EDIZIONE

2017 CONSOLIDATED FINANCIAL STATEMENTS

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Italy - A1 motorway - Variante di Valico

Brazil - SP 300 Tieté motorway

Italy - Rome Fiumicino airport - E Area

France - Nice airport

Italy - A1 motorway - Bistrot Arda

Italy - Milan Centrale railway station - Bistrot

Finland - Helsinki airport

Italy - Roma Termini railway station


Fabrics

United Kingdom - London

United Kingdom - London

Japan - Kyoto

Italy - Treviso - Edizione headquarter

Italy - Venice - Fondaco dei Tedeschi

Italy - Bari

Argentina - Agriculture

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GROUP KEY DATA

PARENT COMPANY OFFICERS

BOARD OF DIRECTORS
In office until approval
of the financial statements
at December 31, 2018

Fabio Cerchiai	CHAIRMAN
Gilberto Benetton	DEPUTY CHAIRMAN
Marco Patuano	CHIEF EXECUTIVE OFFICER
Carlo Benetton	DIRECTORS
Alessandro Benetton	
Franca Bertagnin Benetton	
Fabio Buttignon	
Giovanni Costa	

GENERAL MANAGER
Carlo Bertazzo

BOARD OF STATUTORY AUDITORS
In office until approval
of the financial statements
at December 31, 2019

Angelo Casò	CHAIRMAN
Giovanni Pietro Cunial	AUDITORS
Aldo Laghi	
Alberto Giussani	ALTERNATE AUDITORS
Maria Martellini	

INDEPENDENT AUDITORS
In office until approval
of the financial statements
at December 31, 2023

Deloitte & Touche S.p.A.

GROUP STRUCTURE

At December 31, 2017 Edizione S.r.l., wholly owned by the Benetton family, holds equity investments mainly in the following sectors: infrastructures and services for mobility, food and beverage, textiles and clothing, financial, real estate and agriculture.

INVESTMENT PHILOSOPHY

Edizione, in exercising its prerogatives as a shareholder with respect to the companies of the Group, combines an entrepreneurial approach with solid financial discipline, putting finance at its companies' service in order to improve their competitive position and returns.

Edizione maintains an ongoing dialogue with the managers of its holdings, while fully respecting their autonomy.

Edizione aims to develop its investments over the long term and to help its holdings expand by strengthening their presence in their respective sectors.

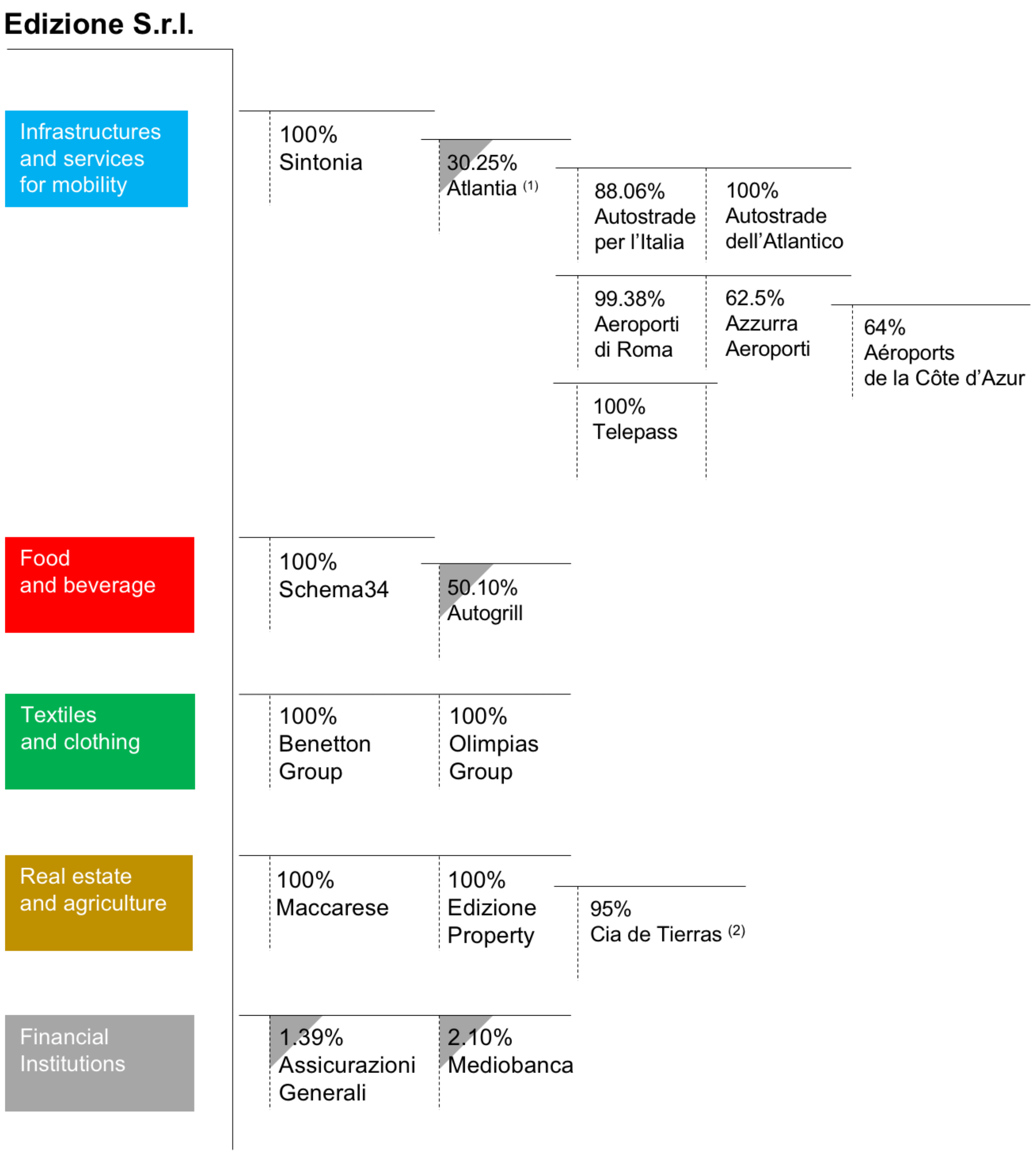
This goal can also be pursued through acquisitions, which leverage global relationships built over the years. Specifically, Edizione's new investments are mainly focused on target companies that:

- have a strong international exposure and are industry leaders, with sustainable distinctive factors;
- are managed by a team with a strong business vision;
- are in sectors not related with the existing portfolio, within the framework of a clear growth trend;
- can produce a significant increase in value in the medium to long term, with a view to generating Total Shareholders Return;
- can assure to Edizione the exercise of a strategic influence.

Partners that share Edizione's strategic lines may be involved in the investment projects.

GROUP ORGANISATION CHART

The Group structure at December 31, 2017 was as follows:



(1) At December 31, 2017 Atlantia holds 0.97% of treasury shares.
(2) The remaining 5% stake is held directly by Edizione S.r.l.

Listed company

FINANCIAL HIGHLIGHTS

The Group's results in 2017 and 2016, stated according to the International Financial Reporting Standards (IAS/IFRS), are summarised below.

(Millions of Euro)	2017	2016 (1)	Change	%
Revenues	**12,113**	**11,670**	**443**	**3.8**
Ebitda (*)	4,111	3,857	254	6.6
Operating result	2,624	2,495	129	5.2
Net income, Group	**234**	**388**	**(154)**	**(39.7)**
Net working capital	**(754)**	**(834)**	**80**	
Net assets held for sale	**3**	**(1)**	**4**	
Intangible assets, property, plant and equipment	27,825	28,252	(427)	
Non-current financial assets	1,154	1,219	(65)	
Other non-current assets/(liabilities), net	(2,806)	(2,716)	(90)	
Total non-current assets	**26,173**	**26,755**	**(582)**	
Net capital employed	**25,422**	**25,920**	**(498)**	
Shareholders' equity, Group	7,270	6,773	497	
Non-controlling interests	9,426	8,061	1,365	
Total shareholders' equity	**16,696**	**14,834**	**1,862**	
Net financial indebtedness	**8,726**	**11,086**	**(2,360)**	
Cash flow (**)	2,861	2,715	146	
Net income, Group/Shareholders' equity (ROE)	3.2%	5.7%		
Operating result/Capital employed (ROI)	10.3%	9.6%		

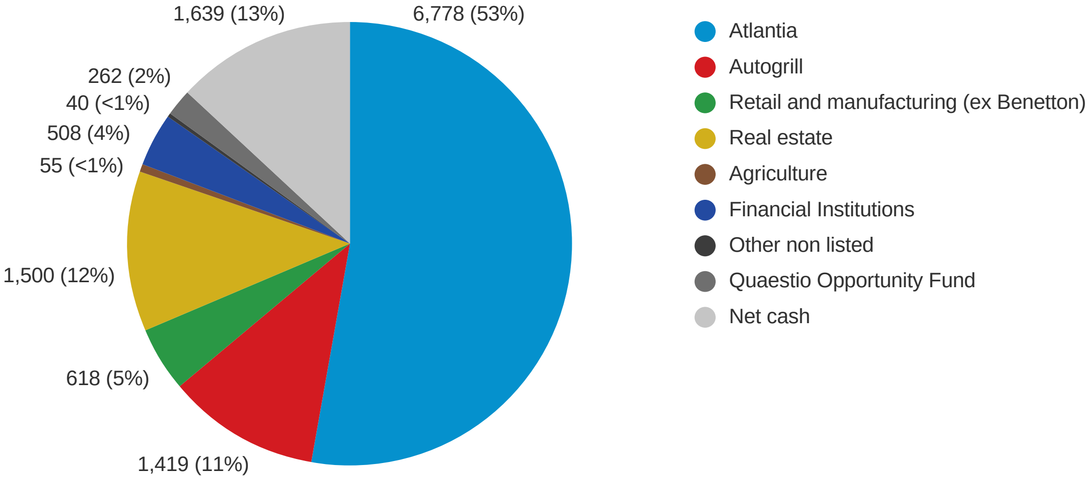
(*) EBITDA: calculated as Operating result plus depreciation, amortisation, impairment and provisions.
(**) Cash Flow: calculated as Net income before minority interests plus depreciation, amortisation, impairment and provisions.
(1) The amount for equity is different from the published amount as at December 31, 2016, following recognition of the impact of completion of the identification and fair value measurement of assets acquired as a result of the acquisition of Aéroports de la Côte d'Azur, completed at the end of 2016.

To fully appreciate the Group's results and financial situation, the variety of its business segments must be considered, each of which is described separately and specifically in the following pages.

NET ASSET VALUE

The chart below shows a breakdown of the Net Asset Value of Edizione at December 31, 2017, amounting to Euro 12,819 million. The item Financial Institutions includes investments in Assicurazioni Generali S.p.A. and Mediobanca S.p.A.

(millions of Euro and %)



The total asset value at December 31, 2017 was determined by using the following valuation criteria:

- listed equity investments are valued at the average official stock market prices in the 20 days preceding December 31;
- listed financial investments are valued at their Net Asset Value at the last day of the year;
- the remaining unlisted equity investments, other than investment properties, are measured at book value or at the value corresponding to the pro-rata equity at December 31;
- investment properties are valued at market value, as determined by third-party and internal appraisals;
- net cash or, where applicable, net debt, refers to the aggregate of the holding companies Edizione S.r.l., Schematrentaquattro S.p.A. and Sintonia S.p.A.

DIRECTORS' REPORT

Dear Shareholders,

the Group's share of net income in 2017 comes to Euro 234 million, compared to Euro 388 million in 2016.
The Group's international scope and diversified business segments allowed it to gain ground in both revenues (+3.8%) and EBITDA (+6.6%).
At December 31, 2017, consolidated shareholders' equity stood at Euro 16,696 million (Euro 14,834 million the previous year) and net consolidated financial indebtedness at Euro 8,726 million (Euro 11,086 million at December 31, 2016).

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

The Group's key financial data for the years 2017 and 2016 are as follows:

(Millions of Euro)	2017	2016	Change	%
Revenues	**12,113**	**11,670**	**443**	**3.8**
Materials and subcontracted work	(2,831)	(2,776)	(55)	2.0
Payroll costs	(2,820)	(2,704)	(116)	4.3
Other costs and general expenses, net	(2,351)	(2,333)	(18)	0.8
Ebitda	**4,111**	**3,857**	**254**	**6.6**
Depreciation, amortisation, impairments and provisions	(1,487)	(1,362)	(125)	9.2
Operating result (Ebit)	**2,624**	**2,495**	**129**	**5.2**
Net financial income/(charges)	(609)	(583)	(26)	4
Income/(losses) from equity investments	64	64	-	-
Income/(charges) from currency hedges and exchange differences	-	9	(9)	n.s.
Income before taxes and non-controlling interests	**2,079**	**1,985**	**94**	**4.7**
Income taxes	(704)	(626)	(78)	12.5
Profit/(loss) from continuing operations	**1,375**	**1,359**	**16**	**1.2**
Profit/(loss) from assets held for sale and discontinued operations	(1)	(6)	5	n.s.
Non-controlling interests	1,140	965	175	18.2
Net income, Group	**234**	**388**	**(154)**	**(39.7)**

In 2017, Revenues increased by Euro 443 million (+3.8%) compared to 2016, by effect of the higher revenues of the sector of Infrastructures and services for mobility which benefited, for the entire year, from the contribution of the Aéroports de la Côte d’Azur group, as well as from the increased traffic on the motorway network, both in Italy and abroad.

Revenues are broken down below by business segment (net of intercompany sales):

(Millions of Euro)	2017	%	2016	%	Change	%
Infrastructures and services for mobility	5,704	47.1	5,213	44.7	491	9.4
Food and beverage	4,990	41.2	4,941	42.3	49	1.0
Textiles and clothing	1,366	11.3	1,460	12.5	(94)	(6.4)
Other	53	0.4	56	0.5	(3)	(5.4)
Total	**12,113**	**100**	**11,670**	**100**	**443**	**3.8**

The following table shows revenues by geographical area:

(Millions of Euro)	2017	%	2016	%	Change	%
Italy	6,720	55.5	6,648	57.0	72	1.1
Rest of Europe	1,933	16.0	1,662	14.2	271	16.3
Americas	3,037	25.0	2,939	25.2	98	3.3
Rest of the world	423	3.5	421	3.6	2	0.5
Total	**12,113**	**100**	**11,670**	**100**	**443**	**3.8**

The change in revenues in the Rest of Europe is nearly entirely due to the Aéroports de la Côte d'Azur group.

2017 EBITDA came to Euro 4,111 million, up by Euro 254 million compared to the 2016 EBITDA. i.e. Euro 3,857 million.

Net financial charges stood at Euro 609 million in 2017 (Euro 583 million in the previous year).

Income from equity investments in 2017 had a positive balance of Euro 64 million and includes the capital gain, i.e. Euro 45 million, deriving from the transfer of the 22.1% share held by Atlantia S.p.A. in Save S.p.A. at the Public Tender Offer promoted thereon, and the dividends collected from other companies, net of the write-downs made during the year (Euro 8.4 million).

Income taxes for 2017 came to Euro 704 million, up by Euro 78 million compared to the previous year (Euro 626 million).

As a result of the above, Profit from continuing operations amounted to Euro 1,375 million in 2017, up by Euro 16 million relative to 2016 (Euro 1,359 million).

Profit/(loss) from discontinued operations shows a loss of Euro 1 million. The figure in 2016 was negative by Euro 6 million.

Non-controlling interests increased, relative to the comparison year, due to the change in the equity interests in the subsidiaries of the Atlantia group: the sales of 11.94% of the capital of Autostrade per l'Italia and of 12.5% of Azzurra Aeroporti entailed the attribution, to the minority shareholders of the aforesaid companies, of their pro-quota portion of the operating results achieved in 2017.

The Group's share of net income amounts to Euro 234 million, compared to Euro 388 million in 2016.

Financial situation

The Group’s main financial figures at December 31, 2017 and 2016, duly restated, are as follows:

(Millions of Euro)	12.31.2017	12.31.2016 [1]	Change
Net working capital:			
– inventories	591	591	-
– receivables, accrued income and prepaid expenses	2,475	2,479	(4)
– payables, accrued expenses and prepaid income	(3,820)	(3,904)	84
Net working capital	**(754)**	**(834)**	**80**
Net liabilities held for sale	**3**	**(1)**	**4**
Non-current assets:			
– intangible assets	6,565	6,649	(84)
– concession rights, net	19,025	19,391	(366)
– property, plant and equipment	2,235	2,212	23
– non-current financial assets	1,154	1,219	(65)
– other non-current assets/(liabilities), net	(2,806)	(2,716)	(90)
Non-current assets	**26,173**	**26,755**	**(582)**
Net capital employed	**25,422**	**25,920**	**(498)**
– Shareholders’ equity, Group	7,270	6,773	497
– Non-controlling interests	9,426	8,061	1,365
Total shareholders’ equity	16,696	14,834	1,862
Net financial indebtedness	8,726	11,086	(2,360)
Sources of funding	**25,422**	**25,920**	**(498)**

[1] The amount for equity is different from the published amount as at December 31, 2016, following recognition of the impact of completion of the identification and fair value measurement of assets acquired as a result of the acquisition of Aéroports de la Côte d’Azur, completed at the end of 2016.

Net financial debt, amounting to Euro 8,726 million, decreased by Euro 2,360 million compared to previous year (Euro 11,086 million), mainly as a result of the collection of the consideration deriving from the sale to third party investors of 11.94% of the capital of Autostrade per l’Italia and of 12.5% of Azzurra Aeroporti, by Atlantia (Euro 1,870 million).

A breakdown of net financial indebtedness is presented below:

(Millions of Euro)	12.31.2017	12.31.2016	Change
Atlantia group	(9,496)	(11,677)	2,181
Autogrill group	(544)	(578)	34
Benetton group	(114)	24	(138)
Olimpias group	23	34	(11)
Edizione Property group	(231)	(190)	(41)
Edizione S.r.l.	1,609	370	1,239
Schematrentaquattro S.p.A.	23	924	(901)
Sintonia S.p.A.	7	8	(1)
Other companies	(3)	(1)	(2)
Net financial indebtedness	**(8,726)**	**(11,086)**	**2,360**

PERFORMANCE BY BUSINESS SEGMENT

2017 key events and the performance of the main Group companies are discussed below by business segment.

The 2017 and 2016 financial statements of the groups related to the segments in which the Group operates are stated in accordance with the International Financial Reporting Standards (IAS/IFRS) in effect at the reporting date.

The results of the parent company, Sintonia S.p.A. and Schematrentaquattro S.p.A., commented below, have been derived from the financial statements prepared in accordance with local accounting standards.

INFRASTRUCTURES AND SERVICES FOR MOBILITY

Atlantia S.p.A. (controlling interest at 12.31.2017: 30.25%)

The 2017 was particularly significant for the growth of the Atlantia group, both in view of the results achieved and of the important strategic step taken by opening the capital of Autostrade per l'Italia to international investors and the launch of the voluntary Tender Offer on Abertis Infraestructuras S.A. (Abertis).

To facilitate the international growth process started years ago, it has embarked on, in the early months of 2018 the group completed a reorganisation plan comprising five business areas:

- "*Italian motorways*", with Autostrade per l'Italia the operating parent company of the equity investments in the group's other Italian motorway companies;
- "*Overseas motorways*", with the two development platforms in Chile and Brazil and assets in Poland and India;
- "*Italian airports*", with the two Rome airports;
- "*Overseas airports*", with the three Côte d'Azur airports;
- "*Other activities*", in addition to Pavimental and Spea Engineering, this also includes Telepass and Electronic Transaction Consultants.

In 2017, the *Italian motorways* business area saw traffic grow by 2.2%, driven by the positive change in freight traffic.

In July 2017, the sale of 11.94% of the capital of Autostrade per l'Italia was completed, with 6.94% sold to Appia Investments S.r.l., directly and indirectly held by members of a consortium formed by Allianz Capital Partners on behalf of Allianz group (74%), EDF Invest (20%) and DIF Infrastructure IV (6%); and 5% sold to Silk Road Fund. This transaction, which established a solid partnership with investors whose excellence is widely recognised, has made it possible to raise fund for international development.

In *Overseas motorways*, traffic grew both in Chile (+4.8%) and in Poland (+5.6%) as well as in Brazil (+2.3%), where demand for mobility recovered.

In 2017, over 60 million passengers transited in the *Italian airports* and *Overseas airports* managed by Atlantia.

The traffic performance in *Italian airports* of the domestic segment of Aeroporti di Roma was affected by the situation of Alitalia, currently under a court-appointed administrator, but passenger traffic outside the EU increased by 6% in 2017, partly thanks to the new routes opened during the year. Concurrently, the components of revenues from commercial activities at Fiumicino airport grew thanks to the opening of the new shopping gallery in the non-EU area.

During the year, Atlantia tender the entire 22.1% stake held in Save S.p.A. to the mandatory Public Offer on Save shares, realising a capital gain of Euro 45 million.

In July 2017, Atlantia acquired a stake of 29.38% of the share capital of Aeroporto Guglielmo Marconi S.p.A., listed on the stockmarket and holder of the concession to manage the Bologna airport.

The *Overseas airports* managed by the Aéroports de la Côte d'Azur group (Nice, Cannes Mandelieu and Saint Tropez) welcomed 13.3 million passengers in 2017, a 7.1% increase with respect to the previous year. Moreover, in July 2017, the Principality of Monaco became a shareholder of Azzurra Aeroporti, the majority shareholder of Aéroports de la Côte d'Azur.

With reference to *Other activities*, Telepass, which was launched as an electronic motorway toll payment system, in 2017 became for all intents a new system of payment services tied to mobility. The 2017 launch of Telepass Pay marked the beginning of this path aimed at offering fast, innovative payment solutions and simplifying daily travel.

The most significant event of 2017 was the announcement, by Atlantia S.p.A., on May 15, 2017, of the decision to launch a voluntary Tender Offer in cash and stock on the entire share capital issued of Abertis, listed on the Madrid Stock Market.

Almost one year after the announcement, on March, 14 2018 an agreement was reached with Hochtief A.G. (Hochtief) (which in October 2017 had promoted a competing Tender Offer on Abertis) and ACS, Actividades de Construccion y Servicios S.A. (ACS) for a joint investment in Abertis.

The transaction will make it possible to achieve the objectives of diversification of the group's activities at global level, reducing exposure to the domestic market and it marks the establishment of the worldwide leader in the management of transport infrastructures under concession.
In light of the significant changes relating to the structure and to the procedures of the Public Tender Offer on Abertis that took place in March 2018, please refer to the paragraph of the Significant events following the end of the financial year for a detailed description.

The 2017 consolidated figures for the Atlantia group are not directly comparable with those of 2016 due to non-homogeneous effects, including, in particular:

- the benefit for the entire year of the revenues and of the cash flows of the Aéroports de la Côte d'Azur group, as a result of the line-by-line consolidation starting from December 31, 2016;
- exchange differences on foreign currency balances;
- the impact of changes of the discounting rates applied to provision under liabilities.

Consolidated economic and financial highlights in 2017 and 2016 are as follows:

(Millions of Euro)	2017	2016	Change	%
Toll revenues	4,195	4,009	186	4.6
Aviation revenues	799	636	163	25.6
Other revenues	979	839	140	16.7
Total revenues	**5,973**	**5,484**	**489**	**8.9**
Ebitda	**3,664**	**3,378**	**286**	**8.5**
Ebit	2,578	2,315	263	11.4
Net financial charges	(513)	(539)	26	(4.8)
Income taxes	(632)	(533)	(99)	18.6
Profit/(loss) from continuing operations	**1,433**	**1,243**	**190**	**15.3**
Profit/(loss) from discontinued operations	(1)	(5)	4	(80.0)
Non-controlling interests	260	116	144	124.1
Net income, group	**1,172**	**1,122**	**50**	**4.5**

Operating cash flow (FFO)	2,540	2,400	140
Operating investments	1,050	1,422	(372)

	12.31.2017	12.31.2016	Change
Capital employed	21,259	21,600	(341)
Shareholders' equity	11,763	9,923	1,840
Net financial indebtedness	9,496	11,677	(2,181)
Net financial indebtedness/Ebitda	2.59	3.46	

Revenues

Total revenues in 2017 amounted to Euro 5,973 million and increased by Euro 489 million (+9%) relative to 2016. Toll revenues amounted to Euro 4,195 million with a total increase of Euro 186 million (+5%) compared to 2016. At constant exchange rates, which had a positive impact of Euro 26 million, toll revenues increased by Euro 160 million, mainly due to the following factors:

- application of annual tariff increases for the group's Italian operators (+ Euro 19 million);
- increase in traffic on the Italian network (+ Euro 82 million);
- higher contribution from foreign operators (+ Euro 53 million) due to positive traffic dynamics in Chile, Poland and Brazil, and by effect of tariff increases.

Aviation revenues amounted to Euro 799 million and increased by Euro 163 million (+26%) relative to 2016, due to the contribution of the Aéroports de la Côte d’Azur group (Euro 159 million). This change was affected, moreover, by annual increases in airport fees applied with effect from 1 March by Aeroporti di Roma.

Other revenues total Euro 979 million and increased by Euro 140 million compared to 2016 (Euro 839 million), due to the contribution of the Aéroports de la Côte d’Azur group (Euro 122 million), to the increase non-aviation revenues at Aeroporti di Roma, linked to the opening of the new retail plaza in Terminal 3 at Fiumicino at the end of 2016 and to the increase revenues at Telepass, partially offset by a reduction in insurance proceeds which, in 2016, were linked to the fire in Terminal 3 al Fiumicino.

Key indicators for the Atlantia group for the year 2017 are broken down below by sector:

(Millions of Euro)	Italian motorways	Overseas motorways	Italian airport	Overseas airport	Atlantia S.p.A. and others activities	Total
Revenues from third parties	3,903	648	900	281	241	5,973
Ebitda	2,453	483	550	95	83	3,664
Operating cash flow (FFO)	1,638	391	429	62	20	2,540
Operating investments	556	183	207	27	77	1,050

Operating margins

EBITDA came to Euro 3,664 million, rising by Euro 286 million (+8%) compared to 2016 (Euro 3,378). On a like-for-like basis, EBITDA increased by Euro 206 million (+6%).

The EBIT amounted to Euro 2,578 million, up by Euro 263 million (+11%) relative to 2016 (Euro 2,315 million).

The group's share of consolidated profit (Euro 1,172 million) increased by Euro 50 million compared to 2016 (Euro 1,122 million). On a like-for-like basis, the group's share of the profit increased by Euro 63 million (+6%).

Investments

The operating investments of the Atlantia group in 2017 amounted to Euro 1,050 million, down by Euro 372 million relative to 2016 (Euro 1,422 million), due to the reduction of work in the sectors of Italian motorways and Italian airports.

Net financial indebtedness

At December 31, 2017, the group’s net debt totalled Euro 9,496 million (Euro 11,677 million at December 31, 2016). The change is mainly due to the collection of the consideration deriving from the sale to third party investors of 11.94% of the capital of Autostrade per l’Italia and of 12.5% of Azzurra Aeroporti by Atlantia (Euro 1,870 million).

Performance of Atlantia shares in 2017

The performance of Atlantia shares in 2017 is shown below, for a gain of 15.6%:

FOOD AND BEVERAGE

Autogrill S.p.A. (controlling interest at 12.31.2017: 50.10%)

On November 9, 2017, the Board of Directors of Autogrill S.p.A. approved a corporate reorganization plan directed mainly pursuing the following objectives:

- to redefine the corporate structure of the group consistently with its international and multichannel nature and with the current organisational structure;
- to assure a governance that is consistent with an efficient and effective management of the individual businesses;
- to communicate the positioning of the group to investors, favouring a better comprehension of the individual business areas; and
- to provide the group with increased flexibility in order to focus the management on the specific objectives of each areas, while pursuing structural efficiency and the development of potential partnership and joint ventures.

The reorganisation consisted of a contribution in kind of certain business units of Autogrill S.p.A. in favour of three transferee companies, with effective date on January 1, 2018, as consideration for the capital increases resolved by the shareholders' meeting of each of the transferee companies on December 15, 2017.
More specifically:

- Autogrill Italia S.p.A. acquired ownership of the business unit in charge of motorway and airport concessions, and railway stations/high street location in Italy, as well as of the subsidiary Nuova Sidap S.r.l.;
- Autogrill Europe S.p.A. acquired ownership of the business that includes: a) the structures responsable for the coordination of activities in Southern Europe and in continental Europe (including Italy); and b) the wholly-owned subsidiaries operating in Southern Europe and in continental Europe;
- Autogrill Advanced Business Service S.p.A. acquired ownership of the business unit in charge of providing support and service activities in favour of the group companies headed up by Autogrill S.p.A.

In October 2017, the group sold all operating activities in Poland and, on December 21, 2017, the group announced that it had started exclusive negotiations for the purchase of the entire share capital of the company Le CroBag GmbH & Co. KG and of the company F.F.N. GmbH, which manage the food and beverage activities under the Le CroBag brand in Germany, Austria and Poland. This transaction was completed at the end of February 2018.

The airport channel is the group's primary business channel, having generated approximately 58% of total revenues in 2017. In North America, the largest airport market for the group, passengers increased by 3.5% in 2017 with respect to the previous year, with a growth of 3.0% in domestic traffic and of 5.9% in international traffic. In Europe, passengers increased by 8.5% compared to the previous year. In Asia-Pacific, traffic increased by 7.8%, while in the Middle East it grew by 5.1%.
In the motorway channel, the group operates mainly in Europe, with a strong presence in Italy, France, Belgium, Germany, Switzerland and Spain. In Italy, main motorway market for the group, traffic increased by 2.4% overall in the first 11 months of the year. Traffic growth was driven by both light traffic, up by 1.9%, and by heavy traffic, which increased by 3.9%. The presence of the group in the motorway channel in North America is concentrated in the Eastern part of the United States and of Canada. In the United States, traffic increased by 1.2% in 2017 compared to 2016.

Key figures for the Autogrill group in 2017 and 2016 are shown below:

(Millions of Euro)	2017	2016	Change	%
Revenues	4,595	4,519	76	1.7
Oil sales	396	422	(26)	(6.1)
Other operating income	96	101	(5)	(4.7)
Total revenues and income	**5,087**	**5,042**	**45**	**0.9**
Cost of raw materials and goods	(1,797)	(1,810)	13	(0.7)
Rents, concessions and royalties	(828)	(803)	(25)	3.1
Payroll costs	(1,520)	(1,496)	(24)	1.6
Other operating costs	(543)	(521)	(22)	4.2
Ebitda	**399**	**412**	**(13)**	**(3.2)**
Depreciation and amortisation	(213)	(204)	(9)	4.2
Impairment losses on property, plant and equipment and intangible assets	(1)	(6)	5	n.s.
Ebit	**185**	**202**	**(17)**	**(8.3)**
Net financial charges and impairment losses on financial assets	(26)	(31)	5	(15.6)
Income before taxes	**159**	**171**	**(12)**	**(7.0)**
Income taxes	(46)	(55)	9	(15.8)
Profit/(loss) from continuing operations	**113**	**116**	**(3)**	**(2.8)**
Profit/(loss) from discontinued operations	-	(1)	1	n.s.
Non-controlling interests	17	16	1	4.3
Net income, group	**96**	**99**	**(3)**	**(2.8)**

Cash flow from operating activities	314	318	(4)
Investments, net	262	233	29

	12.31.2017	12.31.2016	Change
Capital employed	1,239	1,266	(27)
Shareholders’ equity	695	688	7
Net financial indebtedness	544	578	(34)
Net financial indebtedness/Ebitda	1.36	1.40	

Revenues

The Autogrill group earned consolidated revenues of Euro 4,595 million, up by 1.7% compared to the previous year (+2.9% at constant exchange rates). Sales are broken down below by channel:

(Millions of Euro)	2017	%	2016	%	Change
Airports	2,660	57.9	2,537	56.1	123
Motorways	1,629	35.4	1,653	36.6	(24)
Other	306	6.7	329	7.3	(23)
Total	**4,595**	**100**	**4,519**	**100**	**76**

In the airport channel, sales increased by 4.8% (+6.6% at constant exchange rates), supported by good traffic performance in North America, Northern Europe and Vietnam.
In the motorway channel, revenues declined by 1.4% (-1% at constant exchange rates), substantially in line with the previous year, by effect of the rationalisation of the presence in Europe.

Sales in other channels (-7%; -6.4% at constant exchange rates) reflect the effects of the sale of the French railway stations business and of the exite from various shopping centre locations in the United States.

Sales are broken down below by geographical area:

(Millions of Euro)	2017	%	2016	%	Change
North America	2,397	52.2	2,358	52.2	39
Italy	1,029	22.4	1,042	23.0	(13)
Other European countries	657	14.3	682	15.1	(25)
International	512	11.1	437	9.7	75
Total	**4,595**	**100**	**4,519**	**100**	**76**

Operating margins

In 2017, the group's EBITDA stood at Euro 399 million, down by 3.1% (-1.6% at constant exchange rates) compared to 2016. The 2016 EBITDA benefited from the capital gain of Euro 14.7 million deriving from the sale of the French railway station business. The 2017 EBITDA, instead, includes non-recurring costs of Euro 3.3 million relating to the corporate reorganisation and costs for the phatom stock option plans of Euro 16.4 million (Euro 6.8 million in 2016). With reference to the latter, the increase with respect to the previous year is due to the Autogrill’s stock market performance in 2017.

EBIT amounted to Euro 185 million, compared to Euro 201 million in 2016.

In 2017, the group's share of net income amounted to Euro 96 million, compared to Euro 98 million in 2016. Despite the reduction of EBIT, the lower financial charges and the positive tax benefit deriving from tax reform in the United States, led to a group net income substantially unchanged with respect to the previous year.

Investments

In 2017 net investments were mainly targeted at the airport channel and amounted to Euro 262 million, compared to Euro 233 million in 2016.

Net financial indebtedness

Net financial indebtedness at December 31, 2017 stood at Euro 544 million, down from Euro 578 million at December 31, 2016, as a result of the devaluation of the US Dollar. 83% of the group's financial debt is denominated in US dollars (compared to 74% at December 31, 2016); the remaining portion is denominated in Euro.

