.	NET VALUE	CHANGE INVESTMENTS	AMORTI ZATION	OTHER CHANGES	12.31.2017 COST	ACC. AMORT.	NET VALUE
Concession fees									
Airport management concession - rights acquired	2,179,164	(801,532)	1,377,632	0	(50,096)	0	2,179,164	(851,628)	1,327,536
Airport management concession - investments in infrastructure	1,041,757	(146,925)	894,832	114,710	(24,846)	(28)	1,156,439	(171,771)	984,668
TOTAL CONCESSION FEES	3,220,921	(948,457)	2,272,464	114,710	(74,942)	(28)	3,335,603	(1,023,399)	2,312,204
Other assets	53,395	(45,201)	8,194	6,737	(4,022)	11	60,143	(49,223)	10,920
Advances to suppliers	1,100	0	1,100	29,704	0	(1,100)	29,704	0	29,704
TOTAL OTHER INTANGIBLE ASSETS	54,495	(45,201)	9,294	36,441	(4,022)	(1,089)	89,847	(49,223)	40,624
TOTAL INTANGIBLE ASSETS	**3,275,416**	**(993,658)**	**2,281,758**	**151,151**	**(78,964)**	**(1,117)**	**3,425,450**	**(1,072,622)**	**2,352,828**

(THOUSANDS OF EUROS)	12.31.2015 COST	ACC. AMORT.	NET VALUE	CHANGE INVESTMENTS	AMORTI ZATION	OTHER CHANGES	12.31.2016 COST	ACC. AMORT.	NET VALUE
Concession fees									
Airport management concession - rights acquired	2,179,164	(751,436)	1,427,728	0	(50,096)	0	2,179,164	(801,532)	1,377,632
Airport management concession - investments in infrastructure	739,771	(133,523)	606,248	301,986	(13,402)	0	1,041,757	(146,925)	894,832
TOTAL CONCESSION FEES	2,918,935	(884,959)	2,033,976	301,986	(63,498)	0	3,220,921	(948,457)	2,272,464
Other assets	49,060	(41,353)	7,707	4,314	(3,848)	21	53,395	(45,201)	8,194
Advances to suppliers	6,650	0	6,650	5,652	0	(11,202)	1,100	0	1,100
TOTAL OTHER INTANGIBLE ASSETS	55,710	(41,353)	14,357	9,966	(3,848)	(11,181)	54,495	(45,201)	9,294
TOTAL INTANGIBLE ASSETS	**2,974,645**	**(926,312)**	**2,048,333**	**311,952**	**(67,346)**	**(11,181)**	**3,275,416**	**(993,658)**	**2,281,758**

Intangible assets, equal to 2,352,828 thousand euros (2,281,758 thousand euros as of December 31, 2016) rose by 71,070 thousand euros mainly due to the investments in the year, equal to 151,151 thousand euros, partly offset by the amortization equal to 78,964 thousand euros.

Concession fees include the concession relating to managing the Roman Airport System; for further information on the concession relationship reference should be made to Note 4. In detail:

- Airport management concession - rights acquired: represents the value of the airport management concession, acquired at a charge; this value was accounted for at the time of the merger of ADR into Leonardo S.p.A. (now ADR) and expresses the higher price paid by Leonardo S.p.A. for ADR shares compared to the pro-rata value of shareholders' equity of the Company;
- Airport management concession - investments in infrastructure: includes the activities to create new infrastructure and/or improve and enhance the existing airport infrastructure carried out by ADR.

The investments in the Airport management concession - investments in infrastructure equal 114,710 thousand euros and relate to construction services provided in the year on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded, as well as the fair value of the related construction services carried out.

Worth noting are:

- works to create departure area E/F (formerly Pier C) for 21.3 million euros;
- Works on runways and aprons for 22.1 million euros;
- urbanization work West area/Aprons W for 21.3 million euros;
- terminal maintenance and optimization works for 10.5 million euros;
- T5 reconfiguration interventions and T1/T3 sensitive flights for 4.7 million euros;
- work relating to the East Terminal System for 8.0 million euros.

In the absence of specific indicators regarding the risk of failed recovery of the book value of intangible assets, these did not undergo an impairment test.

The Other intangible assets, equal to 40,624 thousand euros (9,294 thousand euros as of December 31, 2016), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for the year, equal to 36,441 thousand euros, mainly refer to the implementation of airport systems, the evolutionary maintenance of the accounting system and the acquisition of licenses.

Advances to suppliers are equal to 29,704 as of December 31, 2017 compared to a balance of 1,100 thousand euros as of December 31, 2016, which referred to the advances for the works to create departure area F (formerly Pier C). The increase of 28,604 thousand euros compared to December 31, 2016 is attributable to the disbursement of price advances towards Pavimental S.p.A. for 29,704 thousand euros in total, valid on the agreements regarding the Completion of the east terminal system and the new West area aprons, net of the recovery of the residual advance of 1,100 thousand euros in relation to the end of the works at departure area E.

5.3 Equity investments

The item Equity Investments has a balance of 83,936 thousand euros (79,689 thousand euros at the end of the previous year).

	12.31.2016			CHANGE			12.31.2017		
(THOUSANDS OF EUROS)	GROSS VALUE	ACCUM. WRITE-DOWNS	NET VALUE	INCR.	DECR.	WRITE-DOWN/ REV.	GROSS VALUE	ACCUM. WRITE-DOWNS	NET VALUE
SUBSIDIARY UNDERTAKINGS									
ADR Assistance S.r.l.	4,000	0	4,000	0	0	0	4,000	0	4,000
ADR Tel S.p.A.	594	0	594	0	0	0	594	0	594
ADR Mobility S.r.l.	1,756	0	1,756	0	0	0	1,756	0	1,756
ADR Security S.r.l.	500	0	500	0	0	0	500	0	500
Airport Cleaning S.r.l.	2,000	0	2,000	0	0	0	2,000	0	2,000
ADR Sviluppo S.r.l.	100	0	100	0	0	0	100	0	100
	8,950	0	8,950	0	0	0	8,950	0	8,950
ASSOCIATED UNDERTAKINGS									
Consorzio E.T.L. (in liquidation)	10	(10)	0	0	0	0	10	(10)	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	3,883	(3,883)	0	0	0	0	3,883	(3,883)	0
Pavimental S.p.A.	9,768	(7,206)	2,562	0	0	4,247	9,768	(2,959)	6,809
Spea Engineering S.p.A.	14,324	0	14,324	0	0	0	14,324	0	14,324
	27,985	(11,099)	16,886	0	0	4,247	27,985	(6,852)	21,133
OTHER COMPANIES									
Azzurra Aeroporti S.r.l.	52,000	0	52,000	0	0	0	52,000	0	52,000
Aeroporto di Genova S.p.A.	1,394	(500)	894	0	0	0	1,394	(500)	894
S.A.CAL. S.p.A.	1,307	(350)	957	0	0	0	1,307	(350)	957
Consorzio Autostrade Italiane Energia	1	0	1	0	0	0	1	0	1
Leonardo Energia - Società Consortile a r.l.	1	0	1	0	0	0	1	0	1
	54,703	(850)	53,853	0	0	0	54,703	(850)	53,853
TOTAL EQUITY INVESTMENTS	**91,638**	**(11,949)**	**79,689**	**0**	**0**	**4,247**	**91,638**	**(7,702)**	**83,936**

The amount of equity investments rose by 4,247 thousand euros compared to December 31, 2016 due to the partial value reinstatement of the equity investment in Pavimental S.p.A., which last year had been written down by 7,206 thousand euros.

Below are the details of the Equity investments held as of December 31, 2017 with indication of the share held and the relevant book value:

NAME	REGISTERED OFFICE	CURRENCY	NUMBER OF SHARES/ STAKES	CAPITAL (EURO)	NUMBER OF SHARES/STAKES HELD	% HELD	SHAREHOLDERS' EQUITY AS OF 12.31.2017 (€/000)	NET INCOME (LOSS) FOR THE YEAR 2017 (€/000)	BOOK VALUE (€/000)
SUBSIDIARY UNDERTAKINGS									
ADR Assistance S.r.l.	Fiumicino (Rome)	euros	1	4,000,000	1	100%	4,730	290	4,000
ADR Tel S.p.A.	Fiumicino (Rome)	euros	600,000	600,000	600,000	99%	8,723	3,424	594
ADR Mobility S.r.l.	Fiumicino (Rome)	euros	1	1,500,000	1	100%	15,231	6,940	1,756
ADR Security S.r.l.	Fiumicino (Rome)	euros	1	400,000	1	100%	3,010	1,491	500
Airport Cleaning S.r.l.	Fiumicino (Rome)	euros	1	1,500,000	1	100%	4,408	1,664	2,000
ADR Sviluppo S.r.l.	Fiumicino (Rome)	euros	1	100,000	1	100%	174	22	100
TOTAL SUBSIDIARY UNDERTAKINGS									8,950
ASSOCIATED UNDERTAKINGS									
Consorzio E.T.L. (in liquidation)	Rome	euros	1	8,879	1	25%	1	(8)	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	euros	20,000	103,200	4,000	20%	0	0	0
Pavimental S.p.A.	Rome	euros	77,818,865	10,116,452.45	15,563,773	20%	31,477	15,794	6,809
Spea Engineering S.p.A.	Milan	euros	1,350,000	6,966,000	270,000	20%	88,348	6,870	14,324
TOTAL ASSOCIATED UNDERTAKINGS									21,133
OTHER COMPANIES									
Azzurra Aeroporti S.r.l.	Rome	euros	10	2,500,000	1	10%	690,431	27,642	52,000
Aeroporto di Genova S.p.A. (*)	Genova Sestri	euros	15,000	7,746,900	2,250	15%	6,605	795	894
S.A.CAL. S.p.A. (*)	Lamezia Terme (Catanzaro)	euros	26,925	13,920,225	2,485	9.23%	9,602	(1,486)	957
Consorzio Autostrade Italiane Energia	Rome	euros	1	113,949	1	1%			1
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	euros	1	10,000	1	10%	268	0	1
TOTAL OTHER COMPANIES									53,853
TOTAL EQUITY INVESTMENTS									**83,936**

(*) The data relating to the shareholders' equity and the profit for the year of Aeroporto di Genova S.p.A. and S.A.CAL. S.p.A. refers to the year 2016 (last year approved). With reference to the investment in S.A.CAL. S.p.A., since ADR did not subscribe the increases in the share capital from 7,755,000.00 euros to 13,920,225.00 euros within October 31, 2017, the percentage of shares held by ADR dropped from 16.567% to 9.23%.

After the acquisition by Atlantia and EDF Invest of 64% of the capital of Aéroports de la Côte d'Azur (ACA), through the financial acquisition vehicle Azzurra Aeroporti S.r.l. ("Azzurra Aeroporti"), ADR committed to constitute a pledge in favor of the Azzurra Aeroporti's lenders on the total equity investment in the company (10%), once Azzurra Aeroporti is transformed into a joint stock company. In any case this potential guarantee is limited to a maximum amount of 130.6 million euros.

5.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)			12.31.2017			12.31.2016
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Derivatives with positive fair value	10,440	0	10,440	7,822	0	7,822
Other financial assets	2,574	64	2,510	3,414	0	3,414
TOTAL OTHER FINANCIAL ASSETS	**13,014**	**64**	**12,950**	**11,236**	**0**	**11,236**

Derivatives with positive fair value

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Interest rate hedging derivatives	10,440	7,822	2,618
Interest accrual	0	0	0
TOTAL DERIVATIVES WITH POSITIVE FAIR VALUE	**10,440**	**7,822**	**2,618**
non-current share	10,440	7,822	2,618
current share	0	0	0

Interest rate hedging derivatives

ADR uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

During the month of October 2016 ADR signed three interest rate swap contracts of the forward starting type, with activation on February 20, 2020, with the purpose of hedging the interest rate risk for part of the new funding lines that will need to be signed, suitably in advance, to ensure the repayment of the bond loan expiring in 2021. Below is a table summarizing the main characteristics of the three contracts mentioned, which have a positive fair value at December 31, 2017.

									FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE	
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE COVERED	RATE APPLIED	AS OF 12.31.2017	AS OF 12.31.2016	TO THE INCOME STATEMENT	TO OCI (***)
Unicredit, BNPP, RBS	ADR	IRS FWD (*)	CF	I	10.2016	02.2030	300,000	They pay an average fixed rate of 0.969% and receive 6 month EURIBOR	10,440	7,822	0	2,618
					TOTAL				**10,440**	**7,822**	**0**	**2,618**
					of which:							
					Exchange rate hedging derivatives				0	0		
					Interest rate hedging derivatives				**10,440**	7,822		

(*) IRS forward starting: activation date February 20, 2020

(**) the change in fair value is posted in the OCI net of the tax effect

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

For the valuation techniques and the inputs used to determine the fair value of the derivatives reference is made to Note 8.4 Information on fair value measurement.

Other financial assets

The Other non-current financial assets, equal to 2,510 thousand euros (3,414 thousand euros as of December 31, 2016), refer to the ancillary charges incurred to sign the Revolving facility unused as of December 31, 2017. For details reference is made to Note 5.15.