Performance of Autogrill shares in 2017

The performance of Autogrill shares on the stock market in 2017 is shown below, for a gain of 30.7%:

TEXTILES AND CLOTHING

Benetton Group S.r.l. (controlling interest at 12.31.2017: 100%)

For the clothing sector, the 2017 was characterised by the decline in the economic-financial performance of many brands.
The sector is going through a sensitive phase of transformation and evolution, in response to substantial changes in consumption habits (type, frequency and method of purchase) which are taking hold partly as a result of the ongoing digital revolution.
These changes penalized the Benetton group in 2017, with a negative impact on sales, margins and inventories at the end of the year, which entailed significant write-downs.
The actions necessary to address the situation were taken in a timely manner and a new managerial set-up was already put in place during the year; in December 2017, the Board of Directors of Benetton Group approved a three-year plan, defining a path to the recovery of sales and margins, starting from the group's traditional strengths (brand and extensiveness of the distribution network).

Key figures for the Benetton group in 2017 and 2016 are shown below:

(Millions of Euro)	2017	2016	Change	%
Revenues	**1,280**	**1,376**	**(96)**	**(7.0)**
Cost of sales	(748)	(760)	12	(1.6)
Gross operating profit	**532**	**616**	**(84)**	**(13.6)**
Distribution, transport and commission costs	(113)	(115)	2	(1.7)
Contribution margin	**419**	**501**	**(82)**	**(16.4)**
Payroll costs	(200)	(189)	(11)	5.8
Rents	(136)	(132)	(4)	3.0
Provisions for risks and charges	(50)	(50)	-	-
Depreciation and amortisation	(47)	(42)	(5)	11.9
Sales and general expenses	(130)	(126)	(4)	3.2
Operating result	**(144)**	**(38)**	**(106)**	**n.s.**
Income/(losses) from associates	-	1	(1)	n.s.
Net financial income/(charges)	(14)	(10)	(4)	40.0
Net foreign currency hedging gains/(losses) and exchange differences	(3)	(1)	(2)	n.s.
Income before taxes and non-controlling interests	**(161)**	**(48)**	**(113)**	**n.s.**
Income taxes	(20)	(33)	13	(39.4)
Net result for the period	**(181)**	**(81)**	**(100)**	**n.s.**

Ebitda	(75)	14	(89)
Cash flow provided/(used) by operating activities	(39)	(1)	(38)
Operating investments, gross	57	54	3

	12.31.2017	12.31.2016	Change
Capital employed	543	616	(73)
Shareholders' equity	429	640	(211)
Net financial indebtedness/(Cash)	114	(24)	138

Revenues

The 2017 revenues stood at Euro 1,280 million, down by Euro 96 million compared to the previous year (-7%).

Revenues by geographical area were as follows:

(Millions of Euro)	2017	%	2016	%	Change
Italy	465	36.3	502	36.5	(37)
Rest of Europe	502	39.2	534	38.8	(32)
Rest of the world	313	24.5	340	24.7	(27)
Total	**1,280**	**100**	**1,376**	**100**	

Revenues by channel are shown below:

(Millions of Euro)	2017	%	2016	%	Change
Indirect chanel	654	51.1	790	57.4	(136)
Direct chanel	626	48.9	586	42.6	40
Total	**1,280**	**100**	**1,376**	**100**	

Revenue performance was due to the following factors:

- a reduction in sales volumes of the 2017 Spring/Summer and Fall/Winter collections, particularly in the indirect channel, partly as a result of the decrease in the number of shops managed by third parties, some of which were transferred to the direct channel, in addition to lower shipments of the Spring/Summer 2018 collection;
- a negative performance of directly managed stores, in particular in Italy, Spain, Germany and Turkey, net of the contribution of the shops that before were managed by third party customers;
- an increase in the sales of the E-commerce channel.

Operating margins

In 2017, the Gross operating profit came to Euro 532 million or 41.6% of revenues, compared with 44.8% the previous year.

EBITDA in 2017 is negative by Euro 75 million, compared to a positive Euro 14 million in 2016, and it substantially reflects the contraction in revenues. EBIT was a negative Euro 144 million in 2017, compared to Euro 38 million in 2016.

In 2017, the net loss for the period amouts to Euro 181 million, compared to the loss of Euro 81 million in the previous year.

Operating cash flow and investments

The cash flow absorbed by operating activities amounts to Euro 39 million and it reflects the declining EBITDA. Total operating investments amounted to Euro 57 million (Euro 54 million in 2016).

Net financial indebteness

The net financial indebteness at December 31, 2017 was negative by Euro 114 million, compared to the cash and cash equivalents of Euro 24 million at December 31, 2016.

Olimpias Group S.r.l. (controlling interest at 12.31.2017: 100%)

In 2017, the group completed the activity to reorganise and integrate operations with the foreign subsidiaries in order to optimise available resources and implement planning and management of the entire supply chain.
Concerning textile activities, the 2017 saw a growing effort in terms of product development which should generate an increase in revenues and a recovery of margins. In the Clothing sector, management is working towards constant improvement of customer service (time, quality and punctuality) through pursuit of the higher effectiveness and efficiency of the processes, the constant attention to costs and a greater product proposal capacity.

Key figures for the Olimpias group in 2017 and 2016 are shown below:

(Millions of Euro)	2017	2016	Change	%
Revenues	**299.1**	**360.1**	**(61.0)**	**(16.9)**
Cost of sales	(285.2)	(334.2)	49.0	(14.7)
Gross operating profit	**13.9**	**25.9**	**(12.0)**	**(46.3)**
Distribution and transportation costs, agent fees	(5.0)	(5.0)	-	-
Contribution margin	**8.9**	**20.9**	**(12.0)**	**(57.4)**
Payroll costs	(7.6)	(7.8)	0.2	(2.6)
Provisions for risks and charges	(1.6)	(1.4)	(0.2)	14.3
Depreciation and amortisation	(0.8)	(0.6)	(0.2)	33.3
Sales and general expenses	(13.2)	(10.0)	(3.2)	32.1
Operating result	**(14.3)**	**1.1**	**(15.4)**	**n.s.**
Net financial income/(charges)	(0.5)	(0.3)	(0.2)	66.7
Net foreign currency hedging gains/(losses) and exchange differences	0.1	(0.1)	0.2	n.s.
Income before taxes	**(14.7)**	**0.7**	**(15.4)**	**n.s.**
Income taxes	1.0	0.1	0.9	n.s.
Profit from discontinued operations	(0.2)	(0.8)	0.6	(75.0)
Net result for the period	**(13.9)**	**0.0**	**(13.9)**	**n.s.**

Ebitda	(1.7)	17.2	(18.9)
Cash flow from operating activities	11.1	11.1	-
Investments for the year, gross	5.8	7.0	(1.2)

	12.31.2017	12.31.2016	Change
Capital employed	166.0	188.0	(22.0)
Shareholders’ equity	189.3	222.5	(33.2)
Net financial indebtedness/(Cash)	(23.3)	(34.5)	11.2

Revenues

Revenues stood at Euro 299.1 million compared to Euro 360.1 million in 2016, a decrease of Euro 61 million or approximately 17%. The decrease was mainly due to the Clothing segment.

Revenues by category are detailed below:

(Millions of Euro)	2017	%	2016	%	Change
Clothing	237.2	79.3	300.0	83.3	(62.8)
Yarns	13.9	4.7	14.7	4.1	(0.8)
Fabrics	42.0	14.0	40.5	11.2	1.5
Accessories	6.0	2.0	4.9	1.4	1.1
Total	**299.1**	**100**	**360.1**	**100**	**(61.0)**

Revenues of the Clothing business were primarily from the customer Benetton Group S.r.l. and for Euro 3.9 million from third-party customers.
Total revenues from third-party customers in 2017 amounted to Euro 65.8 million with an increase of Euro 1.8 million compared to 2016 (Euro 64.0 million).

Operating margins

The Gross operating profit amounted to Euro 13.9 million compared to Euro 25.9 million in the previous year, with a decrease of Euro 12 million.

In 2017, EBITDA was negative by Euro 1.7 million, down compared to the 2016 EBITDA of Euro 17.2 million. The 2017 EBIT was negative by Euro 14.4 million (positive by Euro 1.1 million in 2016).

The net loss for the period amounted to Euro 13.9 million.

Net financial indebteness

The net cash of Olimpias at December 31, 2017 amounted to Euro 23.3 million (net cash of Euro 34.4 million at December 31, 2016).

REAL ESTATE

Edizione Property S.p.A. (controlling interest at 12.31.2017: 100%)

At December 31, 2017, the real estate assets owned by the Edizione Property group consist of a portfolio of 112 properties in 17 countries worldwide, including 59 in Italy.

During the year, the works for the requalification of the property in Taranto and of the property units in Paris (leased to third parties) were completed, along with the work to restructure the operating properties of Treviso, called “ex Tribunale”, current headquarters of the company, and the adjacent properties.

In addition, preliminary work was started for the restructuring of the property called “Palazzo Borsa Merci” located in Florence, purchased by the group in 2016.

In December 2017, properties situated in Padua, Bologna and Milan were acquired for a total amount of Euro 71.4 million, leased for 12 years to a banking group and, within the scope of the broader process of reorganisation of the property portfolio, the properties in Campobasso were sold along with a portion of a property situated in Villorba (Treviso), two properties in Kazakhstan and two in Russia.

Consolidated economic and financial highlights in 2017 and 2016 are as follows:

(Millions of Euro)	Real estate	Agriculture	Hotels	Total 2017	Total 2016	Change
Rents	46.2	-	-	46.2	30.1	16.1
Property management cost, net	(5.5)	-	-	(5.5)	(3.9)	(1.6)
Real estate gross margin	**40.7**	**-**	**-**	**40.7**	**26.2**	**14.5**
Amortisation and depreciation	(15.4)	-	-	(15.4)	(10.0)	(5.4)
Income from disposal of properties and impairment reversals	1.9	-	-	1.9	0.7	1.2
Losses and impairment of fixed assets	(2.0)	-	-	(2.0)	(0.5)	(1.5)
Linearisation of lease revenues and impairments	2.5	-	-	2.5	1.1	1.4
Real estate EBIT	**27.7**	**-**	**-**	**27.7**	**17.5**	**10.2**
Other revenues	1.6	21.6	18.8	42.0	49.5	(7.5)
Other costs	(2.9)	(7.1)	(7.6)	(17.6)	(27.7)	10.1
Payroll costs	(4.9)	(6.2)	(5.8)	(16.9)	(15.2)	(1.7)
Depreciation/amortisation of other assets not directly relating to properties	(0.1)	(0.5)	(0.3)	(0.8)	(0.7)	(0.1)
Operating result	**21.5**	**7.8**	**5.1**	**34.4**	**23.4**	**11.0**
Net financial income/(charges) and exchange differences	(6.3)	(0.7)	-	(7.0)	(0.9)	(6.1)
Income taxes	(3.2)	(3.0)	(0.7)	(6.9)	(4.8)	(2.1)
Non-controlling interests	-	(0.1)	-	(0.1)	(0.1)	-
Net income, group	**12.0**	**4.0**	**4.4**	**20.4**	**17.6**	**2.8**

	12.31.2017	12.31.2016	Change
Capital employed	774.1	722.8	51.3
Shareholders’ equity	542.9	532.5	10.4
Net financial indebtedness/(Cash)	231.2	190.3	40.9

Rents

Rents, amounting to Euro 46.2 million in 2017, grew compared to Euro 30.1 million in the previous year, both by effect of the contribution for the entire year, of rent for the properties received at the end of 2016, as a result of the demerger of the real estate business of the parent company Edizione S.r.l., and for the rent from the properties acquired by the group during the current year.

Operating margins

Real estate EBITDA stood at Euro 40.7 million, an improvement from the year of comparison (Euro 26.2 million) by effect of the increase revenue and of the efficiency in the operating costs.

Real estate EBIT amounted to Euro 27.7 million in 2017, compared to Euro 17.5 million in 2016.

The group's share of net income amounted to Euro 20.4 million (Euro 17.6 million in 2016), of which Euro 4 million were generated by agricultural activities (Compañìa de Tierras Sud Argentino) and Euro 4.4 million generated by hotel management activities (Edizione Alberghi).

Net financial indebtedness

The Edizione Property group's net financial indebtedness at the end of 2017 amounted to Euro 231.2 million, up by Euro 40.9 million compared to the amount as at December 31, 2016 (Euro 190.3 million), mainly as a result of the acquisition of new properties.

HOLDING COMPANIES

The Parent Company

- On March 3, 2017, 50% of the units of the Quaestio Opportunity Fund were divested, with a collection of Euro 255.1 million and the realisation of a capital gain of Euro 5.1 million with respect to the subscription value.
- In May 2017, the Parent Company sold the entire equity investment, corresponding to 2% of the share capital, in the company Il Sole 24 Ore S.p.A., realising a capital loss of Euro 0.4 million.
- On August 30, 2017, the Parent Company sold on the market the entire equity investment of 2.24% held in Caltagirone Editore S.p.A. for a total price collected of Euro 3.36 million, recognising a capital gain of Euro 0.8 million.
- In December 2017, the Parent Company acquired on the market 6,970,000 shares of Assicurazioni Generali S.p.A., amounting to 0.446% of the share capital, for a price of Euro 106.8 million, and its interest at the end of the year was equal to 1.385% of share capital.

Below are the economic and financial highlights at December 31 of 2017 and 2016:

(Millions of Euro)	2017	2016	Change
Dividends and other income from equity investments	1,232.2	321.9	910.3
Other revenues and income	0.6	9.2	(8.6)
Capital gains from disposal of equity investments, net of capital losses	5.4	1.0	4.4
Operating costs	(15.7)	(19.7)	4.0
Depreciation and amortisation	(1.3)	(4.3)	3.0
Net financial income/(charges)	2.9	(1.4)	4.3
Impairment of non-current financial assets, net of reversal	(768.8)	(0.1)	(768.7)
Impairment of intangible assets, net of reversal	(1.6)	-	-
Income taxes	1.3	1.4	(0.1)
Net income	**455.0**	**308.0**	**147.0**

	12.31.2017	12.31.2016	Change
Non-current financial assets	2,030.0	2,696.1	(666.1)
Property, plant and equipment and other assets, net	264.7	523.0	(258.3)
Capital employed	**2,294.7**	**3,219.1**	**(924.4)**
Shareholders’ equity	3,903.9	3,589.0	314.9
Net financial indebtedness/(Cash)	(1,609.2)	(369.9)	(1,239.3)
Sources of funding	**2,294.7**	**3,219.1**	**(924.4)**

The Dividends of 2017 amounted to Euro 1,232.2 million and they include the income relating to the distribution of profit and of capital reserves received from the subsidiary Schematrentaquattro S.p.A. (Euro 917.4 million) and recognised in accordance with OIC 21 among the dividends of subsidiaries in the income statement of the year. In view of this income, an impairment of Euro 850.8 million was recognised to adjust the carrying amount of Schematrentaquattro S.p.A. to the value of its shareholders’ equity which, as a result of the aforementioned distribution, was correspondingly reduced.

Other revenues and income refer to the income for the performance of services rendered to Group companies. In the previous year, other revenues and income amounted to Euro 9.2 million and included Euro 8.7 million of income from the rent of properties that at the end of 2016 were demerged in favour of the subsidiary Edizione Property S.p.A.

The net Capital gain from disposal of equity investments are referred to the income from the divestment of 50% of the units held in Quaestio Opportunity Fund (Euro 5.1 million) and to the sale of the equity investment held in Caltagirone Editore S.p.A. (Euro 0.8 million), net of the capital losses for the sale of the entire equity investment in Il Sole 24 Ore S.p.A. (Euro 0.4 million) and of the divestment of the Azimut Fund (Euro 0.1 million). In the previous year, the item included the net gains realised from disposal of equity investments in Hermès International S.A., LBrands Inc. and Vinci S.A.

Operating costs amounted to Euro 15.7 million, down compared to the previous year (Euro 19.7 million).

Net financial income of 2017 amounted to Euro 2.9 million, versus net financial charges of Euro 1.4 million in the previous year, which included foreign exchange losses amounting to Euro 1.8 million.

Impairment of financial assets refers to the write-downs of the subsidiaries Schematrentaquattro S.p.A. (Euro 850.8 million), San Giorgio S.r.l. (Euro 4.2 million), Verdesport S.r.l. (Euro 0.3 million) and of the equity investment in Banca Leonardo S.p.A. (Euro 2.7 million), net of the partial impairment reversals of the equity investments in Mediobanca S.p.A. (Euro 52 million) and Assicurazioni Generali S.p.A. (Euro 37.3 million).

Positive Income taxes of Euro 1.3 million are the estimated remuneration of the tax loss of Edizione S.r.l. used in the tax consolidation to offset the taxable income amounts contributed by other companies participating in the consolidation scheme.

Equity investments at the end of 2017 amounted to Euro 2,030.0 million, a net decrease of Euro 666.1 million compared to the previous year (Euro 2,696.1 million) which derives from the combined effect of the purchases of shares of Assicurazioni Generali S.p.A. (Euro 106.8 million), of the sale of the equity investments in Caltagirone Editore S.p.A. (Euro 2.5 million) and in Il Sole 24 Ore S.p.A. (Euro 1.6 million), and of the Impairment of financial assets, as commented above.

At the end of 2017, Edizione has net cash for of Euro 1,609.2 million, compared to Euro 369.9 million at the end of 2016.

Sintonia S.p.A. (controlling interest at 12.31.2017: 100%)

At December 31, 2017 the company held 30.25% of Atlantia S.p.A.

The results of Sintonia S.p.A. in 2017 and 2016 are summarised below:

(Millions of Euro)	2017	2016	Change
Dividends and other income from equity investments	274.8	229.8	45.0
Operating costs	(0.2)	(0.2)	-
Net financial charges	-	0.1	(0.1)
Net income	**274.6**	**229.7**	**44.9**

	12.31.2017	12.31.2016	Change
Shareholders’ equity	2,583.7	2,583.9	(0.2)
Net financial indebtedness/(Cash)	(7.4)	(7.8)	0.4

Dividends collected by Atlantia consist of Euro 132.4 million as the balance due on the 2016 final dividend approved by Atlantia shareholders in April 2017, and Euro 142.4 million as the interim dividend for 2017, approved by Atlantia's Board of Directors in October 2017. The amount of the dividends grew by effect of the increase of the interim dividend for 2017, amounting to Euro 0.57 per share (the interim dividend for 2016 was Euro 0.44 per share).

Net cash at the end of the year stood at approximately Euro 7.4 million, substantially unchanged from the end of 2016.

Schematrentaquattro S.p.A. (controlling interest at 12.31.2017: 100%)

At December 31, 2017 the company held 50.10% of Autogrill S.p.A.

In 2017 and 2016 Schematrentaquattro S.p.A. achieved the following results:

(Millions of Euro)	2017	2016	Change
Dividends and other income from equity investments	20.4	15.3	5.1
Operating costs	(0.1)	(0.1)	-
Financial income (charges), net	0.9	3.1	(2.2)
Impairment reversals of equity investments	7.8	-	7.8
Income taxes for the year	(0.5)	(1.2)	0.7
Income for the year	**28.5**	**17.1**	**11.4**

	12.31.2017	12.31.2016	Change
Shareholders' equity	976.2	1,865.2	(889.0)
Net financial indebtedness/(Cash)	(22.9)	(923.6)	900.7

Dividends and other income from equity investments refer to the dividends received from the subsidiary Autogrill S.p.A.

Net financial income relates to interest income earned on the company's bank deposits and on the current account held with the holding company Edizione S.r.l.

Impairment reversals of equity investments refer to the full restoration of the historical cost of the equity investment in Autogrill S.p.A., which had been impaired in previous years, in view of the Autogrill's stock market performance which, in 2017, remained stably above the carrying amount of such equity investment.

Income taxes for the year were calculated on dividends received from the subsidiary Autogrill and financial income matured from cash and cash equivalents.

At December 31, 2017, Schematrentaquattro held cash and cash equivalents of Euro 22.9 million, following collection, in June 2017, of the dividends by Autogrill S.p.A. In the previous year, net Cash amounted to Euro 923.6 million and included, for Euro 722.2 million, the balance of the intercompany current account held with the parent Edizione S.r.l., remunerated at market rates. Following the distribution of dividend and capital reserves resolved by the shareholders' meeting of Schematrentaquattro in June 2017, for a total amount of Euro 917.4 million, the intercompany current account was reduced to zero and, for the residual amount, cash were used.

ADDITIONAL INFORMATION

At the reporting date, the Parent Company did not hold own quotas and its subsidiaries did not own shares or quotas of the Parent or their respective controlling companies, either directly or through trust companies or intermediaries, nor had the Parent Company or its subsidiaries ever purchased or sold any such shares or quotas.
Edizione S.r.l. has a secondary office in Milan, in Corso di Porta Vittoria, 16.
Note 59, Financial risk management, describes the financial risks of the main companies of the Group.
With regard to risks of another nature, research and development activities, information about personnel and the environment, please refer to the annual financial reports approved by each group.

SIGNIFICANT EVENTS FOLLOWING THE END OF THE FINANCIAL YEAR

Atlantia

On March 2, 2018, Atlantia announced that it had reached an agreement for the acquisition of 100% of the capital of Aero 1 Global & International S.àr.l. - an investment vehicle fully controlled by funds managed by Goldman Sachs Infrastructure Partners - which ows 85,170,758 shares in Groupe Eurotunnel S.E. (Getlink), equal to 15.49% of the capital and represent 26.66% of the voting rights of the company. The cost of the acquisition for Atlantia totalled Euro 1,056 million, corresponding to Euro 12.40 per Getlink share.

On March 13, 2018, Atlantia, Hochtief and ACS (hereafter, the Parties) stipulated a binding preliminary agreement (“Term Sheet”), approved on March 14, 2018 by the respective Boards of Directors, relating to a joint investment in Abertis.
On March 23, 2018, the Parties signed the definitive investment agreement and accepted the terms of the shareholder agreement and the other ancillary arrangements, which provide the following essential lines:

- *Hochtief’s Public Tender Offer*: in relation to the voluntary Public Tender Offer on Abertis’ shares approved by the Comisión Nacional del Mercado de Valores on March 12, 2018, Hochtief has to amend the terms of its offer by eliminating the share component of its counterbid, maintaining unchanged the price of Euro 18.36 per Abertis share (as adjusted by effect of the dividends distributed on March 20, 2018), which is therefore fully paid in cash; Hochtief has undertaken to exercise the squeeze-out right if it reaches the legally required threshold or, alternatively, to promotes the delisting of Abertis;
- *Holding Company*: the Parties have to establish a new special purpose vehicle with capital of approximately Euro 7 billion (the “Holding Company”), which purchases Hochtief’s entire investment in Abertis, acquired by Hochtief as a result of its Public Tender Offer for a consideration identical to the amount paid under the terms of the Public Tender Offer and of any squeeze-out or delisting (as adjusted for the payment of any dividends). The Holding Company has to enter into a new financing agreement to partially finance the above acquisition; the capital of the Holding Company will be held by the Parties as follows: Atlantia 50% plus one share, ACS 30% and Hochtief 20% less one share, thereby enabling Atlantia to consolidate the Holding Company and Abertis in its accounts. The Parties undertake to enter into a shareholders’ agreement governing their relation as shareholders of the Holding Company, including qualified majority voting, as is usual in this type of transaction;
- *Share issue by Hochtief and investment of Atlantia in Hochtief*: Hochtief will carry out a capital increase that will be subscribed in its entirety by ACS at a price of Euro 146.42 per share. ACS sells then to Atlantia Hochtief’s shares for a total value up to Euro 2,500 million at the same price per share paid for the above capital increase;
- *Strategic partnership agreement:* Atlantia, ACS and Hochtief undertake to execute a long-term agreement to maximise their strategic relationship and the synergies between themselves and Abertis, in the form new public-private partnerships, including both greenfield and brownfield projects;
- *Atlantia’s Public Tender Offer*: Atlantia undertakes to withdraw its Public Tender Offer for Abertis’s shares approved by the Comisión Nacional del Mercado de Valores on October 9, 2017.

In the performance of the provisions agreed by the Parties, on March 23, 2018, Hochtief filed a request with the Comisión Nacional del Mercado de Valores to amend its Public Tender Offer in order to eliminate all the conditions thereof (with the exception of the Minimum Condition of Acceptance of 50% of the capital plus one share of Abertis).
On April 12, 2018, the Comisión Nacional del Mercado de Valores authorised the amendments proposed by Hochtief and extended the period of the tender to May 8, 2018; on the same date, Atlantia announced its decision to withdraw its voluntary Public Tender Offer on cash and /or in shares for all the ordinary shares issued by Abertis.
On May 14, 2018, the Comisión Nacional del Mercado de Valores announced that the shareholders of 780,317,291 shares had accepted the Public Tender Offer on Abertis (corresponding to 85.6% of the share capital, net of the treasury shares held by Abertis): therefore, the Tender Offer exceeded the Minimum Acceptance threshold and was successfully completed.
On May 17, 2018, the Public Tender Offer was paid for a total amount of Euro 14.3 billion. Since the threshold of 90% of acceptance net of treasury shares (corresponding to 83% of share capital) was not reached, the squeeze out procedure may not be activated.

Benetton Group

On March 26, 2018, Schematrentasette S.r.l., sole shareholder of Benetton Group S.r.l., granted a three-year bullet fixed rate loan for a total amount of Euro 100 million.

Edizione

Purchases of Assicurazioni Generali S.p.A. shares
In the first months of 2018, the Parent Company acquired on the market 25,987,256 shares of Assicurazioni Generali S.p.A., amounting to 1.664% of the share capital, for an amount of Euro 401.2 million.
On May 7, 2018, the Parent Company transferred the entire interest held in Assicurazioni Generali S.p.A., corresponding to 47,616,056 and amounting to 3.049% of the share capital, to the subsidiary Schematrentatre S.p.A. for an amount of Euro 745 million.

Acquisition of an interest of 29.9% in the capital of Cellnex Telecom S.A.
As part of the agreements stipulated between Atlantia, Hochtief and ACS, with reference to the joint investment in Abertis and approved by the respective Boards of Directors on March 14, 2018, Atlantia was granted a right to purchase (“Call Option”) on a part or all the 34% investment held by Abertis in Cellnex Telecom S.A. (Cellnex), to be exercised directly or by a designated party, until March 23, 2018.
On March 20, 2018, Edizione sent a letter to Atlantia (subsequently supplemented on March 23, 2018) whereby it undertook to grant Atlantia a right to sell (“Put Option”) of an interest in Cellnex equal to 29.9% of the share capital, at an exercise price of Euro 21.50 per share of Cellnex (cum dividend), amounting to a price of Euro 1,489 million, and with the additional terms and conditions summarised below:
- the assumption, by Edizione, of the commitments contained in the Call Option in favour of Atlantia, including the terms and conditions of a possible price adjustment in the form of an earn-out in the 12 months following the transfer;
- recognition by Edizione to Atlantia of the right (personal and non-transferable) to co-invest in Cellnex, acquiring up to 20% of the investment (equal, transparently, to approximately 6% of the Cellnex issued capital) within two years of execution of the sale, as well as a “right of first offer” and a “pre-emptive right” in the case that Edizione intends to sell, directly or indirectly, all or part of the investment within seven years following execution of the sale;
- the Put Right could be exercise no later than April 16, 2018.

On March 23, 2018, the Board of Directors of Atlantia:
- resolved to exercise the Call Option in a part or all the investiment held by Abertis Cellnex; and
- resolved to accept, waiting to complete the search for possible buyers, the terms of the binding commitment set out in the only one offer received by Edizione, with the favourable opinion released by the Committee of

Independent Directors for Related Party Transactions in accordance with Atlantia's Procedure for Related Party Transaction.

Subsequently, on April 16, 2018, having completed the process of gauging the interest of potential investors in acquiring all or part of the Cellnex shares, as no improved offer has been received, Atlantia exercised the Put Option on 29.9% of the share capital of Cellnex granted by Edizione in the terms described above. Therefore, upon the positive outcome of the Public Tender Offer on Abertis, Hochtief will do whatever is necessary to sell the 29.9% interest in Cellnex held by Abertis to Edizione.
The investment in Cellnex shall be carried out by a newly established company, controlled by Sintonia S.p.A., a sub-holding in the infrastructure sector.

Reorganisation of the minority interests in listed companies in Financial Institutions
On March 19, 2018, the Board of Directors of the Parent Company approved the transfer of all the shares held by it in Assicurazioni Generali S.p.A. and Mediobanca S.p.A., by means of contribution in kind in favour of the wholly owned subsidiary Schematrentatre S.p.A.
This transaction aims at improving and optimising the financial structure of Edizione by concentrating in a vehicle of the minority interests held by the Parent Company in listed companies in the Financial Institutions sector.
On May 7, 2018, executing the above, the Parent Company underwrote a capital increase of the subsidiary Schematrentatre S.p.A. totalling Euro 926 million, by the transfer of all shares held in Assicurazioni Generali S.p.A. and in Mediobanca S.p.A.

Reorganisation of the equity investments in the agricultural sector
On March 19, 2018, the Board of Directors examined a project that calls for the concentration of the equity investments held directly and indirectly in the agricultural sector (Maccarese S.p.A. società agricola, Compañìa de Tierras S.A. and Ganadera Condor S.A.) in a sub-holding controlled by Edizione, thereby creating a dedicated vehicle.

Loan in favour of the subsidiary Schematrentasette S.r.l. and merger by incorporation of Schematrentotto S.r.l. in Schematrentasette S.r.l.
In March 2018, the Parent Company made available to the subsidiary Schematrentasette S.r.l. financial means totalling Euro 105 million, of which Euro 50 million by way of loan and Euro 55 million by way of shareholders' loan; Schematrentasette S.r.l., in turn, stipulated a three-year bullet loan with the subsidiary Benetton Group S.r.l. for a total amount of Euro 100 million in support of the 2018-2020 three-year plan.

On May 11, 2018, the deed of merger by incorporation of Schematrentotto S.r.l. in Schematrentasette S.r.l., both wholly owned by Edizione S.r.l. was signed.
This transaction, which represents a development of the corporate reorganisation process initiated by the former Benetton group in 2014, is directed at joining under a single holding the interests in Benetton Group S.r.l. and in Olimpias Group S.r.l. (the latter a wholly owned subsidiary of Schematrentotto S.r.l.) which have respectively taken over the commercial activities (Benetton group) and the industrial production activities (Olimpias group) of the former Benetton group.
This new corporate structure will enable each group to continue to pursue with decision-making and operational autonomy the objectives of its own core business, although they are adequately justified in a more effective context of commercial-industrial coordination by Schematrentasette S.r.l., which changed its name to Benetton S.r.l.

OUTLOOK FOR 2018

INFRASTRUCTURES AND SERVICES FOR MOBILITY

Atlantia

According to forecasts for 2018 the Atlantia group is expected to improve profits and increase key business indicators. In particular:

- Italian motorways: traffic on the motorway network in Italy is expected to grow, as confirmed by the trend of the first weeks of 2018; in addition, work will continue for the upgrading of the network operated under concession. In Italy, the preparation of the executive design for the Genoa Bypass is proceeding.
- Overseas motorways: in Chile, execution of the Santiago Centro Oriente programme will continue whilst design and engineering work for the tunnel to be built by Vespucio Oriente (AVO II) will begin.
- Italian and overseas airports: Nice airport expects to record futher growth in passenger using both commercial aviations and general aviation, while traffic at Aeroporti di Roma is expected to remain broadly stable, save for potential disruption to Alitalia’s operation. The modernisation of Fiumicino airport will also proceed, with work focusing in particular on the Eastern area of the airport serving “Schengen” passengers.
- Other activities: the operating results of 2018 will reflect growth at Telepass and group’s construction and engineering companies, in addition to the expenses to be incurred by Atlantia for professional services, mostly in relation to the public tender offer for Abertis Infraestructuras.

Following the positive developments regarding the acquisition of control of the Abertis Infraestructuras group, said group will be consolidated on a line-by-line basis in the Atlantia group’s accounts, together with the financing obtained to fund the transaction.

FOOD AND BEVERAGE

Autogrill

As for 2018, the group will maintain its own focus on increasing revenue and the excellence on its operating model, in order to continue its profitable growth. In particular, the group expects a positive contribution to revenue growth from like-for-like performance and from the positive net balance between new openings and closures, an improvement of all margins and performance indicators, thanks also ongoing structural efficiencies, as well as of cash generation before dividends.

TEXTILES AND CLOTHING

Benetton Group

The year 2018 will be distinguished by a still weak market scenario and it will be a transitional year for the Benetton group, during which the group will act on organisation, product, communication and distribution channels, in accordance with the three-year Plan 2018-2020.

Olimpias Group

The year 2018 will be characterised by a decline in revenues, due to and in relation with the performance of the main customer Benetton Group S.r.l.

REAL ESTATE

Edizione Property

In 2018, the group will continue to search for new investment opportunities and it will dispose of properties deemed non-strategic. Considering the positive international economic cycle, the investment activity may also be directed towards “Value Add” opportunities, characterised by value creation through programmes for the requalification and commercial repositioning of properties located in the main European cities.

HOLDING COMPANIES

Edizione S.r.l.

On the basis of resolutions taken by Edizione's subsidiaries, dividends are expected to increase in 2018, while operating costs are likely to be stabilised.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of Euro)	12.31.2017	12.31.2016	Note
Non-current assets			
Property, plant and equipment			1
Land and buildings	648,526	685,042	
Investment property	324,427	227,375	
Plant, machinery and equipment	443,357	387,311	
Furniture, furnishings and electronic equipment	85,593	84,435	
Assets to be relinquished	70,454	63,525	
Leasehold improvements	457,484	465,689	
Other property, plant and equipment	59,155	61,301	
Assets under construction and advances	145,726	237,336	
Total property, plant and equipment	**2,234,722**	**2,212,014**	
Intangible assets			2
Goodwill and other intangible assets of indefinite useful life	6,005,077	6,080,228	
Intangible assets deriving from concession rights	22,412,570	23,192,570	
Intangible assets of finite useful life	560,128	569,537	
Total intangible assets	**28,977,775**	**29,842,335**	
Other non-current assets			
Equity investments in subsidiaries	972	947	3
Equity investments in associates and joint ventures	193,579	217,555	4
Equity investments in other companies	595,163	435,739	5
Investment securities	276,250	510,347	6
Other non-current financial assets	2,278,982	2,221,987	7
Other non-current receivables	118,470	106,366	8
Deferred tax assets	1,434,788	1,600,468	9
Total other non-current assets	**4,898,204**	**5,093,409**	
Total non-current assets	**36,110,701**	**37,147,758**	
Current assets			
Inventories	591,449	590,909	10
Trade receivables	1,958,136	1,912,256	11
Tax receivables	127,693	143,979	12
Other current receivables, accrued income and prepaid expenses	391,840	422,775	13
Other current financial assets	824,218	854,218	14
Other investments	47	14,806	15
Cash and cash equivalents	7,542,661	4,792,552	16
Total current assets	**11,436,044**	**8,731,495**	
Assets held for sale	14,506	12,769	17
TOTAL ASSETS	**47,561,251**	**45,892,022**	

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2017	12.31.2016	Note
Shareholders' equity			
Shareholders' equity attributable to the Parent Company			
Share capital	1,500,000	1,500,000	18
Fair value and hedging reserve	100,303	33,935	19
Other reserves and retained earnings	5,650,325	4,994,070	20
Translation reserve	(214,595)	(143,630)	21
Net income for the year	233,726	388,245	
Total	**7,269,759**	**6,772,620**	
Equity attributable to non-controlling interests	9,426,519	8,061,373	22
Total shareholders' equity	**16,696,278**	**14,833,993**	
Liabilities			
Non-current liabilities			
Bonds	11,652,503	10,506,767	23
Medium and long-term loans	4,479,303	4,184,371	24
Other non-current liabilities	162,344	150,700	25
Lease financing	7,076	7,955	26
Other non-current financial liabilities	596,775	654,331	27
Provisions for employee benefits	276,453	299,308	28
Deferred tax liabilities	2,299,986	2,396,523	29
Other non-current provisions and liabilities	1,482,240	1,496,070	30
Provisions for construction services required by contract	2,960,647	3,269,830	31
Total non-current liabilities	**23,917,327**	**22,965,855**	
Current liabilities			
Trade payables	2,178,926	2,283,831	32
Other payables, accrued expenses and deferred income	1,088,737	1,083,537	33
Current income tax liabilities	162,017	77,043	34
Other current provisions and liabilities	390,285	459,721	30
Current portion of provisions for construction services required by contract	426,846	531,455	31
Current portion of bonds	1,118,502	926,429	23
Current portion of medium and long-term loans	319,869	363,669	24
Current portion of lease financing	726	3,203	26
Other current financial liabilities	478,900	333,137	35
Bank loans and overdraft	776,572	2,023,763	36
Total current liabilities	**6,941,380**	**8,085,788**	
Liabilities held for sale	6,266	6,386	17
Total liabilities	**30,864,973**	**31,058,029**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**47,561,251**	**45,892,022**	

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	2017	2016	Note
Revenues	**12,112,931**	**11,669,610**	**37**
Revenues from construction services	415,479	704,660	38
Other revenues and operating income	419,512	369,597	39
Change in inventories of finished products and work in progress	7,613	75,188	
Purchases and changes of raw materials and consumables	(2,719,556)	(2,712,511)	40
Payroll costs	(2,820,171)	(2,704,123)	41
Costs of services	(2,130,734)	(2,444,098)	42
Leases and rentals	(1,427,806)	(1,383,521)	43
Other operating expenses	(164,761)	(173,026)	44
Use of provisions for construction services required by contract	419,191	455,024	45
Depreciation of tangible assets	(325,878)	(304,487)	46
Amortisation of intangible assets	(1,057,445)	(931,426)	47
Impairment of property, plan and equipment and intangible assets	(23,199)	(9,347)	48
Impairment of doubtful accounts	(57,108)	(61,701)	49
Provisions for risks	(23,702)	(54,667)	50
Operating result	**2,624,366**	**2,495,172**	
Share of income/(loss) of associated companies	(763)	48,508	51
Financial income	429,039	416,234	52
Impairment of financial assets	(8,354)	(13,937)	53
Financial charges	(965,593)	(969,841)	54
Foreign currency hedging gains/(losses) and exchange differences	258	8,973	55
Income before taxes	**2,078,953**	**1,985,109**	
Income taxes	(704,424)	(626,487)	56
Profit/(loss) from discontinued operations	(1,245)	(5,737)	57
Net income for the year (Group and non-controlling interests)	**1,373,284**	**1,352,885**	

Income/(Loss) attributable to:			
- Parent Company	233,726	388,245	
- Non-controlling interests	1,139,558	964,640	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)	2017	2016
Net income for the year	**1,373,284**	**1,352,885**
Fair value gains/(losses) on cash flow hedges	67,841	(47,018)
Fair value gains/(losses) of available for sale financial instruments	71,213	(5,583)
Gains/(losses) from translation of assets and liabilities of consolidated companies in functional currencies other than Euro	(277,149)	367,902
Other gains/(losses)	7	(2,307)
Tax effect	(16,319)	17,412
Other comprehensive income for the year	**(154,407)**	**330,406**
- of which discontinued operations	-	-
Comprehensive income/(loss) for the year attributable to:	**1,218,877**	**1,683,291**
- Parent Company	229,063	434,554
- Non-controlling interests	989,814	1,248,737

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of Euro)	Share capital	Fair value and hedging reserve	Other reserves and retained earnings	Translation reserve	Net income (loss) for the year	Equity attributable to the Parent Company	Equity attributable to non-controlling interests	Total
Balance at 12.31.2015	**1,500,000**	**48,847**	**3,463,903**	**(205,365)**	**1,598,216**	**6,405,601**	**6,731,350**	**13,136,951**
Carry forward of 2015 earnings			1,598,216		(1,598,216)	-		-
Dividend distributed			(70,000)			(70,000)	(594,569)	(664,569)
Capital increases/(Reimbursements)			(1,813)			(1,813)	948	(865)
Transactions with non-controlling interests			19,416			19,416	(20,174)	(758)
Change in scope of consolidation						-	754,578	754,578
Other movements			(15,138)			(15,138)	(59,497)	(74,635)
Comprehensive income for the year		(14,912)	(514)	61,735	388,245	434,554	1,248,737	1,683,291
Balance at 12.31.2016	**1,500,000**	**33,935**	**4,994,070**	**(143,630)**	**388,245**	**6,772,620**	**8,061,373**	**14,833,993**
Carry forward of 2016 earnings			388,245		(388,245)	-		-
Dividend distributed			(140,000)			(140,000)	(823,631)	(963,631)
Capital increases/(Reimbursements)						-	(77,846)	(77,846)
Transactions with non-controlling interests			414,619			414,619	1,267,755	1,682,374
Change in scope of consolidation						-		-
Other movements			(6,543)			(6,543)	9,054	2,511
Comprehensive income for the year		66,368	(66)	(70,965)	233,726	229,063	989,814	1,218,877
Balance at 12.31.2017	**1,500,000**	**100,303**	**5,650,325**	**(214,595)**	**233,726**	**7,269,759**	**9,426,519**	**16,696,278**
Note	18	19	20	21			22	

CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2017	2016
Operating activities		
Net income for the year (Group and non-controlling interests)	1,373,284	1,352,885
Income taxes	704,424	626,487
Income before taxes	**2,077,708**	**1,979,372**
Adjustments:		
- depreciation and amortisation	1,383,323	1,235,913
- (capital gains)/capital losses/impairment of intangible assets and property, plant and equipment	(62,274)	(10,663)
- net provisions charged to statement of income	135,854	65,105
- share of (income)/losses of associates	(9,259)	(48,508)
- dividends from associated companies	8,495	54,823
- dividends from other companies	29,457	28,861
- (capital gains)/capital losses/impairment of other equity investments	(40,344)	(11,648)
- net financial (income)/charges	662,125	550,331
Cash flow from operating activities before changes in working capital	**4,185,085**	**3,843,586**
Cash flow provided/(used) by changes in working capital	(147,839)	51,009
Cash flow provided/(used) by changes in non-current assets and liabilities	(72,390)	95,912
Payment of taxes	(500,283)	(505,949)
Payment of employee termination indemnities	(22,377)	(25,702)
Net interest received/(paid)	(686,573)	(735,380)
Cash flow provided/(used) by operating activities	**2,755,623**	**2,723,476**
Investing activities		
Operating investments	(1,528,801)	(1,730,174)
Operating divestments	73,772	34,137
Increase in financial assets deriving from concession rights (related to capital expenditure)	74,969	76,079
Purchase of equity investments	(367,956)	(287,666)
Purchase of consolidated companies	(113,246)	(1,373,856)
Cash contributed by newly consolidated companies	-	37,693
Disposal of equity investments	307,491	286,556
Disposal of consolidated companies	1,871,867	-
Operations in non-current financial assets	268,701	(1,737)
Cash flow provided/(used) by investing activities	**586,797**	**(2,958,968)**
Financing activities		
Change in shareholders' equity	(145,093)	52,443
New medium and long-term loans	3,022,295	1,392,975
Repayment of medium and long-term loans	(1,407,140)	(1,498,137)
Net changes in other sources of finance	(1,150,740)	1,739,445
Dividend payments and distribution of capital reserves	(905,860)	(664,569)
Cash flow provided/(used) by financing activities	**(586,538)**	**1,022,157**
Increase/(decrease) in cash and cash equivalents	**2,755,882**	**786,665**
Cash and cash equivalents at the beginning of the period	**4,755,670**	**3,936,471**
Translation differences and other movements	(17,621)	32,534
Cash and cash equivalents at the beginning of the period of activities recognised as discontinued operations	(1,464)	-
Cash and cash equivalents at the end of the period	**7,492,467**	**4,755,670**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP ACTIVITIES

Set up in 1981, Edizione S.r.l. at December 31, 2017 held controlling and non-controlling interests in companies operating in the following business segments:

- Infrastructures and services for mobility;
- Food and beverage;
- Textiles and clothing; and
- Real estate and agriculture.

These are headed up respectively by Atlantia S.p.A., Autogrill S.p.A., Benetton Group S.r.l. and Olimpias Group S.r.l., and Edizione Property S.p.A.
The Group also manages real estate and agricultural operations, other than those directly held by the companies listed above and other financial interests.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The scope of consolidation includes subsidiaries for which the Group, pursuant to IFRS 10, is exposed to or has rights to variable returns and is able to affect those returns through power over these investees.
The scope of consolidation also includes joint arrangements, pursuant to IFRS 11 (joint ventures and joint operations), and associate companies over which the Group has a significant influence in accordance with IAS 28.

A list of the companies included in the scope of consolidation is annexed to these notes.
More in detail, Edizione Group's consolidated financial statements include the financial statements at December 31, 2017 of Edizione S.r.l. and all the Italian and foreign companies over which the Parent Company has direct or indirect control or a dominating influence.

The financial statements used for the consolidation are those approved or pending approval by the shareholders of the various companies or, in the case of companies which close their fiscal year on a date other than December 31, 2017, the interim statements prepared as of the Group reporting date. Please note that HMSHost Corporation and its subsidiaries close their fiscal year on the Friday closest to December 31, and subdivide it into 13 periods of four weeks each, in turn grouped into 12-week quarters, except the last one which has 16 weeks. Consequently, the respective accounting situations included in the accounting statements refer to the period from December 31, 2016 to December 29, 2017, while the comparison figures refer to the period from January 2, 2016 to December 30, 2016. This practice has no significant effects on the statement of financial position at December 31, 2017 and the operating result.

The financial statements of subsidiaries have been duly reclassified for consistency with the policies adopted by the Parent Company. Some have also been adjusted for consistency with the accounting principles and the policies adopted by the Group.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement as from the effective date of acquisition and until the effective date of disposal, with slight timing adjustments where these dates do not coincide with monthly reporting dates.
The scope of consolidation at December 31, 2017 is different from that at December 31, 2016 due to:

- acquisition of 100% of Catterick Investments Sp.zo.o. by the subsidiaries Autostrade Tech and Stalexport Autostrady S.A., which occurred in March 2017 for a price of Euro 2 and consolidated line-by-line starting from said date;

- acquisition of 70% of URBANnext S.A., a Swiss company that develops software and applications relating to urban mobility, carried out in June 2017 through the subsidiary Telepass S.p.A. In particular, the total cost for the acquisition of the interest amounted to Euro 2 million (corresponding to a total value attributed to the company of Euro 3 million), in view of a book equity of Euro 0.2 million of the acquired company, and it determined the recognition of the value of the software platform owned by the company, estimated to be Euro 4 million;
- acquisition of 100% of K-Master S.r.l., company operating in the systems for monitoring and managing transport vehicle pools through an IT platform and some dedicated software applications, completed in December 2017 by the subsidiary Telepass. The total cost for the acquisition was Euro 5 million, in view of a book equity of Euro 0.1 million of the acquired company, and it gave rise to the recognition of the value of the IT platform owned by the company and of existing commercial dealings, totalling Euro 5 million. As a result of the sale to third parties of the capital of K-Master S.r.l. which took place during the year, the interest held by Telepass amounts to 93.40%;
- the exit from the scope of consolidation of the company Romulus Finance S.r.l., deleted from the Register of Companies, on October 17, 2017, following the closure of the liquidation process;
- the sale, in November, of the operational activities of the company Autogrill Polska Sp. Zo.o.

Taking into account the non-materiality of these transactions, the complete disclosure required by IFRS 3 was not provided.

In accordance with the provisions of IFRS 5, balances relating to the operating activities sold during the year were reclassified in a single line of the income statement of 2016 and 2017 Profit/(loss) from discontinued operations. With reference to the Autogrill group, the provisions of IFRS 5 were not applied in 2017, because the sale of the Polish operating activities was not material, and in 2016, because the activities in the French railway stations do not represent, for the purposes of IFRS 8, an important and autonomous business unit or geographic area.

These financial statements have been prepared on a going concern basis, matching costs and revenues to the accounting periods to which they pertain and applying the historical cost principle to all items except those that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies. The reporting currency is the Euro and all amounts have been rounded to thousands of Euro, unless otherwise specified.
The consolidated financial statements are comprised of the statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement and these notes. The statement of financial position follows the format whereby assets and liabilities are split into current and non-current, while in the income statement, costs are grouped by nature. The cash flow statement has been prepared using the indirect method.

Some statement of financial position amounts are different from those published at December 31, 2016 as a result of the recognition of the effects connected with the completion of the identification and fair value measurement of the assets acquired and of the liabilities assumed, deriving from the acquisition of Aéroports de la Côte d’Azur completed at the end of 2016 (see Note 62 Business combinations). The income statement balances and the cash flows of 2017 fully benefited from the contribution of Aéroports de la Côte d’Azur which at December 31, 2016 had been consolidated only in the statement of financial position.

CONSOLIDATION CRITERIA

The consolidation criteria adopted for the preparation of the consolidated financial statements are as follows:

a. the financial statements of subsidiaries are consolidated on a line-by-line basis, with elimination of the carrying value of the shareholdings held by the Parent Company and other consolidated companies against the relative shareholders' equity;
b. when a company is consolidated for the first time, any positive difference emerging from the elimination of its carrying value on the basis indicated in point a. above is allocated, where applicable, to the assets and liabilities of the subsidiary. Any excess of the cost of acquisition over the net assets is recorded as Goodwill and other intangible assets of indefinite useful life. Negative differences are recognised in the income statement as income, following the fair value review of acquired assets and liabilities. Purchases of non-controlling interests in subsidiaries are recognised as transactions on net equity and, consequently, the difference between the acquisition cost and the relevant net equity portions is directly recognised under net equity;
c. intercompany receivables and payables, costs and revenues, and all significant transactions between consolidated companies, including the intragroup payment of dividends, are eliminated.
   Unrealised intercompany profits and gains and losses arising from transactions between Group companies are also eliminated;
d. non-controlling interests in shareholders' equity and in the income or loss of consolidated companies are shown separately under consolidated shareholders' equity and in the income statement. Non-controlling interests are determined on the basis of the percentage of ownership of the fair value of assets and liabilities recognised as of the original acquisition date and of changes in net equity after that date;
e. the financial statements of foreign subsidiaries with a functional currency other than the Euro are translated using period-end exchange rates for assets and liabilities, and average exchange rates for the period for income statement items. Differences arising from the translation into Euro of foreign currency financial statements are reported in comprehensive income for the year and accumulated in an equity reserve.

Below are the exchange rates used to translate the financial statements of the main subsidiaries with a functional currency other than the Euro:

Currency	Exchange rate on 12.31.2017	Average exchange rate in 2017
Euro/Usd	1.199	1.130
Euro/Pln	4.177	4.257
Euro/Clp	737.290	732.607
Euro/Ars	22.450	18.940
Euro/Brl	3.973	3.605
Euro/Inr	76.606	73.532
Euro/Czk	25.535	26.326
Euro/Gbp	0.887	0.877
Euro/Jpy	135.010	126.711
Euro/Hkd	9.372	8.805
Euro/Rub	69.392	65.938
Euro/Krw	1,279.610	1,276.738
Euro/Cad	1.504	1.465
Euro/Chf	1.170	1.112

ACCOUNTING STANDARDS AND POLICIES

International Accounting Standards

For preparation of the consolidated financial statements, in accordance with EU Regulation 1606 of July 19, 2002, since January 1, 2005 the Group has used the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union and the interpretations issued thereby (IFRIC and SIC). IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).
The consolidated financial statements of 2017 and of the years set as comparisons were prepared in accordance with the aforesaid standards and interpretations.

Application of IFRS

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on January 1, 2017:

IAS 7 - Statement of Cash Flows

The standard has introduced the obligation to provide a specific disclosure that allows users of the financial statements to assess the changes in the liabilities deriving from the lending activity, with the introduction of a specific reconciliation.

IAS 12 - Income Taxes

The amendments to this standard clarified how to recognise the deferred tax assets relating to debt financial instruments measured at fair value, and on the estimation of taxable income for future years.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on January 1, 2018:

Details	IASB adoption	EU adoption
IFRS 9 - Financial instruments	January 1, 2018	November 2016
IFRS 15 - Revenues from trade contracts	January 1, 2018	September 2016

Below are the new accounting standards and the respective applications, not yet endorsed by the European Union, which may in the future be applied in the Group’s consolidated financial statements:

Details	IASB adoption	EU adoption
IFRS 16 - Leases	January 1, 2019	October 2017
Amendments to IFRS 2 - Share-based payment	January 1, 2018	Not adopted
Annual cycle amendments to IFRS 2014-2016	January 1, 2017-2018	February 2018
Annual cycle amendments to IFRS 2015-2017	January 1, 2019	Not adopted

IFRS 9 - Financial Instruments

In July 2014, the IASB definitively emitted IFRS 9 to replace the current IAS 39 for recognition and measurement of financial instruments.
The standard introduces new rules for classifying and measuring financial instruments and a new model of impairment of financial assets, as well as for hedge accounting.

Classification and measurement

IFRS 9 provides a single approach for the analysis and classification of all financial assets, including those containing embedded derivatives. Classification and related measurement is carried out considering both the model for managing financial assets, and the contractual characteristics of the cash flows obtainable from those assets.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

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

The financial asset is measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset to obtain its related contractual cash flows or to sell it.

Lastly, the residual category of financial assets are measured at fair value through profit or loss, which includes assets held for trading.

A financial asset that meets the requirements to be classified and measured at amortised cost may, at initial recognition, be designated as a financial asset measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (“accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Moreover, in case of investments in equity instruments for which, therefore, recognition and measurement at amortised cost is not possible, if they are equity investments not held for trading purposes, but of a strategic nature, the new standard provides that at initial recognition an entity may make an irrevocable election to measure them at fair value, with recognition of the subsequent changes in the statement of comprehensive income.

Concerning financial liabilities, the provisions of the current IAS 39 are confirmed by the new IFRS 9, also with reference to the related recognition and measurement at amortised cost or, in specific circumstances, at fair value through profit or loss.

By effect of the amendment approved on October 12, 2017 (with mandatory adoption starting from January 1, 2019), it was specified that:

a. in case of non-substantial changes of the terms of a financial instrument, the difference between the present value of the flows as changed (determined using the effective interest rate of the instrument existing at the date of the change) and the carrying amount of the instrument is recorded in the income statement;
b. a debt instrument providing an early repayment option could meet the characteristics of only the contractual flows required by IFRS 9 and, consequently, it could be measured at amortised cost or at fair value with recognition of the changes in the statement of comprehensive income, even if a negative compensation is provided for the lender.

The changes compared to current IAS 39 prescriptions pertain mainly to:

a. the representation of the effects of the changes in fair value due to the credit risk associated with the liability, which IFRS 9 requires recognising in the statement of comprehensive income for some types of financial liabilities, instead of in the income statement like fair value changes due to the other types of risks;
b. the elimination of the option for measuring at amortised cost the financial liabilities consisting of derivative financial instruments that entail the delivery of unlisted equities. By effect of this change, all derivative financial instruments must be measured at fair value.

Impairment
IFRS 9 defines a new impairment model of financial assets, with the objective of providing useful information to users of financial statements with regard to the related expected losses. The model, in particular, requires verifying and recognising any losses expected at every moment of the life of the instrument and to revise the amount of losses expected at each reporting date, to reflect the changes in the credit risk of the instrument; therefore it is no longer necessary for a particular event to occur ("trigger event") to proceed with the verification and recognition of losses on receivables.
Impairment tests shall be applied to all financial instruments, with the exception of those measured at fair value through profit or loss.

Hedge accounting
The main changes introduced by IFRS 9 pertain to:

a. the greater breadth of the types of risks to be hedged, to which non financial assets and liabilities are exposed, further allowing the designation of an aggregate exposure, which may also include derivative instruments, as an object of hedging;
b. the possibility of designating as a hedging instrument also a financial instrument measured at fair value through profit or loss;
c. the different method of recognising forward contracts and option contracts, when included in a hedge accounting reports;
d. changes to the method of preparation of the effectiveness tests of hedges, inasmuch as the principle of "economic relationship" between hedged item and hedging instrument is introduced; moreover, the retrospective assessment of the effectiveness of the hedge is no longer required;
e. the possibility of "rebalancing" an existing hedge when the risk management objectives remain valid.

IFRS 15 - Revenue from Contracts with Customers

Issued on May 28, 2014, the new standard regulates the timing and the amount of recognition of revenue from contracts with customers (including construction contracts). In particular, IFRS 15 prescribes that revenue recognition shall be based on the following steps:

- identify the contract with the customer;
- identify the performance obligations (i.e. the contractual promises to transfer goods and/or services to a customer);
- determine the transaction price;
- allocate the transaction price to the performance obligations identified on the basis of the stand alone sale price of each good or service;
- recognise revenue when (or as) the entity satisfies a performance obligation.

In addition, IFRS 15 supplements the disclosure to be provided about the nature, amount, timing and uncertainty of revenue and the related cash flows.

IFRS 16 - Leases

IFRS 16 defines the rules for the recognition, measurement, presentation and disclosure in the financial statements for leases, both for the lessor and for the lessee, replacing the current IAS 17. The new principle:

- does not apply to service agreements, but only to those in which the lessee is granted the right to use an asset for a determined period of time for consideration;
- eliminates the distinction between operating and finance lease, introducing a single accounting model of reference in which the lessee shall recognise the assets and the liabilities deriving from each lease agreement with more than 12 months duration, recognising in profit or loss the amortisation of the right to use the asset and the financial expenses connected with the liability.

The new standard requires the recognition of assets and liabilities for all existing leases (which implies the determination of the net present value at January 1, 2019, by discounting guaranteed minimum fixed payments).

For all newly issued standards and interpretations briefly described above, the main companies of the Group are assessing any impacts deriving from their future application. The main findings emerged are set out below.

Atlantia group

With reference to the new IFRS 9, the main items of the financial statements that could be involved are represented by trade receivables, by the financial assets related to concession rights, by financial liabilities and by derivative financial instruments. In particular, as the only significant change, it is pointed out that the non-material changes to financial liabilities made by Autostrade per l'Italia and Aeroporti di Roma, that occurred in 2017, according to the new standard would have entailed the recognition in the income statement of the year the difference between the present value of the flows as changed (determined using the effective interest rate of the instrument existing at the date of the change) and the carrying amount of the instrument existing at the date of the change. This impact, estimated at approximately Euro 43 million before the related tax effect, will be recognised as an increase in consolidated equity at January 1, 2018, as an effect deriving from the adoption of IFRS 9.

With reference to IFRS 15, upon completion of the further studies carried out, no significant impacts emerged on the consolidated financial statements of the Atlantia group.

With regard to the possible impacts deriving from the introduction of IFRS 16, it is pointed out that the group does not hold significant lease instruments as lessee. Moreover, with reference to the lease agreements held by the group companies as lessee, due to the sub-concessions for leasing the areas to be used for commercial and food service activities of the motorway and airport infrastructures in concession, it is pointed out that IFRS 16 does not introduce changes in the financial reporting of lease agreements by the lessee with respect to the provisions of the previous IAS 17, therefore no significant impacts were identified that could derive from the introduction of this standard.

Autogrill group

Considering the current breakdown of the Balance Sheet of the group (financial assets and liabilities) and the characteristics of the activity of the group (with revenue for sale of consumer products and almost exclusively with immediate collection), the new IFRS 9 and IFRS 15 will not have any significant impacts in the financial statements for 2018.

With reference to IFRS 16, in consideration of the significant volume of future commitments for operating leases, the group has implemented a specific study programme for the determination of the related accounting impacts connected therewith, by means of an in-depth analysis of the agreements and of the clauses contained therein, and for a possible step of implementation and/or upgrade of the administrative processes and of the accounting system, if deemed necessary.

Benetton group

The group will adopt IFRS 9 from January 1, 2018, but it intends to opt to continue to apply the hedge accounting provisions of IAS 39, instead of those prescribed by chapter 6 of IFRS 9; for this reason, the introduction of IFRS 9 in the 2018 financial statements is not expected to generate significant impacts on the group's consolidated financial statements.

With reference to IFRS 15 the group, based on the assessments made on the impacts this standard will have on the recognition of revenues, both in terms of value and of timing, no material effects are expected for the year 2018.

The group is assessing the implementation methodology as well as the accounting impacts deriving from adoption of IFRS 16.

Accounting policies

The financial statements have been prepared on a historical cost basis, with the exception of the valuation of certain financial instruments. The more important accounting policies adopted by the Group for valuing the contents of its financial statements are detailed below.

Business combinations

The Group accounts for all business combinations by applying the purchase method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The costs relating to the acquisition are recognised in the income statement in the period in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.
The acquiree’s identifiable assets, liabilities and contingent liabilities that can be recognised under IFRS 3 (2008) - Business Combinations are posted at their fair value on the date of acquisition.
Goodwill is determined as the amount by which the aggregate of the consideration transferred in a business combination, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree exceeds the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree, this excess is immediately recognised in the income statement as a gain on a bargain purchase.
In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in the income statement.
The acquirer can measure non-controlling interests at the acquisition date either at fair value or in proportion to their share in the acquiree’s recognised identifiable net assets. The choice of measurement method is made for each business combination.
On acquiring control, further acquisitions/disposals of non-controlling interests that do not result in a loss of control are accounted for as equity transactions. This means that any differences between the change in equity attributable to non-controlling interests and the cash and cash equivalents exchanged are recognised directly as movements in equity attributable to owners of the parent.
The sale of shares to non-controlling interests, resulting in the Group’s loss of control over an entity, produces gains or losses that are recognised in the income statement. The purchase of shares from non-controlling interests, resulting in the acquisition of control, produces goodwill which is calculated as described above.
On first-time adoption of IFRS, the Group decided not to apply IFRS 3 retroactively to the acquisitions made prior to the date of transition to IFRS (January 1, 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Property, plant and equipment

These are recorded at purchase or production cost, including the price paid to buy the asset (net of discounts and rebates) and any costs directly attributable to the purchase and commissioning of the asset, including financial charges incurred during the asset’s construction. The cost of a commercial property purchased is the purchase price or equivalent of the price in cash, including all other directly attributable expenses such as legal costs, registration taxes and other transaction costs. The cost of internally produced assets is the cost at the date of completion of work.
For the transition to International Accounting Standards, property revaluations carried out in accordance with specific monetary revaluation laws have been maintained only if they meet the requirements of IFRS 1.

The cost of assets to be relinquished (whether free of charge or in exchange for payment of the residual carrying value of the asset by a new concession holder) includes the cost allowed by IAS 37 which is reasonably estimated and expected to be borne on expiry of the relevant contract to bring the asset to the contractually agreed state of conservation, assuming that maintenance will continue to be carried out properly and in a timely manner.

Investment property, consisting of real estate held for rental and/or appreciation rather than for use in the production or supply of goods and services, is recorded at cost on the same basis as other property, plant and equipment and is depreciated over its useful life.

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalised and increase the carrying amount of the asset. Routine maintenance costs are taken directly to the income statement.

The value of property, plant and equipment is depreciated on a straight-line basis over its useful life.
The components of an asset with their own material value and with a useful life different from that of the asset to which they belong are considered separately for the purposes of depreciation. Depreciation is calculated on the useful life of each individual component, which is modified if any maintenance work or replacements during the year have substantially increased its useful life. In the event of replacement, new components are capitalised to the extent that they satisfy the criteria for recognition as an asset, and the carrying value of the replaced component is eliminated from the statement of financial position.

The residual value and useful life of an asset is reviewed at least at every financial year-end; if, regardless of depreciation already recorded, an impairment loss occurs according to the rules of IAS 36, the asset is correspondingly written down in value. If in future years the reasons for the write-down no longer apply, its value is restored.

The depreciation rates applied in 2017 are within the ranges shown below by category of asset:

	2017
Commercial and industrial buildings and investment property	2% – 33.3%
Plant and machinery	5% – 33.3%
Industrial and commercial equipment	4.4% – 40%
Furniture, furnishing, electronic equipment and store furniture	10% – 25%
Vehicles	20% – 25%
Other assets	3% – 50%

Land is not depreciated.
Leasehold improvement costs are depreciated over the shorter of the period during which the improvement may be used and the residual duration of the lease contract.
Assets to be relinquished are depreciated on a straight-line basis over the shorter of the asset’s useful life and the length of the depreciation plan, which is based on the life of the concession.

Assets acquired under finance leases are recognised at fair value as of the contract effective date less ancillary charges and any expenses for replacing another party in the lease, or, if lower, at the present value of the minimum payments due under the contract. The amount due to the lessor is stated under Lease financing in the statement of financial position. Lease payments are divided into principal and interest, assuming a constant interest rate on the residual liability. Financial charges are recognised in the income statement. Leased goods are depreciated on the same basis as similar assets. In the case of sale and leaseback transactions resulting in a finance lease, any gain resulting from the sale is deferred and released to income over the term of the lease.
Leases for which the lessor substantially maintains all of the risks and rewards incidental to ownership are classified as operating leases. The costs of operating leases are expensed to income on a straight-line basis over the length of the leasing agreement. Benefits received or to be received, and those given or to be given, as incentives for taking out operating leases are also recognised on a straight-line basis over the term of the lease.
Property, plant and equipment is derecognised on sale or if the facts and circumstances giving rise to the future expected benefits cease to exist. Any gains or losses (determined as the difference between the disposal proceeds, less costs to sell, and/or the carrying amount of the asset) are recognised in the income statement for the year in which the asset is sold.

Intangible assets

Intangible assets are measured initially at cost, normally defined as their purchase price, inclusive of any ancillary charges and less any trade discounts and rebates; also included is any directly attributable expenditure on preparing the asset for its intended use, until the asset is capable of operating. The cost of an internally generated intangible asset includes only those expenses which can be directly attributed or allocated to it as from the date on which it satisfies the criteria for recognition as an asset.
Research costs are charged to the income statement in the period in which they are incurred.

Goodwill is recognised initially in intangible assets, as the excess of the purchase cost over the fair value of the net assets of the company acquired. As required by IAS 38, at the time of recognition, any intangible assets that have been generated internally by the acquired entity are eliminated from goodwill. Items which meet the definition of “assets acquired as part of a business combination transaction” are only recognised separately if their fair value can be measured reliably. At the acquisition date, goodwill is allocated to each cash generating unit or group of units expected to benefit from the synergies achieved with the business combination.

The cost of concession rights may include one or more of the following:

a. the fair value of construction services and/or improvements made by the grantor (measured as explained in the note on the accounting policy on “Construction contracts and services work in progress”) less any grants, the amount that shall be paid by the replacement operator on termination of the concession (the so-called "takeover rights") and/or the minimum guaranteed by the grantor. Such cost will be recovered through the tolls paid by users of the infrastructure. Specifically, the following are identified:
   1. rights obtained as consideration for specific obligations to provide construction services for the expansion and modernisation of the infrastructure and for which the operator does not receive additional economic benefits. These rights are initially recognised at the present fair value of the construction services to be provided in future (excluding any financial charges to be incurred by the operator during the construction period), less any grants, with a contra entry of an equal amount in “provisions for construction services required by contract”; in addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the construction services still to be rendered at the end of the reporting period;
   2. rights accrued in return for construction services rendered for which the operator receives additional economic benefits, represented by specific tariff increases and/or extensions of the infrastructure expected to result in significant increases in the number of users;
   3. rights accruing from construction work carried out and paid for by service area operators, handed over free of charge to the company;
b. rights obtained from third parties, if costs have been incurred to acquire concessions from the grantor from third parties (the latter relating to the acquisition of companies that hold a concession).

After initial recognition, intangible assets are carried at cost, less accumulated amortisation and any accumulated impairment losses calculated in accordance with IAS 36.
Intangible assets are amortised unless they have indefinite useful lives.
Goodwill is not amortised, but is submitted to an impairment test annually to identify any reductions in value, or more often whenever there is evidence of impairment (see Impairment losses of non-financial assets, below).
Amortisation, which starts from the time the intangible asset starts producing the related economic benefits, is applied systematically over the intangible asset’s useful life according to the estimated future economic use. Concession rights are amortised throughout the effective period of the relevant concession, with a policy that reflects the estimated pattern of consumption of the economic benefits incorporated in the right; for this purpose, the amortisation rates are calculated taking into account, where relevant, any changes in traffic expected over the concession's effective period.

The residual value at the end of the useful life is assumed to be zero, unless there is a commitment by third parties to buy the asset at the end of its useful life or there is an active market for the asset. Management reviews the estimated useful lives of intangible assets at every financial year end.

Normally, brands are amortised over 5 to 25 years, while patents, contractual rights and concession rights are amortised over the life of the right. Deferred charges are amortised over the residual duration of the lease contract, with the exception of fonds de commerce, which are amortised over 20 years. Software and software licenses are amortised over a period from three to six years. Development costs are amortised over three to six years.

Impairment losses of non-financial assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are submitted for impairment testing whenever there are obvious internal or external signs indicating that the asset or group of assets (defined as cash generating units, or CGUs) may be impaired. In the case of goodwill, other intangible assets of indefinite useful life and intangible assets not in use, the impairment test must be carried out at least annually, and in any case whenever there are signs of possible impairment.
The impairment test is carried out by comparing the carrying amount of the asset or CGU with its recoverable value, defined as the higher of fair value (net of any costs to sell) and value in use. Value in use is determined by calculating the present value of future net cash flows expected to be generated by the asset or CGU. In determining value in use, the estimated future cash flows are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount is higher than the recoverable amount, the asset or CGU is written down by the difference and the impairment loss is charged to the income statement.
The conditions and methods applied by the Group for reversing impairment losses, excluding in any case those relating to goodwill that may not be reversed, are as set out in IAS 36. Under no circumstances may the carrying value of an asset be restored to a value higher than the net book value it would have had if the impairment loss had not occurred. Restoration of value is taken immediately to the income statement.