5.5 Deferred tax assets

(THOUSANDS OF EUROS)	12.31.2016	PROVISIONS	RELEASES	CHANGE DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES ON INCOME AND CHARGES RECORDED IN THE SHAREHOLDERS' EQUITY	12.31.2017
DEFERRED TAX ASSETS					
Allocation to (use of) the provisions for renovation of airport infrastructure	87,279	2,231	(19,130)		70,380
Allocations to allowance for obsolete and slow moving goods	95	19	(54)		60
Allocations to provisions for doubtful accounts	7,451	1,028	(1,058)		7,421
Amortized cost and derivative instruments	19,005	1	(260)	(3,678)	15,068
Allowances for risks and charges	16,675	0	(11,786)		4,889
Other	1,821	383	(624)	14	1,594
TOTAL DEFERRED TAX ASSETS	132,326	3,662	(32,912)	(3,664)	99,412
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET					
Application of IFRIC 12	31,749	5,436	(1,936)		35,249
TOTAL DEFERRED TAX LIABILITIES	31,749	5,436	(1,936)		35,249
TOTAL NET DEFERRED TAX ASSETS	**100,577**	**(1,774)**	**(30,976)**	**(3,664)**	**64,163**

The changes of 2017 mainly refer to the performance of the provisions for renovation of airport infrastructure, allowances for risks and charges and the change in the fair value of the derivative instruments.

5.6 Other non-current assets

Other non-current assets, equal to 443 thousand euros (429 thousand euros as of December 31, 2016), refer to guarantee deposits.

5.7 Trade assets

Trade assets, equal to 319,367 thousand euros (294,410 thousand euros as of December 31, 2016), include:

- inventories, equal to 2,931 thousand euros (3,310 thousand euros as of December 31, 2016) comprising consumable materials, clothing, spare parts, cleaning material, fuel, etc.;
- trade receivables (equal to 316,436 thousand euros, 291,100 thousand euros as of December 31, 2016) are broken down in the table below:

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Due from clients	341,339	304,897	36,442
Due from subsidiary undertakings	6,120	6,660	(540)
Due from parent companies	146	51	95
Receivables for construction services	8,051	18,872	(10,821)
Other trade receivables	643	618	25
TOTAL TRADE RECEIVABLES, GROSS OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	356,299	331,098	25,201
Provisions for doubtful accounts	(32,178)	(32,313)	135
Provisions for overdue interest	(7,685)	(7,685)	0
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(39,863)	(39,998)	135
TOTAL TRADE RECEIVABLES	**316,436**	**291,100**	**25,336**

"Due from clients" (gross of provisions for doubtful accounts) total 341,339 thousand euros and recorded a positive change of 36,442 thousand euros, mainly attributable to the increased exposure to the main domestic carrier.

The expansion of receivables from commercial customers is mainly due to the performance recorded towards the main national carrier and in particular to the components surcharge and IRESA (+28.2 million euros compared to December 31, 2016), which are offset against a specific counter-entry of Other liabilities. This increase formed, and subsequently became consolidated, as a consequence of the admission of the carrier to the extraordinary administration procedure on May 1, 2017. As known, all the receivables accrued prior to May 1, 2017 will be settled with the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. Moreover, any losses on receivables for services subject to settlement are granted regulatory protection as they derive from events outside the responsibility of the concessionaire and to the extent that they are of an amount that is such to alter the pre-existing economic-financial balance, in the same way as other cases of force majeure or of change in the regulatory framework.

The receivables from Alitalia SAI under special administration regarding activities not regulated as of May 1, 2017, were posted as a loss instead; indeed, for these receivables there is no guarantee about the collection and the aforesaid privileges at the time of distribution or other protections.

Finally, the receivables accrued after May 1, 2017 have been duly collected so far, as far as ADR is concerned.

It is worth remembering that ADR's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 11,045 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, worth remembering is that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia S.p.A. LAI under special administration (as well as to the aircraft owned by lessors, obliged in a fair manner) in order to allow the aircrafts owned by the lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under the Other current liabilities.

Due from subsidiary undertakings, equal to 6,120 thousand euros, decreased compared to the end of 2016 (540 thousand euros). For more details about these receivables, reference is made to Note 9 Transactions with related parties.

The receivables from ENAC for construction services (gross of the provisions for doubtful accounts) equal to 8,051 thousand euros, decreased to 10,821 thousand euros consequently to the collection, occurred in August 2017, of the receivables accrued in previous years and relating to the state-financed portion of construction works in departure area E/F.

The other trade receivables (643 thousand euros and 618 thousand euros as of December 31, 2016) mainly refer to prepaid expenses of a commercial nature.

The table below shows the age of the trade receivables past due.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES THAT ARE NOT PAST DUE	RECEIVABLES THAT ARE PAST DUE		
			FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2017	**316,436**	58,233	58,812	172,277	27,114
12.31.2016	**291,100**	158,243	93,524	19,414	19,919

The increase in loans past due for over 90 days is mostly attributable to the receivables from Alitalia SAI under special administration.

The table below shows the movements of the provisions for doubtful accounts:

(THOUSANDS OF EUROS)	12.31.2016	INCREASES	DECREASES	12.31.2017
Provisions for doubtful accounts	32,313	5,539	(5,674)	32,178
Provisions for overdue interest	7,685	0	0	7,685
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**39,998**	5,539	(5,674)	**39,863**

The book value of trade receivables is close to the relevant fair value.

5.8 Current tax assets and liabilities

The table below shows the assets and liabilities for current taxes at the start and end of the year.

(THOUSANDS OF EUROS)	ASSETS			LIABILITIES		
	12.31.2017	12.31.2016	CHANGE	12.31.2017	12.31.2016	CHANGE
Due from/to parent companies for tax consolidation	17,388	7,081	10,307	0	15,229	(15,229)
IRES	37	37	0	0	0	0
IRAP	540	0	540	0	6,633	(6,633)
TOTAL	**17,965**	**7,118**	**10,847**	**0**	**21,862**	**(21,862)**

Current tax assets, equal to 17,965 thousand euros (+10,847 thousand euros as of December 31, 2016), mainly include the receivable from the parent company Atlantia (as consolidating company for tax purposes) of 17,388 thousand euros, comprised as so:

- 7,081 thousand euros (7,081 thousand euros as of December 31, 2016) for the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs;

- 10,307 thousand euros relating to the receivable from the parent company Atlantia due to the tax consolidation for the current year, following the payment of the 2016 balance and the advances for 2017, to a greater extent compared to the tax estimate for the year; for further information on the tax consolation please see Note 6.7 Income taxes.

As a consequence, current tax liabilities have a balance of 0.

5.9 Other current assets

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	8,739	9,168	(429)
Due from others	2,758	40,064	(37,306)
TOTAL OTHER CURRENT ASSETS	**11,979**	**49,714**	**(37,735)**

Due from tax authorities, equal to 8,739 thousand euros (9,168 thousand euros as of December 31, 2016), mainly include:

- VAT credit of 3,066 thousand euros (2,363 thousand euros as of December 31, 2016);
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 01.01.1993-03.23.1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required. These receivables reduced by 1,134 thousand euros compared to December 31, 2016, in relation to the partial repayment occurred in 2017 (for more information see Note 8.5 Litigation).

Due from others are equal to 2,758 thousand euros (40,064 thousand euros as of December 31, 2016), dropped by 37,306 thousand euros mainly as a consequence of the collections from Insurance companies in line with the transactional agreements reached with them. For further information reference should be made to Note 10.1.

The table below shows the age of the Other current assets.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES THAT ARE NOT PAST DUE	RECEIVABLES THAT ARE PAST DUE		
			FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2017	**11,979**	11,364	0	0	615
12.31.2016	**49,714**	49,099	0	0	615

5.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Bank and post office deposits	291,308	66,549	224,759
Cash and notes in hand	24	21	3
Current accounts with the subsidiary undertakings	0	0	0
TOTAL CASH AND CASH EQUIVALENTS	**291,332**	**66,570**	**224,762**

Cash and cash equivalents, amounting to 291,332 thousand euros, increased by 224,762 thousand euros compared to December 31, 2016, mainly as a consequence of the financial transactions of the year. Funding lines were actually used: both banks (BNL, EIB and CDP for 180 million euros in total) and bonds (new EMTN issue for a par value of 500 million euros), the latter partially used to buy back a portion of the EMTN 2021 bond (for a par value of 200 million euros, in addition to the relevant repurchase premium).

5.11 Shareholders' equity

The shareholders' equity of ADR as of December 31, 2017 amounts to 1,100,840 thousand euros (1,101,042 thousand euros as of December 31, 2016), broken down as follows:

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Share capital	62,225	62,225	0
Legal reserve	12,462	12,462	0
Share premium reserve	667,389	667,389	0
Cash flow hedge reserve	(46,995)	(58,641)	11,646
Other reserves and retained earnings	270,391	269,067	1,324
Net income for the year, net of the advance on dividends	135,368	148,540	(13,172)
TOTAL SHAREHOLDERS' EQUITY	**1,100,840**	**1,101,042**	**(202)**

The changes taking place in the year are highlighted in the table entered among the accounting statements and mainly refer to:

- income for the year for 243,017 thousand euros;
- the positive result of the other components of the comprehensive income statement for 11,605 thousand euros deriving mainly from the positive change in fair value of the cash flow hedge derivatives (11,646 thousand euros net of the tax effect);
- the distribution of the balance of dividends of the year 2016 equal to 148,095 thousand euros (2.38 euros per share).
- the distribution of the advance on dividends of the year 2017 equal to 107,649 thousand euros (1.73 euros per share).

As of December 31, 2017 ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 ordinary shares with a par value of 1 euro each.

ADR's legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details reference is made to Note 5.15.

Other reserves and retained earnings, equal to 270,391 thousand euros include: i) the losses deriving from the actuarial write-down of the provisions for employee benefits, net of the tax effect, for -3,071 thousand euros, ii) the transition reserve net of the relevant tax effect, for -155,162 thousand euros, iii) retained earnings for 409,847 thousand euros; vi) the reserve relating to the effects of the transactions for the sale of equity investments and divisions under common control, equal to 17,981 thousand euros; vii) the reserve regarding the remuneration plans based on shares for 796 thousand euros.

Furthermore, pursuant to IFRS 2, the value accrued in the year of the fair value of the remuneration plans based on shares and settled with the conferment of securities as resolved by the Board of Directors of the parent company Atlantia also in favor of employees and directors of ADR, equal to 920 thousand euros, was booked to the income statement, counterbalanced by an increase in the specific shareholders' equity reserve, classified in the item "other reserves and retained earnings". For information on the remuneration plans based on shares reference is made to Note 10.2.

Below is the statement analyzing the capital and the Shareholders' equity reserves with indication of the related possibility of use, in compliance with the provisions of art. 2427 of the Italian Civil Code and IAS 1 paragraph 76.

	AMOUNT	POSSIBILITY OF USE	AVAILABLE PORTION	SUMMARY OF THE USES MADE IN THE THREE PREVIOUS YEARS	
(THOUSANDS OF EUROS)				TO COVER LOSSES	FOR OTHER REASONS
SHARE CAPITAL	62,225	B	0		
RESERVES					
Legal reserve (1)	12,462	A, B	17		
Share premium reserve (2)	667,389	A, B, C	667,389		
Cash flow hedge reserve, net of the tax effects	(46,995)	B	0		
Other reserves and retained earnings	270,391	A, B, C	270,391		
TOTAL RESERVES	903,247		937,797		
TOTAL CAPITAL AND RESERVES	**965,472**		937,797		
Non-distributable amount			0		
Distributable amount (3)			937,797		

(1) of which available the share exceeding one fifth of the capital

(2) distributable for the entire amount, given that the legal reserve has reached the limit as defined by art. 2430 of the Italian Civil Code

(3) it must be considered that the Cash flow hedge reserve, net of the tax effects, has a negative balance of 46,995 thousand euros.

Legend: A: for capital increase; B: to cover losses C: for distribution to shareholders.

5.12 Provisions for employee benefits (current and non-current share)

Provisions for employee benefits are 14,008 thousand euros, of which 13,178 thousand euros non-current (14,764 thousand euros as of December 31, 2016), and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the bond, determined based on actuarial techniques, relating to the amount to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

(THOUSANDS OF EUROS)		2017
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**14,764**
Current cost	0	
Interest payable	128	
Total costs recorded in the income statement		128
Liquidation / Releases		(978)
Actuarial gains/losses from changes in the demographic assumptions	(13)	
Actuarial gains/losses from changes in the financial assumptions	(23)	
Effect of past experience	90	
Total actuarial gains/losses recognized in the comprehensive income statement		54
Other changes		40
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**14,008**
of which:		
non-current share		13,178
current share		830

Summarized below are the main assumptions made for the actuarial estimate process regarding the employee severance indemnities as of December 31, 2017:

FINANCIAL ASSUMPTIONS	2017	2016
Discounting rate	0.88%	0.86%
Inflation rate	1.5%	1.5%
Annual rate of increase in employee severance indemnities	2.18%	2.18%
Annual rate of pay increase	0.4%	0.2%
Annual turnover rate	2.3%	0.9%
Annual rate of disbursement of advances	1.4%	1.1%

The discounting rate used to determine the current value of the obligation was determined in accordance with paragraph 78 of IAS 19, with reference to the average return curve deriving from the index IBOXX Eurozone Corporates AA 7-10 with duration based on the average permanence of the collective measurement subject.

DEMOGRAPHIC ASSUMPTIONS	2017/2016
Mortality	Mortality tables RG48 published by the State's general office (with adoption of the age shifting)
Inability	INPS tables divided by age and gender, reduced to 70%
Retirement	Reaching the minimum foreseen by the regulations in force.