Equity investments

Investments in subsidiaries that are not consolidated on a line-by-line basis, because they are not yet operative or are in liquidation as of the balance sheet date, are measured at fair value, unless this cannot be determined, in which case they are carried at cost. The difference between the cost and the net equity of investments at the time they were acquired is allocated on the basis described in paragraph b. of the consolidation criteria. Fair value changes are recorded in the statement of comprehensive income and in an equity reserve, unless they express a permanent loss, in which case they are charged to the income statement.

According to IFRS 11, interests in joint ventures are carried on an equity basis, while interests in joint operations are recognised using the proportional consolidation method.

Equity investments in other companies, classified as available-for-sale financial assets as defined by IAS 39, are carried at fair value. Fair value changes are recorded in an equity reserve, unless they express a permanent loss, in which case they are charged to the income statement. If the fair value cannot be reliably measured, equity investments are valued at cost, net of impairment losses. Impairment losses cannot be reversed.

Held for sale investments or those acquired as a temporary investment are recognised at the lower of their carrying amount and fair value, less any costs to sell.

Provisions are made to cover the risk that the losses of an investee company could exceed the carrying amount of the investment, to the extent that the shareholder is required to comply with actual or constructive obligations to cover such losses.

Financial assets

All financial assets are measured initially at cost, which corresponds to the consideration paid including transaction costs (e.g. consulting fees, duty stamps, and fees imposed by the regulatory authorities).

The classification of financial assets determines their subsequent valuation, as follows:

- financial assets held for trading: these are recorded at fair value, and associated gains and losses are recognised in the income statement;
- held to maturity investments, loans receivable and other financial receivables: these are recorded at amortised cost; gains and losses associated with this type of asset are recognised in the income statement when the investment is removed from the balance sheet on maturity or if it becomes impaired;
- available for sale financial assets: these are recorded at fair value, and gains and losses deriving from subsequent measurement are recognised in the statement of comprehensive income and allocated to a special equity reserve. If the fair value of these assets cannot be determined reliably, they are measured at cost, as adjusted for any impairment.

If it is no longer appropriate to classify an investment as “held to maturity” following a change of intent or ability to hold it until maturity, it must be reclassified as “available for sale” and re-measured at fair value. The difference between its carrying amount and fair value remains in shareholders’ equity until the financial asset is sold or otherwise transferred, in which case it is booked to the income statement.

All financial assets are recognised on the date of negotiation, i.e. the date on which the Group undertakes to buy or sell the asset. A financial asset is removed from the financial statements only if all risks and rewards associated with the asset are effectively transferred together with it or, should the transfer of risks and rewards not occur, if the Group no longer has control over the asset.

Inventories

Inventories are valued at the lower of purchase or manufacturing cost, generally determined on a weighted average cost or FIFO basis, and their market or net realisable value.
Manufacturing cost includes raw materials and all attributable direct and indirect production-related expenses.
The calculation of estimated realisable value includes any manufacturing costs still to be incurred and direct selling expenses. Obsolete and slow-moving inventories are written down to their useful or net realisable value.

Construction contracts and services work in progress

Construction contracts are accounted for on the basis of the contract revenue and costs that can be reliably estimated with reference to the stage of completion of the contract, in accordance with the percentage of completion method, as determined by a survey of the works carried out. Contract revenue is allocated to the individual reporting periods in proportion to the stage of contract completion. Any positive or negative difference between contract revenue and any advance payments received is recognised in assets or liabilities, taking account of any impairment of the value of the completed work, in order to reflect the risks linked to the inability to recover the value of work performed on behalf of customers.
In addition to contract payments, contract revenue includes variations in contract work, price reviews and claims to the extent that they can be measured reliably.
If a loss is expected to result from performance of the contract activities, it is immediately recognised in full in the financial statements, regardless of the current progress of the work contract.
Construction services provided to the grantor relating to Group company concession arrangements are specifically recognised in the income statement in accordance with the stage of completion method. Specifically, construction and/or upgrade service revenue represents the consideration for the services provided and is measured at fair value, calculated on the basis of the total costs incurred. These primarily consist of the costs of materials and external services, the cost of employment benefits payable to employees used to provide the services, attributable financial charges (the latter only in the case of construction and/or upgrade services for

which the operator receives additional economic benefits), and any profit on services rendered within the Group (as this represents the market value of these services).

Trade receivables

Receivables are initially recognised at fair value and are subsequently stated at amortised cost, using the effective interest rate method, net of provisions for doubtful accounts. The amount of the provisions is based on the present value of expected future cash flows which take account of expected collection times, estimated realisable value, any guarantees provided, and the expected costs of recovering the amounts due. Impairment losses are reversed in future periods if the circumstances that resulted in the loss no longer exist. In this case, the reversal is accounted for in the income statement and may not in any event exceed the amortised cost of the receivable had no previous impairment losses been recognised. Any medium and long-term receivables that include an implicit component of interest are discounted using an appropriate market rate.
Receivables factored without recourse, for which all risks and rewards are substantially transferred to the assignee, are derecognised from the financial statements at their nominal value. Commissions paid to factoring companies for their services are included in service costs.

Accruals and deferrals

These are recorded to match costs and revenues within the accounting periods to which they relate.

Cash and cash equivalents

These include cash, current accounts at banks and post offices, demand deposits, and other short-term financial investments that are highly liquid, easily convertible to cash, and subject to insignificant risk of change in value. They are stated at nominal value.

Provisions for contingent liabilities

The Group makes provisions only when a present obligation exists for a future outflow of economic resources as a result of a past event, and when it is probable that this outflow will be required to settle the obligation and a reliable estimate can be made of the same. The amount provided is the best estimate of the expenditure required to settle the present obligation completely, discounted to present value using a suitable pre-tax rate. When cash flows are discounted, the increase in the provision over time is recorded as a financial charge.
Any provisions for restructuring costs are recognised when the Group has drawn up a detailed restructuring plan and has announced it to the parties concerned.
In the case of onerous contracts where the unavoidable costs of meeting the contractual obligations exceed the economic benefits expected to be received under the contract, the present obligation is recognised and measured as a provision.
In accordance with the contract obligations reflected in the financial plans annexed to concession arrangements, the Atlantia group’s Provisions for repair and maintenance obligations show the amount provided at the balance sheet date to cover future maintenance obligations that ensure the necessary functionality and safety of motorway infrastructure. These provisions are calculated on the basis of the usage and wear and tear of motorway infrastructures, taking account, if material, of the time value of money.
The Provision for construction services required by contract relates to contractual obligations, specifically in connection with the upgrading of motorway infrastructure, for which the Group obtains no additional economic benefits. Such costs are treated as consideration for concession arrangements and are initially recognised at the present value of the fair value of construction services to be rendered in the future (ignoring any financial costs) less any grants received. They are accounted for as a contra item of concession rights without additional benefits.
The present value of the residual liability to be rendered in the future, for the construction services still to be rendered to date, is therefore periodically reassessed, and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to extinguish the obligation, a change in the discount rate and/or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset.

Trade payables

Payables are initially recorded at cost, which corresponds to fair value, net of directly attributable transaction costs.
They are subsequently recognised at amortised cost, using the original effective interest rate method.
The implicit interest component included in medium/long-term payables is recorded separately using an appropriate market rate.

Financial liabilities

Financial liabilities are divided into three categories:

- liabilities acquired with the intention of making a profit from short-term price fluctuations or that are part of a portfolio held for short-term profit. These are recorded at fair value, with the related gains and losses recognised in the income statement;
- other liabilities (bank overdrafts, loans, bonds), which are initially recorded at fair value, on the basis of the amounts received net of transaction costs, and are subsequently stated at amortised cost using the effective interest rate method;
- convertible bonds, which are financial instruments comprised of a liability component and an equity component. The fair value of the liability component is estimated as of the issue date using the going market interest rate for similar, non-convertible bonds. The difference between the net amount raised by the issue and the fair value assigned to the liability component, which represents the implicit option to convert the bonds into shares of Group companies, is posted to shareholders' equity under other reserves.

Foreign currency transactions and net investments in foreign operations

Transactions in foreign currencies are recorded using the exchange rates in effect on the transaction dates. Exchange gains or losses realised during the period are recognised in the income statement. At the balance sheet date, the Group companies have adjusted receivables and payables in foreign currency using exchange rates ruling at period-end, recognising all resulting gains and losses in the income statement.
Exchange differences arising on a monetary item forming part of a net investment in a foreign operation are initially recognised in a separate component of equity and reversed to income at the time of recognising the gains or losses on the investment's disposal.

Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments only with the intent of managing and hedging its exposure to the risk of fluctuations in exchange rates of currencies other than the Euro and in interest rates. As established by IFRS, derivative financial instruments qualify as hedging instruments only when at the inception of the hedge there is formal designation and documentation of the hedging relationship and of the risk management objective and strategy for undertaking the hedge. In addition, the Group checks at the inception of the hedge and throughout its duration that the hedging instrument used in the relationship is highly effective in offsetting changes in the fair value of cash flows attributable to the hedged risk.
After initial recognition, derivative financial instruments are reported at their fair value. The method of accounting for gains and losses relating to such instruments depends on the type and sustainability of the hedge.
The objective of hedging transactions is to offset the impact on income statement of exposures relating to hedged items. Fair value hedges for specific assets and liabilities are recorded in assets and liabilities; the hedging instrument and the underlying item are measured at fair value, and the respective changes in value (which generally offset each other) are recognised to the income statement.
Cash flow hedges are recorded in assets and liabilities; the hedging instrument is measured at fair value and the effective portion of changes in value is recognised directly in the statement of comprehensive income and accumulated in an equity reserve, which is released to income in the financial periods in which the cash flows of the underlying item occur. The ineffective portion of the changes in value is recognised in the income statement.
If a hedged transaction is no longer thought probable, the unrealised gains or losses, recognised through comprehensive income and accumulated in an equity reserve, are immediately recognised in the income statement.

The shareholders' equity of foreign subsidiaries may be subject to hedging, in order to protect investments in foreign companies from fluctuations in exchange rates (foreign exchange translation risk). Exchange differences resulting from these capital hedging transactions are debited or credited directly to the statement of comprehensive income and accumulated in equity as an adjustment to the translation differences reserve, and are reversed to income at the time of disposal or settlement.
Derivative instruments for managing financial risks, which do not meet the formal requirements to qualify for IFRS hedge accounting, are recorded under financial assets/liabilities with changes in value reported through the income statement.

Share-based payments

The cost of services provided by directors and/or employees remunerated through share-based incentive plans is based on the fair value of the rights at the grant date. The method to determine fair value takes into account all the characteristics at the grant date of the instrument (duration, price, exercise conditions, etc.) and of the stock subject to the option. This value is booked to the income statement on a straight-line basis over the vesting period and is offset by an entry to a shareholders' equity reserve; the amount booked is based on an estimate of the stock options which will effectively vest for staff so entitled, taking into account the conditions of use that are not based on the market value of the shares.
The cost of any services provided by employees and/or directors and remunerated through share-based payments, but settled in cash, is measured at the fair value of the liability recorded in the Provisions for employee benefits. Fair value is remeasured at the end of each reporting period until such time as the liability is settled, with any changes recognised in the income statement.

Government grants

Government capital grants are recognised at fair value when their amount can be reliably determined and it is reasonably certain that the conditions required for their receipt will be satisfied.
Operating grants are recognised to the income statement in the same year as the costs to which they relate.
Grants for investments in motorway infrastructure are recognised as construction services revenue in accordance with the accounting policy on Construction contracts and services work in progress.
Capital grants related to assets received to fund development projects or activities are accounted for in liabilities, and are subsequently recognised in operating income in the income statement, in line with depreciation of the assets to which they refer.
Any grant received to fund investments in property, plant and equipment are accounted for as a reduction in the carrying value of the asset to which they refer and result in a reduction in depreciation.

Employee benefits

All employee benefits are recognised and disclosed on an accruals basis.
According to local conditions and practice in the countries in which the Group operates, there are defined-benefit and defined-contribution plans.
Post-employment benefit plans are formalised and non-formalised agreements whereby the entity provides post-employment benefits to one or more employees.
Defined-contribution plans are post-employment benefit plans whereby the entity pays predetermined contributions to a separate entity (a fund) and have or will have no legal or construed obligation to pay additional contributions if the fund does not have sufficient assets to pay obligations towards employee.
The amount accrued at year end is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, to account for the time that will elapse before actual payment occurs.

Due to changes in the system of Italian employee termination indemnities (Trattamento di fine rapporto or TFR) brought about by Law no. 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"), the Group has adopted the following accounting rules:

- TFR accrued at December 31, 2006 is treated as a defined-benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognised in the period when the right matures;
- TFR accrued from January 1, 2007 is treated as a defined-contribution plan, so contributions accrued during the period are fully recognised as costs and shown as a liability under employee termination indemnities and other employee benefit provisions.

Gains or losses from changes in actuarial assumptions are recognised in the statement of comprehensive income.

Assets and liabilities held for sale and discontinued operations

Where the carrying amount of assets or of assets and associated liabilities (disposal groups) is material and is to be recovered primarily through sale rather than through continued use, these items are presented separately in the statement of financial position. They are classified, as appropriate, under Assets held for sale or Liabilities held for sale and the amounts cannot be offset.
Immediately prior to being classified as held for sale, they are recognised under the specific IFRS applicable to each asset and liability, and subsequently accounted for at the lower of the carrying amount and estimated fair value less costs to sell. Any impairment losses are recognised immediately in the income statement.
Regarding their classification in the income statement, discontinued operations or operations held for sale are those that have either been sold or are classified as held for sale and that satisfy one of the following requirements:

- they represent a major line of business or geographical area of operation;
- they are part of a single coordinated plan to dispose of a major line of business or geographical area of operation;
- they are subsidiaries acquired exclusively for the purpose of resale.

Gains and losses resulting from these operations, net of the tax effects, are recognised in a specific item in the consolidated income statement, together with comparative amounts.

Revenues

Revenues are recognised to the extent that their fair value can be reliably measured and it is likely that the economic benefits will flow to the company. Depending on the type of transaction, revenues are recognised on the basis of the following specific criteria:

- toll revenues are recognised in the period in which they are earned on the basis of motorway usage. Due partially to the fact that the Group’s network interconnects with other networks, and that it is consequently necessary to allocate revenues among the various concessionaires, a portion of toll revenues relating to the last part of the year are determined on the basis of reasonable estimates;
- revenues from the sale of goods, net of any returns and discounts, are recognised when the company transfers the main risks and rewards associated with ownership of the goods to the buyer and when collection of the relevant receivables is reasonably certain;
- revenues from rendering of services are recorded with reference to the stage of completion of the transaction as of the balance sheet date. Revenues are recorded in the financial period in which the service is provided, based on the percentage of completion method. If revenues from the services cannot be estimated reliably, they are only recognised to the extent that the relative costs are recoverable. This method appropriately discloses the services provided and the economic results achieved during the period;
- revenues in the form of rental income or royalties is recognised on an accruals basis, considering the terms and conditions of contract.

Revenues from sales by directly operated stores are recognised when the customer pays for the merchandise. The Group’s policy regarding returns by customers is quite restrictive, allowing these only in very specific circumstances (e.g. defective goods or late shipment). At the end of each year the Group considers past trends to estimate the overall amount of returns expected in the following year relating to sales in the year just ended. This amount is then deducted from revenues reported in that year.

Financial income and expenses

Interest income and charges are recorded on a time-proportion basis, using the effective interest method.

Dividends

Dividends from third parties are recorded when the shareholders' right to receive payment is established, following a resolution by the shareholders of the investee company.

Expense recognition

Costs and expenses have been recognised according to the accrual principle.
Recoveries of costs borne on behalf of others are recognised as a deduction from the related cost.

Income and costs relating to lease contracts

Income and costs from operating lease contracts are recognised on a straight-line basis over the duration of the contract.

Income taxes

Income taxes are calculated by each consolidated company on the basis of a reasonable estimate of taxable income, in accordance with applicable local regulations and taking account of any tax credits due.
In fiscal year 2007, the Parent Company and certain Italian subsidiaries adopted the National Consolidated Taxation System.
Per Articles 117 to 129 of the Tax Code, this system involves the calculation of a single overall income for the purposes of corporate income tax (IRES), by adding the incomes and/or losses of the Parent Company and participating subsidiaries. The Parent Company then pays the tax due or carries forward/receives a refund for any credit. The Parent Company also carries forward any consolidated loss.
The relationships arising from participation in the group tax election are governed by specific rules, approved and signed by all participating companies, which provide for full recognition of the amount calculated on the fiscal losses or profits transferred at current corporate tax rates (IRES).
Payables for IRAP (regional business tax), due directly to the national tax authorities, are shown under current tax liabilities net of advances paid.
Deferred taxes are recorded on temporary differences between statement of financial position values and the corresponding values recognised for tax purposes, on consolidation adjustments, and in relation to the fiscal deferral or deductibility of revenues and costs.
Deferred tax assets are recorded for all temporary differences to the extent it is probable that taxable income will be available against which the deductible temporary difference can be recovered. The same principle is applied to the recognition of deferred tax assets on the carry forward of unused tax losses. The carrying value of deferred tax assets is reviewed at every balance sheet date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the asset.
Deferred tax liabilities, save for specific exceptions, are always recognised.
Deferred tax assets and liabilities are not recognised if the temporary differences arise from initial recognition of goodwill or (different from business combination transactions) of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.
Deferred tax assets and liabilities are calculated using tax rates which are expected to apply in the period when the asset is realised or the liability settled, using the tax rates and tax regulations which are in force at the balance sheet date.

It is possible to offset deferred tax assets and liabilities only if there is a legal right to offset the current tax balances, if the deferred balances refer to taxes levied by the same tax authorities, and if the Group intends to settle current tax balances on a net basis.

Tax assets and liabilities for current taxes are only offset if there is a legally enforceable right to set off the recognised amounts and if it is intended to settle or pay on a net basis or to realise the asset and settle the liability simultaneously.

Cash flow statement

In compliance with IAS 7, the cash flow statement, prepared using the indirect method, reports the Group's ability to generate "cash and cash equivalents". Other cash equivalents comprise short-term highly liquid financial investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity,that is when the original maturity is shorter than three months.
Bank overdrafts qualify as borrowings, unless they are payable on demand and form an integral part of an enterprise's cash and cash equivalents management, in which case they are classified as a component of cash and cash equivalents. Cash and cash equivalents included in the cash flow statement comprise the statement of financial position amounts for this item at the reporting date. Cash flows in foreign currencies are translated at the average exchange rate for the period. Income and expenses relating to interest, dividends received and income taxes are included in cash flow from operating activities.

In the Group's layout, the following are reported separately:

- operating cash flow: cash flow from operating activities originates mostly from revenue-generating activities and is presented by the Group using the indirect method; this method adjusts net income statement for the effects of items which did not result in cash outflows or generate liquidity (i.e. non-cash transactions);
- investing cash flow: investing activities are reported separately, in part because they are indicative of investments/divestments aimed at the future generation of revenues and positive cash flows;
- financing cash flow: financing activities consist of the cash flows which determine a change in the size and composition of shareholders' equity and loans granted.

Use of estimates

The preparation of the financial statements and notes in accordance with IFRS requires management to make estimates and assumptions that affect the carrying values of assets and liabilities and the disclosure of contingent assets and liabilities as of the reporting date. Final results may be different from the estimates. The Group has used estimates for valuing, in particular, assets subject to impairment testing and provisions for doubtful accounts, inventory obsolescence, depreciation and amortisation, employee benefits, deferred taxes, restructuring, and for measuring the fair value of financial assets and liabilities. Estimates and assumptions are reviewed periodically and any changes are reflected immediately in the income statement.

COMMENTS ON ASSETS ITEMS

(All figures in thousands of Euro)

NON-CURRENT ASSETS

1 Property, plant and equipment

The gross value, accumulated depreciation and impairment, and net book value of the Group's property, plant and equipment are detailed below:

	12.31.2017			12.31.2016		
(Thousands of Euro)	Gross value	Accumulated depreciation and impairment	Net value	Gross value	Accumulated depreciation and impairment	Net value
Land and buildings	1,100,534	(452,008)	648,526	1,152,099	(467,057)	685,042
Investment property	377,872	(53,445)	324,427	264,668	(37,293)	227,375
Plant, machinery and equipment	1,898,834	(1,455,477)	443,357	1,815,099	(1,427,788)	387,311
Furniture, furnishings and electronic equipment	485,408	(399,815)	85,593	474,302	(389,867)	84,435
Assets to be relinquished	325,956	(255,502)	70,454	343,581	(280,056)	63,525
Leasehold improvements	1,287,475	(829,991)	457,484	1,330,882	(865,193)	465,689
Other property, plant and equipment	171,220	(112,065)	59,155	169,823	(108,522)	61,301
Assets under construction and advances	145,726	-	145,726	237,336	-	237,336
Total	**5,793,025**	**(3,558,303)**	**2,234,722**	**5,787,790**	**(3,575,776)**	**2,212,014**

The following table reports changes in 2017 and in 2016 in property, plant and equipment, stated net of accumulated depreciation.

(Thousands of Euro)	Land and buildings	Investment property	Property, plant, machinery and equipment	Furniture, furnishings and electronic equipment	Asset to be relinquished	Leasehold improvements	Other property, plant and equipment	Assets under construction and advances	Total
Balance at 01.01.2016	**722,027**	**112,832**	**379,283**	**83,493**	**74,886**	**411,922**	**52,145**	**204,846**	**2,041,434**
Additions	5,720	77,187	65,090	27,886	11,057	30,909	24,581	257,318	499,748
Disposals	(5,513)	-	(2,629)	(772)	(2)	(550)	(675)	(775)	(10,916)
Depreciation	(22,627)	(3,323)	(128,510)	(28,114)	(17,448)	(93,572)	(13,102)	-	(306,696)
Impairments	(400)	-	(1,725)	(819)	(1,423)	(2,375)	(770)	-	(7,512)
Changes in scope of consolidation	(17,561)	-	(4,715)	(5)	(11,739)	15,352	1,181	(1,233)	(18,720)
Reclassification to discontinued operations	(291)	-	(154)	-	-	-	-	-	(445)
Translation differences	2,175	(33)	2,016	492	-	11,744	(2,350)	3,032	17,076
Other movements	1,512	40,712	78,655	2,274	8,194	92,259	291	(225,852)	(1,955)
Balance at 12.31.2016	**685,042**	**227,375**	**387,311**	**84,435**	**63,525**	**465,689**	**61,301**	**237,336**	**2,212,014**
Additions	3,841	71,471	99,546	30,633	19,351	68,695	12,224	150,254	456,015
Disposals	(5,823)	-	(1,183)	(577)	(3)	(2,411)	(500)	(410)	(10,907)
Depreciation	(21,953)	(4,122)	(139,358)	(29,758)	(16,562)	(100,439)	(13,686)	-	(325,878)
Impairments	(4,196)	-	(609)	(2,187)	(486)	(4,394)	(1,490)	-	(13,362)
Impairment reversals	-	-	-	-	1,263	-	-	-	1,263
Changes in scope of consolidation	-	-	(2)	(23)	-	274	201	(58)	392
Reclassification to discontinued operations	(1,045)	-	(3)	-	-	-	-	-	(1,048)
Translation differences	(8,547)	54	(15,945)	(1,395)	-	(39,462)	(5,276)	(13,005)	(83,576)
Other movements	1,207	29,649	113,600	4,465	3,366	69,532	6,381	(228,391)	(191)
Balance at 12.31.2017	**648,526**	**324,427**	**443,357**	**85,593**	**70,454**	**457,484**	**59,155**	**145,726**	**2,234,722**

Investments in property, plant and equipment in 2017 amounted to Euro 456,015: Euro 246,383 by the Autogrill group, Euro 84,415 by the Atlantia group, Euro 85,590 by the real estate companies, and Euro 29,993 by the Benetton group.
The Autogrill group's investments were mainly concentrated in North America and Europe.
Real estate investments concerned the acquisition of three properties for commercial use in Padua, Bologna and Milan, leased to a bank, and the restructuring of other properties of the Group.
The Benetton group's investments focused on the sales network (directly and indirectly operated stores) in Italy, Spain, Mexico and India.

The impairment losses recognised in the year amounted to Euro 13,362, of which Euro 2,305 were recognised by the Autogrill group, Euro 5,638 refer to properties for commercial use of the Benetton group, Euro 2,346 pertain to property investments of the subsidiary San Giorgio S.r.l., and Euro 1,126 refer to an operating property of the Olimpias group for adjustment to the estimated sale value.

Changes in scope of consolidation refer to the sale of the operating activities of the Autogrill group in Poland and to the new acquisitions of the Atlantia group.

Translation differences concern mostly the Autogrill group (Euro 68,455) and the Edizione Property group (Euro 13,777).

Assets to be relinquished are property, plant and equipment that will revert to the grantor upon expiry of the concession or sub-concession, either free of charge or against payment of their residual carrying value by the new concession holder. They are all held by the Autogrill group.

Leasehold improvements refer to the renovation of non-proprietary stores and the expenses incurred to build or improve properties and businesses run under leasing or concession agreements.

The items in the following table include the contractual value of property, plant and equipment held under finance leases:

(Thousands of Euro)	12.31.2017	12.31.2016
Land and buildings	5,536	7,575
Plant, machinery and equipment	608	660
Assets to be relinquished	-	5,108
Other assets	3,848	4,262
Accumulated depreciation	(5,132)	(9,902)
Total	**4,860**	**7,703**

The long-term portion of the residual amount of lease repayments at December 31, 2017 is recognised as Lease financing under non-current liabilities (Euro 7,076); the short-term portion is reported as Current portion of lease financing (Euro 726). See Note 26 for details.

The fair value of investment property is greater than the stated balance sheet value.

2 Intangible assets

Changes in the principal intangible asset items in 2017 and in 2016 were as shown in the table below:

(Thousands of Euro)	Goodwill and other intangible assets of indefinite useful life	Intangible assets deriving from concession rights	Patent rights	Concessions, licenses, trademarks and similar rights	Deferred charges	Other intangible assets	Total
Balance at 01.01.2016	**5,909,370**	**19,990,230**	**2,051**	**64,402**	**51,122**	**441,125**	**26,458,300**
Additions	-	-	555	18,874	603	56,064	76,096
Additions due to execution of construction services	-	623,227	-	-	-	-	623,227
Changes due to update of concession plans	-	391,851	-	-	-	-	391,851
Disposals	(12,660)	-	-	(38)	(2,989)	(185)	(15,872)
Amortisation	-	(833,409)	(738)	(25,706)	(5,787)	(66,714)	(932,354)
Impairments	-	-	-	(430)	(1,408)	-	(1,838)
Impairment reversals	-	-	-	-	2	-	2
Change in scope of consolidation	165,996	2,619,335	-	28,257	-	-	2,813,588
Translation differences	17,524	406,920	(129)	3,153	(341)	8,247	435,374
Other movements	(2)	(5,584)	(2)	45	(825)	329	(6,039)
Balance at 12.31.2016	**6,080,228**	**23,192,570**	**1,737**	**88,557**	**40,377**	**438,866**	**29,842,335**
Additions	-	5,220	901	32,637	4,788	72,224	115,770
Additions due to execution of construction services	-	336,881	-	-	-	-	336,881
Changes due to update of concession plans	-	(8,892)	-	-	-	-	(8,892)
Disposals	-	-	-	(109)	(394)	(88)	(591)
Amortisation	-	(951,894)	(675)	(28,671)	(6,976)	(69,229)	(1,057,445)
Impairments	(1,257)	(823)	-	(43)	(7,714)	-	(9,837)
Impairment reversals	-	78,700	-	-	-	-	78,700
Changes in scope of consolidation	-	-	14	107	-	11,054	11,175
Translation differences	(73,894)	(229,633)	(129)	(5,382)	(2,128)	(10,299)	(321,465)
Other movements	-	(9,559)	-	(1,493)	528	1,668	(8,856)
Balance at 12.31.2017	**6,005,077**	**22,412,570**	**1,848**	**85,603**	**28,481**	**444,196**	**28,977,775**

Goodwill and other intangible assets of indefinite useful life, at December 31, 2017, consists essentially of:

- goodwill referred to the Atlantia group (Euro 5,212,029), broken down as follows:
  - Euro 5,046,033 from the goodwill allocated to Autostrade per l'Italia, recognised in 2003 as a result of the acquisition of the majority interest in the fomer Autostrade - Concessioni e Costruzioni Autostrade S.p.A.; this amount coincides with the net carrying amount at January 1, 2004 (transition date to IFRS), determined on the basis of the previous accounting standards applying the exemption permitted by IFRS 1;
  - Euro 151,990 from the goodwill recognised following the acquisition of control over the Aéroports de la Côte d'Azur group, as discussed in Note 62 to which reference is made;
  - Euro 14,006 relating to the value of the license to operate in the Saint-Tropez airport, whose permanent holder is the company Aéroport Golfe de Saint-Tropez, 99.92% of which is controlled by the Aéroports de la Côte d'Azur group, accounted in relation to the acquisition of control over the latter, as referred above;
- goodwill referred to the Autogrill group (Euro 749,879).

Goodwill and other intangible assets of indefinite useful life are subject to impairment testing once a year. The impairment of Euro 1,257 was recognised by the Benetton group.
Translation differences pertain to the Autogrill group for Euro 73,390.

Concession rights pertain solely to the Atlantia group and are broken down as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Acquired concession rights	7,820,195	8,270,669
Concession rights deriving from construction services for which no additional economic benefits are received	8,106,952	8,501,861
Concession rights deriving from construction services for which additional economic benefits are received	6,428,226	6,365,342
Concession rights deriving from construction services carried on by service area operators	57,197	54,698
Total	**22,412,570**	**23,192,570**

Acquired concession rights are recognised against the cash outlays incurred to obtain concessions from the grantor or from third parties; in particular, they refer to the fair value of the concession rights recognised following the acquisitions of Aeroporti di Roma, the motorway operators in Chile and Brazil, and acquisition of control of the Aéroports de la Côte d'Azur group.
Concessios rights deriving from construction services without additional economic benefits are acquired in exchange for the commitment by Atlantia group operators to provide construction services for which no additional economic benefits are obtained; concession rights deriving from construction services with additional economic benefits are acquired in exchange for construction services provided by Atlantia group operators for which additional economic benefits are obtained, represented by specific tariff increases and/or extensions of the infrastructure expected to result in significant increases in the number of users; finally, concession rights deriving from construction services provided by sub-operators are recognised against investments carried out by service area operators that are handed over free of charge to the Atlantia group.

The main changes in this item are:
- an increase of Euro 336,881 in the amount of investments carried out in 2017 relating to construction and/or upgrade services for which additional economic benefits are received;
- depreciation of Euro 951,894;
- the negative balance of exchange losses amounting to Euro 229,633, mainly attributable to devaluation of the Brazilian real and the Chilean peso;
- the partial impairment reversal of the concession rights of Raccordo Autostradale Valle d'Aosta of Euro 78,700 as subsequently described with reference to the impairment test.

Concessions, licenses, trademarks and similar rights at December 31, 2017 refer to the Autogrill group for Euro 51,651: of the change from the previous year (Euro 61,742), Euro 5,030 is attributable to the devaluation of the US Dollar.
The remainder consists primarily of licenses and trademarks owned by the Atlantia group (Euro 27,437) and the trademarks owned by the Benetton group (Euro 6,364).

Deferred charges consist of key money for the acquisition of retail operations by the Benetton group, which is amortised over the term of the related lease contracts.
Impairment losses with respect to key money came to Euro 7,714.

Other intangible assets include Euro 262,361 for the commercial contractual relationships quantified during the fair value measurement of the assets and liabilities acquired with the Aeroporti di Roma group in 2013.
Other intangible assets include the cost of purchasing and developing software, of which Euro 33,664 pertains to the Benetton group, Euro 12,968 to the Autogrill group and Euro 15,125 to the Atlantia group.
In addition, this item includes assets under construction and advances (Euro 66,817). In 2017, the amount relating to the changes in scope of consolidation includes the allocation of the purchased price deriving from the acquisition of URBANnext S.A. and K-Master S.r.l. by the Atlantia group.

Impairment testing

According to the rules of IAS 36, the Group has:

- checked for any indication that its property, plant and equipment or intangible assets of finite useful life might be impaired;
- compared the recoverable amount of its intangible assets of indefinite useful life and of its intangible assets not yet available for use with their corresponding carrying amounts; such a comparison was carried out irrespective of the occurrence of events indicating that the carrying amount of such assets might be impaired.

In the Atlantia group, each concession holding company is treated as a separate CGU. The subsidiaries that do not hold concessions are also identified as individual CGUs.
The recoverability of goodwill and concession rights was assessed (with a few limited exceptions) using the long-term plans drawn up by each company, which report traffic, investment, cost and revenue projections for the full term of the concession contract, on the basis of the financial plans annexed to the concession agreements signed with the grantor.
The result of the impairment test, with regard to the CGU Raccordo Autostradale Valle d'Aosta, indicated the need to proceed with a partial reversal of the previous impairment losses recognised on the concession rights allocated to this CGU, equal to Euro 78,700, before the related tax effect, amounting to Euro 21,957, recognised in the income statements of the year 2017.
Almost all goodwill is allocated to a single concession holder (Autostrade per l'Italia S.p.A.); impairment testing confirms that it is fully recoverable.

Except for goodwill, impairment testing of the Autogrill group is performed on the individual contract or store considering future cash flows (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk attributable to each country.
When testing goodwill for impairment, the CGUs are identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes. The recoverability of the goodwill allocated to each CGU is tested by estimating its value in use, defined as the present value of estimated cash flows based on the 2018 budget and forecasts for 2019-2022, discounted at a rate differentiated by geographical area and reflecting the risks specific to the individual CGU on the measurement date.
On the basis of the assumptions made, for 2017 the goodwill allocated to each CGU was found to be fully recoverable.

The main impairment losses recognised in 2017 by the Benetton group are as follows:

- stores in which the group has invested, whether operated directly or by partners, were divided into two categories:
  - "discontinuing stores" due for closure or sale to third-party customers, which have been the subject of direct write-downs;
  - "continuing stores" that will remain in operation, for which the future cash flows have been determined.

  Each is treated as a separate CGU, for which the net present value of future cash flows (value in use) is calculated. If value in use is found to be lower than the carrying amount of the CGU, the latter's assets have been impaired. In 2017 the classes of property for which impairment losses were recognised included furniture and furnishings, deferred charges ("key money") and leasehold improvements mainly in Italy, Poland and Germany;
- if there are indications of a possible impairment loss, the "fonds de commerce", included in the "deferred charges" category, are the subject of an assessment to determine whether their recoverable value is higher than their net book value. In 2017, some "fonds de commerce" in France, Belgium and Tunisia were impaired;
- the goodwill arising from the acquisition of a Swiss company through a business combination was the subject of specific evaluation, and highlighted cash flows of the acquired business activities that were not sufficient to cover their value; for this reason, the recognised balance was impaired.

The Olimpias group carried out the impairment test with the Discounted Cash Flow method to determine the value in use of the CGUs, with the related estimate of the discount rate and the perpetual growth rate, in continuity with the method used in the previous year, i.e. by performing separate valuations of the Textiles CGU and the Clothing CGU.
The value of the Textiles and Clothing CGUs was found consistent in relation to the relevant invested capital. An impairment loss of Euro 1,126 was recognised, related to an operating property for alignment to its estimated sale value.

The Edizione Property group identified assets and CGUs (consisting of the individual buildings) to be impairment tested, as well as the test procedures. For non-current assets, the impairment test is carried out by comparing the carrying amount of the asset or CGU against its recoverable value, defined as the higher of fair value (net of any costs to sell) and value in use. Value in use is determined by calculating the present value of future net cash flows expected to be generated by the asset or CGU.
In 2017, no impairment losses were recognised.

The discount rate (WACC) used to determine the present value of projected cash flows depends on the cost of money and the specific country risk of the business. The nominal growth rate (g rate) of projected cash flows not stated expressly in financial plans ranges from 1% to 2.4%. The specific forecast period does not exceed five years, with the exception of the CGUs of the Atlantia group, for which projections are based on business and financial plans developed for the full term of the concession period.

The results of impairment testing in 2017 are summarised in the following table which reports, by business segment and type of asset, the impairment losses recognised for the year:

(Thousands of Euro)	Infrastructures and services for mobility	Food and beverage	Textiles and clothing	Real estate and agriculture	Total
Property, plant and equipment					
Land and buildings	-	267	1,126	2,803	4,196
Plant, machinery and equipment	-	494	115	-	609
Furniture, furnishings and electronic equipment	-	3	2,184	-	2,187
Leasehold improvements	-	1,055	3,339	-	4,394
Other	1,490	486	-	-	1,976
Total property, plant and equipment	**1,490**	**2,305**	**6,764**	**2,803**	**13,362**
Intangible assets					
Intangible assets of indefinite useful life	-	-	1,257	-	1,257
Intangible assets of finite useful life	823	38	7,719	-	8,580
Total intangible assets	**823**	**38**	**8,976**	**-**	**9,837**
Total	**2,313**	**2,343**	**15,740**	**2,803**	**23,199**

3 Equity investments in subsidiaries

This item is made up of non-significant subsidiaries that are not included in the consolidation.

4 Equity investments in associates and joint-ventures

The main equity investments in associated companies and joint ventures are as follows:

	12.31.2017		12.31.2016	
(Thousands of Euro)	% held	Carrying amount	% held	Carrying amount
Save S.p.A.	-	-	22.09%	180,541
Aeroporto Guglielmo Marconi di Bologna S.p.A.	29.38%	164,948	-	-
Rodovias do Tietê S.A.	50.00%	9,792	50.00%	16,484
Pune-Solapur Expressways Private Ltd.	50.00%	3,822	50.00%	4,935
Eurostazioni S.p.A.	32.71%	3,690	32.71%	3,690
Società Infrastrutture Toscane S.p.A. (in liquidation)	46.60%	3,107	46.60%	3,011
Other investments	-	8,220	-	8,894
Total		**193,579**		**217,555**

In 2016, the subsidiary Atlantia S.p.A. had acquired a total of 22.09% of the share capital of Save S.p.A., operator of the Venice and Treviso airports. In October 2017, Atlantia tender the entire stake held in Save S.p.A. to the mandatory offer on Save shares, realising a capital gain of Euro 44,896.
In July 2017, the Atlantia group acquired a share of 29.38% of the capital of Aeroporto Guglielmo Marconi S.p.A., which holds the concession to manage the Bologna airport.
The change in value of the other equity investments is due to their measurement using the equity method or to capital contributions.

5 Equity investments in other companies

Because these investments are “available for sale” in accordance with IAS 39, they are recognised at fair value, and gains and losses from the valuation (except impairment losses, which are recognised in the income statement) are charged to a shareholders' equity reserve. If the fair value of these assets cannot be determined reliably, they are measured at cost, adjusted for any impairment. For equity investments in listed companies, fair value is taken as the average stock market price in December 2017.

Equity investments in other companies are as follows:

	12.31.2017		12.31.2016	
(Thousands of Euro)	% held	Carrying amount	% held	Carrying amount
Assicurazioni Generali S.p.A.	1.39%	330,846	0.94%	202,385
Mediobanca S.p.A.	2.10%	177,506	2.16%	140,070
Lusoponte	17.21%	39,852	17.21%	39,852
Tangenziali Esterne di Milano S.p.A.	13.67%	32,022	13.67%	32,022
Tangenziale Esterna S.p.A.	1.25%	5,811	1.25%	5,811
Gruppo Banca Leonardo S.p.A.	1.83%	2,949	1.83%	5,671
Caltagirone Editore S.p.A.	-	-	2.24%	1,954
Il Sole 24 Ore S.p.A.	-	-	2.00%	928
Compagnia Aerea Italiana S.p.A.	6.52%	-	8.03%	-
Other	-	6,177	-	7,046
Total		**595,163**		**435,739**

The table below shows changes during the year in Equity investments in other companies:

(Thousands of Euro)	Fair value at 12.31.2016	Additions/ (Disposals)	Impaiment reversals/ (Losses)	Fair value adjustments	Fair value at 12.31.2017
Assicurazioni Generali S.p.A.	202,385	106,832	-	21,629	330,846
Mediobanca S.p.A.	140,070	-	-	37,436	177,506
Lusoponte	39,852	-	-	-	39,852
Tangenziali Esterne di Milano S.p.A.	32,022	-	-	-	32,022
Tangenziale Esterna S.p.A.	5,811	-	-	-	5,811
Gruppo Banca Leonardo S.p.A.	5,671	-	(2,721)	-	2,950
Caltagirone Editore S.p.A.	1,954	(1,954)	-	-	-
Il Sole 24 Ore S.p.A.	928	(928)	-	-	-
Compagnia Aerea Italiana S.p.A.	-	3,996	(3,996)	-	-
Other	7,046	(1,603)	35	698	6,176
Total	**435,739**	**106,343**	**(6,682)**	**59,763**	**595,163**

In December 2017, the Parent Company acquired on the market 6,970,000 shares of Assicurazioni Generali S.p.A., amounting to 0.446% of the share capital, for a price of Euro 106.8 million.
In May 2017, the Parent Company sold the entire equity investment, corresponding to 2% of the shares capital, in the company Il Sole 24 Ore S.p.A., realising a capital loss of Euro 0.4 million.
In August 2017, the Parent Company sold on the market the entire equity investment of 2.24% held in Caltagirone Editore S.p.A. at a price of Euro 1.20 per share, collecting a total amount of Euro 3.36 million, recognising a capital loss of Euro 0.1 million. The sale price is aligned to the price of the Public Tender Offer launched by the Caltagirone family (Euro 1.22 per share).
The carrying value of the equity investment in Banca Leonardo was adjusted to the estimated value of the sale, to be executed by the first half of the year 2018.
The value of the investment in Compagnia Aerea Italiana S.p.A. at December 31, 2017 was zero (write-off of Euro 4 million).

6 Investment securities

The balance refers almost exclusively to the fair value at December 31, 2017 (Euro 262,013) of the units held by the Parent Company in the Luxembourg-based Quaestio Opportunity Fund, for an original nominal value of Euro 500 million. On March 3, 2017, 50% of the units of the fund were divested for a nominal value of Euro 250 million, with a collection of Euro 255.1 million and a capital gain of Euro 5.1 million.

7 Other non-current financial assets

The balance at December 31, 2017 includes the following amounts:

(Thousands of Euro)	12.31.2017	12.31.2016
Non-current portion of financial assets deriving from concession rights	963,602	931,414
Convertible term deposits	315,474	321,726
Financial assets deriving from government grants related to construction services	249,936	264,936
Financial receivables from Group companies	547,806	562,305
Cash flow hedge derivatives	107,268	83,397
Other financial assets and receivables	94,896	58,209
Total	**2,278,982**	**2,221,987**

The Non-current portion of financial assets deriving from concession rights refers to the Atlantia group and includes:

- the present value of the minimum tolls guaranteed by the grantor of the concessions held by certain of the group's Chilean motorways operators in accordance with the concession agreements (Euro 554,862);
- the financial assets attributable to the investments of the Chilean motorway operator Costanera Norte (Euro 408,740) envisioned by the programme “Santiago Centro Oriente”.

Convertible term deposits consist of the loans disbursed by banks for the construction of new infrastructure; they will be released and made available to the Atlantia group based on percentage of completion of these works.

Financial assets deriving from government grants related to construction services consist of amounts receivable from concession grantors, or other public entities, for grants accrued on the Atlantia group's construction of motorway infrastructure during the year.

Financial receivables from Group companies refer to the amount due to the subsidiary Atlantia Bertin Concessões from Infra Bertin Empreendimentos (the company in charge of constructing and managing the ring road southeast of São Paulo) to finance its investment plan.

The balance of Derivatives: cash flow hedges relates to the fair value of the contracts entered into by Azzurra Aeroporti – a vehicle company holding the equity investment in the Aéroports de la Côte d’Azur group – and to the fair value of the Cross Currency Swap contracts entered into by Atlantia, as part of the purchase of the bond of Romulus Finance completed in 2015.

The balance of the Other financial assets and receivables from third parties includes the up-front fees accrued on the credit lines committed in the service of the Public Tender Offer on Abertis that amount to Euro 23 million.

Other non-current financial assets are broken down below by maturity:

(Thousands of Euro)	12.31.2017	12.31.2016
From 1 to 5 years	1,535,803	1,848,832
Beyond 5 years	743,179	373,155
Total	**2,278,982**	**2,221,987**

8 Other non-current receivables

This item, with a balance of Euro 118,470, pertains mostly to:

- the Benetton group for trade receivables (Euro 2,606), security deposits (Euro 22,146) and VAT receivables (Euro 1,942);
- the Autogrill group for concession fees paid in advance (Euro 9,459) and security deposits (Euro 15,420) and interest-bearing cash and cash equivalents with third parties (Euro 5,431);
- the Atlantia group for security deposits (Euro 50,464).

The change in the balance from the previous year (Euro 106,366) derives essentially from the reclassification of the VAT receivables in the current portion (Euro 7,877), from the increase in the security deposits of the Atlantia group (Euro 27,167) as a result of the recognition of restricted amounts relating to a dispute involving the Brazilian concession holders of the group, and from the reduction of the receivables from grantors (Euro 11,460).

9 Deferred tax assets

The nature and composition of net deferred tax assets are broken down below:

(Thousands of Euro)	12.31.2017	12.31.2016
Tax effect on deductible intercompany goodwill	300,149	398,786
Tax effect on the adoption of IFRIC 12	401,926	423,095
Tax effect on provisions and costs relating to future periods for fiscal purposes	640,532	630,681
Tax effect on different basis for amortisation, depreciation and impairment	219,371	241,093
Benefit on carried forward tax losses	87,216	104,013
Tax effect on intercompany profits elimination	2,605	823
Other deferred tax assets	334,959	442,255
Total deferred tax assets	**1,986,758**	**2,240,746**
Total offsettable deferred tax liabilities	(551,970)	(640,278)
Total deferred tax assets, net	**1,434,788**	**1,600,468**

For the sake of clarity, the following paragraphs describe separately the nature of deferred tax assets generated by the Atlantia, Autogrill and Benetton groups.

Atlantia group

The balance at December 31, 2017, of Euro 1,258,163, consists mainly of:

- the amounts relating to the portions of the future tax deductions of the allocations to the provisions for risks and charges (Euro 525,548), mainly referred to the provision for restoration and replacement of the motorway infrastructure;
- the deferred tax assets (Euro 401,926) recognised as a result of the adoption of IFRIC 12 by Autostrade per l'Italia, to be released throughout the life of the concession;
- the residual deferred tax assets (Euro 300,149) arising from the transfer of motorway assets to Autostrade per l'Italia and that company's recognition of deductible goodwill.

Autogrill group

The deferred tax assets of the Autogrill group amount to Euro 37,815.
At December 31, 2017, tax losses for which deferred tax assets have not been recognised amount to Euro 174,790. The corresponding unrecognised tax benefit comes to Euro 43,890.

Benetton group

The item, amounting to Euro 117,347, mainly refers to tax benefits related to the release of the values involved in the 2003 corporate reorganisation, as well as to the temporary differences on allocations to taxed provisions (the most significant of which are the bad debt provision, the inventory write-down provision and the provisions for risks and charges).
Additional tax benefits of Euro 120.6 million were not recognised at the reporting date.

CURRENT ASSETS

10 Inventories

Inventories are broken down below:

(Thousands of Euro)	12.31.2017	12.31.2016
Raw materials, other materials and consumables	228,668	218,612
Work in progress and semi-manufactured products	44,055	48,823
Finished goods	318,646	323,367
Advances	80	107
Total	**591,449**	**590,909**

Inventories are stated net of the write-down provision of Euro 65,795 (Euro 50,848 at December 31, 2016), of which Euro 51,593 pertains to the Benetton group and Euro 12,596 to the Olimpias group. The change of the stock obsolescence provision is due to the Benetton group, for the higher allocations it made as a result of the extraordinary increase in the inventories of the 2017 and Autumn/Winter 2016 collections and of their disposal costs.

11 Trade receivables

At December 31, 2017, trade receivables, net of the provision for doubtful accounts, were as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Trade receivables	2,429,514	2,326,927
Provision for doubtful accounts	(471,378)	(414,671)
Total	**1,958,136**	**1,912,256**

The balance of the item includes mainly the contribution of the Atlantia group, Euro 1,662,689 and of the Benetton group, Euro 259,434.
The total amount of receivables increased compared to the previous year by effect of two opposite trends: the Atlantia group recorded an increase that involved in particular trade receivables in the motorways sector, as a result of the postponement to the first days in January 2018 of the collections from invoicing tolls, which generally occur on December 30 and 31 and in the airport sector, because of the higher uncollected receivables from the largest domestic airline; while the Benetton group recorded a reduction in the amount of trade receivables with respect to the previous year, mainly due to the reduction in the sale volumes relating to the 2018 Spring/Summer collection.

Changes in the Provision for doubtful accounts are summarised below:

(Thousands of Euro)	01.01.2017	Additions	Uses	Releases to statement of income	Translation differences	Other movements	12.31.2017
Provision for doubtful accounts	414,671	55,738	(67,864)	(1,982)	(9,960)	80,775	471,378

At the end of the year, there were no receivables factored without recourse.

12 Tax receivables

This item includes:

- tax refunds due in the amount of Euro 66,259 (Euro 79,483 at December 31, 2016);
- other tax receivables relating to tax refunds for Euro 61,434 (Euro 64,496 at December 31, 2016): in particular, the item includes receivables referring to refund of IRAP deduction from IRES.

13 Other current receivables, accrued income and prepaid expenses

Other current receivables are detailed in the table below:

(Thousands of Euro)	12.31.2017	12.31.2016
Other receivables		
Advances paid to suppliers	60,821	70,931
VAT credits	70,410	57,824
Receivables due from motorway end-users and insurance companies for damages	19,237	20,072
Advances to employees and agents	5,268	4,878
Receivables from social security institutions	5,462	6,638
Receivables from public entities	52,390	32,614
Other receivables from tax authorities	22,127	25,312
Other receivables	88,052	126,839
Total	**323,767**	**345,108**
Accrued income and prepaid expenses		
Concession and leasing fees paid in advance	16,420	15,784
Rents and leases	7,482	9,109
Other accrued income and prepaid expenses	44,171	52,774
Total accrued icome and prepaid expenses	**68,073**	**77,667**
Total other receivables, accrued income and prepaid expenses	**391,840**	**422,775**

Advances paid to suppliers concern the Autogrill group for Euro 38,434, comprised of promotional contributions and bonuses awaiting settlement as well as amounts paid in advance for services; the Atlantia group for Euro 16,832, consisting of advances paid to awarders of contracts in the motorway and airport channels; and the Benetton group for Euro 5,495.

The increase in VAT credits is due, for Euro 7 million, to the reclassification of the non-current portion by the Atlantia group and for Euro 10 million to the increase in the receivables recognised by the Autogrill group by effect of a different trend in the purchases and investments that led the group from having VAT payables to VAT receivables.

Receivables due from motorway end-users and insurance companies for damages refer to the reimbursement of damages caused to motorways.

Receivables from public entitities are recognised by the Atlantia group. The change from the previous year is almost entirely due to receivables for work performed by some Chilean motorway operators at the request of the local granting entity.

Other receivables were contributed mainly by:

- the Autogrill group, Euro 25,362 (Euro 22,640 at December 31, 2016);
- the Benetton group, Euro 2,437 (Euro 5,850 at December 31, 2016);
- the Olimpias group, Euro 3,369 (Euro 5,384 at December 31, 2016), which includes a Euro 0.8 million receivable due from a production company in Serbia to external laboratories, for State grants paid by said company to the laboratories in advance with respect to their actual accrual principle; the portion of the grant that does not follow the accrual principle, which will be transferred to said external laboratories, was deferred and recognised in current liabilities, Note 33, and Other payables, accrued expenses and deferred income amounted to Euro 3,655;
- the remaining part, substantially of the Atlantia group, of Euro 57,257 (Euro 91,428 at December 31, 2016) whose balance, with respect to the previous year, recorded a decrease deriving mostly from collections of previous years' receivables of the subsidiary Aeroporti di Roma in view of the insurance indemnifications relating to the Terminal 3 fire, which occurred in 2015.

This item is shown net of provisions for doubtful accounts, at Euro 32,888, of which Euro 29,076 pertains to the Atlantia group. The provision relates chiefly to amounts pertained to Stalexport Autostrady by its associates, which are currently insolvent, and whose loans from the local authorities have therefore been repaid by the Polish company in its capacity as guarantor.

Other accrued income and prepaid expenses refers to maintenance fees, insurance policies, advertising and sponsorship costs. The balance of the previous year included the receivable recorded by a subsidiary of the Autogrill group from a lessor who, at the time of renewing the lease, had agreed to a rent reduction of the entire duration of the contract.

14 Other current financial assets

This item is summarised as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Current portion financial assets deriving from concession rights	447,089	440,539
Convertible term deposits	179,222	194,283
Financial assets deriving from government grants related to construction services	70,110	67,962
Financial receivables from third parties	44,554	51,843
Derivatives: fair value hedges	2,778	7,354
Derivatives: cash flow hedges	3,765	23,451
Accrued income on derivative transactions	66,791	58,047
Other financial accrued income and prepaid expenses	9,909	10,739
Total	**824,218**	**854,218**

Current financial assets deriving from concession rights, Convertible term deposits, and Financial assets deriving from government grants related to construction services consist of the current portion of the Atlantia group assets discussed in Note 8, Other non-current financial assets.

Current financial assets deriving from concession rights consist mostly of the value of the takeover rights of Autostrade Meridionali S.p.A. (Euro 399,863), due by the motorway operators that will take over the concession when it expires to compensate for investments carried out during the final years of the concession that have not yet depreciated.

This heading also includes the current portion of the present value of the minimum guaranteed revenues that various Chilean motorway concession holders in the Atlantia group will receive from the grantor in accordance with the concession agreements (Euro 47,226).
Financial assets deriving from government grants related to construction services are grants accrued from concession grantors or other public entities on investments and maintenance work associated with businesses under concession.

The amount of Financial receivables from third parties is related, for Euro 13.7 million, to amounts paid to minority shareholders of certain North American subsidiaries of the Autogrill group (Euro 22.1 million at December 31, 2016): the change reflected mainly the collections realised during the year.

The items Derivatives - fair value hedges and Derivates: cash flow hedges principally refer to differentials on currency risk hedging transactions carried out by the Benetton group, to which the change from the previous year is due.

Accrued income on derivative transactions pertains to the Atlantia group (Euro 66,135).

15 Other investments

This item covers the fair value of investments classified as "available for sale" according to the rules of IAS 39, whose carrying value has been adjusted to the average stock market price in December 2017. At December 31, 2016, the balance included Euro 14,775 of the fair value of the AZ Fund 1 - Institutional Target that was extinguished in 2017.

16 Cash and cash equivalents

This item can be broken down as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Time deposits	793,280	602,432
Bank accounts	6,661,249	4,097,106
Cash in hand	81,400	82,343
Checks	6,732	10,671
Total	**7,542,661**	**4,792,552**

Time deposits refer mainly to the Atlantia group for Euro 784 million (Euro 595 million at December 31, 2016).

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned. The balance mostly consists of amounts pertaining to Atlantia group companies (Euro 4,805 million), the Parent Company (Euro 1,623 million), the Autogrill group (Euro 123 million) and the Benetton group (Euro 45 million).

Cash in hand includes cash floats at stores and amounts in the process of being credited and may vary according to the frequency of deposit.

Cheques reflect receipts from customers in the last few days of the year.

The total change compared to the previous year is mainly due the Atlantia group.

17 Assets and liabilities held for sale

At December 31, 2017 and 2016 this item was made up as follows:

(Thousands of Euro)	Atlantia group	Other assets	12.31.2017
Assets held for sale			
Property, plant and equipment	-	3,445	3,445
Equity investments	4,271	-	4,271
Financial assets	6,531	-	6,531
Deferred tax assets	-	-	-
Trading assets	259	-	259
Other assets	-	-	-
Total assets held for sale	**11,061**	**3,445**	**14,506**

(Thousands of Euro)	Atlantia group	Other liabilities	12.31.2017
Liabilities held for sale			
Financial liabilities	308	-	308
Trading liabilities	3,098	-	3,098
Other liabilities	2,860	-	2,860
Total liabilities held for sale	**6,266**	**-**	**6,266**

(Thousands of Euro)	Atlantia group (Ecomouv' and other)	Other assets	12.31.2016
Assets held for sale			
Property, plant and equipment	-	297	297
Equity investments	4,271	-	4,271
Financial assets	7,995	-	7,995
Deferred tax assets	-	-	-
Trading assets	59	-	59
Other assets	-	147	147
Total assets held for sale	**12,325**	**444**	**12,769**

(Thousands of Euro)	Atlantia group (Ecomouv' and other)	Other liabiities	12.31.2016
Liabilities held for sale			
Financial liabilities	345	-	345
Trading liabilities	3,181	-	3181
Other liabilities	2,860	-	2,860
Total liabilities held for sale	**6,386**	**-**	**6,386**

With reference to the Atlantia group, the assets and liabilities held for sale at December 31, 2017 comprise mainly:

- the remaining net assets of the French companies involved in the “Eco-Taxe” project, for Euro 522;
- the remaining 2% equity investment in Strada dei Parchi for Euro 4,271, subject to a put and call option with the company Toto Costruzioni Generali, in accordance with the agreement for the sale of a controlling interest in the company, signed in 2011.

At December 31, 2016 the balance consisted mainly of the residual net assets of the French companies involved in the Eco-Taxe project (Euro 8,053) and the residual 2% interest in Strada dei Parchi (Euro 4,271).

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS

(All figures in thousands of Euro)

SHAREHOLDERS' EQUITY

Shareholders' equity attributable to the Parent Company

On June 26, 2017, the Annual General Meeting of Edizione S.r.l. approved a dividend totalling Euro 140 million, paid during the course of the year.

18 Share capital

At December 31, 2017 the share capital of Edizione S.r.l. amounted to Euro 1,500 million, fully subscribed and paid in and divided into quotas.

19 Fair value and hedging reserve

This item reflects the changes arising from the fair value recognition of "available for sale" financial assets shown under current and non-current assets, as well as the changes in the effective hedging component of cash flow hedges.

20 Other reserves and retained earnings

Amounting to Euro 5,650,325 at December 31, 2017 (Euro 4,994,070 at December 31, 2016), this item includes:

- Euro 85,682 for the Parent Company's legal reserve;
- Euro 1,863,295 for the Parent Company's other reserves;
- Euro 3,701,348 representing the shareholders' equity of consolidated companies in excess of their carrying value, together with other consolidation entries.

21 Translation reserve

This reserve shows the effects of consolidating companies with financial statements in currencies other than the Euro using the line-by-line method.

The following table shows the components of comprehensive income and the related tax effect:

(Thousands of Euro)	Gross	Tax gains/(losses)	Net
Fair value gains/(losses) on cash flow hedges	57,735	(13,675)	44,060
Reclassification to the income statement of gains/(losses) from fair value on cash flow hedges	10,106	(2,617)	7,489
Gains/(losses) from fair value measurement of available for sale financial instruments	71,213	-	71,213
Gains/(losses) from translation of assets and liabilities of consolidated companies in functional currencies other than Euro	(279,149)	112	(279,037)
Reclassification to the income statement of gains/(losses) from translation of assets and liabilities of consolidated companies in functional currencies other than Euro	2,000	(120)	1,880
Other gains/(losses) of the comprehensive income	71	(37)	34
Reclassification to the income statement of other gains/(losses)	(64)	18	(46)
Other comprehensive income for the year	**(138,088)**	**(16,319)**	**(154,407)**

Below is the reconciliation between the shareholders' equity and net income of Edizione S.r.l. at December 31, 2017 and the corresponding consolidated amounts, net of non-controlling interests:

(Thousands of Euro)	Shareholders' equity	Net income
As shown in the separate financial statements of Edizione S.r.l. prepared according to Italian GAAP	**3,903,924**	**454,947**
IFRS adjustments to separate financial statements of Edizione S.r.l.	1,735	(90,469)
As shown in the separate financial statements of Edizione S.r.l. prepared according to IFRS	**3,905,659**	**364,478**
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying amount	2,766,661	210,401
Elimination of dividends paid to the Parent Company by consolidated subsidiaries	-	(1,527,770)
Allocation to non-current assets of the difference between the purchase price and the equity of new subsidiaries at the date of acquisition and related depreciation and amortisation	661,065	-
Adjustment to reflect the equity value of associated companies	(1,102)	-
Elimination of capital (gains)/losses from the intercompany transactions	(19,766)	1,185,680
Net effect of other consolidation adjustments	(42,758)	937
As shown in the Group's consolidated financial statements	**7,269,759**	**233,726**

22 Non-controlling interests

At December 31, 2017 and 2016, non-controlling interests in the net equity of consolidated companies were as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Atlantia group	9,083,066	7,723,115
Autogrill group	367,851	363,031
Olimpias group	2,985	3,030
Schemaquattordici S.p.A.	299	727
Other companies and consolidation adjustments	(27,682)	(28,530)
Total	**9,426,519**	**8,061,373**

The change in minority interests is due to an increase in the interests of third-party shareholders of the Atlantia and Autogrill group as a result of improved operating results of these groups. Moreover, with reference to the Atlantia group, the balance at December 31, 2017 reflects the change in equity investments in the subsidiaries, connected with the sales of 11.94% of the capital of Autostrade per l'Italia and of 12.5% of Azzurra Aeroporti, net of the acquisition of an additional portion equal to 2.65% of the capital of the subsidiary Aeroporti di Roma.

COMMENTS ON LIABILITIES ITEMS
(All figures in thousands of Euro)

NON-CURRENT LIABILITIES

23 Bonds

Bonds amount to Euro 11,652,503 for the non-current portion (Euro 10,506,767 at December 31, 2016) and Euro 1,118,502 for the current portion (Euro 926,429 at December 31, 2016).

Bonds are broken down below by group and by current and non-current share:

	12.31.2017		12.31.2016	
(Thousands of Euro)	Current portion	Non-current portion	Current portion	Non-current portion
Atlantia group	1,118,502	11,362,089	783,252	10,176,386
Autogrill group	-	290,414	143,177	330,381
Total	**1,118,502**	**11,652,503**	**926,429**	**10,506,767**

The increase in the balance during the year, attributable to the Atlantia group (Euro 1,521 million), is mainly due to the new issues during the period (Euro 2,352.4 million), net of repayments (Euro 774.7 million) and exchange rate fluctuations on bonds denominated in currencies other than the euro (Euro 134 million).
The change in the balance referred to the Autogrill group derives essentially from the repayment of the current portion at December 31, 2016 for a nominal value of US Dollars 150 million and from the effect of the devaluation of the US Dollar with respect to the Euro (Euro 49.5 million).

24 Loans

This item consists of medium and long-term loans from credit institutions and payables to other lenders.
The following table shows the current and non-current portions for each group:

	12.31.2017		12.31.2016	
(Thousands of Euro)	Current portion	Non-current portion	Current portion	Non-current portion
Atlantia group	318,524	4,008,700	300,851	3,999,054
Autogrill group	-	236,710	60,000	184,356
Edizione Property group	-	231,925	-	82
Benetton group	428	218	-	-
Maccarese S.p.A.	599	1,378	-	-
Other companies	318	372	2,818	879
Total	**319,869**	**4,479,303**	**363,669**	**4,184,371**

Medium and long-term loans from credit institutions amount to Euro 4,264,480 for the non-current portion (Euro 3,968,060 at December 31, 2016) and Euro 227,119 for the current portion (Euro 310,668 at December 31, 2016).
The balance of the non-current portion increased compared to the previous year, essentially as a result of the subscription of a new loan from credit institutions of the Edizione Property group (Euro 231 million).

The non-current portion of medium and long-term loans from credit institutions is broken down below by maturity:

Year	12.31.2017
2019	234,865
2020	351,916
2021	1,211,652
2022	345,774
2023 and beyond	2,120,273
Total	**4,264,480**

Loans from other lenders amount to Euro 214,823 for the non-current portion (Euro 216,311 at December 31, 2016) and Euro 92,750 for the current portion (Euro 53,001 at December 31, 2016). The change from the previous year refers to the Atlantia group and derives from a reclassification of the non-current portion, net of the repayment made during the year, of payables to the Polish Granting Entity in relation to the expected repayment of a loan agreement entered into in 2008 with European Bank for Reconstruction and Development, by the motorway operator Stalexport.

25 Other non-current liabilities

This item can be broken down as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Long-term deferred income	77,837	74,539
Payables to social security institutions	10,606	10,715
Payables to personnel	36,914	27,981
Payables to concession grantors	3,840	9,974
Other payables	33,147	27,491
Total	**162,344**	**150,700**

The item Accrued expenses and deferred income concerns investments to be carried out for contractual obligations (Euro 40,759) and other non-commercial deferred income (Euro 37,078) of the Atlantia group.

Payables to social security institutions essentially refer to the Autogrill group and consist of the liability for defined contribution plans.

Payables to personnel principally concern the Autogrill and Atlantia groups, reflecting the non-current portion of amounts due under long-term incentive plans.

Payables to concession grantors pertain to the Atlantia group.

Other payables include security deposits (Euro 6,991) referred, in particular, to the Benetton group and payables for non-current income taxes (Euro 4,916) referred to the Autogrill group and connected with the US tax reform which provided for one-off taxation on the profits generated starting from 1986 outside the territory of the United States by the subsidiaries of HMSHost Corp.

26 Lease financing

The Group has acquired properties, machinery, and other assets using lease financing.
Payables to leasing companies are guaranteed to the lessor by virtue of rights on the leased assets.

Lease financing is broken down below by maturity:

(Thousands of Euro)	12.31.2017	12.31.2016
Within 1 year	726	3,203
From 1 to 5 years	2,708	3,305
Beyond 5 years	4,368	4,650
Total	**7,802**	**11,158**

The portion due beyond one year amounts to Euro 7,076, while payments due within one year come to Euro 726 and are shown under current liabilities.

Minimum lease payments due to the leasing company are reconciled to their present value (principal portion) as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Minimum payments due	10,695	19,340
Outstanding financial expenses	(2,893)	(4,231)
Present value of lease financing	**7,802**	**15,109**

27 Other non-current financial liabilities

The balance of this item refers almost entirely to the Atlantia group and represents the negative market value of derivatives outstanding at December 31, 2017:

- Euro 436,628 refers to the fair value of the Cross Currency Interest Rate Swaps to hedge the foreign currency and interest rate risks on medium/long-term bonds, subscribed by Atlantia for a nominal GBP 500 million and a nominal JPY 20 billion, as well as to derivatives entered into by Aeroporti di Roma on a bond of the nominal amount of GBP 215 million, 99.87% of which was repurchased by Atlantia. For the latter derivatives, the requirements qualifying them as cash flow hedge instruments no longer exist. The balance decreased by approximately Euro 16.2 million, as a result of the Euro's exchange rate trend against the Pound;
- Euro 133,989 refers to the fair value of interest rate swaps entered into by certain Atlantia group companies to hedge interest rate risk on existing and highly probable future non-current financial liabilities. The decrease by approximately Euro 68.2 million from the previous year is due primarily to an increase in the interest rate market curve used at December 31, 2017 compared to that used at December 31, 2016.

The residual balance of the item (Euro 30,667) refers to accrued expenses on bonds.

28 Provisions for employee benefits

This item covers the provisions for post-employment benefits for all Group employees, such as employee termination indemnities (TFR) payable by the Italian companies (Euro 241,320).
Since December 31, 2007, the actuarial valuations for TFR reflect the changes introduced by Law 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "social security reform"). As a result of those changes:

- TFR accruing from January 1, 2007, whether the employee opts for a complementary pension fund or the traditional INPS system, is treated as a defined-contribution plan and accounted for accordingly;
- TFR accrued up to December 31, 2006 is treated as a defined-benefit plan and recognised according to the rules of IAS 19.

Changes during the year in the present value of post-employment benefit obligations were as follows:

(Thousands of Euro)	
Present value of obligation at 01.01.2017	**299,308**
Service cost	5,653
Financial charges/(income)	2,371
Actuarial losses/(gains)	(230)
Contributions paid by the Group and by employees	(3,776)
Indemnities paid	(22,377)
Translation differences	(2,595)
Other movements	(1,901)
Present value of obligation at 12.31.2017	**276,453**

Of the total balance at December 31, 2017, Euro 158,639 refers to employee termination indemnities (TFR) for the Italian companies in the Atlantia group. The Autogrill group accounts for Euro 80,110, with Euro 51,905 pertaining to termination indemnities of Italian personnel. The amount for the Benetton group is Euro 24,769, including Euro 18,493 in TFR for Italian personnel.