The effects of the obligation for the employee severance indemnities deriving from a reasonably possible change in the main actuarial assumptions at year end are indicated below:

(THOUSANDS OF EUROS)	1.0% INCREASE	1.0% DECREASE	0.25% INCREASE	0.25% DECREASE
Annual turnover rate	13,946	14,044		
Inflation rate			14,161	13,858
Discounting rate			13,751	14,274

The weighted average duration of the obligations for the defined benefit plans for the employees at year end is 9 years and the service costs predicted for 2018 are equal to zero.

The disbursements predicted for the next five years are as follows:

(THOUSANDS OF EUROS)	
1st year	359
2nd year	1,120
3rd year	838
4th year	1,197
5th year	1,315

The amount of the contributions expected to be allocated to the defined benefit plans in the subsequent year is equal to zero.

5.13 Provisions for renovation of airport infrastructure (non-current and current share)

The Provisions for renovation of airport infrastructure, equal to 176,470 thousand euros (201,943 thousand euros at December 31, 2016), of which 67,999 thousand euros for the current share (95,796 thousand euros at December 31, 2016), include the current value of the updated estimate of the charges to be incurred for extraordinary maintenance recoveries and replacements in the face of the contractual obligation set by the airport management concession signed by the granting Administration with the aim of ensuring the due functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the year.

(THOUSANDS OF EUROS)	12.31.2016	PROVISIONS	DISCOUNTING EFFECT	OPERATING USES	12.31.2017
Provisions for renovation of airport infrastructure	**201,943**	41,838	1,736	(69,047)	**176,470**
of which:					
current share	95,796				67,999
non-current share	106,147				108,471

5.14 Other allowances for risks and charges (current and non-current share)

The Other allowances for risks and charges are equal to 29,796 thousand euros (77,394 thousand euros at December 31, 2016), of which 13,655 thousand euros for the current share (51,284 thousand euros at December 31, 2016). Reported below is the analysis of the breakdown of the item and the changes during the year.

(THOUSANDS OF EUROS)	12.31.2016	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	12.31.2017
Tax provisions	19,278	450	0	(7,056)	12,672
Provisions for current and potential disputes	56,879	0	(4,037)	(36,846)	15,996
Provisions for internal insurance	1,224	0	(109)	0	1,115
To cover investee companies' losses	13	0	0	0	13
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**77,394**	**450**	**(4,146)**	**(43,902)**	**29,796**
of which:					
current share	51,284				13,655
non-current share	26,110				16,141

Tax provisions, equal to 12,672 thousand euros, relate to the risk of a negative outcome of the pending cases regarding the dispute with UTF (now the Customs Office) on the tax and additional fee on electricity for the period 2002-2012, following the unfavorable decisions of the Supreme Court on some disputes already considered by the Court. The uses refer mainly to a conciliation agreement signed with the Municipality of Fiumicino on the main disputes relating to the ICI/IMU (property taxes) issue pending for years.

The provisions for current and potential disputes of 15,996 thousand euros (56,879 thousand euros at December 31, 2016) include the estimated charges that are expected to be incurred in connection with the disputes in progress at period end. This provision reduced in the year by 40,883 thousand euros, essentially due to operating uses for 36,846 thousand, also relating to settlement of disputes referring to the fire at T3.

This fund includes, among others, a prudent valuation, made on the basis of the best current information, of the liabilities the Company is likely to be called to account for, for the claims for compensation of third parties referring to the fire event at T3. On this point, so far 160 claims have been lodged by third parties (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification of the damages, to date amounting to approximately 31 million euros. For more information on the fire event at Terminal 3, reference is made to Note 10.1.

For further information on the current disputes reference should be made to Note 8.5 Litigation.

5.15 Financial liabilities (current and non-current share)

(THOUSANDS OF EUROS)	12.31.2017 BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	12.31.2016 BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,101,516	0	1,101,516	397,465	704,051	834,195	0	834,195
Medium/long-term loans	249,464	0	249,464	137,355	112,109	69,804	0	69,804
Accrued expenses medium/long-term financial liabilities	16,019	16,019	0	0	0	15,955	15,955	0
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	1,366,999	16,019	1,350,980	534,820	816,160	919,954	15,955	903,999
FINANCIAL INSTRUMENTS - DERIVATIVES	137,689	259	137,430	1,099	136,331	159,913	21,394	138,519
OTHER CURRENT FINANCIAL LIABILITIES	14,142	14,142	0	0	0	13,275	13,275	0
TOTAL FINANCIAL LIABILITIES	**1,518,830**	**30,420**	**1,488,410**	**535,919**	**952,491**	**1,093,142**	**50,624**	**1,042,518**

Bonds

(THOUSANDS OF EUROS)	12.31.2016 BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	CHANGES AMORTIZED COST EFFECT	12.31.2017 BOOK VALUE
Bonds	834,195	500,000	(199,999)	(8,788)	(23,892)	1,101,516
current share	0					0
non-current share	834,195					1,101,516

As of December 31, 2017, bonds are equal to 1,101,516 thousand euros (834,195 thousand euros as of December 31, 2016). The increase, equal to 267,321 thousand euros, is the result of the combined effect of (i) the new issue transaction, performed in June and expiring in 2027, and (ii) the simultaneous buyback of the bond issued in 2013 expiring originally in 2021. Both bonds were issued with validity on the EMTN issue plan approved by ADR in 2013 for a maximum amount of 1.5 billion euros. The change in the year was affected by the valuation of loans with the amortized cost method and the adjustment of the A4 bond value in pound sterling to the exchange rate at the end of the year.

Reported below is the main information regarding the bond issues existing as of December 31, 2017.

NAME (THOUSANDS OF EUROS)	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	231,967	5.441%	every six months	at maturity	20 years	02.2023
€600,000,000 3.250% EMTN 02.2021	ADR	400,000	EUR	397,465	3.25%	yearly	at maturity	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06.2027	ADR	500,000	EUR	472,084	1.625%	yearly	at maturity	10 years	06.2027
TOTAL BONDS				**1,101,516**					

(*) the book value recorded in the financial statements (232.0 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the year.

(**) originally issued by the vehicle Romulus Finance, subsequently "replaced", as issuer of the bonds, by ADR following the Issuer Substitution operation.

Note that 99.87% of the A4 Romulus bonds are held by the parent company Atlantia, which acquired them consequently to the Tender Offer procedure concluded in January 2015. For further information reference should be made to Note 7.

In addition to the mentioned A4 bond, which is the last existing bond tranche of the series that has characterized the securitization structure of 2003 performed on the vehicle Romulus Finance, the bonds currently existing consist of the senior unsecured issue of December 10, 2013 for a total equaling a par value of 600 million euros on the issue date - of which to date a par value of 400 million euros remain, following the buyback transaction, - implemented as part of the previously mentioned EMTN Program in 2013, in addition to, as part of the same Program, the new issue, finalized on June 8, 2017, for a par value of 500 million euros. The securities representing both bond issues were placed with qualified investors and listed in the regulated market of the Irish stock exchange.

The latest senior unsecured bond issue in 2017 was rated with a solid investment grade of “BBB+”, “Baa1” and “BBB+” by the agencies Standard & Poor’s (“S&P”), Moody's and Fitch Ratings, respectively. However, during the year 2017 Moody’s assigned a negative outlook because of the direct connection, considered by the agency as part of the assessment of the creditworthiness of ADR, compared to the opinion expressed on the sovereign rating of the Italian Republic. Also S&P assigned ADR a negative outlook in consideration of the possible implications of the acquisition transactions regarding the Atlantia Parent Company. Instead the outlook assigned by Fitch remained “stable”.

The fair value of the bond issues is reported in the table below.

(THOUSANDS OF EUROS)		12.31.2017		12.31.2016
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,101,516	1,242,897	834,195	974,172
TOTAL BOND ISSUES	**1,101,516**	**1,242,897**	**834,195**	**974,172**

The fair value of the bond issues was determined on the basis of the market values available at December 31, 2017; in particular, the future cash flows were discounted on the basis of the standard discounting curves used in market practice (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2016, a reduction is recorded in the fair value of the bond in pound sterling, only partly deriving from the exchange rate effect, while the new issue and simultaneous buyback of the bond in euros already in circulation lead to an increase in the fair value. The result of these combined effects translates into an overall increase in the fair value of 268.7 million euros compared to December 31, 2016.

Medium/long-term loans

(THOUSANDS OF EUROS)	12.31.2016 BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	12.31.2017 BOOK VALUE
Medium/long-term loans	69,804	180,000	0	(340)	249,464
current share	0				0
non-current share	69,804				249,464

Medium/long-term loans equal 249,464 thousand euros (69,804 at the end of the previous year) and include the bank loans granted by BNL (99,855 thousand euros), EIB (109,787 thousand euros) and CDP (39,823 thousand euros). The increase, compared to last year (+179,660 thousand euros), relates to the disbursement of the second and last tranche of 30.0 million euros of the BNL loan and the partial disbursement of the funding lines granted by EIB and CDP, for a par value equal to 110.0 and 40.0 million euros respectively.

Reported below is the main information regarding medium/long-term loans existing as of December 31, 2017.

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	DURATION	EXPIRY
Syndicate of banks	*Revolving Credit Facility (“RCF”)*	250,000	0	0	EUR	variable index-linked to the Euribor + margin	quarterly	revolving	5 years	07.2022(*)
Banca Nazionale del Lavoro (“BNL”)	*BNL Loan*	100,000	100,000	99,855	EUR	0.18%	every six months	at maturity	4 years	11.2020
European Investment Bank (“EIB”)	*EIB Loan*	150,000	110,000	109,786	EUR	1.341%	yearly	amortizing from 2020	14 years	09.2031
Cassa Depositi e Prestiti (“CDP”)	*CDP Loan*	150,000	40,000	39,823	EUR	1.629%	yearly	amortizing from 2020	14 years	09.2031
TOTAL MEDIUM/LONG-TERM LOANS		**650,000**	**250,000**	**249,464**						

(*) this date may be extended in accordance with the relevant contracts and optionally, for another year.

The Revolving Credit Facility (“RCF”), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the Company's development plans. The syndicate of banks that granted this loan comprises: Barclays, BNP Paribas Group, Crédit Agricole Group, Mediobanca, Natixis, Société Générale, NatWest (formerly The Royal Bank of Scotland) and UniCredit. The interest rates applied to the RCF in case of request of the line, vary in relation to the level of ADR's rating.

The line of credit granted by BNL was signed by ADR in November 2016. This line of credit, amounting to 100 million euros, is completely used as of December 31, 2017 and must be repaid in full in November 2020. The contractual structure is in line with the previously mentioned RCF and is characterized by a covenant structure in line with the best corporate investment grades. This line of credit enjoys an especially favorable interest rate since the funds made available by the granting bank benefit from the Targeted Longer-Term Refinancing Operations ("TLTRO") program provided by the European Central Bank.

In December 2016 two loan agreements were drafted with regard to the 300 million euro line resolved by the European Investment Bank ("EIB") in favor of ADR in 2014, with contracts partly with EIB (150 million euros) and partly, for the residual 150 million euros, with Cassa Depositi e Prestiti ("CDP"). The EIB and CDP loans were granted by the two banks to support the "Aeroporti di Roma – Fiumicino Sud" project regarding the execution of the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. As of December 31, 2017 these new lines of credit are used for 110.0 and 40.0 million euros respectively and were both signed at fixed rate for a duration of about 14 years with a grace period of about 3 years. These loans, precisely for their purpose, are subject to terms and conditions that are more similar to project-type contractual structures.

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)		12.31.2017		12.31.2016
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	249,464	250,723	69,804	69,053
Floating rate	0	0	0	0
TOTAL BOND ISSUES	**249,464**	**250,723**	**69,804**	**69,053**

The fair value of the medium/long-term loans was determined on the basis of the market values available at December 31, 2017; in particular, the future cash flows were discounted on the basis of the standard discounting curves used in market practice (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Exchange rate hedging derivatives	82,692	73,903	8,789
Interest rate hedging derivatives	54,738	85,767	(31,029)
Interest accrual	259	243	16
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**137,689**	**159,913**	**(22,224)**
non-current share	137,430	138,519	(1,089)
current share	259	21,394	(21,135)

Exchange rate and interest rate hedging derivatives

ADR uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

As of December 31, 2017 ADR has a cross currency swap allowing the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in pound sterling to be stabilized. During the month of June 2015 (subsequently restructured in June 2016) and in February 2016, ADR also signed interest rate swap contracts of the forward starting type, starting on February 9, 2017 and

April 20, 2017, respectively, adopting a policy of hedging against the prospective rate risk deriving from future financial requirements. These hedges, after their activation, were subject to unwinding in correspondence to the new debt assumed with the 500 million euro bond issue of June 2017. The relative negative fair value, at the date of unwinding the contracts, was paid to the counterparties; the corresponding negative cash flow hedge reserve (equal to 19,878 thousand euros) is amortized again in the income statement for the residual life of the new bond issue. The amount of the cash flow hedge reserve attributed to the income statement in 2017 equals 1,803 thousand euros. Below is a table summarizing the outstanding derivative contracts with negative fair value of ADR at December 31, 2017.

									FAIR VALUE OF THE DERIVATIVE		*CHANGE IN FAIR VALUE*		
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE COVERED	RATE APPLIED	AS OF 12.31.2017	AS OF 12.31.2016	TO THE INCOME STATEMENT	TO OCI (***)	AMOUNTS PAID
Mediobanca, UniCredit	ADR	CCS	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3 month Euribor + 90bps until 12.2009, then pays a fixed rate of 6.4%	(53,639)	(64,616)	236	10,741	
				C					(82,692)	(73,903)	(8,789)		
									(136,331)	(138,519)	(8,553)	10,741	
Société Générale	ADR	IRS FWD (*)	CF	I	06.2015 (restructured on 6.2016)	02.2027	250,000	It pays a fixed rate of 1.530% and receives 6-month EURIBOR	0	(20,819)	11	1,200	19,608
Société Générale	ADR	IRS FWD (**)	CF	I	02.2016	04.2026	50,000	It pays a fixed rate of 0.688% and receives 6-month EURIBOR	0	(332)	0	62	270
Société Générale	ADR	IRS FWD (***)	CF	I	09.2017	02.2020	100,000	It pays a fixed rate of 1.458% and receives 6-month EURIBOR	(1,099)	0	0	(1,099)	
					TOTAL				**(137,430)**	**(159,670)**	**(8,542)**	**10,904**	**19,878**
					of which:								
					Exchange rate hedging derivatives				(82,692)	(73,903)			
					Interest rate hedging derivatives				(54,738)	(85,767)			

(*) IRS forward starting: activation date February 9, 2017
(**) IRS forward starting: activation date April 20, 2017.
(***) IRS forward starting: activation date February 20, 2020
(****) the change in fair value is posted in the OCI net of the tax effect
CF: Cash Flow Value Hedge - C: exchange rate - I: interest

For the valuation techniques and the inputs used to determine the fair value of the derivatives reference is made to Note 8.4 Information on fair value measurement.

Other current financial liabilities

The Other current liabilities are equal to 14,142 thousand euros (13,275 thousand euros at December 31, 2016) and refer to the payables to the subsidiary undertaking for the use of the centralized cash management system.

5.16 Other non-current liabilities

The other non-current liabilities are equal to 4,083 thousand euros (935 thousand euros as of December 31, 2016) and consist for 3,232 thousand euros of amounts due to personnel and 851 thousand euros of amounts due to social security agencies. The increase of 3,148 thousand euros is essentially attributable to the allocation relating to the remuneration plans based on shares and settled in cash. For information on the remuneration plans based on shares reference is made to Note 10.2.

5.17 Trade payables

Trade payables are equal to 200,886 thousand euros (301,930 thousand euros as of December 31, 2016).

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Due to suppliers	160,156	259,613	(99,457)
Due to subsidiary undertakings	26,472	32,691	(6,219)
Due to parent companies	1,788	1,028	760
Deferred income	1,200	1,193	7
Advances received	11,270	7,405	3,865
TOTAL TRADE PAYABLES	**200,886**	**301,930**	**(101,044)**

Payables due to suppliers (excluding subsidiary undertakings and parent companies), equal to 160,156 thousand euros, are down 99,457 thousand euros. This is attributable to the decrease in the volume of investments made in 2017 compared to the previous year.

The Amounts due to subsidiary undertakings, equal to 26,472 thousand euros, decreased by 6,219 thousand euros compared to December 31, 2016. For more details about these payables, reference is made to Note 9 Transactions with related parties.

The advances received, equal to 11,270 thousand euros, rose by 3,865 thousand euros compared to December 31, 2016 consequently to the application of the advance billing mechanisms for carriers.

5.18 Other current liabilities

The Other current liabilities are equal to 160,382 thousand euros (129,521 thousand euros as of December 31, 2016). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	12.31.2017	12.31.2016	CHANGE
Payables for taxes other than income taxes	112,175	81,847	30,328
Payables to personnel	9,963	11,378	(1,415)
Due to social security agencies	5,884	5,670	214
Payables for security deposits	11,950	9,746	2,204
Other payables	20,409	20,880	(471)
TOTAL OTHER CURRENT LIABILITIES	**160,381**	**129,521**	**30,860**

The Payables for taxes other than income taxes are equal to 112,175 thousand euros (81,847 thousand euros as of December 31, 2016) and mainly include:

- payable for the passenger surcharges for 94,044 thousand euros (71,296 thousand euros as of December 31, 2016). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commissarial surcharge) for the commissarial management of the Municipality of Rome. The trend of the payable for the surcharge, up by 22,748 thousand euros compared to the end of 2016, reflects the correlated effect of the trend, in the year, of the corresponding fees from the carriers;

- payable of 14,441 thousand euros to the Lazio Regional Authority for IRESA (7,934 thousand euros as of December 31, 2016). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board. ADR started to charge this tax in May 2014, applicable from January 1, 2014, in relation to the agreement for tax management signed on January 30, 2014 with the Lazio Regional Authority. The 6,507 thousand euro increase in IRESA charges compared to December 31, 2016 reflects the correlated effect of the performance in the year of this type of collections from carriers.

The Other payables, equal to 20,409 thousand euros, (20,880 thousand euros as of December 31, 2016), include the payable to ENAC for the concession fee of 16,754 thousand euros (17,186 thousand euros as of December 31, 2016).

6. Information on the items of the income statement

6.1 Revenues

Revenues in 2017 equal 999,461 thousand euros (1,170,210 thousand euros in 2016) and are broken down as follows:

(THOUSANDS OF EUROS)	2017	2016
AERONAUTICAL		
Airport fees	491,320	494,640
Centralized infrastructures	19,985	17,672
Security services	101,599	92,035
Other	27,420	31,353
	640,324	*635,700*
NON-AERONAUTICAL		
Sub-concessions and utilities:		
Properties and utilities	47,545	42,266
Shops	130,112	110,729
Car parks	15,201	15,151
Advertising	13,354	11,152
Car parks	1,644	1,592
Other	20,119	19,751
	227,975	*200,641*
REVENUES FROM AIRPORT MANAGEMENT	868,299	836,341
REVENUES FROM CONSTRUCTION SERVICES	114,709	301,986
OTHER OPERATING INCOME	16,453	31,883
TOTAL REVENUES	**999,461**	**1,170,210**

Revenues from airport management, equal to 868,299 thousand euros, rose by 3.8% overall compared to the reference period, essentially due to the significant growth of the non-aeronautical segment (+13.6%), driven by the positive performance of commercial sub-concessions (+17.5%), mainly as a consequence of the commercial area coming into operation, which is included in the new infrastructure called “Front Building” and annexed to the new E Terminal in the Extra-Schengen area, and of the real estate sub-concessions, growing by 12.5%. Aeronautical activities performed well too (+0.7%), also consequently to the positive effect on the first two months of the year of the adjustment of the unit fees, updated each year from March 1.

Revenues from construction services equal to 114,709 thousand euros (301,986 thousand euros in 2016) refer to revenues from construction services for self-funded works. The planned decrease compared to 2016 (-187,277 thousand euros) derives from a comparison with the previous year, characterized by a particularly high investment volume consequently to the completion of new important infrastructure, and mainly the new Front Building of terminal 3 and the first part of the departure area E.

Consistently with the accounting model adopted, according to the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (external costs mainly).

Other operating income amounted to 16,453 thousand euros (31,883 thousand euros in the comparison year), down by 15,430 thousand euros compared to 2016, which had been affected by the definition of the insurance claim referring to coverage of the extra costs and the restoration and salvage costs incurred as a result of the fire at Terminal 3, and are broken down as follows:

(THOUSANDS OF EUROS)	2017	2016
Grants and subsidies	214	67
Gains on disposals	0	0
Other:		
Reabsorption of funds:		
Provisions for overdue interest	0	3
Other allowances for risks and charges	4,146	6,895
Expense recoveries	7,445	6,524
Damages and compensation from third parties	102	12,536
Other income	4,546	5,858
TOTAL OTHER OPERATING INCOME	**16,453**	**31,883**

6.2 Consumption of raw materials and consumables

The item Consumption of raw materials and consumables is equal to 30,072 thousand euros (29,670 thousand euros in 2016). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Fuel and lubricants	2,772	2,929
Electricity, gas and water	22,852	22,028
Consumables, spare parts and various materials	4,448	4,713
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**30,072**	**29,670**

6.3 Service costs

Service costs equal 380,912 thousand euros (612,995 thousand euros in 2016). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Costs for maintenance	41,113	40,639
Costs for renovation of airport infrastructure	69,047	110,144
External service costs	82,228	83,422
Costs for construction services	107,078	291,211
Cleaning and disinfestations	29,245	26,898
Professional services	7,988	12,720
Firefighting services	7,904	8,408
Other costs	35,342	38,740
Remuneration of Directors and Statutory Auditors	967	813
TOTAL SERVICE COSTS	**380,912**	**612,995**

The decrease in service costs is essentially attributable to lower costs for construction services (-184.1 million euros), for renovation of airport infrastructure (-41.1 million euros) and for professional services (-4.7 million euros), for the commercial development (classified in Other costs), in addition to the effect of the extra costs incurred in the comparative period ceasing as a result of the operating penalization due to the fire at Terminal 3 of May 2015.

This performance was initially offset by the costs incurred for the operation of the new infrastructure.

6.4 Payroll costs

Payroll costs equal 93,075 thousand euros (84,554 thousand euros in 2016). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Salaries and wages	65,810	61,418
Social security charges	17,415	16,617
Post-employment benefits	8,456	5,702
Previous years payroll costs adjustments	8	(132)
Other costs	1,386	949
TOTAL PAYROLL COSTS	**93,075**	**84,554**

The increase of 8,521 thousand euros compared to the reference year derives from the increased average cost and the greater workforce employed by the Company (+92.9 fte) and from the evolution of the fair value of the stock incentive plans. The increase in the average headcount is essentially attributable to the initiatives of internalization and enhancement of maintenance activities, the increase in the points not directly connected with the trend of passenger traffic (e.g. facilitation at e-gates for boarding passes, direct management of service passages), the enhancement of the activities of information to passengers and first aid at Ciampino airport, in addition to the upgrade of the areas supporting the business.

The table below shows the average headcount of ADR (broken down by treatment):

AVERAGE HEADCOUNT	2017	2016	CHANGE
Managers	48.1	47.8	0.3
Administrative staff	202.4	193.4	9.0
White-collar	775.8	728.7	47.1
Blue-collar	293.6	257.1	36.5
TOTAL AVERAGE HEADCOUNT	**1,319.9**	**1,227.0**	**92.9**

6.5 Other operating costs

The other operating costs equal 23,951 thousand euros (-6,402 thousand euros in 2016). The details are reported in the table below.

(THOUSANDS OF EUROS)	2017	2016
Concession fees	33,461	34,712
Expenses for leased assets	2,939	3,300
Allocation to (use of) the provisions for renovation of airport infrastructure	(27,209)	(57,437)
Allocations to allowances for risks and charges	450	3,675
Other costs:		
Allocations to provisions for doubtful accounts	5,539	1,816
Indirect taxes and levies	6,082	5,614
Other expenses	2,689	1,918
TOTAL OTHER OPERATING COSTS	**23,951**	**(6,402)**

Concession fees, equal to 33,461 thousand euros, decreased by 1,251 thousand euros compared to 2016 in line with the adjustment of the parameters for calculating the concession fees to the inflation trend.

The item Allocation to (use of) the provisions for renovation of airport infrastructure includes the allocation to the provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the year, classified in the corresponding item of the income statement by nature.

The Allocations to allowances for risks and charges are equal to 450 thousand euros compared to 3,675 thousand euros of the reference year; for more details reference is made to Note 5.14.

Provisions for doubtful accounts, equal to 5,539 thousand euros (+3,723 thousand euros compared to 2016) reflect an updated assessment of the recoverability of the ADR Group's trade receivables. The allocations of 2017 are mainly attributable to the receivables from Alitalia SAI under special administration accrued in the period before the carrier started the procedure, and for which there is no guarantee or privilege protecting the future collection.

6.6 Financial income (expense)

The item financial income (expenses) equals -35,419 thousand euros (-44,552 thousand euros in 2016). The details are reported in the tables below.

Financial income

(THOUSANDS OF EUROS)	2017	2016
Interest income		
Interest on bank deposits and loans	297	110
Interest from subsidiary undertakings	1	14
Other income		
Interest on overdue current receivables	6	0
Interest from clients and others	1	374
Dividends from subsidiary undertakings	13,214	10,574
Value recoveries of financial assets	4,247	0
Other income	253	225
TOTAL FINANCIAL INCOME	**18,019**	**11,297**

The Dividends from equity investments, attributed to the year when these are resolved according to international accounting standards, equaling 13,214 thousand euros, relate to:

- ADR Mobility S.r.l. for 6,823 thousand euros as per 2016 profit allocation approved by the General Meeting of March 15, 2017;
- ADR Security S.r.l. ("ADR Security") for 1,000 thousand euros as per 2016 profit allocation approved by the General Meeting of March 13, 2017;
- ADR Tel S.p.A. ("ADR Tel") for 2,361 thousand euros as per 2016 profit allocation approved by the General Meeting of March 15, 2017;
- Airport Cleaning S.r.l. for 600 thousand euros as per 2016 profit allocation approved by the General Meeting of March 14, 2017.
- Spea Engineering S.p.A. for 2,430 thousand euros as per 2016 profit allocation approved by the General Meeting of March 22, 2017.