Certain companies in the Autogrill group also recognise the fair value of financial assets held to service defined benefit plans, consisting of equity instruments, bonds, real estate, other securities and debt instruments issued by third parties. These plan assets, shown net of the amount of the obligation, at December 31, 2017 amounted to Euro 68,364.

The table below summarises the main financial and actuarial assumptions used to calculate post-employment benefits:

	2017
Discounting rate	0.2% - 2.8%
Inflation rate	1% - 2%
Expected rate of salary increases	0.65% - 3%

The wide range for some of the above assumptions is explained by differences in the countries where the Group operates.

29 Deferred tax liabilities

The balance of this item includes the deferred tax liabilities of the Atlantia group, Euro 2,253,718, which refer to the excess cost recognised as a result of the fair value measurement of the activities acquired through business combinations, and of the Autogrill group, Euro 28,517, and it corresponds to the portion that cannot be offset by deferred tax assets. The reduction in deferred taxes is mainly due to the Atlantia group and it refers to the releases of deferred taxes connected with the amortisation of the excess cost deriving from the business combinations, to the exchange rate differences, and to the reduction of the nominal tax rate in France.

30 Other non-current provisions and liabilities

The table below summarises movements during the year:

(Thousands of Euro)	Provisions for risk	Provision for sales agent indemnities	Provision for other expenses	Provisions for repair and replacement of motorway infrastructure assets	Provisions for refurbishment of airport infrastructure	**Total non-current portion**	Provisions for risk	Provision for other expenses	Provisions for repair and replacement of motorway infrastructure assets	Provisions for the refurbishment of airport infrastructure	**Total current portion**
	Non-current portion						Current portion				
Balance at 01.01.2017	**76.972**	**12.880**	**45.157**	**1.226.619**	**134.442**	**1.496.070**	**113.340**	**28.159**	**219.610**	**98.612**	**459.721**
Provisions	13.950	1.742	727	398.216	44.093	**458.728**	25.387	11.978	-	-	**37.365**
Uses	(7.062)	(1.579)	(1.280)	-	-	**(9.921)**	(74.982)	(7.749)	-	-	**(82.731)**
Released to statement of income	(4.062)	-	(2.022)	-	-	**(6.084)**	(12.392)	(900)	(401.602)	(70.799)	**(485.693)**
Other movements and translation differences	(18.254)	-	(11.112)	(362.327)	(64.860)	**(456.553)**	18.423	(1.364)	402.607	41.957	**461.623**
Balance at 12.31.2017	**61.544**	**13.043**	**31.470**	**1.262.508**	**113.675**	**1.482.240**	**69.776**	**30.124**	**220.615**	**69.770**	**390.285**

The changes in provisions for risks and charges is commented below considering also the related current component.

At December 31, 2017, Provisions for risk totalled Euro 131,320.
The Atlantia group contributed Euro 83,011 to this item (current portion: Euro 51,228), representing the estimated charges to be incurred in connection with pending litigation, including those with maintenance contractors regarding contract reserves. With respect to the previous year, there was a decrease in the fund, as a result of the utilisations referred to the settlement in relation to the fire in Terminal 3 of the Fiumicino airport, which took place in 2015.
Euro 39,981 pertains to the Autogrill group (current portion: Euro 14,610) and is detailed as follows:

- a self-insurance provision (Euro 31,519) to cover the excess on third-party liability provided for in insurance plans;
- provisions for legal disputes (Euro 3,933), allocated in view of the risk of loss in disputes involving the Autogrill group, taking into account the opinions of its legal advisors.

The Benetton group's contribution of Euro 6,520 (current portion: Euro 3,930) relates to provisions made for legal disputes.

The Provision for sales agent indemnities reflects the estimated liability for the termination of contracts held by Benetton group sales representatives in the cases envisaged by law.

The Provision for other expenses, totalling Euro 61,594, pertains to the Autogrill group for Euro 11,075 (current portion: Euro 3,630), the Benetton group for Euro 13,976 (current portion: Euro 12,508) and the Atlantia group for Euro 28,831 (current portion: Euro 12,552).
The balance at December 31, 2017 for the Autogrill group includes:

- a provision for the refurbishment of third party assets (Euro 6,493), representing estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition;
- provisions for onerous contracts (Euro 952), relating to loss-making contracts for commercial units whose earnings are not sufficient to cover the amount of the lease;
- a tax risk provision (Euro 3,630), referring mostly to disputes over the US subsidiaries' direct and indirect taxation.

The amount relating to the Benetton group mainly includes provisions for the reorganisation plan and estimated costs for the closure of some directly operated stores.

Provisions for the repair and replacement of motorway infrastructure assets (Euro 1,483,123) refer entirely to the Atlantia group and cover the current value of the estimated cost to be incurred in order to fulfil the contractual obligation of repairing or replacing motorway infrastructure, in accordance with the concession arrangements entered into by the group's motorway operators. The amount of the provision increased compared to the previous year, due to the combined effect of:

- the operating provisions, amounting to Euro 398,216 and of the financial provisions of Euro 25,929;

- uses for restoration and replacement works performed during the year, totalling Euro 401,602.

The Provisions for the refurbishment of airport infrastructure, totalling Euro 183,445, covers the present value of estimated future expenses for extraordinary maintenance, repairs and replacements in view of the contractual obligations of the Atlantia group pertaining to airport operations. Compared to December 31, 2016, the provision decreased by Euro 49,609, as a result of uses for works carried out during the year, partly offset by the operating and financial allocations.

31 Provisions for construction services required by contract

These provisions represent the present value of the motorway infrastructure construction/upgrading services still to be provided, which some operators in the Atlantia group, in particular Autostrade per l'Italia, have committed to providing and for which they will not receive additional economic benefits in terms of specific tariff increases and/or a substantial rise in expected traffic. An allocation is made yearly to reflect the change in present value of the investment commitments and the financial and planning effects of revised timing estimates; the provisions are reduced in proportion to the work without additional benefits actually completed during the year, net of grants receivable.

The table below presents balances at the beginning and end of 2017 and movements during the year, broken down by current/non-current portion.

(Thousands of Euro)	Balance at 01.01.2017	Non-current	Current	Changes due to revised present value obligations	Financial provisions	Reduction for completed works	Grants accrued on completed works	Translation differences	Balance at 12.31.2017	Current	Non-current
Provisions for construction services required by contract	3,801,285	3,269,830	531,455	(8,892)	13,039	(419,191)	-	1,252	3,387,493	2,960,647	426,846

CURRENT LIABILITIES

32 Trade payables

These represent the Group’s liabilities for the purchase of goods and services, including the Atlantia group's tolls in the process of settlement (Euro 77,032) and payables to operators of interconnecting motorways (Euro 664,960).

33 Other payables, accrued expenses and deferred income

This item is summarised as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Other payables		
Payables to personnel	260,279	265,938
Other tax payables	177,191	132,806
Payables for the purchase of non-current assets	87,764	108,351
Payables to social security institutions	114,923	112,867
Payables to grantors	112,825	117,752
Guarantee deposits and deposits of users who pay by direct debit	54,537	54,960
Payable to expropriated companies	9,587	11,747
VAT payables	52,993	56,828
Payable to public entities	6,113	11,031
Other payables	157,731	151,675
Total other payables	**1,033,943**	**1,023,955**
Accrued expenses and deferred income		
Leases and rentals	9,912	11,095
Other	44,882	48,487
Total accrued expenses and deferred income	**54,794**	**59,582**
Total other payables, accrued expenses and deferred income	**1,088,737**	**1,083,537**

Payables to personnel concern amounts accrued and not paid at December 31, 2017 and also include the current portion of liabilities for long-term personnel incentive plans.

The change in Other tax payables is attributable for the most part to an increase in the payable for additional airport passenger boarding fees (Euro 22,748).

Payables for the purchase of non-current assets refer to the retail network and information technology of the Benetton group, Euro 10,105, (Euro 15,685 at December 31, 2016) and to amounts payable in connection with investments by the Autogrill group, Euro 75,045, (Euro 91,644 at December 31, 2016); the change derives from a different scheduling of the payments.

Payables to social security institutions consist of contributions due from Group companies and employees.

Payables to grantors, Payables to expropriated companies, Guarantee deposits and deposits of users who pay by direct debit, and Payables to public entities are due by companies in the Atlantia group.

Other payables to third parties include amounts due to Directors and Statutory Auditors, amounts due to insurance companies, and other non-trade payables.

Accrued expenses and deferred income refer mainly to insurance premiums, lease instalments and utilities pertaining to the subsequent year and include Euro 3,655 in deferred income relating to the grant received from the Serbian government for the construction by the Olimpias group of the new manufacturing complex in Niš, Serbia.

34 Current income tax liabilities

Current income tax liabilities represent the amount payable by the Group for current year income tax, stated net of taxes paid in advance, tax credits and withholding taxes. The increase in the balance compared to December 31, 2016 was affected by the higher taxes connected with the corporate reorganisation operations of the Atlantia group.

35 Other current financial liabilities

Details are as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Financial accrued expenses and deferred income	300,437	277,529
Derivatives: cash flow hedges	13,243	22,966
Derivatives: fair value hedges	2,578	10,059
Derivatives: non hedges accounting	14,372	-
Promissory Note	55,087	-
Payables to brokerage company	12,280	-
Financial payables due to other companies	80,903	22,583
Total	**478,900**	**333,137**

Financial accrued expenses and deferred income are made up mostly of accrued expenses and deferred income on bonds and loans (Euro 249,670) and of accrued expenses on derivative transactions (Euro 50,767).

Derivatives: cash flow hedges refer to the fair value recognition of derivatives involved in exchange rate hedging transactions. The balance at December 31, 2017 refers exclusively to the Benetton group.

Derivatives: fair value hedges represent the differentials on forward exchange contracts arising from the fair value measurement of hedges outstanding at December 31, 2017 in relation to exchange rate risk. The balance at December 31, 2017 refers mainly to the Benetton group (Euro 2,167).

Non hedge accounting derivative liabilities refer to the Atlantia group (Euro 14,372). These contracts refer to the negative fair value of the derivatives with the deal contingent hedge clause for a notional value of Euro 2,500 million, to hedge the financial requirements connected with the Public Tender Offer in cash and stock on Abertis.

The Promissory Note item refers to the issue of a promissory note by a Brazilian motorway operator, partly used to repurchase the bond issued by its subsidiary Rodovia MG 050.

Payables to brokerage company refer to the Parent Company and pertain to the purchases of Assicurazioni Generali S.p.A. shares that took place at the end of the year and whose payment was completed in the first days of 2018.

At December 31, 2017, Financial payables due to other companies refer to the Atlantia group (Euro 77,419). The change in the balance is referred (Euro 53,109) to the payable that the subsidiary Traforo del Monte Bianco has towards Anas for the portion of dividends of the previous years that had not been liquidated correctly.

36 Bank loans and overdrafts

In detail:

(Thousands of Euro)	12.31.2017	12.31.2016
Short-term bank loans from credit institutions	722,143	1,977,323
Current account overdrafts	54,429	46,440
Total	**776,572**	**2,023,763**

The change in the balance of this item relative to the previous year is due to the repayment of the short-term credit lines by the Atlantia group (whose contribution to the balance changed from Euro 1,862.8 million at December 31, 2016 to Euro 392.8 million at December 31, 2017), net of the higher uses of the credit lines by the Benetton group (Euro 50.2 million at December 31, 2016 versus Euro 146.9 million at December 31, 2017) and of the Autogrill group (from Euro 48 million at December 31, 2016 to Euro 218.2 million at December 31, 2017).

COMMENTS ON INCOME STATEMENT ITEMS

(All figures in thousands of Euro)

37 Revenues

Revenues are broken down by type as follows:

(Thousands of Euro)	2017	2016
Net sales	6,386,460	6,443,722
Tolls	4,195,206	4,008,757
Aviation revenues	799,144	635,701
Royalties	331,405	239,719
Other revenues	400,716	341,711
Total	**12,112,931**	**11,669,610**

Net sales decreased from the previous period.

Tolls amounted to Euro 4,195 million with a total increase of Euro 186 million (+5%) compared to 2016. At constant exchange rates, which had a positive impact of Euro 26 million, toll revenues increased by Euro 160 million, mainly due to the following factors:

- application of annual tariff increases for the Group's Italian operators (+ Euro 19 million);
- increase in traffic (+2.2%) on the Italian network (+ Euro 82 million);
- higher contribution from foreign operators (+Euro 53 million), both due to positive traffic dynamics in Chile (+4.8%), Poland (+5.6%) and Brazil (+2.3%), and by effect of fee increases.

Aviation revenues amounted to Euro 799 million and increased by Euro 163 million (+26%) relative to the year of comparison, due mainly to the contribution of the Aéroports de la Côte d’Azur group (Euro 159 million). This change was affected, moreover, by annual increases in airport fees applied with effect from 1 March by Aeroporti di Roma.

Most Royalties pertain to the Atlantia group and include fees paid by the sub-concession holders that operate motorway and airport service areas. The change from the previous year is due (Euro 75 million) to the Aéroports de la Côte d’Azur group, and for the residual amount to the Aeroporti di Roma group.

Other revenues consist of the Telepass and Viacard income of the Atlantia group (Euro 152.8 milion), sundry airport management revenues, and income from various services such as subcontracting and other services. The change from 2016 is due (approximately Euro 12 million) to the increased revenues from Telepass and Via Card fees and (Euro 30 million) to the contribution of the Aéroports de la Côte d’Azur group.

Revenues by business segment are shown below:

(Thousands of Euro)	2017	2016
Infrastructures and services for mobility	5,704,010	5,212,858
Food and beverage	4,989,971	4,940,511
Textiles and clothing	1,365,736	1,460,118
Other sectors	53,214	56,123
Total	**12,112,931**	**11,669,610**

The following table shows revenues by geographical area:

(Thousands of Euro)	2017	2016
Italy	6,719,809	6,647,306
Rest of Europe	1,933,062	1,661,898
Americas	3,037,327	2,939,123
Rest of the world	422,733	421,283
Total	**12,112,931**	**11,669,610**

See the Directors' Report for further information.

38 Revenues from construction services

In detail:

(Thousands of Euro)	2017	2016
Revenues from constrution services for which additional economic benefits are received	336,882	614,519
Government grants for services for which additional economic benefits are not received	-	332
Revenues from investment in financial assets deriving from concession rights	73,376	81,101
Services provided by sub-operators	5,221	8,708
Total	**415,479**	**704,660**

This item presents the value of construction services for which additional economic benefits are received, provided during the year by Atlantia group companies. With reference to this type of revenues, it should be noted that, in keeping with IFRIC 12, the Atlantia group recognises as revenues from construction services the consideration due for services rendered, which it measures at fair value based on total costs incurred, comprised of operating costs and financial charges.
In particular, compared with 2016, Revenues from construction services for which additional economic benefits are received decreased by Euro 277,637 for the reduction in the construction services of Aeroporti di Roma and Autostrade per l'Italia.
In 2017 the Atlantia group performed additional construction services for which no additional economic benefits are received, amounting to Euro 419,191, for which the group made use of a portion of the Provisions for construction services required by contract (Note 31). For this kind of activity, in accordance with IFRIC 12, Atlantia recognises as Revenues from construction services only the government grants accrued on these works, while the amount of investments realised, net of those grants, is recognised in Note 45 (Use of provisions for construction services required by contract).

39 Other revenues and operating income

This item is detailed in the following table:

(Thousands of Euro)	2017	2016
Capital gains from disposal of operating assets	-	14,669
Capital gains from disposal of non-current assets	7,925	9,058
Reimbursement of costs by third parties	73,873	74,919
Rents	59,251	54,706
Promotional contributions by suppliers	43,943	43,587
Commissions on premium product sales	21,019	20,882
Release of provisions	21,399	57,899
Affiliation fees	2,298	2,585
Impairment reversals	79,963	2
Other operating income	109,841	91,290
Total	**419,512**	**369,597**

In 2016, the Capital gains from disposal of operating activities arose from the sale to the Elior group of the Autogrill group's Food and Beverage business in French railway stations, for a price of Euro 27.5 million.

Reimbursement of costs by third parties includes Euro 67,863 for the Atlantia group and refers to refunds and indemnities received.

Rents refer mainly to income from commercial premises used for the sale of Benetton group label products, leasing instalments for companies in the Autogrill group, and the leasing of properties classified as investment property (Euro 16,607).

Release of excess provisions, in the comparison period, included a release of Euro 24 million, referred to the trade receivables of the company Electronic Transaction Consultants, written down in previous years, following an update of the estimated recoverable amount.

Impairment reversals on non-current assets, amounting to Euro 78,700 refer to the Concession rights of the company Raccordo Autostradale Valle d'Aosta as a result of the impairment test. See Note 2 for additional details.

The heading Other operating income covers the sublease of parts of commercial units, contingent income, operating grants and miscellaneous income.

The contribution of the Aéroports de la Côte d'Azur group to this item amounts to Euro 17 million.

40 Purchases and changes of raw materials and consumables

The increase in this item includes the contribution of the Aéroports de la Côte d'Azur group.

41 Payroll costs

Details are as follows:

(Thousands of Euro)	2017	2016
Wages and salaries	2,086,176	2,020,407
Social security charges	494,685	466,677
Directors’ emoluments	11,418	16,182
Provision for employee termination indemnities and similar	5,653	6,636
Other payroll costs	222,239	194,221
Total	**2,820,171**	**2,704,123**

Other payroll costs concern the Autogrill group for Euro 147,697, in connection with long-term incentives, health insurance and other benefits, and the Atlantia group for Euro 66,155, and include bonuses, leaving incentives and the cost of seconded personnel.

The following table shows the average number of employees by business segment in terms of equivalent full-time employees:

FTE	2017	2016
Food and beverage	41,142	39,423
Infrastructures and services for mobility	15,979	14,997
Textiles and clothing	9,281	9,115
Other sectors	713	657
Total	**67,115**	**64,192**

The Aéroports de la Côte d’Azur had an average workforce of 706 in 2017.

42 Cost of services

Details are as follows:

(Thousands of Euro)	2017	2016
Construction and similar	413,139	821,792
Maintenance costs	350,544	339,705
Consultants' fees (Tax & Legal)	152,541	126,367
Utilities	151,934	157,614
Subcontracted work	119,234	139,055
Transport and distribution	102,670	98,884
Professional and technical services	99,268	90,340
Cleaning and disinfestation	78,846	77,096
Advertising and promotion	68,039	71,977
Sales commissions	63,429	58,874
Banking services	53,765	55,940
Insurance	44,869	40,473
Travel expenses and accommodation	40,083	37,603
Surveillance	37,465	28,327
Telephone and postal charges	33,838	32,296
Statutory auditors' emoluments	2,262	2,298
Other services	318,808	265,457
Total	**2,130,734**	**2,444,098**

The item Construction and similar refers to the Atlantia group and includes construction and professional services relating to infrastructure under concession. The item amount decreased compared to the previous year as a result of smaller volumes of investments carried out by the subsidiaries Autostrade per l'Italia and Aeroporti di Roma during the year.

The increase in Maintenance costs is related to works on motorways.

Consultants' fees (Tax & Legal) increased by effect, in particular, of the costs connected with the Public Tender Offer on Abertis (Euro 25 million).

Costs for Subcontracted work decreased by Euro 20 million as a result of the reduction in the volume of revenues of the Textiles and clothing sector.

Other services include miscellaneous items such as public relations, graphics and design consulting, personnel recruitment and training, temporary work, money transportation and health inspections.

43 Leases and rentals

This item consists primarily of concession fees paid by the Autogrill group to third parties and by the Atlantia group to the grantors. The change in this item (Euro 1,427,806 versus Euro 1,383,521 in 2016) substantially reflects the contribution for the entire year of the Aéroports de la Côte d'Azur group and of the subsidiary Autostrade per l'Italia in relation to the positive trends in traffic.

44 Other operating expenses

In detail:

(Thousands of Euro)	2017	2016
Indirect taxes and duties	81,186	63,620
Donations	35,856	24,898
Damages, compensation and penalties	14,680	15,140
Capital losses from disposal of non-current assets	2,415	3,718
Differences in cash deposits	1,905	1,808
Other expenses	28,719	63,842
Total	**164,761**	**173,026**

Indirect taxes and duties include the contribution of the Autogrill group of Euro 25,991, of the Atlantia group of Euro 40,473 (of which Euro 5,642 in relation to the Public Tender and Exchange Offer on Abertis), of the Edizione Property group of Euro 5,458 and of the Benetton group of Euro 6,696.

Donations concern the Atlantia group for Euro 33,602, for the upgrading of infrastructures operated by other entities located near the motorways.

Damages, compensation and penalties essentially refers to the Atlantia group.

Other expenses include indemnities paid to third parties, contingent losses and other miscellaneous operating costs.

45 Use of provisions for construction services required by contract

The use of provisions for construction services required by contract in relation to works for which no additional economic benefits are received equals the value of the relative construction services provided during the year. It is recognised as an indirect adjustment of the costs, classified by nature, incurred in 2017 for the construction services provided by operators of the Atlantia group.
The amount is shown net of the grants accrued on construction services without additional economic benefits, which in 2016 amounted to Euro 332, as mentioned in Note 38 (Revenues from construction services).

46 Depreciation of tangible assets

As follows:

(Thousands of Euro)	2017	2016
Depreciation of buildings	21,953	21,910
Depreciation of investment property	4,122	3,323
Depreciation of plant, machinery and equipment	139,358	127,542
Depreciation of furniture, furnishings and electronic equipment	29,758	28,078
Depreciation of assets to be relinquished	16,562	16,960
Depreciation of leasehold improvements	100,439	93,572
Depreciation of other property, plant and equipment	13,686	13,102
Total	**325,878**	**304,487**

47 Amortisation of intangible assets

As follows:

(Thousands of Euro)	2017	2016
Amortisation of intangible assets deriving from concession rights	951,894	833,409
Amortisation of industrial patents and intellectual property rights	675	738
Amortisation of concessions, licenses, trademarks and similar rights	28,671	25,678
Amortisation of deferred rights	6,976	5,787
Amortisation of other intangible assets	69,229	65,814
Total	**1,057,445**	**931,426**

48 Impairment of property, plant and equipment and intangible assets

Impairments carried out in 2017 amounted to Euro 23,199, of which Euro 13,362 on property, plant and equipment and Euro 9,837 on intangible assets.
In the comparison period, this item, amounting to Euro 9,347, was made up of Euro 7,512 in impairment of property, plant and equipment and the remainder in impairment of intangible assets. Details can be found in the impairment testing section of Note 2.

49 Impairment of doubtful accounts

This item, totalling Euro 57,108, pertains to trade receivables for Euro 55,738 and to other receivables for Euro 1,370.
In the comparison period, this item, totalling Euro 61,701, pertained to trade receivables for Euro 54,090 and to other receivables for Euro 7,611.
Changes in the provision for doubtful accounts are shown in Note 11 (Trade receivables).

50 Provisions for risks

These include provisions for general risks (Euro 39,337), provisions for sales agent indemnities (Euro 1,742), and other provisions (Euro 12,705) accounted in 2017.
The item also includes the net provision for the repair of assets operated under concession, pertaining to the motorway operators of the Atlantia group (a negative Euro 3,386), and the operating allocation, net of the related use of the provision for the renovation of airport infrastructure of the Aeroporti di Roma group (a negative Euro 26,706).
The change from the previous year reflects the dynamics of operating allocations, net of the uses, of the Provisions for the repair of assets operated under concession, and the renewal provision for airport infrastructure of the Atlantia group.

51 Share of income/(loss) of associated companies

This item primarily reflects the effect of the valuation on an equity basis of some associates and joint ventures of the Atlantia group (negative effect of Euro 10,056) and of the Autogrill group (positive effect of Euro 797) and the dividends collected by Save S.p.A. (Euro 8.5 million).
In 2016, it included the dividends distributed by the associated company Eurostazioni S.p.A. (Euro 54,823).
For further information, see Note 4 (Equity investments in associates and joint ventures).

52 Financial income

This item comprises:

(Thousands of Euro)	2017	2016
Interest income from other non-financial receivables	71,665	46,127
Interest income from banks	26,277	35,164
Financial income from discounting	73,506	67,435
Financial income on derivatives	89,470	102,777
Financial income accounted for as an increase in financial assets	73,096	74,142
Dividends from other companies	29,457	28,861
Capital gains from disposal of equity investments	44,896	21,017
Income from measurement of financial instruments at amortised cost	-	2,047
Impairment reversals of equity investments	-	24,965
Interest income from non-current securities	5,685	1,097
Other financial income	14,987	12,602
Total	**429,039**	**416,234**

Interest income from other non-financial receivables refers to the Chilean operators of the Atlantia group.

Interest income from bank is mainly attributable to the Atlantia group.

Financial income from discounting refers to the Atlantia group's discounting of concession rights and financial assets deriving from government grants.

Financial income on derivatives relate (Euro 88,748) to the interest rate hedging transactions of the Atlantia group (Euro 100,358 in the year 2016).

Financial income directly accounted for as an increase in financial assets refer to the Atlantia group.

Dividends from other companies were collected in 2017 from Assicurazioni Generali S.p.A. (Euro 11.7 million), Mediobanca S.p.A. (Euro 6.9 million), and some Atlantia group companies (Euro 9.8 million).

The Capital gains from the disposal of equity investments refer to the income deriving from the tender of the mandatory Public Tender Offer promoted on Save S.p.A. shares.
In the comparison year, the Capital gains from the disposal of equity investments referred to the sale of the stake held by the Parent Company in Vinci S.A. (Euro 6.6 million) and Hermès International S.C.A. (Euro 14.4 million).

In 2016, Impairment reversals of equity investments included the impairment reversal attributable to the investment in the Portuguese operator Lusoponte, as a result of a new estimate of the asset's recoverable value by an independent expert, as part of the process to redomicile in Italy the headquarters of its parent company Autostrade Portugal.

Financial income from non-current securities include for Euro 5.1 million the capital gain deriving from the redemption of 50% of the units of the Quaestio Opportunity Fund; the residual amount relates to the distributions made by investment funds subscribed by the Parent Company.

53 Impairment of financial assets

This item referred to impairment losses on equity investments classified under IAS 39 as "available for sale," as mentioned in Note 5 (Equity investments in other companies), to which reference is made.
In 2017, they referred (Euro 4 million) to Compagnia Aerea Italiana and (Euro 2.7 million) to Banca Leonardo S.p.A. to adjust the carrying amount of the equity investment to match the estimated sale value.
In 2016, the impairments involved the Atlantia group's equity investment in Compagnia Aerea Italiana (Euro 9.6 million) and in Tangenziali Esterne (Euro 2.5 million).

54 Financial charges

As follows:

(Thousands of Euro)	2017	2016
Interest on bonds	490,964	499,345
Interest on bank loans	137,668	134,398
Financial charges from derivatives	168,983	139,953
Financial charges from discounting	43,539	65,017
Capital losses on disposal of equity investments	1,141	20,397
Financial charges accounted as an increase of financial receivables	12,389	17,785
Write-downs for overdue interest on current payables	57,350	32,693
Non-recurring financial charges connected to the Abertis Public Tender Offer	37,280	-
Interest on loans from third parties	4,212	2,568
Bank expenses and commissions	4,827	7,168
Other financial charges	7,240	50,517
Total	**965,593**	**969,841**

Interest on bonds pertains to the bond issues of the Atlantia group and the Autogrill group.

Financial charges from derivatives include the negative differentials accrued on interest rate hedges, i.e. Euro 157,789, pertaining almost entirely to hedging transactions carried out by the Atlantia group.

Financial charges from discounting reflect the impact of discounting the provisions for construction services required by contract, the provisions for the repair of assets operated under concession, and the renewal provision for airport infrastructure of the Atlantia group.

Capital losses on disposal of equity investments refer (Euro 0.4 million) to the sale of the equity investment in Il Sole 24 Ore S.p.A., (Euro 0.2 million) to the sale of the equity investment in Caltagirone Editore S.p.A. and (Euro 0.3 million) to the sale of the units of the AZ Fund 1 Institutional Target.
In 2016, the balance of this item referred to the sale of shares held in LBrands Inc. by the Parent Company.

Non-recurring financial charges connected to the Abertis Public Tender Offer break down as follows:

- Euro 24 million linked to the accrued commitment fees on the committed financing and fees on the guarantees backing the Offer required by the related regulation;
- Euro 14 million of the fair value of specific Interest Rate Swap Forward Starting contracts stipulated in view of the committed lines, for a notional value of Euro 2,500 million, hedging against the risk of movements in interest rates, subject to a “deal contingent hedge” clause that provides, if the outcome of the Offer isn’t in Atlantia’s favour, that the contract will not be executed and there will be no exchanges of cash flows between the

counterparties. These financial instruments are classified as non-hedge accounting, as they do not meet all the requirements of IAS 39 for recognition as cash flow hedges.

55 Foreign currency hedging gains/(losses) and exchange differences

This item states the balance of foreign exchange gains and losses over the year and the result of currency hedges.

56 Income taxes

The balance includes current and deferred taxes, as detailed below:

(Thousands of Euro)	2017	2016
Current taxes	605,978	485,022
Deferred taxes	98,446	141,465
Total	**704,424**	**626,487**

The Group's tax charge for the year breaks down as follows:

(Thousands of Euro)	2017	2016
Atlantia group	632,194	532,916
Autogrill group	45,738	54,975
Other Group companies and consolidation adjustments	26,492	38,596
Total	**704,424**	**626,487**

Current taxes are allocated below by Group:

(Thousands of Euro)	2017	2016
Atlantia group	552,817	421,573
Autogrill group	45,907	56,770
Other Group companies and consolidation adjustments	7,254	6,679
Total	**605,978**	**485,022**

The change in current taxes, with respect to the previous year, is mainly due to the Atlantia group and derives both from the increase in the income before taxes and from the higher taxes (Euro 46 million) on the corporate reorganisation operations carried out during the year in relation to the distribution of an extraordinary dividend in kind and to the distribution of available equity reserves.

With reference to the Autogrill group, current taxes include a positive net component relating to the effects of the tax reform launched at the end of 2017 in the United States that provides, as its main element, the reduction of the tax rate applied to corporate income. The net positive effect of Euro 7,361, generated in 2017 by the effects of the tax reformed, was determined by:

- a positive component of Euro 13,034, originated from the release of deferred tax liabilities allocated in previous years in relation to the depreciation of property, plant and equipment; and
- a negative component of Euro 5,673 relating to the “one-off” taxation on the profits generated outside the territory of the United States by the subsidiaries of HMSHost Corp. from 1986 onwards.

Deferred taxes can be broken down as follows:

(Thousands of Euro)	2017	2016
Atlantia group	79,377	111,343
Autogrill group	(169)	(1,795)
Benetton group	18,423	30,959
Other Group companies and consolidation adjustments	815	958
Total	**98,446**	**141,465**

The reduction of the economic effect tied to deferred taxes, compared to the previous year, is mainly due to the Atlantia group.

57 Profit/(loss) from discontinued operations

The following table breaks down the Profit from discontinued operations in 2017 and 2016:

(Thousands of Euro)	Atlantia group	2017
Operating revenues	-	-
Operating expenses	(107)	(107)
Financial income	-	-
Financial charges	(308)	(308)
Fiscal gains/(charges)	(830)	(830)
Contribution to profit of discontinued operations	**(1,245)**	**(1,245)**
Capital gain/(loss) on disposal of discontinued operations, net of tax effect	-	-
Other income/(charges) relating to discontinued operations	-	-
Profit/(loss) of discontinued operations	**(1,245)**	**(1,245)**

The Atlantia group's contribution is attributable to the company Tech Solutions Integrators both in 2017 and in 2016.

(Thousands of Euro)	Atlantia group	Autogrill group	2016
Operating revenues	-	2,066	2,066
Operating expenses	(2,860)	-	(2,860)
Financial income	-	-	-
Financial charges	-	-	-
Fiscal charges	(1,640)	-	(1,640)
Contribution to profit of discontinued operations	**(4,500)**	**2,066**	**(2,434)**
Capital gain/(loss) on disposal of discontinued operations, net of tax effect	-	(2,883)	(2,883)
Other income/(charges) relating to discontinued operations	-	(420)	(420)
Profit/(loss) of discontinued operations	**(4,500)**	**(1,237)**	**(5,737)**

In the comparison year, with regard to the Autogrill group, the result refers to the sum of income from Dutch operations in the first ten months of 2016, net of a capital loss from the sale of these operations and disposal costs.

OTHER INFORMATION

58 Consolidated net financial position

The breakdown of the net financial position is as follows:

(Millions of Euro)	12.31.2017	12.31.2016
Cash and cash equivalents	**7,549**	**4,801**
Current financial assets from concessions	447	441
Current term deposits	179	196
Other current financial assets	251	234
Current financial assets, total	**877**	**871**
Non-current financial assets from concession rights	964	931
Non-current term deposits	315	322
Other non-current financial assets	1,000	992
Non-current financial assets, total	**2,279**	**2,245**
Payables to banks	(776)	(2,024)
Current portion of medium/long-term loans	(320)	(364)
Current portion of bond issues	(1,119)	(926)
Other current financial liabilities	(480)	(336)
Other current financial liabilities	**(2,695)**	**(3,650)**
Long-term loans	(4,479)	(4,184)
Bond issues	(11,653)	(10,507)
Other non-current financial liabilities	(604)	(662)
Non-current financial liabilities, total	**(16,736)**	**(15,353)**
Net financial indebtedness	**(8,726)**	**(11,086)**

59 Financial risk management

Introduction

The holding companies (Edizione, Sintonia and Schematrentaquattro) and the main sub-groups of the Edizione Group, such as Atlantia, Autogrill, Benetton, Olimpias and Edizione Property, have always paid close attention to the identification, assessment and coverage of financial risks associated with their businesses, and in particular to:

- financial market risks, mainly related to currency risk, interest rate risk, commodity risk and financial asset risk;
- liquidity risk, with a special focus on the availability of funds and access to the credit market and financial instruments;
- credit risk, in relation to both commercial and financial transactions.

Given the varied nature of the Group’s businesses and the different exposure of its companies to financial risks, there is no centralised unit for risk management and hedging transactions.
Each sub-group, consistently with its own aims, strategies and risks, has established general principles and guidelines for the management of financial risks.
For a clearer view of financial risks and their management within the Group, the following analysis is provided by sub-group.

Regarding the fair value hierarchy for the classification of assets and liabilities measured at fair value or for which fair value is disclosed herein, the prevailing level is 2 for derivatives and 1 for listed securities. There are no assets or liabilities at level 3 of the fair value hierarchy.

MARKET RISK

Currency risk, interest rate risk, commodity risk and financial asset risk

The Group is exposed to various financial market risks, such as currency fluctuations, as it operates in an international context where transactions are conducted in different currencies and at different interest rates. It is also exposed to market risks in terms of the price of commodities used in running its business and the trading price of certain financial assets.

The Group's exposure to currency risk stems from the geographical distribution of its industrial activities with respect to the geographical distribution of the markets where it sells its products, and from the borrowing of funds in foreign currency.

Exposure to interest rate risk derives from the need to finance operating activities, both industrial and financial, and to invest liquid funds. A change in market interest rates may have an adverse or a positive impact on the Group's performance, by influencing the cost of borrowing and the return on investments.

The Group's exposure to commodity risk concerns the possibility of price fluctuations for some of the raw materials employed.

Edizione S.r.l.

Price risk

Edizione is exposed to the risk of changes in the market price of its financial assets, particularly with respect to its medium and long-term investments in listed companies that are classified as equity investments "available for sale" on the basis of IAS 39.

Sensitivity analysis of price risk

Concerning the risk of share price movements in investments "available for sale", we have assumed a 500 bps shock in the price of the shares.

Based on the analyses, the outcome is that a change of ± 5% in the stock market price at December 31, 2017 would have affected shareholders' equity by ± Euro 25,418 (± Euro 17,267 in 2016).

Atlantia group

Interest rate risk

Interest rate risk linked to uncertainty regarding the performance of interest rates takes two forms:

a. cash flow risk: related to financial assets or liabilities with financial flows that are indexed to a market interest rate. In order to reduce floating rate debt, the group has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Following tests of effectiveness, changes in fair value are essentially recognised in the other comprehensive income components. Interest income or expense deriving from the hedged instruments is recognised simultaneously in profit or loss. In 2017, Atlantia entered into IRS Forward Starting derivatives with a total notional value of Euro 1,000,000 and with positive fair value of Euro 1,253 at December 31, 2017, with durations of 10 years at a weighted average fixed rate of approximately 0.879%, connected to highly probable prospective financial liabilities tied to future financial requirements.

In addition, deal contingent hedge contracts were executed, with a total notional amount of Euro 2,500,000, with an average life of 9.4 years and a weighted average fixed rate of approximately 0.853% whose fair value, recognised in the income statement of 2017, was negative by Euro 13,511.
In addition, within the “liability management” operation of Autostrade per l’Italia (comprising the bond issue for a notional value of Euro 700,000 and the concurrent partial repurchase of bonds with maturities in 2019, 2020 and 2021 for a total amount of Euro 522,614), treated in accounting terms as a non material change in existing financial liabilities, the Interest Rate Forward Starting derivatives stipulated in June 2015 in view of highly likely prospective loan transactions to be carried out by 2017 were closed. At the closing date of these derivatives, the negative fair value, recognised under equity reserves, amounted to Euro 27,461. A part of this amount, of Euro 20,502, referred to the portion of the nominal amount of the bonds to be replaced, was reclassified among financial charges in the income statement. The remaining part of the negative fair value, of Euro 6,959, will be reclassified in the income statement upon the emergence of the interest cash flows related to the newly issued bond, consistently with the cash flow hedge nature of these instruments. The cost of the issue of this bond, inclusive of the effect of the hedges, was therefore equal to 2.32%;

b. fair value risk: the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. At December 31, 2017, the group reports transactions classifiable as fair value hedges in accordance with IAS 39, regarding the IPCA x CDI Swaps entered into by the Brazilian companies, Triangulo do Sol and Rodovia das Colinas, with the aim of converting the real IPCA rate bonds issued in 2013 to a floating CDI rate. Changes in the fair value of these instruments are recognised in profit or loss and are offset by matching changes in the fair value of the underlying liabilities.

With reference to the type of interest rate, as a result of cash flow hedges, 89% of interest bearing debt is fixed rate.

Currency risk

The group's prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the group's functional currency. Cross Currency Swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities have been entered into specifically to eliminate the currency risk connected with the sterling and yen-denominated bonds transferred to Autostrade per l’Italia with an issuer substitution transaction. These swaps also qualify as cash flow hedges and tests have shown no ineffective portion.
It should be noted that following the acquisition by Atlantia of 99.87% of a bond for a nominal amount of GBP 215 million originally issued by Romulus Finance (transferred on Aeroporti di Roma through novation in 2016), the Cross Currency Swap derivatives entered into by Atlantia and Aeroporti di Roma, covering the interest and exchange rate risk arising from the underlying currency assets, are classified as non-hedge accounting in the consolidated financial statements.
14% of the Group’s debt is denominated in currencies other than the Euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the Country in which the relevant Group company operates (approximately 9%), the group is effectively not exposed to currency risk on translation.

Autogrill group

Interest rate risk

The aim of interest rate risk management is to control financial charges and its volatility. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial charges out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure charges future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly Interest Rate Swaps (IRS).

Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower interest rates would result in increased/reduced value of the debt).
When applying the policy described above, interest rate risk management instruments were accounted for as Cash Flow Hedges in Autogrill group companies' financial statements where they were subject to this risk, and thus recognised as financial assets or liabilities with a balancing entry in specific comprehensive income. These instruments are recognised as financial assets or liabilities, under a specific heading of Comprehensive income and in the "Derivative hedging instruments valuation reserve" Equity item.
The financial instruments to manage the risk of changes in the fair value of the liabilities are accounted for as Fair Value Hedges in the financial statements of the group companies subject to this risk and are recognised as financial assets or liabilities with a balancing entry in the Income Statement.
At December 31, 2017, the percentage of fixed rate debt, or debt converted to fixed rate through Interest Rate Swaps, is 38% of the total (versus 62% at December 31, 2016).
At December 31, 2017, gross debt denominated in US Dollars amounted to USD 519.6 million at the end of the year, including USD 348.3 million in bond issues. Part of the interest rate risk is hedged by fixed-to-floating interest rate swaps for USD 100 million, classified as Fair Value Hedges.

Currency risk

The Autogrill group operates in some countries with functional currencies other than the Euro. In these Countries, the procurement policy dictates that raw material purchases and other operating expense be conducted in the same currencies, thereby minimising currency risk. Such a risk remains with respect to intragroup loans, when granted to subsidiaries that use non-Euro currencies. Under these circumstances, the objective of currency risk management is to neutralise some of this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the Euro.
With respect to the Autogrill group's exposure to the translation risk, a 10% appreciation or depreciation of the Euro to USD, CAD and CHF would have had, at December 31, 2017, a negative change impact of Euro 35,569 and a positive impact of Euro 29,101, respectively, on equity and a negative impact of Euro 11,752 and a positive impact of Euro 9,615, respectively, on profit.
Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognised at fair value under financial assets or liabilities.
Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to profit or loss, as is the corresponding change in the amount of the hedged assets and liabilities.

Benetton group

Interest rate risk

Under its financial policy, the Benetton group can use derivative financial instruments to hedge or reduce its exposure to interest rate risk.
There are no interest rate hedges in place at December 31, 2017.
Almost all of the interest-bearing debt consists of floating-rate loans and/or deposits and so their fair value is close to the value recognised in the statement of financial position.
At December 31, 2017, the potential pre-tax impact on the income statement of a hypothetical 10% increase in interest rates, applied to the Benetton group's average interest-bearing debtor or creditor positions, would entail higher financial charges by approximately Euro 300. A similar change but of opposite sign would occur if rates were to fall by 10%.

Currency risk

It is the Benetton group's policy to manage currency risk through derivative financial instruments such as currency forwards, currency swaps, currency spot transactions and currency options to reduce or hedge the exposure to such risk. According to the type of risk, the maximum duration of hedging transactions may vary from a minimum of two years to a maximum of five years. The financial policy does not allow the undertaking of any transactions for the purposes of realising gains from exchange rate fluctuations, or any transactions in currencies to which there is not an underlying exposure or transactions in currencies designed to increase the underlying exposure. Financial instruments are designated as part of a hedging relationship at the inception of the hedge. Fluctuations in the market value of hedging instruments are therefore related to changes in the market value of the underlying asset covered for the entire effective period of the contract.
At December 31, 2017, the fair value of hedging instruments on currency risk is positive for Euro 21,136 (positive for Euro 21,919 at December 31, 2016).
At December 31, 2017, the potential (pre-tax) impact on the income statement of an assumed 10% increase in exchange rates against the Euro, assuming that all other variables remain equal is negative by approximately Euro 1 million. The potential (pre-tax) impact on the income statement of a hypothetical 10% decrease in exchange rates would be a positive Euro 1 million. The analysis includes, in addition to financial instruments and currency translation risk, also the shareholders' equity of the subsidiaries.
The potential (pre-tax) impact on Shareholders’ equity would be negative for Euro 36 million and positive for Euro 40 million, respectively.

Price risk

The Benetton group is exposed to fluctuations in commodity prices, particularly wool and cotton, which can adversely affect its margins. The risk exposure is represented by the quantity of commodities present in purchased products (yarns, fabrics, finished products). The Benetton group’s financial policy allows it to use derivative financial instruments to hedge or reduce its exposure to commodity risk.
There are no interest rate hedges in place at December 31.

Olimpias group

Interest rate risk

Olimpias group is not subject to interest rate risk because, on the one hand, it has no payables to banks, and on the other, its receivables are from the Parent Company and therefore from Edizione Group companies.

Currency risk

It is the Olimpias group's policy to manage currency risk through derivative financial instruments such as currency forwards, currency swaps, currency spot transactions and currency options to reduce or hedge the exposure to such risk. According to the type of risk, the maximum duration of hedging transactions is two years. The financial policy does not allow the undertaking of any transactions for the purposes of realizing gains from exchange rate fluctuations, or any transactions in currencies to which there is not an underlying exposure or transactions in currencies designed to increase the underlying exposure. Financial instruments are designated as part of a hedging relationship at the inception of the hedge. Fluctuations in the market value of hedging instruments are therefore related to changes in the market value of the underlying asset covered for the entire effective period of the contract.

Edizione Property group

Price risk

The Edizione Property group is exposed to finished product price fluctuations (particularly for wool and cattle), which may negatively affect profit margins of the agricultural sector. Risk exposure is represented by the prices of food products and wool, which are strongly affected by the global market crisis and climate conditions.

There were no interest rate hedges in place on these commodities at December 31, 2017.

Interest rate risk

The Edizione Property group uses financial resources in the form of debt and uses the available liquidity in monetary and financial market instruments. Changes in market interest rates influence the cost and performance of the different forms of financing, affecting the level of financial income and charges.
There are no interest rate hedges in place at December 31, 2017.
Almost all of the interest-bearing debt consists of floating-rate loans and/or deposits and so their fair value is close to the value recognised in the statement of financial position.

Currency risk

Transactional currency risk subject to exchange rate fluctuations may entail effects on the equivalent value in euro of revenues, costs and profits, or effects on the equivalent value of assets and liabilities.
Following the group's decision to convert intercompany loans from USD to Euro, this risk is not borne and managed by the Parent Company Edizione Property S.p.A., but by the individual group companies that operate in a different currency. There were no currency risk hedges in place at December 31, 2017.

LIQUIDITY RISK

Liquidity risk can arise through the inability to access, at economically viable conditions, the financial resources needed to guarantee the Group's ability to operate and to honour its liabilities.
The two main factors that determine the Group's liquidity situation are the resources generated or used by operating and investment activities; and the terms of expiration and renewal of debt or financial investments in conjunction with market conditions.

Edizione S.r.l.

Edizione finances the outflows of ordinary operations mainly through the dividends received from subsidiaries and through its cash holdings.
Liquidity risk may arise only when the amounts related to investment decisions are not covered by cash availability and suitable and readily available funding sources.
Edizione believes that it has access to funds whose amounts and maturities are in line with its investment plans.

The table below shows financial liabilities outstanding at December 31, 2017 by maturity:

(Thousands of Euro)				
Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Bank accounts and intercompany accounts	(3,615)	(3,615)	-	-
Total	**(3,615)**	**(3,615)**	**-**	**-**

The table below shows financial liabilities outstanding at December 31, 2016 by maturity.

(Thousands of Euro)				
Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Bank accounts and intercompany accounts	(728,295)	(728,295)	-	-
Total	**(728,295)**	**(728,295)**	**-**	**-**

Sintonia S.p.A.

Sintonia S.p.A.'s believes that the company is not exposed to significant liquidity risks because, due to its high capitalisation and its ability to generate steady cash flows, it has access to funds whose amounts and maturities are in line with its investment plans.
At December 31, 2017, Sintonia had demand bank deposits of Euro 11.8 million, of which Euro 3.4 million relating to deposits in current accounts pertaining to the company's former shareholders.

Schematrentaquattro S.p.A.

Schematrentaquattro's belives that the company is not exposed to significant liquidity risks because, due to its high capitalisation, it has access to funds whose amounts and maturities are in line with its requirements.

At December 31, 2017, Schematrentaquattro had demand deposits totalling Euro 22.2 million, as well as financial receivables of Euro 730.

Atlantia group

The Atlantia group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

The following table shows the distribution of loan maturities outstanding at December 31, 2017:

(Thousands of Euro)	Financial liabilities					
12.31.2017	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities [1]						
Total bond issues (A)	**12,480,591**	**(13,500,784)**	**(1,490,118)**	**(1,134,695)**	**(2,765,808)**	**(8,110,163)**
Medium/long-term loans [2]						
Bank borrowings	4,021,277	(3,826,913)	(302,078)	(301,905)	(890,890)	(2,332,040)
Other borrowings	309,148	(39,102)	(39,037)	(65)	-	-
Total medium/long-term borrowings (B)	**4,330,425**	**(3,866,015)**	**(341,115)**	**(301,970)**	**(890,890)**	**(2,332,040)**
Total non-derivative financial liabilities (C = A + B)	**16,811,016**	**(17,366,799)**	**(1,831,233)**	**(1,436,665)**	**(3,656,698)**	**(10,442,203)**
Derivatives [2] [3]						
Interest Rate Swap [4]	195,116	(366,544)	(35,910)	(36,778)	(121,354)	(172,502)
IPCA x CDI Swap [4]	-	-	-	-	-	-
Cross Currency Swap	384,831	(446,465)	(22,453)	(22,099)	(253,245)	(148,668)
Total derivatives	**579,947**	**(813,009)**	**(58,363)**	**(58,877)**	**(374,599)**	**(321,170)**

(1) Future cash flows relating to interest on bonds and on floating rate loans have been calculated on the basis of the latest established rate and applied and held constant to final maturity.
(2) At December 31, 2017, expected contractual flows are linked to highly probable present and future hedged financial liabilities covering requirements from the present to 2019.
(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.
(4) Future cash flows relating to differentials on interest rate swaps (IRS) and IPCA x CDI Swaps have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

At December 31, 2017, project debt allocated to specific overseas companies amounts to Euro 1,558 million. At the same date the group had cash reserves of Euro 7,927 million, consisting of:

a. Euro 5,428 million relating to investments in financial assets and net cash, with a time horizon not exceeding the short term;
b. Euro 494 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of certain Chilean companies;
c. Euro 2,005 million in undrawn committed lines of credit. In particular, the Group has credit lines with a weighted duration of approximately 7 years and a weighted average remaining period of use of approximately 3 years.

The following table shows the distribution of loan maturities outstanding at December 31, 2016:

(Thousands of Euro)	Financial liabilities					
12.31.2016	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities [1]						
Total bond issues (A)	**10,959,638**	**(12,163,567)**	**(1,216,271)**	**(1,478,736)**	**(4,469,100)**	**(4,999,460)**
Medium/long-term loans [2]						
Bank borrowings	4,033,931	(3,879,300)	(256,873)	(292,774)	(1,082,472)	(2,247,181)
Other borrowings	271,891	50,545	-	50,545	-	-
Total medium/long-term borrowings (B)	**4,305,822**	**(3,828,755)**	**(256,873)**	**(242,229)**	**(1,082,472)**	**(2,247,181)**
Total non-derivative financial liabilities (C = A + B)	**15,265,460**	**(15,992,322)**	**(1,473,144)**	**(1,720,965)**	**(5,551,572)**	**(7,246,641)**
Derivatives [2] [3]						
Interest Rate Swap [4]	223,303	(417,764)	(38,407)	(51,476)	(133,015)	(194,866)
IPCA x CDI Swap [4]	6,012	70,079	(4,076)	2,086	30,592	41,477
Cross Currency Swap	420,423	(406,521)	(20,067)	(20,317)	(60,221)	(305,916)
Total derivatives	**649,738**	**(754,206)**	**(62,550)**	**(69,707)**	**(162,644)**	**(459,305)**

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

(2) At December 31, 2016, expected contractual flows are linked to highly probable present and future hedged financial liabilities covering requirements from the present to 2019.

(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.

(4) Future cash flows relating to differentials on interest rate swaps (IRS) and IPCA x CDI Swaps have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

Autogrill group

The Autogrill group manages liquidity by ensuring that to the extent possible, it always has sufficient funds to meet its obligations on time, without incurring excessive charges or risking damage to its reputation.
The elements that make up the Autogrill group's liquidity are the resources generated or used in operating and investing activities, the characteristics of its debt, the liquidity of its financial investments, and financial market conditions.

Exposure and maturity data at December 31, 2017 were as follows:

	12.31.2017							
(Thousands of Euro)		Contractual cash flows						
Non-derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current accounts overdrafts	27,897	27,897	27,897	-	-	-	-	-
Unsecured bank loans	427,151	427,151	190,434	-	-	-	236,717	-
Lease payments due to others	4,492	4,492	72	73	148	271	706	3,222
Other financial liabilities	1,267	1,267	-	-	-	970	297	-
Bonds	291,577	291,577	-	-	-	-	54,199	237,378
Trade payables	351,168	351,168	349,756	1,404	4	4	-	-
Due to suppliers for investments	75,048	75,048	74,934	108	-	-	-	6
Total	**1,178,600**	**1,178,600**	**643,093**	**1,585**	**152**	**1,245**	**291,919**	**240,606**

	12.31.2017							
(Thousands of Euro)		Contractual cash flows						
Derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	411	411	411	-	-	-	-	-
Interest Rate Swap	533	533	-	-	-	-	-	533
Total	**944**	**944**	**411**	**-**	**-**	**-**	**-**	**533**

Exposure and maturity data at December 31, 2016 were as follows:

(Thousands of Euro)				Contractual cash flows				
Non-derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current accounts overdrafts	30,046	30,046	30,046	-	-	-	-	-
Unsecured bank loans	263,000	263,000	18,000	30,000	30,000	60,000	125,000	-
Lease payments due to others	5,035	5,035	411	46	93	285	728	3,472
Other financial liabilities	2,367	2,367	2,043	-	-	-	324	-
Bonds	475,152	475,152	-	143,252	-	-	61,664	270,236
Trade payables	359,832	359,832	357,825	1,780	216	7	4	-
Due to suppliers for investments	91,644	91,644	91,507	131	-	-	-	6
Total	**1,227,076**	**1,227,076**	**499,832**	**175,209**	**30,309**	**60,292**	**187,720**	**273,714**

				12.31.2016				
(Thousands of Euro)				Contractual cash flows				
Derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	1,925	1,925	1,925	-	-	-	-	-
Interest Rate Swap	752	752	-	-	-	-	-	752
Total	**2,677**	**2,677**	**1,925**	**-**	**-**	**-**	**-**	**752**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 accounts for 21.77% of the total and the leading supplier, Autostrade per l'Italia S.p.A., for 7.57%.

The bond regulations call for compliance with certain financial ratios, calculated solely with respect to the companies headed up by HMSHost Corporation. They are not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent company, Autogrill S.p.A., if the Leverage Ratio of the HMSHost subgroup exceeds a certain amount.

The loan contracts and bonds outstanding at December 31, 2017 require the satisfaction of certain financial ratios, specifically, the leverage ratio (Net Debt/Ebitda) and interest coverage ratio (Ebitda/Net Financial Charges). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill group as a whole. At December 31, 2017, all of the aforesaid parameters were met.

The weighted average term of bank loans and bonds at December 31, 2017, including unutilised credit lines, is approximately three years and three months, versus three years and six months at December 31, 2016.

Benetton group

Liquidity requirements are monitored by the Benetton group's in order to guarantee effective access to financial resources and/or adequate investment of liquidity.
Credit facility management was coordinated by the parent company, which performed this function according to efficiency standards on the basis of group company needs.
At December 31, 2017, the group had unused uncommitted credit lines of Euro 275 million.
Management feels that currently available funds and credit facilities, apart from those which will be generated by operating and financing activities, will allow the group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

The Benetton group's financial liabilities at December 31, 2017 are analysed by due date in the following tables; note that these amounts include cash flows arising from future financial charges.

(Thousands of Euro)	12.31.2017	Contractual maturity within1 year	Contractual maturity 1-2 years	Contractual maturity 2-3 years	Contractual maturity 3-4 years	Contractual maturity 4-5 years	Contractual maturity beyond 5 years
Non-current liabilities							
Medium/long-term loans	218	-	87	87	44	-	-
Other medium/long-term-payables	4,651	105	263	2,008	-	-	2,275
Lease financing	76	-	37	37	2	-	-
Current liabilities							
Trade payables	289,199	288,529	670	-	-	-	-
Other payables, accrued expenses and deferred income	52,131	43,479	1,902	1,766	1,036	955	2,993
Current portion of lease financing	43	43	-	-	-	-	-
Current portion of medium/long-term loans	429	429	-	-	-	-	-
Financial payables and bank loans	180,388	177,463	2,925	-	-	-	-

Exposure and maturity data at December 31, 2016 were as follows:

(Thousands of Euro)	12.31.2016	Contractual maturity within1 year	Contractual maturity 1-2 years	Contractual maturity 2-3 years	Contractual maturity 3-4 years	Contractual maturity 4-5 years	Contractual maturity beyond 5 years
Non-current liabilities							
Medium/long-term loans	460	-	460	-	-	-	-
Other medium/long-term payables	5,698	2,064	696	368	2,196	-	374
Lease financing	199	-	123	37	37	2	-
Current liabilities							
Trade payables	331,871	331,559	312	-	-	-	-
Other payables, accrued expenses and deferred income	59,632	49,405	1,887	1,741	1,612	1,035	3,952
Current portion of lease financing	34	34	-	-	-	-	-
Current portion of medium/long-term loans	460	460	-	-	-	-	-
Financial payables and bank loans	70,368	70,368	-	-	-	-	-

Olimpias group

Regarding liquidity risk, the requirement, if any, arising from investing activities are covered by the credit facilities made available to the company by two national banks.

Edizione Property group

At December 31, 2017, Edizione Property S.p.A. had committed credit lines of Euro 350 million, of which Euro 232.5 million had been used, and uncommitted credit lines of Euro 10 million, of which Euro 9.7 million had been used.
Liquidity requirements are monitored by the Parent Company's head office functions in order to guarantee effective access to financial resources and/or adequate investment of liquidity.
Management feels that currently available funds and credit facilities, apart from those which will be generated by operating and financing activities, will allow the Group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

CREDIT RISK

Credit risk is the risk of incurring losses due to the failure to collect receivables due for both normal commercial transactions and financial investments. It includes the direct risk of the counterparty's insolvency or decrease in creditworthiness, as well as credit concentration risk.
The carrying value of the financial assets is the group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties.

Atlantia group

The Atlantia group manages credit risk essentially through recourse to counterparties with high credit ratings, with no significant credit risk concentrations as required by Financial Policy.
Credit risk deriving from outstanding derivative financial instruments can also be considered marginal in that the counterparties involved are major financial institutions. There are no margin agreements providing for the exchange of cash collateral if a certain fair value threshold is exceeded.
Provisions for impairment losses on individually material items, on the other hand, are established when there is objective evidence that the Group will not be able to collect all or any of the amount due. The amount of the provisions takes account of estimated future cash flows and the date of collection, any future recovery costs and expenses, and the value of any security and guarantee deposits received from customers. General provisions, based on the available historical and statistical data, are established for items for which specific provisions have not been made.

Autogrill group

Exposure to credit risk depends on the specific characteristics of each customer. The Autogrill group's business model, centred on the relationship with the end consumer, means that trade receivables and thus the relative degree of risk is of limited significance in relation to total financial assets, since most sales are paid for in cash.
In most cases, the Autogrill group's trade receivables stem from catering service agreements and commercial affiliations.
Other receivables consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.
Financial assets are recognised net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to local procedures, which may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or collective impairment calculated on the basis of historical and statistical data.
Lastly, there is no significant credit risk concentration: the top 10 customers account for 25.11% of the total trade receivables, and the No. 1 customer, Fiera di Milano S.p.A., for 3.43%.

Benetton group

The Benetton group has different concentrations of credit risk depending on the nature of the activities which have generated the receivables.
Commercial credit risk is essentially related to the indirect channel (IOS/FOS).
Sales to direct channel customers are settled in cash or using credit cards and other debit cards.
Individually significant positions can be subject to individual write-down if they are objectively considered to be partially or totally unrecoverable. The amount of the write-down takes into account a forecast of recoverable cash flows and their relevant collection date, as well as the fair value of warranties. Collective provisions are made for receivables which are not subject to individual write-down, taking into account bad debt history and statistical data.
Financial credit risk lies in the counterpart's or the issuer's inability to settle its financial obligations.
The company uses financial instruments to invest liquidity and hedge financial risks, with the following rating and concentration limits per individual issuer:

- *Liquidity investments*: for maturities of more than 90 days, a long-term issuer and/or counterparty rating of at least "BBB-" from S&P (or equivalent); for shorter maturities, a short-term issuer and/or counterparty rating of at least "A-3" from S&P (or equivalent). To limit the concentration risk, the maximum exposure per individual issuer depends on the rating (and can range from 10 to 50 million) and in any case must not exceed 30% of the value of investments. These limits do not apply in the case of cash on hand and bank deposits with maturities of less than two weeks;
- *Financial risk hedging*: for maturities of more than 12 months, a long-term issuer and/or counterparty rating of at least "BBB-" from S&P (or equivalent); for shorter maturities, a short-term issuer and/or counterparty rating of at least "A-3" from S&P (or equivalent). To limit the concentration risk, the maximum exposure per individual counterparty depends on the rating (and can range from 25% to 40%).

Cash and cash equivalents are stated at their fair value; furthermore, at December 31, 2017 the group does not have any positions with sovereign debtors carrying significant repayment risks.

Olimpias group

Commercial credit risk is essentially related to the sales. Trade receivables from customers not belonging to the Benetton group are usually insured with a leading insurance company, for 85% of the amount for receivables arising from sales of yarns, fabrics, labels, garments and contract work (the insurance coverage percentage decreases for customers residing in countries at higher risk).
Positions can be subject to individual write-down if they are objectively considered to be partially or totally unrecoverable. The amount of the write-down takes into account a forecast of recoverable cash flows and their relevant collection date, as well as the fair value of warranties.
Collective provisions are made for receivables which are not subject to individual write-down, taking into account bad debt history and statistical data on the basis of the last five years.

60 Related party transactions

The following table shows balance sheet figures at December 31, 2017 and income statement figures for 2017 regarding related party transactions. Related party transactions are conducted at arm's length and with the utmost transparency.

(Thousands of Euro)	Receivables	Payables	Operating costs and leases and rentals	Revenues from sales and services	Other revenues and income	Financial income	Financial charges
Non-consolidated subsidiaries	1,629	-	-	112	76	-	100
Associated companies and joint ventures	32,850	12,711	23,598	-	500	3,591	-
Total	**34,479**	**12,711**	**23,598**	**112**	**576**	**3,591**	**100**

61 Non-controlling interests in subsidiaries

The consolidated companies deemed significant for the Group with a percentage held by third party shareholders for the purposes of IFRS 12 disclosures are as follows:

- Atlantia S.p.A. and its subsidiaries;
- Autogrill S.p.A. and its subsidiaries.

The figures in the following table thus refer to those companies and their subsidiaries and have been taken, unless otherwise specified, from their consolidated financial statements.

	Atlantia group		Autogrill group	
(Millions of Euro)	2017	2016	2017	2016
Revenues	5,973	5,484	5,087	5,042
Income/(loss) for the year	1,432	1,238	113	114
Income/(loss) for the year, minority interests	**245**	**116**	**17**	**16**
Non-current assets	31,577	32,455	1,837	1,923
Current assets	8,481	6,146	512	497
Non-current liabilities	22,859	22,121	711	727
Current liabilities	5,436	6,557	942	1,005
Net assets	11,763	9,923	696	688
Net assets, minority interests	**2,890**	**2,785**	**45**	**44**
Cash flow from operating activities	2,390	2,362	313	321
Cash flow from investing activities	720	(2,898)	(285)	(212)
Cash flow from financing activities	(865)	929	(15)	(87)
Translation impact on cash and cash equivalent	(18)	34	-	(3)
Increase/(Decrease) of cash and cash equivalents	2,227	427	13	19
Dividends paid to minority interests	**(153)**	**(27)**	**(25)**	**(24)**

62 Business combinations

Acquisition of control of the Aéroports de la Côte d'Azur group

he process of identification and fair value measurement of the assets acquired and liabilities assumend as a result of the acquisition of Aéroports de la Côte d'Azur has been completed. This followed completion of the acquistision of a 64.00% interest by a special purpose vehicle, Azzurra Aeroporti S.r.l. (at that date, the group's interest amounted to 80.34%), at the end of 2016. Aéroports de la Côte d'Azur directly and indirecty operates the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international network of ground handlers, Sky Valet.
The table below shows the carrying amounts of the assets and liabilities acquired, in addition to the final fair value identified.

(Millions of Euro)	Carrying amount	Fair value adjustments	Fair value
Net assets acquired:			
Property, plant and equipment	2		2
Intangible assets	490	2,143	2,633
Other non-current assets and liabilities	2		2
Trading and other current assets	32		32
Cash and cash equivalents	38		38
Non-current financial liabilities	(114)		(114)
Current financial liabilities	(20)		(20)
Deferred tax assets/(liabilities)	(24)	(612)	(636)
Provisions	(63)		(63)
Trading and other current liabilities	(75)		(75)
Total net assets acquired	**268**	**1,531**	**1,799**
Equity attributable to non-controlling interest			(648)
Total net assets acquired			**1,151**
Goodwill			152
Total consideration			1,303
Cash and cash equivalents acquired			(38)

Completion of the measurement process has resulted in a net fair value adjustment to the net assets acquired of Euro 1,531 million, reflecting recognition of:

a. a higher value of the concession held by Aéroports de la Côte d'Azur, attributable to the airport concessions for Nice and Cannes-Mandelieu, estimated at Euro 2,143 million;
b. the value of the license to operate the airport of Saint-Tropez, estimated at Euro 14 million;
c. the reversal of goodwill previously recognised in Aéroports de la Côte d'Azur's financial statements at the time of its acquisition by the group, totalling to Euro 14 million;
d. net deferred tax liabilities on the assets in points a) and b), amounting to Euro 612 million.

After deducting Euro 648 million attributable to non controlling shareholders from the net fair values identified, the fair value of the net assets acquired by the Atlantia group amounts to Euro 1,151 million, compared with a consideration of Euro 1,303 million. This has resulted in recognition of goodwill of Euro 152 million (with only the portion attributable to the group recognised), attributable to Aéroports de la Côte d'Azur and its subsidiaries. As required by IFRS 3, the above amounts have been recognised retrospectively and back dated to the acquisition date, resulting in the restatement and upward adjustment of the assets and liabilities previously included, on a provisional basis, in the consolidated financial statements as at and for the year ended December 31, 2016.
The above goodwill as at December 31, 2016 has been tested for impairment, as required by IAS 36. This confirmed that it is recoverable in full. For this purpose, the value in use of the goodwill was estimated using the

long-term business plans prepared by Aéroports de la Côte d'Azur and by its subsidiaries, containing traffic, investment, revenue and cost projections for the full term of the related concessions.
Aéroports de la Côte d'Azur's plan forecasts a moderate average annual rate of growth for air traffic and revenue. The resulting cash flows were then discounted using a rate of 4.46%, determined on the basis of the requirements of IAS 36. In addition, with reference to the figures for December 31, 2016, as required by IFRS 3, sensitivity analyses were conducted on the recoverable value, increasing the indicate discount rate by 1%, and reducing the average annual rate of air traffic by 1%. The outcome of this analyses resulted in:

a. a potential impairment losses of Euro 152 million on the above goodwill and of Euro 74 million on intangible assets deriving from concession rights, in the event of a 1% increase in the discount rate;
b. potential impairment losses of Euro 152 million on the above goodwill and of Euro 12 million on intangible assets deriving from concession rights, in the event of a 1% reduction in the average annual rate of air traffic growth.

Finally, it should be noted that, during 2017, Atlantia completed the sale of 20.1% (including preference rights) of its interest in Azzurra Aeroporti for a consideration of Euro 135 million. As a result, the Atlantia group interest in Azzurra Aeroporti has fallen from 80.34% to 60.4%, whilst its interest in Aéroports de la Côte d'Azur declined from 51.42% to 38.66%.

63 Significant events following the end of the financial year

Atlantia

On March 2, 2018, Atlantia announced that it had reached an agreement for the acquisition of 100% of the capital of Aero 1 Global & International S.àr.l. - an investment vehicle fully controlled by funds managed by Goldman Sachs Infrastructure Partners - which ows 85,170,758 shares in Groupe Eurotunnel S.E. (Getlink), equal to 15.49% of the capital and represent 26.66% of the voting rights of the company. The cost of the acquisition for Atlantia totalled Euro 1,056 million, corresponding to Euro 12.40 per Getlink share.