The item "Value recoveries of financial assets", equal to 4,247 thousand euros, includes the partial value of the equity investment in Pavimental S.p.A., which last year had been written down by 7,206 thousand euros.

Financial expense

(THOUSANDS OF EUROS)	2017	2016
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	**1,736**	**3,556**
FINANCIAL INTEREST EXPENSE		
Interest on outstanding bonds	33,690	30,685
Interest on medium/long-term loans	2,043	5,331
Interest paid to subsidiary undertakings	7	5
Effects of applying the amortized cost method	4,688	3,135
Other financial interest expenses	2	5
	40,430	**39,161**
EXPENSE ON DERIVATIVES		
IRS differentials	11,153	5,440
Measurement charges	8,787	25,050
	19,940	**30,490**
OTHER EXPENSES		
Financial expense from discounting employee benefits	128	118
Devaluation of investments valued at cost	0	7,556
	128	**7,674**
TOTAL FINANCIAL EXPENSE	**62,234**	**80,881**

The Financial expense from discounting provisions for renovation of airport infrastructure, equal to 1,736 thousand euros, includes the financial component for the discounting of the provisions and dropped by 1,820 thousand euros consequently to the change in the rate applied.

The Interest on outstanding bonds amounts to 33,690 thousand euros (30,685 thousand euros in 2016); the increase of 3,005 thousand euros compared to 2016 derives from: (i) the increase in the interest accrued in pound sterling and converted into euro consequently to the debt assumption transaction of March 2016, (ii) the increase in the par value of the EMTN bond issues, partially offset by the saving from the amount subject to buyback (net increase of 0.9 million euros), which was financed by the new issue at lower rates.

Interest on medium/long-term loans (2,043 thousand euros) decreased by 3,288 thousand euros due mainly to the cancellation of the loan to Romulus Finance occurred at the same time as the date of assumption of the bond loan in Sterling. This effect is partly offset by the new issues made during 2017.

An increase in the IRS differentials is recorded in the income statement for 5,713 thousand euros due to both the increase in the cross currency swap differentials, which in 2016 had had an impact from the assumption date (March 2016), and the effects of the three IRS forward starting derivatives started in 2017, closed and amortized in the income statement after the issue of June 2017 (total increase of 3.3 million euros).

The expense from valuation of derivatives, equal to 8,787 thousand euros (25,050 thousand euros in 2016) reflects the change in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in pound sterling (shown in Note 6.15). This change is offset by a component of the same amount recorded under foreign exchange gains, which refers to the decrease in the par value of the bonds in pound sterling.

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	2017	2016
Foreign exchange gains	8,812	25,099
Foreign exchange losses	(16)	(67)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**8,796**	**25,032**

For the notes refer to the paragraph relating to the Financial expense.

6.7 Income taxes

The income taxes equal 102,310 thousand euros (113,697 thousand euros in 2016). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	2017	2016
CURRENT TAXES		
IRES	53,063	74,049
IRAP	17,518	18,064
	70,581	92,113
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	(1,021)	(152)
	(1,021)	(152)
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	29,250	16,199
Deferred tax liabilities	3,500	5,537
	32,750	21,736
TOTAL INCOME TAXES	**102,310**	**113,697**

With reference to IRES, please note that in June 2017 ADR, together with the companies of the Group, ADR Tel, ADR Assistance, ADR Mobility and ADR Security, communicated to the consolidating company Atlantia the desire of exercising the group taxation option, pursuant art. 117 of TUIR, for the three-year period 2017-2019.

The estimated IRES tax burden in the year 2017 takes into account the reduction in IRES rate from 27.5% to 24% from the year 2017, in accordance with the “Stability law” 2016.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

The incidence of the taxes for the year on the pre-tax result equals 15.4% (22.5% in 2016). The analysis of the difference between the theoretical and the actual tax rate for IRES is reported below:

	2017		2016	
(THOUSANDS OF EUROS)	TAXABLE AMOUNT	TAX	TAXABLE AMOUNT	TAX
NET INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES	**345,327**		**329,439**	
THEORETICAL RATE		**24.0%**		**27.5%**
Theoretical IRES		**82,878**		**90,596**
Permanent differences	(5,096)	(1,223)	4,854	1,335
Temporary differences	(119,134)	(28,592)	(65,023)	(17,882)
Actual IRES		**53,063**		**74,049**
EFFECTIVE RATE		**15.4%**		**22.5%**

7. Guarantees and covenants on medium/long-term financial liabilities

The Class A4 Notes bond in pound sterling issued originally in 2003 by the securitization special-purpose company Romulus Finance, subsequently replaced – through an Issuer Substitution operation – by ADR and guaranteed, as of December 31, 2017, by a lien (via a so-called Deed of Assignment under British law) on the receivables that may derive from cross currency swap contracts hedging Class A4 Notes. This guarantee in favor of the creditors of the bond in pound sterling would be enforced only in case of positive fair value of the cross currency swap contracts (as of December 31, 2017 this value is negative for 136.3 million euros) and for an overall value up to 96.5 million euros.

Furthermore, after the acquisition by Atlantia and EDF Invest of 64% of the capital of Aéroports de la Côte d'Azur (ACA), through the financial acquisition vehicle Azzurra Aeroporti, ADR committed to constitute a pledge in favor of the Azzurra Aeroporti's lenders on the total equity investment in the company (10%), once Azzurra Aeroporti is transformed into a joint stock company. In any case also this potential guarantee is limited to a maximum amount of 130.6 million euros.

ADR's loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies with a sound investment grade rating. Worth mentioning among these is the presence of the leverage ratio, which ADR undertakes to maintain – in the contract that contains the most stringent thresholds – within the value of 4.75x, decreasing to 4.25x in case of downgrade of ADR to BBB-/Baa3 by the rating agencies.

The financial ratios must be checked once a year, pursuant to the contracts, based on the Group results (making specific corrective adjustments to the various bank agreements) of the six months or year.

The closing data at December 31, 2017 confirms, based on the simulations carried out, the respect of the financial ratios set in the agreements. The calculation of the financial ratios will be formalized after the approval of this Financial report as of December 31, 2017.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program, updated on May 22, 2017, does not envisage limitations to the charge of ADR nor the observance of financial covenants or obligation to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for "investment grade" issuers.

8. Other guarantees, commitments and risks

8.1 Guarantees

As of December 31, 2017 ADR has guarantees issued as part of the loan agreements mentioned in Note 7. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2016).

8.2 Commitments

The commitments on purchases of ADR amount to 101.9 million euros regarding investment activities.

8.3 Management of financial risks

Credit risk

As of December 31, 2017, ADR's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the financial statements, as well as the nominal value of the guarantees provided for third parties' debt or commitments.

The greatest credit risk is given by the receivables arising from its transactions with customers. The risk of customers' default is dealt with by making provisions in a specific allowance for doubtful accounts, whose balance is reviewed from time to time. ADR's policy in this respect involves the making of provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, the progress in the receivable management and collection process.

ADR's commercial policies set out the procedure illustrated below for the creation of trade receivables:

- cash payment is required in transactions with consumers (first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

Liquidity risk

The liquidity risk is the risk that the financial resources available may be insufficient to cover the expiring obligations. In consideration of ADR's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the Company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of December 31, 2017 ADR had a liquidity reserve estimated at 691.3 million euros, comprising:

- 291.3 million euros refer to cash and cash equivalents;
- 400.0 million euros of unused credit facilities (for more details see Note 5.15).

Furthermore, in December 2017 the EIB approved an update of the infrastructural project above, which implied an extension of the line of credit granted to ADR by another 200 million euros to be granted by the bank in direct form. The relevant loan agreement will be signed during the year 2018.

The tables below represent the payments that are contractually due in relation to the financial liabilities, including interest payments.

					12.31.2017
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,342,742)	(34,310)	(34,310)	(488,972)	(785,150)
Medium/long-term loans	(268,634)	(2,307)	(2,307)	(143,545)	(120,475)
Derivatives with positive fair value	11,593	0	0	(1,288)	12,881
Derivatives with negative fair value	(124,635)	(7,905)	(7,905)	(25,180)	(83,645)
TOTAL	**(1,724,418)**	**(44,522)**	**(44,522)**	**(658,986)**	**(976,389)**

					12.31.2016
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,031,388)	(33,068)	(33,163)	(698,101)	(267,056)
Medium/long-term loans	(70,502)	(112)	(126)	(70,264)	0
Derivatives with positive fair value	9,063	0	0	(1,536)	10,599
Derivatives with negative fair value	(141,023)	(9,660)	(12,045)	(33,443)	(85,875)
TOTAL	**(1,233,850)**	**(42,840)**	**(45,334)**	**(803,344)**	**(342,332)**

Interest rate and exchange rate risk

ADR uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

With resolution of May 14, 2015 ADR 's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, “forward starting” interest rate swap transactions up to a notional 900 million euros and with a maximum duration of 10 years. With this type of instruments, which allow forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR improves its ability to tackle the risk of rising interest rates in a market featuring extreme volatility.

As of December 31, 2017 ADR has:

- cross currency swap derivatives to cover the A4 bonds; Class A4 of the bonds originally issued by Romulus Finance, equal to 215 million pound sterling, was covered, for the entire duration (until expiration in 2023) by a cross currency swap in euro. The characteristics of this derivative instrument are described in Note 5.15;
- four “forward starting” interest rate swap contracts signed on October 18, 2016 and September 18, 2017 for a total notional value of 400 million euros, effective starting from February 20, 2020 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 5.4.

ADR does not have any other transaction in foreign currency in place.

Sensitivity analysis

RATE RISK EXPOSURE AND SENSITIVITY ANALYSIS	FAIR VALUE MEASUREMENT		INTEREST RATE RISK				EXCHANGE RATE RISK			
	12.31.2017	12.31.2016	*SHOCK UP +10 BPS IR*		*SHOCK DOWN -10 BPS IR*		*SHOCK UP +10% FX*		*SHOCK DOWN -10% FX*	
			12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016	12.31.2017	12.31.2016
Non derivative financial liabilities (cash flow sensitivity)	(1,493,620)	(1,043,225)	0	0	0	0	(24,223)	(25,112)	24,233	25,112
Derivative instruments with positive fair value treated in hedge accounting	10,440	7,822	2,699	2,718	(2,740)	(2,765)	0	0	0	0
Derivative instruments with negative fair value treated in hedge accounting	(137,430)	(159,670)	1,541	3,671	(1,559)	(3,708)	24,233	25,112	(24,223)	(25,112)
Derivative instruments not treated in hedge accounting	0	0	0	0	0	0	0	0	0	0
TOTAL	**(1,620,610)**	**(1,195,073)**	**4,240**	**6,389**	**(4,299)**	**(6,473)**	**0**	**0**	**0**	**0**

The main sources of exposure of ADR to the interest rate and exchange rate risk are related to the bonds and the existing derivative instruments. In particular, the potential impacts on the income statement and the balance sheet for the year 2017 (2016 for the comparison) related to the rate risks are:

- potential change of the financial expense and differentials regarding the derivative instruments in place;
- the potential change of the fair value of the derivative instruments in place.

ADR has estimated the potential impacts produced by a shock of the interest rates and exchange rates, by using internal assessment models based on generally accepted logics. Hypothesized in particular were:

- for the derivative loans, a parallel change of +10 basis points (+0.1%) and -10 basis points (-0.1%) of the term rate curve;
- for the bonds issued in foreign currency and the relative derivative financial instruments, a change in the GBP/EUR exchange rate of +/- 10%.

The effects highlighted in the table in particular report the change, compared to the base scenario, in the hypotheses of Shock Up and Shock Down in the different market data.

Supplementing the information shown in the table above, it is specified that the impact deriving from the exchange rate risk on the cash flow hedge reserve to the shareholders' equity would be a reduction of 6.1 million euros in case of shock down and an increase of 5.0 million euros in case of shock up.

8.4 Information on fair value measurements

Below is the fair value measurement at period end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non recurring basis):

				12.31.2017
(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	10,440	0	10,440
Derivatives with negative fair value	0	(137,430)	0	(137,430)
TOTAL HEDGING DERIVATIVES	**0**	**(126,990)**	**0**	**(126,990)**

The only financial instruments of ADR valued at fair value are the derivative instruments described in Note 5.4 and Note 5.15. These derivative instruments are included in "level 2" of the "fair value hierarchy" defined by IFRS 7, with the fair value measured on the basis of the valuation techniques that refer to the parameters that can be observed in the market, other than the price of the financial instrument.

During 2017 no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, for which Note 5.15 indicates the fair value, this fair value, calculated according to the techniques stated in the above mentioned notes, is included in level 2 of the "fair value hierarchy" defined by IFRS 7.

8.5 Litigation

As regards litigation as a whole, ADR carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific allowance under "Allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome for ADR, while negligible, could not be measured.

For a description of the significant disputes involving ADR, reference is made to the consolidated financial statements.

In the Company's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

9. Transactions with related parties

The transactions of ADR with related parties are performed in the interest of the Company and are part of the ordinary management. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the year no significant transactions or transactions that significantly affected the Company's financial position or results took place.

Trade transactions and other transactions

	12.31.2017			2017	12.31.2016			2016
(THOUSANDS OF EUROS)	ASSETS	LIABILITIES	REVENUES / INCOME	COSTS / EXPENSE	ASSETS	LIABILITIES	REVENUES / INCOME	COSTS / EXPENSE
PARENT COMPANIES								
Atlantia	17,666	1,788	122	(1,398)	7,301	16,257	66	(1,105)
TOTAL RELATIONS WITH PARENT COMPANIES	17,666	1,788	122	(1,398)	7,301	16,257	66	(1,105)
SUBSIDIARY UNDERTAKINGS								
ADR Assistance S.r.l.	795	3,014	1,986	(18,060)	810	2,874	1,767	(17,527)
ADR Tel S.p.A.	130	10,531	1,153	(30,505)	359	13,459	1,201	(24,946)
ADR Mobility S.r.l.	3,247	167	22,238	(1,467)	2,943	189	21,752	(1,287)
ADR Security S.r.l.	604	8,890	2,626	(47,956)	733	9,801	2,614	(49,820)
Airport Cleaning S.r.l.	1,345	4,702	3,627	(28,406)	1,819	5,222	3,657	(26,078)
TOTAL RELATIONS WITH SUBSIDIARY UNDERTAKINGS	6,121	27,304	31,630	(126,394)	6,664	31,545	30,991	(119,658)
ASSOCIATED UNDERTAKINGS								
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	482	968	0	0	482	968	0	0
Pavimental S.p.A.	1,229	12,363	631	(44,996)	607	21,125	621	(28,931)
Spea Engineering S.p.A.	14	28,426	485	(17,840)	104	39,953	477	(38,177)
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	1,725	41,757	1,116	(62,836)	1,193	62,046	1,098	(67,108)
RELATED PARTIES								
Edizione S.r.l.	0	27	0	(27)	0	22	0	(22)
Romulus Finance S.r.l.	0	35	0	(35)	0	0	0	0
Leonardo Energia S.c.ar.l.	61	3,346	291	(19,878)	153	2,853	259	(18,561)
Fiumicino Energia S.r.l.	34	0	172	(0)	35	0	170	0
Infoblu S.p.A.	0	26	0	(39)	0	26	0	(38)
Autostrade per l'Italia S.p.A.	704	814	558	(840)	382	676	505	(677)
Autogrill S.p.A.	1,008	138	12,609	(386)	1,069	55	12,128	(296)
Azzurra Aeroporti S.r.l.	0	0	0	0	160	0	160	0
Autostrade Tech S.p.A.	0	170	0	(157)	0	103	0	(72)
Essediesse S.p.A.	0	0	0	0	0	0	0	0
Consorzio Autostrade Italiane Energia	0	0	0	(10)	0	0	0	(23)
Retail Italia Network S.r.l.	55	0	598	0	0	0	0	0
KEY MANAGEMENT PERSONNEL	0	2,745	0	(4,489)	0	3,016	0	(4,627)
TOTAL RELATIONS WITH RELATED PARTIES	1,862	7,301	14,228	(25,861)	1,799	6,751	13,222	(24,316)
TOTAL	**27,374**	**78,150**	**47,096**	**(216,489)**	**16,957**	**116,599**	**45,377**	**(212,187)**

Relations with Atlantia refer mainly to the Group tax consolidation of ADR and to charging back the cost for the seconded personnel.

Transactions carried out by ADR with subsidiary undertakings in 2017 refer primarily to the supply of goods and the provision of trade services.

The revenues of ADR Assistance, generated exclusively from relations with ADR, refer to the provision of assistance services to passengers with reduced mobility; ADR charged the company royalties, utilities, administrative services, etc.

ADR Tel posted revenues from telephony and IT services provided to ADR and carried out upgrading works on the telephone network; ADR's charges to the company refer to royalties and rentals on the lease of telecommunications assets and premises, and for utilities and staff services.

ADR's revenues from ADR Mobility mainly relate to the royalties on the areas and buildings used as car parks as well as utilities, administrative and general services, etc.

ADR Security's revenues from ADR concern airport security services and on demand services at Fiumicino and Ciampino airports; ADR charged the company royalties, utilities, administrative and general services, etc.

Airport Cleaning posted revenues from cleaning services provided to ADR; ADR charged the company royalties, utilities, administrative and general services, etc.

The main relations with associated undertakings and other related parties break down as follows:

- Pavimental S.p.A.: a company owned by Atlantia, it carries out maintenance and modernization work of the airport paving for ADR;
- Spea Engineering S.p.A.: a company owned by Atlantia, carries out airport engineering services (work design and management) for ADR;
- Fiumicino Energia S.r.l.: a subsidiary undertaking of Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to ADR. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Autostrade per l'Italia (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel.
- Autogrill S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a sufficient interest in Atlantia): ADR posted revenues from the sub-concession of spaces, royalties, utilities, car parks and sundry services; the company provided ADR with the canteen replacement service.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive and non-executive directors and the managers with strategic responsibilities (so-called key management personnel) in office at December 31, 2017 amount to 4,489 thousand euros and include the amount pertaining to remuneration (the remuneration is indicated regarding the directors that in the year covered the position, also for a portion of the year), employment compensation, non-monetary benefits, bonuses and other incentives for assignments at ADR.

Financial relations

	12.31.2017		2017		12.31.2016		2016	
(THOUSANDS OF EUROS)	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia	0	242,762	0	(13,269)	0	251,566	0	(14,333)
TOTAL RELATIONS WITH PARENT COMPANIES	0	242,762	0	(13,269)	0	251,566	0	(14,333)
SUBSIDIARY UNDERTAKINGS								
ADR Assistance S.r.l.	0	9	1	(0)	0	109	2	0
ADR Tel S.p.A.	0	4,518	2,360	(2)	0	3,088	2,007	(1)
ADR Security S.r.l.	0	4,699	1,000	(2)	0	3,303	2,284	(1)
ADR Mobility S.r.l.	0	1,130	6,824	(2)	0	4,454	4,000	(2)
Airport Cleaning S.r.l.	0	3,786	600	(1)	0	2,321	0	(1)
TOTAL RELATIONS WITH SUBSIDIARY UNDERTAKINGS	0	14,142	10,785	(7)	0	13,275	8,293	(5)
RELATED COMPANIES								
Spea Engineering S.p.A.	0	0	2,430	0	0	0	2,295	0
Pavimental S.p.A.	0	0	0	0				
Romulus Finance	0	0	0	0	0	0	0	(4,565)
TOTAL RELATIONS WITH RELATED PARTIES	0	0	2,430	0	0	0	2,295	(4,565)
TOTAL	**0**	**256,904**	**13,215**	**(13,276)**	**0**	**264,841**	**10,588**	**(18,903)**

Financial relations with the subsidiary undertakings ADR Tel, ADR Assistance, Security and ADR Mobility and Airport Cleaning regard the use of the centralized treasury system, which is conducted on an arm's length basis. The system has been put into place in order to optimize the management of financial resources and facilitate the settlement of inter-company trading relations. The balance of the item financial income includes the dividends paid by the subsidiary undertakings (ADR Tel, ADR Assistance, ADR Security and ADR Mobility) for a total of 10,785 thousand euros.

The income from Spea Engineering consists of dividends resolved by the company in the year and paid.

The financial liabilities with Atlantia, as well as the related financial expense, concern the A4 bonds, 99.87% of which is held by the parent company upon the conclusion of the Tender Offer procedure launched by the same during January 2015 towards the holders of the outstanding A4 bonds.

10. Other information

10.1 Information on the fire on May 6-7, 2015 at Fiumicino airport

Regarding the fire that, on the night between May 6 and 7, 2015, concerned a large area of Terminal 3 (hereafter also “T3”), a proceeding is pending before the Public Prosecutor at the Court of Civitavecchia; the proceeding regards the offences under articles 113 and 449 of the criminal code (participation in arson) and personal injury, in relation to which, on November 25, 2015, the proceeding under art. 415 bis of the Criminal Procedure Code was issued, notifying the conclusion of the preliminary investigation against: (i) five employees from the contractor of the ordinary maintenance of the air-conditioning systems and two ADR employees, all investigated also with regard to the offence under art. 590 of the criminal code (personal injury through negligence), (ii) the then Managing Director of ADR in the capacity as “employer” of the Company, (iii) the Head of the Fire Corps Contingent and (iv) the Director of the Lazio Airport System (ENAC).

In 2017 the preliminary hearing was held, which continued on more days, at the end of which, on February 15, 2018, the judge arranged the indictment for the offences of participation in arson and personal injury.
The debate before the Court of Civitavecchia will start on October 15, 2018.

For an analysis of the accounting treatment in these Separate Financial Statements as of December 31, 2017, reference is made to the following explanatory notes: Note 5.9 Other current assets, Note 5.14 Other allowances for risks and charges and Note 8.5 Litigation.

10.2 Information on remuneration plans based on shares

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the valorization of the Group, in addition to the managerial efficiency of management, in the Atlantia Group there are incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving preset corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans also to personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia group resulting from the merger more coherent.

The table below shows the chief elements of the incentive plans as of December 31, 2017, highlighting the rights attributed to directors and employees of ADR. In addition, the unitary fair values of the assigned rights are shown, determined by a purposefully entrusted expert, using the Monte Carlo model and the parameters shown below.

	NO. OF RIGHTS ASSIGNED	NO. OF RIGHTS REVOKED	NO. OF RIGHTS FOR TRANSFERS	NO. OF RIGHTS OPTED FOR	NO. OF RIGHTS AS OF 12.31.2017	VESTING EXPIRY	EXP. EX./ ASSIGN.	EXERCISE PRICE (EURO)	UNIT FAIR VALUE ON THE ASSIGN. DATE	REV. UNIT FAIR VALUE AS OF 12.31.2017	EXPECTED EXPIRY ON THE ASSIGN. DATE (YEARS)	RISK-FREE INTEREST RATE	EXP. VOLATILITY (=HISTORICAL)	DIVIDENDS EXPECTED ON THE ASSIGN. DATE
Stock option plans 2011 of Atlantia extended to ADR	516,905	(98,458)	0	(359,316)	59,131	11.8.2016	11.9.2016	16.02	2.65	-	6	0.86%	29.5%	5.62%
Stock grant plans 2011 of Atlantia extended to ADR	56,105	(15,007)	0	(18,171)	22,927	11.8.2016	11.9.2018	n.a.	11.87	-	4 -5	0.69%	28.5%	5.62%
Phantom stock option plans 2014 of Atlantia extended to ADR	766,032	(269,732)	(73,301)	(153,802)	269,197	5.9.2017	5.9.2020	n.a.	2.88	5.63	3 -6	1.10%	28.9%	5.47%
Phantom stock option plans 2014 of Atlantia extended to ADR	758,751	(256,467)	(71,951)	0	430,333	5.8.2018	5.8.2021	n.a.	2.59	3.37	3 -6	1.01%	25.8%	5.32%
Phantom stock option plans 2014 of Atlantia extended to ADR	611,682	0	(7,384)	0	604,298	6.10.2019	6.10.2022	n.a.	1.89	3.05	3 -6	0.61%	25.3%	4.94%
Phantom Stock Option plans 2017	428,074	0	0	0	428,074	7.1.2020	7.1.2023	n.a.	2.37	2.90	3,13-6,13	1.31%	25.6%	4.40%
Phantom Stock Grant plans 2017	42,619	0	0	0	42,619	7.1.2020	7.1.2023	n.a.	23.18	26.44	3,13-6,13	1.31%	25.6%	4.40%

10.3 Remuneration of independent auditors

In accordance with art. 149-12 of the Issuers’ Regulations, which apply to ADR as it is a company controlled by a listed company (Atlantia S.p.A.), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below (€/000):

TYPE OF SERVICE	SERVICE PROVIDER	RECIPIENT	REMUNERATION 2017
Auditing	EY S.p.A.	ADR	232
Certification services	EY S.p.A.	ADR	45
Other Services (*)	EY S.p.A.	ADR	152
Other Services (**)	EY S.p.A.	ADR	4
TOTAL			**433**

(*) Comfort letter on the issue of the bond loan, Subscription of Income Tax Return, 770 and IFRS assistance forms

(**) EMIR regulation compliance.

10.4 Events and non-recurring, atypical or unusual transactions

During the year 2017, no non-recurring, atypical or unusual transactions were performed with third parties or related parties. No significant non-recurrent events occurred in the year under review.

11. Subsequent events

For a description of the Subsequent events after the end of the year reference is made to the Consolidated Financial Statements.

The Board of Directors

REPORT
OF THE INDEPENDENT AUDITORS

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aeroporti di Roma S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2017, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

As required by the law, the explanatory notes includes the condensed financial information of the entity that exercises management and coordination over the Company. Such financial information has not been audited by us.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matter:

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Key Audit Matter	Audit Response
Valuation of the Provision for renovation of airport infrastructure The provision for renovation of airport infrastructure, recorded in the financial statements as of December 31, 2017 for 176 euro millions, includes accruals for non-recurring maintenance expenses, as well as estimated future costs for restoration and replacement of assets under concession that the Company plans to incur in accordance with the current concession agreements. The amount of the provision recognized in the financial statements represents the Director's best estimate of the nature, timing and amount of the maintenance costs, including the relevant financial component applied to account for the timing of such maintenance services. Considering the judgment required by Management in order to evaluate the nature, timing and the amount of such maintenance services, we believe that the valuation of the provision for renovation of airport infrastructure represents a key audit matter. The disclosures related to the accounting principles adopted for the provision for renovation of airport infrastructure are included in Note 4 of the Financial Statement.	The audit procedures performed in response to this Key Audit Matter included, among others: (i) assessment of the process and key internal controls implemented by the Company surrounding the valuation process of the provision for renovation of airport infrastructure; (ii) test of details on a sample of provision utilizations accounted for during the fiscal year; (iii) analytical procedures on changes in the provision compared to the preceding fiscal year; (iv) analysis of the consistency of the assumptions used in estimating the provision for renovation of airport infrastructure against the Investment Plan approved by the Directors; (v) testing of the discount rate assumed and the mathematical accuracy of the provision calculation. Lastly, we reviewed the adequacy of the disclosures provided in the Notes to the Financial Statements.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Aeroporti di Roma S.p.A., in the general meeting held on 9 April 2013, engaged us to perform the audits of the financial statements for each of the years ending 31 December 2013 to 31 December 2021.

We declare that we have not provided prohibited non-audit services, referred to in article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the Management Report on Operations and of the specific section on Corporate Governance and Ownership Structure of Aeroporti di Roma S.p.A. as at 31 December 2017, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Management Report on Operations and of the specific information included in the section on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Aeroporti di Roma S.p.A. as at 31 December 2017 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Aeroporti di Roma S.p.A. as at 31 December 2017 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated 30 December 2016

As described on the Management Report on Operations the Directors of Aeroporti di Roma S.p.A. they availed themselves of the exemption to prepare the non-financial information pursuant to article 6, paragraph 1, of Italian Legislative Decree n. 254.

Rome, 23 March 2018

EY S.p.A.
Signed by: Roberto Tabarrini, partner
This report has been translated into the English language solely for the convenience of international readers.

REPORT
OF THE BOARD OF STATUTORY AUDITORS

Report of the Board of Statutory Auditors to the Ordinary General Meeting of the Shareholders of Aeroporti di Roma S.p.A., pursuant to art. 2429 of the Italian Civil Code

To the Shareholders of Aeroporti di Roma S.p.A.

During the year ended December 31, 2017 our activity was inspired by the legal provisions and the regulations for statutory auditors issued by the Italian Accounting Profession.

Supervisory Activity

We verified compliance with the law, the articles of association and the principles of good governance.

We took part in the Shareholders' meetings and the meetings of the Board of Directors, in relation to which, based on the information available, we did not find any violation of the law and the articles of association, nor transactions that were manifestly imprudent, risky or such to compromise the value of the Company's assets. The Board of Statutory Auditors is aware that any conflict of interest was declared pursuant to the law.

We acquired information from the Directors and the Governing Bodies as regards the general operating performance and the business outlook as well as on the most significant transactions in terms of size or characteristics, carried out by the Company and, based on the information acquired, we have no special remark to make.

We met with the auditor in charge of the statutory auditing, and no relevant information or data emerged that must be highlighted in this report.

We met with the Internal Audit Manager, and no relevant information or data emerged that must be highlighted in this report.

We met with the Supervisory Body, and no issues emerged as regards the correct implementation of the Organizational and Management Model that must be highlighted in this report.

We met the Board of Statutory Auditors of the Parent Company and exchanged information with the control bodies of the subsidiary undertakings of ADR: these exchanges did not reveal any facts or circumstances that deserve your attention.

We gathered information on and supervised, within our competence, the adequacy and operation of the organizational structure of the Company, also through the acquisition of information from the heads of the departments, and have no remark to report on this point.

We gathered information on and supervised, within our competence, the adequacy and operation of the administration-accounting system as well as its reliability to fairly represent the operations; this was done by obtaining information from the heads of the departments and the auditor in charge of the statutory auditing, and examining the corporate documentation, and have no special remark to make on this point.

No reports were made pursuant to art. 2408 of the Italian Civil Code.

In compliance with the provisions of art. 13 of Italian Legislative Decree no. 39/2010, on April 28, 2017 and on May 29, 2017 we expressed our favorable opinion on supplementing the remuneration of the auditing firm EY S.p.A. in relation to the issue of two different comfort letters linked to the EMTN ("*Euro Medium Term Note Program*") bond loan issued by ADR in December 2013, and the issue of bonds that the company placed on the market in June 2017.

On May 29, 2017 we also expressed the certificate required pursuant to art. 2412, par. 1 of the Italian Civil Code for the purposes of the bond issue implemented by the Company according to the program resolved by the Board of Directors.

Moreover, on May 11, 2017, pursuant to art. 2389, par. 3 of the Italian Civil Code, we gave our opinion on the remuneration of the Chairman and the Managing Director and, on June 7, 2017 we expressed our favorable opinion, in compliance with the provision mentioned above, on the proposal put forward by the Board of Directors to attribute the Managing Director the first cycle of Phantom Stock Option and Phantom Stock Grant 2017, as part of the new 2017-2019 LTI Plans.

During the supervisory activity, as described above, no significant events emerged that are such to require mention in this report.

Consolidated Financial Statements and Separate Financial Statements

We examined the draft consolidated financial statements and the draft separate financial statements for the year ended December 31, 2017, which were made available to us according to art. 2429 of the Italian Civil Code, with regard to which we report the following points.

In this respect, we report that on March 23, 2018 EY S.p.A. issued the reports pursuant to art. 14 of Italian Legislative Decree 39/2010 and art. 10 of Regulation (EU) no. 537/2014. These state that the consolidated financial statements and the separate financial statements give a true and fair view of the financial position of the Company as of December 31, 2017, of the results of operation and of the cash flows of Aeroporti di Roma S.p.A. for the year ended on this date, in compliance with the International Financial Reporting Standards adopted by the European Union and with the measures issued to implement art. 9 of Italian Legislative Decree no. 38 of February 28, 2005. With reference to these reports, the Board of Statutory Auditors states that EY highlighted – in line with the novated reference regulations – the elements underlying the audit opinion, the key aspects of the audit and the procedures implemented as audit response; it also declared that no services were provided other that the audit, which are forbidden pursuant to art. 5, par. 1 of Regulation (EU) no. 537/2014, and that the independence requirement was satisfied in conducting the audit.

As we are not responsible for the statutory audit of the financial statements, we verified their general layout, their overall compliance with the laws relating to form and content and have no particular observations to make in this regard.

We verified the compliance with the legal provisions regarding the preparation of the management report on operations and acknowledged that the Independent Auditors carried out the procedures specified in the audit standard (ISA Italia) no. 720 B and expressed an opinion on the consistency of the report on operations and the specific section on corporate governance, under par. 2, letter b) of art. 123-bis of Italian Legislative Decree no. 58 of February 24, 1998, with the consolidated financial statements and the separate financial statements of Aeroporti di Roma for the year ended December 31, 2017, and their conformity with the legal provisions. The Independent Auditors also declared they have nothing to report with reference to the statement under art. 14, par 2, letter e) of Italian Legislative Decree no. 39 of January 27, 2010, issued on the basis of the knowledge and understanding of the company and the relevant context, as acquired during the auditing activity. It also stated that, as described in the Management Report on Operations, the directors of the Aeroporti di Roma Group benefitted from the exemption from drawing up the non-financial statement pursuant to art. 6, par. 1 of Italian Legislative Decree no. 254 of December 30, 2016.

Finally, we report that the notes to the financial statements and the management report on operations illustrate in detail the risk linked to the evolution of the Alitalia situation and the impacts, including potential, on the Company’s statement of financial position and results of operations. It must also be stated that, until today, the commitments undertaken by ADR, following the moratorium on the payment deadlines, have been respected as agreed. The Board constantly monitors the situation and receives prompt information from the administration body, also in order to report to the Meeting about the developments after the date of this report.

Conclusions

Dear Shareholders,
also considering the outcome of the activity performed by the auditor in charge of statutory auditing contained in the audit report of the Financial Statements, the Board proposes to the Meeting to approve the 2017 Financial statements as drawn up by the Directors.

For the Board of Statutory Auditors, The Chairman
Mr. Giampiero Riccardi

ANNEXES

Annex 1 - Condensed financial statements of Atlantia S.p.A. for the year ended December 31, 2016

From August 2, 2007, ADR qualifies as a company “managed and coordinated” by Gemina. As a result of the merger by incorporation of Gemina into Atlantia, with effect from December 1, 2013, ADR is subject to “management and co-ordination” by Atlantia.

Key data from the Financial statements of Atlantia as of December 31, 2016, the latest available financial statements, are shown in the table below:

Financial statements of Atlantia S.p.A. for the year ended December 31, 2016

BALANCE SHEET (THOUSANDS OF EUROS)

ASSETS	12.31.2016
Non-current assets	12,148,365
Current assets	325,939
Total assets	**12,474,304**
SHAREHOLDERS' EQUITY AND LIABILITIES	
Shareholders' equity	9,745,926
of which share capital	*825,784*
Non-current liabilities	1,004,963
Current liabilities	1,723,415
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**12,474,304**

INCOME STATEMENT (THOUSANDS OF EUROS)

	2016
Operating income	2,170
Operating costs	(38,690)
Operating income (EBIT)	**(36,520)**
Income (loss) for the year	**919,230**

Annex 2 - Financial and operational highlights of subsidiary and associated undertakings

Pursuant to art. 2429, paragraphs 3 and 4 of the Italian Civil Code, reported below are the main financial and operational data for the year 2017 approved by the Board of Directors of ADR's subsidiary and associated undertakings. These companies prepare their financial statements according to the Italian accounting standards.

ADR Assistance S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	244	417
Tangible fixed assets	1,741	1,809
A. - Fixed assets	**1,985**	**2,226**
Trade receivables	3,039	2,900
Other assets	800	1,422
Trade payables	(1,278)	(1,284)
Allowances for risks and charges	(51)	(80)
Other liabilities	(2,465)	(1,910)
B. – Working capital	**45**	**1,048**
C. – Invested capital, minus short-term liabilities (A+B)	**2,030**	**3,274**
D. - Employee severance indemnities	**9**	**8**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**2,021**	**3,266**
financed by:		
Share capital	4,000	4,000
Reserves and retained earnings	440	577
Net income (loss) for the year	290	(136)
F. - Shareholders' equity	**4,730**	**4,441**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing (net cash and cash equivalents)	**(2,709)**	**(1,175)**
Short-term borrowing	0	0
Cash and current receivables	(2,709)	(1,175)
(G+H)	**(2,709)**	**(1,175)**
I. - Total as in "E" (F+G+H)	**2,021**	**3,266**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**18,067**	**17,545**
B.- Revenues from ordinary activities	**18,067**	**17,545**
Cost of materials and external services	(3,564)	(3,489)
C.- Added value	**14,503**	**14,056**
Payroll costs	(13,379)	(13,355)
D.- Gross operating income	**1,124**	**701**
Amortization and depreciation	(624)	(536)
Allowances for risks and charges	(1)	(61)
Other income (expense), net	65	1
E.- Operating income	**564**	**105**
Financial income and expense	(8)	(3)
F.- Income (loss) before taxes	**556**	**102**
Current taxes for the year	(288)	(278)
Deferred tax assets (liabilities) for the year	22	40
	(266)	**(238)**
G. - Net income (loss) for the year	**290**	**(136)**

ADR Tel S.p.A.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	2,001	2,071
Tangible fixed assets	836	726
Non-current financial assets	0	3
A. - Fixed assets	**2,837**	**2,800**
Inventories	253	987
Trade receivables	11,786	15,014
Other assets	1,114	379
Trade payables	(12,379)	(13,846)
Other liabilities	(1,405)	(1,985)
B. – Working capital	**(631)**	**549**
C. – Invested capital, minus short-term liabilities (A+B)	**2,206**	**3,349**
D. - Employee severance indemnities	**1,340**	**1,275**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**866**	**2,074**
financed by:		
Share capital	600	600
Reserves and retained earnings	4,699	4,699
Net income (loss) for the year	3,424	2,385
F. - Shareholders' equity	**8,723**	**7,684**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing (net cash and cash equivalents)	**(7,857)**	**(5,610)**
Short-term borrowing	0	0
Cash and current receivables	(7,857)	(5,610)
(G+H)	**(7,857)**	**(5,610)**
I. - Total as in "E" (F+G+H)	**866**	**2,074**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**34,615**	**33,173**
Capitalized costs and expenses	86	110
B.- Revenues from ordinary activities	**34,701**	**33,283**
Cost of materials and external services	(24,307)	(24,489)
C.- Added value	**10,394**	**8,794**
Payroll costs	(4,408)	(4,810)
D.- Gross operating income	**5,986**	**3,984**
Amortization and depreciation	(849)	(847)
Other provisions	(267)	0
Allowances for risks and charges	0	0
Other income (expense), net	41	414
E.- Operating income	**4,911**	**3,551**
Financial income and expense	2	5
F.- Income (loss) before taxes	**4,913**	**3,556**
Current taxes for the year	(1,493)	(1,173)
Deferred tax assets (liabilities) for the year	4	2
	(1,489)	**(1,171)**
G. - Net income (loss) for the year	**3,424**	**2,385**

ADR Security S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	0	3
Tangible fixed assets	0	0
A. - Fixed assets	**0**	**3**
Trade receivables	9,036	9,948
Other assets	1,025	722
Trade payables	(2,536)	(2,685)
Allowances for risks and charges	(36)	(5)
Other liabilities	(5,879)	(5,428)
B. – Working capital	**1,610**	**2,552**
C. – Invested capital, minus short-term liabilities (A+B)	**1,610**	**2,555**
D. - Employee severance indemnities	**3,629**	**3,715**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**(2,019)**	**(1,160)**
financed by:		
Share capital	400	400
Reserves and retained earnings	1,119	293
Net income (loss) for the year	1,491	1,826
F. - Shareholders' equity	**3,010**	**2,519**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(5,029)**	**(3,679)**
Short-term borrowing	0	0
Cash and current receivables	(5,029)	(3,679)
(G+H)	**(5,029)**	**(3,679)**
I. - Total as in "E" (F+G+H)	**(2,019)**	**(1,160)**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**48,449**	**50,264**
B.- Revenues from ordinary activities	**48,449**	**50,264**
Cost of materials and external services	(9,261)	(9,121)
C.- Added value	**39,188**	**41,143**
Payroll costs	(36,823)	(38,048)
D.- Gross operating income	**2,365**	**3,095**
Amortization and depreciation	(3)	(9)
Allowances for risks and charges	(31)	(0)
Other income (expense), net	251	387
E.- Operating income	**2,582**	**3,473**
Financial income and expense	3	(11)
F.- Income (loss) before taxes	**2,585**	**3,462**
Current taxes for the year	(1,101)	(1,623)
Deferred tax assets (liabilities) for the year	7	(12)
	(1,094)	**(1,635)**
G. - Net income (loss) for the year	**1,491**	**1,827**

ADR Mobility S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	7,083	5,992
Tangible fixed assets	4,969	3,878
Non-current financial assets	0	0
A. - Fixed assets	**12,052**	**9,870**
Trade receivables	4,859	4,020
Other assets	670	692
Trade payables	(5,000)	(4,493)
Allowances for risks and charges	(68)	(479)
Other liabilities	(1,264)	(1,008)
B. – Working capital	(803)	**(1,268)**
C. – Invested capital, minus short-term liabilities (A+B)	**11,249**	**8,602**
D. - Employee severance indemnities	**641**	**649**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**10,608**	**7,953**
financed by:		
Share capital	1,500	1,500
Reserves and retained earnings	6,791	6,791
Net income (loss) for the year	6,940	6,824
F. - Shareholders' equity	**15,231**	**15,115**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(4,623)**	**(7,162)**
.Short-term borrowing	0	0
.Cash and current receivables	**(4,623)**	(7,162)
(G+H)	**(4,623)**	**(7,162)**
I. - Total as in "E" (F+G+H)	**10,608**	**7,953**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**39,535**	**39,333**
B.- Revenues from ordinary activities	**39,535**	**39,333**
Cost of materials and external services	(23,246)	(23,194)
C.- Added value	**16,289**	**16,139**
Payroll costs	(3,144)	(3,556)
D.- Gross operating income	**13,145**	**12,583**
Amortization and depreciation	(1,765)	(1,328)
Other provisions	(789)	(55)
Allowances for risks and charges	0	(3)
Other income (expense), net	(706)	(1,113)
E.- Operating income	**9,885**	**10,084**
Financial income and expense	2	3
F.- Income (loss) before taxes	**9,887**	**10,087**
Current taxes for the year	(2,845)	(3,216)
Deferred tax assets (liabilities) for the year	(102)	(47)
	(2,947)	**(3,263)**
G. - Net income (loss) for the year	**6,940**	**6,824**

Airport Cleaning S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	2	5
Tangible fixed assets	161	149
A. - Fixed assets	**163**	**154**
Trade receivables	4,703	5,225
Other assets	636	917
Trade payables	(3,297)	(4,264)
Allowances for risks and charges	(218)	(165)
Other liabilities	(1,995)	(1,635)
B. – Working capital	**(171)**	**78**
C. – Invested capital, minus short-term liabilities (A+B)	**(8)**	**232**
D. - Employee severance indemnities	**6**	**17**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**(14)**	**215**
financed by:		
Share capital	1,500	1,500
Reserves and retained earnings	1,244	1,192
Net income (loss) for the year	1,664	652
F. - Shareholders' equity	**4,408**	**3,344**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(4,422)**	**(3,129)**
Short-term borrowing	0	0
Cash and current receivables	(4,422)	(3,129)
(G+H)	(4,422)	**(3,129)**
I. - Total as in "E" (F+G+H)	(14)	**215**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**28,406**	**26,078**
B.- Revenues from ordinary activities	**28,406**	**26,078**
Cost of materials and external services	(9,978)	(10,296)
C.- Added value	**18,428**	**15,782**
Payroll costs	(15,629)	(14,374)
D.- Gross operating income	**2,799**	**1,408**
Amortization and depreciation	(39)	(23)
Allowances for risks and charges	(53)	(159)
Other income (expense), net	1	(20)
E.- Operating income	**2,708**	**1,206**
Financial income and expense	2	1
F.- Income (loss) before taxes	**2,710**	**1,207**
Current taxes for the year	(1,062)	(593)
Deferred tax assets (liabilities) for the year	16	38
	(1,046)	**(555)**
G. - Net income (loss) for the year	**1,664**	**652**

ADR Sviluppo S.r.l. Unipersonale

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	4	4
Non-current financial assets	6	6
A. - Fixed assets	**10**	**10**
Trade receivables	0	0
Other assets	1	1
B. – Working capital	**1**	**1**
C. – Invested capital, minus short-term liabilities (A+B)	**11**	**11**
D. - Employee severance indemnities	**0**	**0**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**11**	**11**
financed by:		
Share capital	100	100
Reserves and retained earnings	52	33
Net income (loss) for the year	22	19
F. - Shareholders' equity	**174**	**152**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(163)**	**(141)**
Short-term borrowing	0	0
Cash and current receivables	(163)	(141)
(G+H)	**(163)**	**(141)**
I. - Total as in "E" (F+G+H)	**11**	**11**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**0**	**0**
B.- Revenues from ordinary activities	**0**	**0**
Cost of materials and external services	(1)	(0)
C.- Added value	**(1)**	**(0)**
Payroll costs	0	0
D.- Gross operating income	**(1)**	**(0)**
Amortization and depreciation	0	0
Other provisions	0	0
Allowances for risks and charges	0	0
Other income (expense), net	(1)	(1)
E.- Operating income	**(2)**	**(1)**
Financial income and expense	24	20
F.- Income (loss) before taxes	**22**	**19**
Current taxes for the year	0	0
Deferred tax assets (liabilities) for the year	0	0
	0	**0**
G. - Net income (loss) for the year	**22**	**19**

Consorzio E.T.L. (in liquidation)

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Non-current financial assets	0	0
A. - Fixed assets	**0**	**0**
Trade receivables	0	0
Other assets	37	40
Trade payables	(36)	(34)
Other liabilities	0	0
B. – Working capital	**1**	**6**
C. – Invested capital, minus short-term liabilities (A+B)	**1**	**6**
D. - Employee severance indemnities	**0**	**0**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**1**	**6**
financed by:		
Share capital	9	20
Reserves and retained earnings	0	0
Net income (loss) for the year	(8)	(14)
F. - Shareholders' equity	**1**	**6**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**0**	**0**
Short-term borrowing	0	0
Cash and current receivables	0	0
(G+H)	0	0
I. - Total as in "E" (F+G+H)	**1**	**6**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**0**	**0**
B.- Revenues from ordinary activities	**0**	**0**
Cost of materials and external services	(7)	(14)
C.- Added value	**(7)**	**(14)**
Payroll costs	0	0
D.- Gross operating income	**(7)**	**(14)**
Amortization and depreciation	0	0
Other provisions	0	0
Allowances for risks and charges	0	0
Other income (expense), net	(1)	0
E.- Operating income	**(8)**	**(14)**
Financial income and expense	0	1
F.- Income (loss) before taxes	**(8)**	**(13)**
Current taxes for the year	0	(1)
Deferred tax assets (liabilities) for the year	0	0
	0	**0**
G. - Net income (loss) for the year	**(8)**	**(14)**

Pavimental S.p.A.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	174	274
Tangible fixed assets	92,498	80,078
Non-current financial assets	5,392	5,392
A. - Fixed assets	**98,064**	**85,744**
Inventories	166,937	150,994
Trade receivables	38,987	53,921
Other assets	29,102	40,305
Trade payables	(115,640)	(145,393)
Allowances for risks and charges	(8,694)	(10,817)
Other liabilities	(12,465)	(12,715)
B. – Working capital	**98,227**	**76,294**
C. – Invested capital, minus short-term liabilities (A+B)	**196,291**	**162,038**
D. - Employee severance indemnities	**4,127**	**4,300**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**192,164**	**157,738**
financed by:		
Share capital	10,116	10,116
Reserves and retained earnings	5,567	38,985
Net income (loss) for the year	15,794	(33,707)
F. - Shareholders' equity	**31,477**	**15,394**
G. - Medium/long-term borrowing	**34,414**	**25,093**
H. - Short-term net borrowing	**126,273**	**117,251**
Short-term borrowing	132,417	126,205
Cash and current receivables	(6,144)	(8,954)
(G+H)	**160,687**	**142,344**
I. - Total as in "E" (F+G+H)	**192,164**	**157,738**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**350,029**	**362,027**
B.- Revenues from ordinary activities	**389,157**	**308,833**
Cost of materials and external services	(281,238)	(279,720)
Other costs	(1,967)	(2,943)
C.- Added value	**105,952**	**26,170**
Payroll costs	(59,532)	(56,187)
D.- Gross operating income	**46,420**	**(30,017)**
Amortization and depreciation	(16,293)	(8,546)
Other provisions	(627)	(112)
Allowances for risks and charges	(3,973)	(5,162)
E.- Operating income	**25,527**	**(43,837)**
Financial income and expense	(2,093)	(1,019)
Foreign exchange gains (losses)	1	71
Value adjustments of financial assets	143	(391)
F.- Income (loss) before taxes	**23,578**	**(45,176)**
Taxes	(7,784)	11,469
G. - Net income (loss) for the year	**15,794**	**(33,707)**

Spea Engineering S.p.A.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2017	12.31.2016
Intangible fixed assets	1,887	1,126
Tangible fixed assets	5,434	4,948
Non-current financial assets	168	168
A. - Fixed assets	**7,489**	**6,242**
Inventories	121,485	127,770
Trade receivables	39,895	35,986
Other assets	13,005	11,876
Trade payables	(67,878)	(66,477)
Allowances for risks and charges	(14,753)	(13,583)
Other liabilities	(14,580)	(14,615)
B. – Working capital	**77,174**	**80,957**
C. – Invested capital, minus short-term liabilities (A+B)	**84,663**	**87,199**
D. - Employee severance indemnities	**5,627**	**5,942**
E. – Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**79,036**	**81,257**
financed by:		
Share capital	6,966	6,966
Reserves and retained earnings	65,488	59,905
Merger surplus	9,024	9,024
Net income (loss) for the year	6,870	17,734
F. - Shareholders' equity	**88,348**	**93,629**
G. - Medium/long-term borrowing	**(200)**	**(218)**
H. - Short-term net borrowing	**(9,112)**	**(12,154)**
Short-term borrowing	0	0
Cash and current receivables	(9,112)	(12,154)
(G+H)	**(9,312)**	**(12,372)**
I. - Total as in "E" (F+G+H)	**79,036**	**81,257**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2017	2016
A.- Revenues	**110,568**	**124,008**
B.- Revenues from ordinary activities	**110,568**	**124,008**
Cost of materials and external services	(46,286)	(46,018)
C.- Added value	**64,282**	**77,990**
Payroll costs	(48,909)	(48,918)
D.- Gross operating income	**15,373**	**29,072**
Amortization and depreciation	(3,433)	(2,978)
Other provisions	(165)	(418)
Allowances for risks and charges	(1,342)	(92)
E.- Operating income	**10,433**	**25,584**
Financial income and expense	(227)	(80)
F.- Income (loss) before taxes	**10,206**	**25,504**
Income taxes	(3,695)	(6,708)
Deferred tax assets (liabilities) for the year	359	(1,062)
	(3,336)	**(7,770)**
G. - Net income (loss) for the year	**6,870**	**17,734**

RESOLUTIONS OF THE SHAREHOLDERS’ MEETING

RESOLUTIONS OF THE ORDINARY SHAREHOLDERS’ MEETING OF APRIL 18, 2018

The Ordinary Shareholders’ Meeting resolved to:

- approve the 2017 Financial Statements and the Management Report on Operations, which disclose profit of 243,016,783.74 euros;

- allocate the portion of net income for the year, amounting to 135,367,978.35 euros, remaining after the advance on dividends paid in 2017 for 107,648,805.39 euros (equal to 1.73 euros per share), as follows:
  - 2.17 euros to dividends, for each of the 62,224,743 shares making up the share capital, for a total of 135,027,692,31 euros;
  - the residual profit of 340,286.04 euros to be carried forward;
  - set the date of payment of the dividend with value date of May 16, 2018, with coupon date no. 13 of May 14, 2018;

- approve the supplement to the fees to the auditing firm for 142,500.00 euros the year ended December 31, 2017 and for 82,500.00 euros for each of the years from December 31, 2018 to December 31, 2021.

Aeroporti di Roma S.p.A.

Registered office:
Via dell'Aeroporto di Fiumicino 320
00054 Fiumicino (Rome)

Tax Code and Rome
Companies' Register no.: 13032990155
VAT Number 06572251004

Fully paid-in share capital
Euro 62,224,743.00

"A company managed and coordinated by Atlantia S.p.A."

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