On March 13, 2018, Atlantia, Hochtief and ACS (hereafter, the Parties) stipulated a binding preliminary agreement ("Term Sheet"), approved on March 14, 2018 by the respective Boards of Directors, relating to a joint investment in Abertis.
On March 23, 2018, the Parties signed the definitive investment agreement and accepted the terms of the shareholder agreement and the other ancillary arrangements, which provide the following essential lines:

- *Hochtief's Public Tender Offer*: in relation to the voluntary Public Tender Offer on Abertis' shares approved by the Comisión Nacional del Mercado de Valores on March 12, 2018, Hochtief has to amend the terms of its offer by eliminating the share component of its counterbid, maintaining unchanged the price of Euro 18.36 per Abertis share (as adjusted by effect of the dividends distributed on March 20, 2018), which is therefore fully paid in cash; Hochtief has undertaken to exercise the squeeze-out right if it reaches the legally required threshold or, alternatively, to promotes the delisting of Abertis;
- *Holding Company*: the Parties have to establish a new special purpose vehicle with capital of approximately Euro 7 billion (the "Holding Company"), which purchases Hochtief's entire investment in Abertis, acquired by Hochtief as a result of its Public Tender Offer for a consideration identical to the amount paid under the terms of the Public Tender Offer and of any squeeze-out or delisting (as adjusted for the payment of any dividends). The Holding Company has to enter into a new financing agreement to partially finance the above acquisition; the capital of the Holding Company will be held by the Parties as follows: Atlantia 50% plus one share, ACS 30% and Hochtief 20% less one share, thereby enabling Atlantia to consolidate the Holding Company and Abertis in its accounts. The Parties undertake to enter into a shareholders' agreement governing their relation as shareholders of the Holding Company, including qualified majority voting, as is usual in this type of transaction;
- *Share issue by Hochtief and investment of Atlantia in Hochtief*: Hochtief will carry out a capital increase that will be subscribed in its entirety by ACS at a price of Euro 146.42 per share. ACS sells then to Atlantia

Hochtief's shares for a total value up to Euro 2,500 million at the same price per share paid for the above capital increase;

- *Strategic partnership agreement:* Atlantia, ACS and Hochtief undertake to execute a long-term agreement to maximise their strategic relationship and the synergies between themselves and Abertis, in the form new public-private partnerships, including both greenfield and brownfield projects;
- *Atlantia's Public Tender Offer*: Atlantia undertakes to withdraw its Public Tender Offer for Abertis's shares approved by the Comisión Nacional del Mercado de Valores on October 9, 2017.

In the performance of the provisions agreed by the Parties, on March 23, 2018, Hochtief filed a request with the Comisión Nacional del Mercado de Valores to amend its Public Tender Offer in order to eliminate all the conditions thereof (with the exception of the Minimum Condition of Acceptance of 50% of the capital plus one share of Abertis).

On April 12, 2018, the Comisión Nacional del Mercado de Valores authorised the amendments proposed by Hochtief and extended the period of the tender to May 8, 2018; on the same date, Atlantia announced its decision to withdraw its voluntary Public Tender Offer on cash and /or in shares for all the ordinary shares issued by Abertis.

On May 14, 2018, the Comisión Nacional del Mercado de Valores announced that the shareholders of 780,317,291 shares had accepted the Public Tender Offer on Abertis (corresponding to 85.6% of the share capital, net of the treasury shares held by Abertis): therefore, the Tender Offer exceeded the Minimum Acceptance threshold and was successfully completed.

On May 17, 2018, the Public Tender Offer was paid for a total amount of Euro 14.3 billion. Since the threshold of 90% of acceptance net of treasury shares (corresponding to 83% of share capital) was not reached, the squeeze out procedure may not be activated.

Benetton Group

On March 26, 2018, Schematrentasette S.r.l., sole shareholder of Benetton Group S.r.l., granted a three-year bullet fixed rate loan for a total amount of Euro 100 million.

Edizione

Purchases of Assicurazioni Generali S.p.A. shares

In the first months of 2018, the Parent Company acquired on the market 25,987,256 shares of Assicurazioni Generali S.p.A., amounting to 1.664% of the share capital, for an amount of Euro 401.2 million.

On May 7, 2018, the Parent Company transferred the entire interest held in Assicurazioni Generali S.p.A., corresponding to 47,616,056 and amounting to 3.049% of the share capital, to the subsidiary Schematrentatre S.p.A. for an amount of Euro 745 million.

Acquisition of an interest of 29.9% in the capital of Cellnex Telecom S.A.

As part of the agreements stipulated between Atlantia, Hochtief and ACS, with reference to the joint investment in Abertis and approved by the respective Boards of Directors on March 14, 2018, Atlantia was granted a right to purchase ("Call Option") on a part or all the 34% investment held by Abertis in Cellnex Telecom S.A. (Cellnex), to be exercised directly or by a designated party, until March 23, 2018.

On March 20, 2018, Edizione sent a letter to Atlantia (subsequently supplemented on March 23, 2018) whereby it undertook to grant Atlantia a right to sell ("Put Option") of an interest in Cellnex equal to 29.9% of the share capital, at an exercise price of Euro 21.50 per share of Cellnex (cum dividend), amounting to a price of Euro 1,489 million, and with the additional terms and conditions summarised below:

- the assumption, by Edizione, of the commitments contained in the Call Option in favour of Atlantia, including the terms and conditions of a possible price adjustment in the form of an earn-out in the 12 months following the transfer;
- recognition by Edizione to Atlantia of the right (personal and non-transferable) to co-invest in Cellnex, acquiring up to 20% of the investment (equal, transparently, to approximately 6% of the Cellnex issued capital) within two years of execution of the sale, as well as a "right of first offer" and a "pre-emptive right" in

the case that Edizione intends to sell, directly or indirectly, all or part of the investment within seven years following execution of the sale;
- the Put Right could be exercise no later than April 16, 2018.

On March 23, 2018, the Board of Directors of Atlantia:
- resolved to exercise the Call Option in a part or all the investiment held by Abertis Cellnex; and
- resolved to accept, waiting to complete the search for possible buyers, the terms of the binding commitment set out in the only one offer received by Edizione, with the favourable opinion released by the Committee of Independent Directors for Related Party Transactions in accordance with Atlantia's Procedure for Related Party Transaction.

Subsequently, on April 16, 2018, having completed the process of gauging the interest of potential investors in acquiring all or part of the Cellnex shares, as no improved offer has been received, Atlantia exercised the Put Option on 29.9% of the share capital of Cellnex granted by Edizione in the terms described above. Therefore, upon the positive outcome of the Public Tender Offer on Abertis, Hochtief will do whatever is necessary to sell the 29.9% interest in Cellnex held by Abertis to Edizione.
The investment in Cellnex shall be carried out by a newly established company, controlled by Sintonia S.p.A., a sub-holding in the infrastructure sector.

Reorganisation of the minority interests in listed companies in Financial Institutions
On March 19, 2018, the Board of Directors of the Parent Company approved the transfer of all the shares held by it in Assicurazioni Generali S.p.A. and Mediobanca S.p.A., by means of contribution in kind in favour of the wholly owned subsidiary Schematrentatre S.p.A.
This transaction aims at improving and optimising the financial structure of Edizione by concentrating in a vehicle of the minority interests held by the Parent Company in listed companies in the Financial Institutions sector.
On May 7, 2018, executing the above, the Parent Company underwrote a capital increase of the subsidiary Schematrentatre S.p.A. totalling Euro 926 million, by the transfer of all shares held in Assicurazioni Generali S.p.A. and in Mediobanca S.p.A.

Reorganisation of the equity investments in the agricultural sector
On March 19, 2018, the Board of Directors examined a project that calls for the concentration of the equity investments held directly and indirectly in the agricultural sector (Maccarese S.p.A. società agricola, Compañìa de Tierras S.A. and Ganadera Condor S.A.) in a sub-holding controlled by Edizione, thereby creating a dedicated vehicle.

Loan in favour of the subsidiary Schematrentasette S.r.l. and merger by incorporation of Schematrentotto S.r.l. in Schematrentasette S.r.l.
In March 2018, the Parent Company made available to the subsidiary Schematrentasette S.r.l. financial means totalling Euro 105 million, of which Euro 50 million by way of loan and Euro 55 million by way of shareholders' loan; Schematrentasette S.r.l., in turn, stipulated a three-year bullet loan with the subsidiary Benetton Group S.r.l. for a total amount of Euro 100 million in support of the 2018-2020 three-year plan.

On May 11, 2018, the deed of merger by incorporation of Schematrentotto S.r.l. in Schematrentasette S.r.l., both wholly owned by Edizione S.r.l. was signed.
This transaction, which represents a development of the corporate reorganisation process initiated by the former Benetton group in 2014, is directed at joining under a single holding the interests in Benetton Group S.r.l. and in Olimpias Group S.r.l. (the latter a wholly owned subsidiary of Schematrentotto S.r.l.) which have respectively taken over the commercial activities (Benetton group) and the industrial production activities (Olimpias group) of the former Benetton group.
This new corporate structure will enable each group to continue to pursue with decision-making and operational autonomy the objectives of its own core business, although they are adequately justified in a more effective context of commercial-industrial coordination by Schematrentasette S.r.l., which changed its name to Benetton S.r.l.

64 Atypical and/or unusual transactions

As required by the Consob Communication DEM/6064293 dated July 28, 2006, the Group companies have not undertaken any atypical and/or unusual transactions, meaning those whose significance/materiality, nature of the counterparties, purpose, method of determining the transfer price, or timing might give rise to doubts as to the fairness or completeness of the information contained in the financial statements, conflicts of interest, the safekeeping of assets and the interests of non-controlling shareholders.

65 Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2017	12.31.2016
Unsecured guarantees given		
Sureties and guarantees	516,453	605,822
Commitments		
Purchase commitments	32,200	13,919
Sale commitments	5,516	5,138
Other commitments	15,080	13,910
Total	**569,249**	**638,789**

Guarantees are made up as follows:

- guarantees given by the Autogrill group in the amount of Euro 320,310 in the form of performance bonds and other personal guarantees issued in favour of grantors and business counterparties;
- guarantees given to third parties by the Atlantia group, including the following of particular importance:
  a. the guarantee issued in favour of Strada dei Parchi's creditor banks and on this company's behalf, to cover the interest rate risk on cash flow hedging derivatives. The value of the guarantee is determined based on the fair value of these derivatives, for a maximum amount guaranteed of Euro 40,000, corresponding to the amount at December 31, 2017. This guarantee, renewed in February 2018 for an additional 12 months, is enforceable only if Strada dei Parchi's concession is terminated; Atlantia holds a counter guarantee from Toto Holding (Strada dei Parchi's majority shareholder), which has committed to take over from Atlantia by October 31, 2018;
  b. bank guarantees on behalf of Tangenziale di Napoli (Euro 26,150) in favour of the Ministry of Infrastructure and Transport, as provided for in the commitments assumed in the agreement;
  c. the counter guarantees issued by Atlantia on behalf of its subsidiary Electronic Transaction Consultants, in favour of insurance companies that have issued performance bonds totalling Euro 89,433, to guarantee free flow tolling projects in course;
  d. bank guarantees given by Telepass (Euro 25,789) in favour of certain French companies in relation to the business of the company in France.

Purchase commitments chiefly relate to payments to be made to investment funds held by the Parent Company (Euro 29,779) and preliminary agreements for the purchase of commercial properties by the Autogrill group (Euro 2,421).

Sale commitments consist of the value of sale-or-return products held at the premises of Autogrill group companies (Euro 5,516).

Among the other commitments, the value of the assets comprising companies rented by the Autogrill group amounted to Euro 12,769.

Also at December 31, 2017 the shares of certain of the Atlantia group's overseas motorway operators have been pledged to providers of project financing to those companies, as have shares in Pune-Solapur Expressways, Lusoponte, Tangenziale Esterna and Bologna & Fiera Parking, and Aéroports de la Côte d'Azur.

At the end of the year, the future payments due by the Group for rents and operational leases which cannot be terminated were as follows:

(Thousands of Euro)	12.31.2017	12.31.2016
Within 1 year	524,014	508,727
From 1 to 5 years	1,608,536	1,561,030
Beyond 5 years	1,420,032	1,167,598
Total	**3,552,582**	**3,237,355**

66 Other commitments and rights

No Other commitments and rights of the group are reported other than those already mentioned in other notes of these financial statements.

67 Contingent liabilities

There are no contingent liabilities of a significant amount with respect to what is already commented in the Notes to the Financial Statements.

68 Fees paid to the independent auditors

The following table presents the fees paid to the Parent Company's independent auditors (Deloitte & Touche S.p.A.) for all services provided to Edizione Group companies in 2017.

(Thousands of Euro)	2017
Type of service:	
Audit	4,002
Certification	1,290
Other services	1,643
Total	**6,935**

ANNEXES

LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2017

Company name	Registered office	Currency	Share capital	Percentage held
Companies consolidated on a line-by-line basis				
Parent Company and holding companies				
Edizione Srl	Italy	Euro	1,500,000,000	
Schemaquattordici Spa (in liquidation)	Italy	Euro	50,000	58.99%
Sintonia Spa	Italy	Euro	930,000	100.00%
Schematrentaquattro Spa	Italy	Euro	100,000,000	100.00%
Schematrentasette Srl	Italy	Euro	225,708,580	100.00%
Schematrentotto Srl	Italy	Euro	8,411,895	100.00%
Food and Beverage				
Autogrill SpA	Italy	Euro	68,688,000	50.10%
Ac Restaurants & Hotels Beheer Nv	Belgium	Euro	3,250,000	100.00%
Anton Airfood Inc	USA	Usd	1,000	100.00%
Anton Airfood JFK Inc	USA	Usd	-	100.00%
Anton Airfood of Cincinnati Inc	USA	Usd	-	100.00%
Anton Airfood of Minnesota Inc	USA	Usd	-	100.00%
Anton Airfood of Newark Inc	USA	Usd	-	100.00%
Anton Airfood of Seattle Inc	USA	Usd	-	100.00%
Anton Airfood of Tulsa Inc	USA	Usd	-	100.00%
Autogrill Austria Ag	Austria	Euro	7,500,000	100.00%
Autogrill Belgie Nv	Belgium	Euro	6,700,000	100.00%
HMSHost UK Ltd	United Kingdom	Gbp	217,065	100.00%
Autogrill Côté France Sas	France	Euro	31,579,526	100.00%
Autogrill Czech Sro	Czech Republic	Czk	154,463,000	100.00%
Autogrill Deutschland Gmbh	Germany	Euro	205,000	100.00%
Autogrill Doo	Slovenia	Euro	1,342,670	100.00%
Autogrill FFH Autoroutes Sarl	France	Euro	375,000	100.00%
Autogrill FFH Centres Villes Sarl	France	Euro	375,000	100.00%
Autogrill Restauration Loisirs Sasu	France	Euro	3,000,000	100.00%
Autogrill Hellas Single Member Llc	Greece	Euro	3,696,330	100.00%
Autogrill Iberia Slu	Spain	Euro	7,000,000	100.00%
Autogrill Polska Sp Zoo	Poland	Pln	1,405,000	100.00%
Autogrill Restauration Carrousel Sas	France	Euro	2,337,000	100.00%
Limited Liability Company Autogrill Rus	Russia	Rub	10,000	100.00%
Autogrill Schweiz Ag	Switzerland	Chf	23,183,000	100.00%
Autogrill VFS F&B Co Ltd	Vietnam	VND	104,462,000,000	70.00%
Fresno AAl Inc	USA	Usd	-	100.00%
HK Travel Centres GP Inc	Canada	Cad	-	51.00%

Company name	Registered office	Currency	Share capital	Percentage held
HK Travel Centres Lp	Canada	Cad	-	51.00%
HMSHost Family Restaurants Inc	USA	Usd	2,000	100.00%
HMSHost Finland Oy	Filand	Euro	2,500	100.00%
HMSHost Huazhuo (Bejing) Catering Management Co. Ltd	China	Cny	36,000,000	100.00%
HMSHost Motorways Inc	Canada	Cad	-	100.00%
HMSHost New Zealand Ltd	New Zealand	Nzd	1,520,048	100.00%
HMSHost Shanghai Enterprise Management Consulting Co Ltd (in liquidation)	China	Cny	-	100.00%
HMSHost Yiyeecek ve Icecek Hizmetleri AS	Turkey	Trl	10,271,734	100.00%
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Turkey	Trl	2,140,000	51.00%
HMS - Airport Terminal Services Inc	USA	Usd	1,000	100.00%
HMSHost Corporation	USA	Usd	-	100.00%
HMSHost International Inc	USA	Usd	-	100.00%
HMSHost Ireland Ltd	Ireland	Euro	13,600,000	100.00%
HMSHost Services India Private Ltd	India	Inr	668,441,680	99.00%
HMSHost Singapore Pte Ltd	Singapore	Sgd	8,470,896	100.00%
HMSHost Sweden Ab	Sweden	Sek	2,500,000	100.00%
HMSHost Tollroads Inc	USA	Usd	-	100.00%
HMSHost Usa Llc	USA	Usd	-	100.00%
Holding de Participations Autogrill Sas	France	Euro	84,581,920	100.00%
Horeca Exploitatie Maatschappij Schiphol Bv	The Netherlands	Euro	45,400	100.00%
Host (Malaysia) Sdn Bhd	Malaysia	Myr	2	100.00%
Host International (Poland) Spzoo (in liquidation)	Poland	Usd	-	100.00%
Host International Inc	USA	Usd	-	100.00%
Host International of Canada Ltd	Canada	Cad	75,351,237	100.00%
Host International of Maryland Inc	USA	Usd	1,000	100.00%
HMSHost International BV	The Netherlands	Euro	18,090	100.00%
Host Services Inc	USA	Usd	-	100.00%
Host Services of New York Inc	USA	Usd	1,000	100.00%
Host Services Pty Ltd	Australia	Aud	11,289,358	100.00%
Islip AAI Inc	USA	Usd	-	100.00%
Marriott Airport Concessions Pty Ltd	Australia	Aud	3,910,102	100.00%
Michigan Host Inc	USA	Usd	1,000	100.00%
NAG BV	The Netherlands	Euro	100	60.00%
Nuova Sidap Srl	Italy	Euro	100,000	100.00%
GTA Srl	Italy	Euro	50,000	100.00%
Palm Springs AAI Inc	USA	Usd	-	100.00%
Restair Uk Ltd	United Kingdom	Gbp	1	100.00%
Restoroute de Bavois Sa	Switzerland	Chf	2,000,000	73.00%
Restoroute de la Gruyère Sa	Switzerland	Chf	1,500,000	54.33%
Shenzen Host Catering Company Ltd (in liquidation)	China	Usd	-	100.00%
SMSI Travel Centres Inc	Canada	Cad	10,800,100	100.00%
Société Berrichonne de Restauration Sas (Soberest)	France	Euro	288,000	100.00%
Societé de Géstion Pétrolière Autogrill Sàrl (SGPA)	France	Euro	8,000	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
HMSHost Hospitality Service Bharath Private LTD	Kamataka	Inr	90,500,000	99.00%
Volcarest Sas	France	Euro	1,050,144	50.00%
PT Autogrill Services Indonesia	Indonesia	Idr	-	100.00%
Host International of Kansas Inc.	USA	Usd	1,000	100.00%
HMSHost Nederland B.V.	The Netherlands	Euro	100	100.00%
Host Bush Lubbock Airport Joint Venture	USA	Usd	-	90.00%
Host-Chelsea Joint Venture #1	USA	Usd	-	65.00%
Host-Tinsley Joint Venture	USA	Usd	-	84.00%
Airside C F&B Joint Venture	USA	Usd	-	70.00%
Bay Area Restaurant Group	USA	Usd	-	49.00%
HMS - D/FW Airport Joint Venture	USA	Usd	-	65.00%
HMSHost Coffee Partners Joint Venture	USA	Usd	-	50.01%
Host CTI Denver Airport Joint Venture	USA	Usd	-	90.00%
Host D&D STL FB Llc	USA	Usd	-	75.00%
Host DEI Jacksonville Joint Venture	USA	Usd	-	51.00%
Host/Java Star Joint Venture	USA	Usd	-	50.01%
Host/Coffee Star Joint Venture	USA	Usd	-	50.01%
Host/JQ RDU Joint Venture	USA	Usd	-	75.00%
Host/JV Ventures McCarran Joint Venture	USA	Usd	-	60.00%
Host/LJA Joint Venture	USA	Usd	-	85.00%
Host-Chelsea Joint Venture #3	USA	Usd	-	63.80%
Host-Chelsea Joint Venture #4	USA	Usd	-	63.00%
Seattle Restaurant Associates	USA	Usd	-	70.00%
HMS/Blue Ginger Joint Venture	USA	Usd	-	55.00%
HMSHost Family Restaurants Llc	USA	Usd	-	100.00%
HMSHost Motorways Lp	Canada	Usd	-	100.00%
HMSHost Motorways INC	Canada	Cad	-	100.00%
Host/DFW AF, Llc	Canada	Cad	-	100.00%
Host MCA TEI FLL FB, Llc	USA	Usd	-	76.00%
Host CTI DEN F&B STA, Llc	USA	Usd	-	80.00%
Host MCA SRQ FB, Llc	USA	Usd	-	90.00%
HHL Cole's LAX F&B Llc	USA	Usd	-	80.00%
Host-CTI DEN F&B II Llc	USA	Usd	-	80.00%
Host FDY ORF F&B Llc	USA	Usd	-	90.00%
Host Fox PHX F&B Llc	USA	Usd	-	75.00%
Host GRL LIH F&B Llc	USA	Usd	-	85.00%
Host Havana LAX F&B Llc	USA	Usd	-	90.00%
Host Havana LAX TBIT FB, Llc	USA	Usd	-	70.00%
Host Howell Terminal A F&B Llc	USA	Usd	-	65.00%
Host JQE RDU Prime Llc	USA	Usd	-	85.00%
Host Lee JAX FB Llc	USA	Usd	-	80.00%
Host LGO PHX F&B Llc	USA	Usd	-	80.00%
Host-CMS SAN F&B Llc	USA	Usd	-	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
Host CMS LAX TBIT F&B Llc	USA	Usd	-	100.00%
Host-Love Field Partners I Llc	USA	Usd	-	51.00%
LTL ATL JV Llc	USA	Usd	-	70.00%
Host ATL Chefs JV 3 Llc	USA	Usd	-	95.00%
Host ATL Chefs JV 5 Llc	USA	Usd	-	85.00%
Host Honolulu Joint Venture Company	USA	Usd	-	90.00%
Host of Kahului Joint Venture Company	USA	Usd	-	90.00%
Host Houston 8 IAH Terminal B Llc	USA	Usd	-	60.00%
Host-True Flavors SAT Terminal A FB	USA	Usd	-	65.00%
Host MGV DCA FB Llc	USA	Usd	-	70.00%
Host MGV IAD FB Llc	USA	Usd	-	65.00%
Host ECI ORD FB Llc	USA	Usd	-	51.00%
Host Aranza Howell DFB B&E FB Llc	USA	Usd	-	55.00%
Host MCA ATL FB Llc	USA	Usd	-	64.00%
Host MGV DCA KT Llc	USA	Usd	-	51.00%
Host BGV IAH FB, Llc	USA	Usd	-	55.00%
Host H8 IAH FB I, Llc	USA	Usd	-	60.00%
Host MBA LAX SB, Llc	USA	Usd	-	70.00%
Host TBL TPA FB Llc	USA	Usd	-	71.00%
Host VDV CMH FB Llc	USA	Usd	-	85.00%
Host JVI PDX FB Llc	USA	Usd	-	84.00%
HMSHost-UMOE F&B Company AS	Norway	Nok	90,000	51.00%
Host OHM GSO FB Llc	USA	Usd	-	80.00%
Host JQE LIT FB Llc	USA	Usd	-	70.00%
Host TFC SDF FB Llc	USA	Usd	-	60.00%
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Indonesia	Idr	46,600,000,000	65.00%
Host JQE RDU Conc D, Llc	USA	Usd	-	70.00%
Host Ayala LAS FB Llc	USA	Usd	-	55.00%
Host BGI MHT FB Llc	USA	Usd	-	90.00%
Host CEI KSL MSY, Llc	USA	Usd	-	63.00%
Host Chen ANC FB Llc	USA	Usd	-	88.00%
Host LBL LAX T2 FB, Llc	USA	Usd	-	80.00%
Host SMI SFO FB, Llc	USA	Usd	-	90.00%
Host Java DFW MGO, Llc	USA	Usd	-	50.01%
Stellar Partners Inc	USA	Usd	25,500	100.00%
Stellar Partners Tampa Llc	USA	Usd	-	90.00%
Host MBA CMS LAX Lc	USA	Usd	-	60.00%
Autogrill Italia Srl	Italy	Euro	50,000	100.00%
Autogrill Advanced Business Services Srl	Italy	Euro	50,000	100.00%
HSI Kahului Joint Venture Company	USA	Usd	-	90.00%
HSI Honolulu Joint Venture Company	USA	Usd	-	90.00%
Host JQE CVG FB, Llc	USA	Usd	-	90.00%
Host DSL DEN FB, Llc	USA	Usd	-	67.00%
Host HTB DEN FB, Llc	USA	Usd	-	67.00%

Company name	Registered office	Currency	Share capital	Percentage held
Host SCR SAN FB, Llc	USA	Usd	-	75.00%
Host SCR SAV FB, Llc	USA	Usd	-	90.00%
Host SCR SNA FB, Llc	USA	Usd	-	75.00%
Stellar LAM SAN, Llc	USA	Usd	-	80.00%
Host DII GRR FB, Llc	USA	Usd	-	80.00%
Host SHI PHL FB, Llc	USA	Usd	-	55.00%
Host VDV DTW SB, Llc	USA	Usd	-	75.00%
Host VDV DTW 3 SB, Llc	USA	Usd	-	79.00%
MCO Retail Partners, Llc	USA	Usd	-	80.00%
Host MCL DFW SB, Llc	USA	Usd	-	65.00%
Host MCL DFW Bar, Llc	USA	Usd	-	65.00%
Host DCG ATL SB, Llc	USA	Usd	-	59.00%
Host MCA HLM ATL FB, Llc	USA	Usd	-	55.00%
Stellar Retail Group ATL, Llc	USA	Usd	-	59.00%
Host TGI DEN GD FB, Llc	USA	Usd	-	70.00%
Host TGI DEN STA FB, Llc	USA	Usd	-	55.00%
HSI/Tarra Enterprises Joint Venture	USA	Usd		75.00%
HSI Southwest Florida Airport Joint Venture	USA	Usd	-	78.00%
HSI Miami Airport FB Partners Joint Venture	USA	Usd	-	70.00%
HMSHost Vietnam Company Limited	Vietnam	Vnd	-	100.00%
Host D&D STL 3KG FB, Llc	USA	Usd	-	75.00%
Stellar RSH DFW, Llc	USA	Usd	-	65.00%
Host Java DFW SBC-GAB, Llc	USA	Usd	-	50.01%
Stellar Retail Partners DFW, Llc	USA	Usd	-	65.00%
Host IBC MCO FB, Llc	USA	Usd	-	70.00%
Host BGB SCA MSP, Llc	USA	Usd	-	80.00%
Infrastructures and services for mobility				
Atlantia Spa	Italy	Euro	825,783,990	30.25%
AD Moving Spa	Italy	Euro	1,000,000	88.60%
ACA C1 SAS	France	Euro	1	38.66%
ACA C1 HOLDING SAS	France	Euro	17,000,000	38.66%
Aéroports de la Côte d'Azur	France	Euro	148,000	38.66%
Aéroports du Golfe de Saint Tropez	France	Euro	3,500,000	38.63%
Azzurra Aeroporti Srl	Italy	Euro	2,500,000	60.40%
Autostrade Concessoes e Partecipacoes Brasil Ltda	Brazil	Brl	729,590,863	100.00%
Autostrade dell'Atlantico Srl	Italy	Euro	1,000,000	100.00%
Autostrade Holding do Sur Sa	Chile	Clp	51,496,805,692	100.00%
Autostrade Indian Infrastructure Development Pvt Ltd	India	Inr	500,000	100.00%
Autostrade Meridionali Spa	Italy	Euro	9,056,250	51.94%
Autostrade per l'Italia Spa	Italy	Euro	622,027,000	88.06%
Autostrade Portugal Srl	Italy	Euro	30,000,000	100.00%
Autostrade Tech Spa	Italy	Euro	1,120,000	88.06%
Concessionaria da Rodovia MG 050 Sa	Brazil	Brl	353,525,350	50.00%

Company name	Registered office	Currency	Share capital	Percentage held
Catterick Investments Spolka Zoo	Poland	Pln	5,000	85.38%
Electronic Transactions Consultants Co	USA	Usd	16,264	64,46%
Ecomouv Sas	France	Euro	6,000,000	61.64%
EsseDiEsse Società di Servizi Spa	Italy	Euro	500,000	88.06%
Giove Clear Srl	Italy	Euro	10,000	88.06%
Grupo Costanera Spa	Chile	Clp	328,443,738,418	50.01%
Infoblu Spa	Italy	Euro	5,160,000	66.05%
Jetbase	Portugal	Euro	50,000	38.66%
K-Master Srl	Italy	Euro	10,000	93.40%
K-Master Broker Srl	Italy	Euro	10,000	93.40%
Pavimental Polska Sp Zoo	Poland	Pln	3,000,000	96.89%
Pavimental Spa	Italy	Euro	10,116,452	96.89%
Raccordo Autostradale Valle d'Aosta Spa	Italy	Euro	343,805,000	21.54%
Rodovias das Colinas Sa	Brazil	Brl	226,145,401	50.00%
SCI La Ratonnière	France	Euro	243,918	38.66%
Sky Valet France Sas	France	Euro	1,151,584	38.66%
Sky Valet Spain Sl	Spain	Euro	231,956	38.66%
Sociedad Concesionaria AMB Sa	Chile	Clp	5,875,178,700	50.01%
Sociedad Concesionaria Autopista Nororiente Sa	Chile	Clp	22,738,904,654	50.01%
Sociedad Concesionaria Autopista Nueva Vespucio Sur Sa	Chile	Clp	166,967,672,229	50.01%
Sociedad Concesionaria de los Lagos Sa	Chile	Clp	53,602,284,061	100.00%
Sociedad Concesionaria Costanera Norte Sa	Chile	Clp	58,859,765,519	50.01%
Sociedad Concesionaria Litoral Central Sa	Chile	Clp	18,368,224,675	50.01%
Sociedad Gestion Vial Sa	Chile	Clp	397,237,788	50.01%
Sociedad Operacion y Logistica de Infraestructuras Sa	Chile	Clp	11,736,819	50.01%
Società Italiana per Azioni per il Traforo del Monte Bianco	Italy	Euro	198,749,200	44.91%
Spea Engineering Spa	Italy	Euro	6,966,000	97.49%
Spea do Brasil Projectos e Infraestrutura Ldta	Brazil	Brl	1,000,000	97.49%
Stalexport Autoroute Sàrl	Luxembourg	Euro	56,149,500	61.20%
Stalexport Autostrada Malopolska Sa	Poland	Pln	66,753,000	61.20%
Stalexport Autostrady Sa	Poland	Pln	185,446,517	61.20%
Tangenziale di Napoli Spa	Italy	Euro	108,077,490	88.06%
Tech Solutions Integrators Sas	France	Euro	2,000,000	88.06%
Telepass Pay S.p.A.	Italy	Euro	702,983	100.00%
Telepass Spa	Italy	Euro	26,000,000	100.00%
Triangulo do sol Auto-Estradas Sa	Brazil	Brl	71,000,000	50.00%
URBANnext Sa	Switzerland	Chf	100,000	70.00%
VIA4 Sa	Poland	Pln	500,000	33.66%
Aeroporti di Roma Spa	Italy	Euro	62,224,743	99.38%
ADR Tel Spa	Italy	Euro	600,000	99.38%
ADR Sviluppo Srl	Italy	Euro	100,000	99.38%
ADR Assistance Srl	Italy	Euro	4,000,000	99.38%
ADR Mobility Srl	Italy	Euro	1,500,000	99.38%
ADR Security Srl	Italy	Euro	400,000	99.38%

Company name	Registered office	Currency	Share capital	Percentage held
Airport Cleaning Srl	Italy	Euro	1,500,000	99.38%
Fiumicino Energia Srl	Italy	Euro	741,795	87.14%
Soluciona Conservaçao Rodoviaria Ltda	Brazil	Brl	500,000	50.00%
Leonardo Energia Scarl	Italy	Euro	10,000	88.36%
Società Autostrada Tirrenica per Azioni	Italy	Euro	24,460,800	88.06%
AB Concessoes SA	Brazil	Brl	738,652,989	50.00%
Consorzio Anhanguera Norte	Brazil	Brl	-	13.13%
Consorzio Autostrade Italiane Energia	Italy	Euro	113,949	35.50%
Consorzio ETL - European Transport Law (in liquidation)	Italy	Euro	8,879	25.00%
Consorzio Galileo Scarl (in liquidation)	Italy	Euro	10,000	40.00%
Consorzio Italtecnasud (in liquidation)	Italy	Euro	51,646	20.00%
Consorzio Midra	Italy	Euro	73,989	33.33%
Consorzio Nuova Romea Engineering	Italy	Euro	60,000	16.67%
Consorzio Pedemontana Engineering	Italy	Euro	20,000	23.54%
Consorzio Ramonti Scarl (in liquidation)	Italy	Euro	10,000	49.00%
Consorzio RFCC (in liquidation)	Italy	Euro	510,000	30.00%
Consorzio Tangenziale Engineering	Italy	Euro	20,000	30.00%
Costruzioni Impianti Autostradali Scarl	Italy	Euro	10,000	100.00%
Elmas Scarl (in liquidation)	Italy	Euro	10,000	60.00%
Consorzio Spea-Garibello	Brazil	Brl	-	50.00%
Textiles and clothing				
Benetton Group Srl	Italy	Euro	200,000,000	100.00%
Ben Mode Ag	Switzerland	Chf	500,000	100.00%
Benetton 2 Retail Comércio de Produtos Texteis Sa	Portugal	Euro	500,000	100.00%
Benetton Agency Ireland Ltd	Ireland	Euro	260,000	100.00%
Benetton Asia Pacific Ltd	Hong Kong	Hkd	41,400,000	100.00%
Benetton Commerciale Tunisie Sàrl	Tunisia	Tnd	2,429,000	100.00%
Benetton de Commerce International Tunisie Sàrl	Tunisia	Tnd	478,400	100.00%
Benetton Denmark Aps	Denmark	Dkk	125,000	100.00%
Benetton France Commercial Sas	France	Euro	10,000,000	100.00%
Benetton Giyim Sanayi ve Ticaret As	Turkey	Try	70,168,682	100.00%
Benetton Hellas Agency of Clothing Single Partner Epe	Greece	Euro	50,010	100.00%
Benetton India Pvt Ltd	India	Inr	2,900,000,000	100.00%
Benetton Japan Co Ltd	Japan	Jpy	400,000,000	100.00%
Benetton Korea Inc	South Korea	Krw	2,500,000,000	100.00%
Benetton Mexicana Sa de Cv	Mexico	Mxn	255,979,520	100.00%
Benetton Pars Pjsc	Iran	Irr	6,831,400,000	100.00%
Benetton Retail Deutschland Gmbh (in liquidation)	Germany	Euro	2,000,000	100.00%
Benetton Servizi Srl	Italy	Euro	5,100,000	100.00%
Benetton Retail Poland Sp Zoo	Poland	Pln	19,000,000	100.00%
Benetton Russia Ooo	Russia	Rub	223,518,999	100.00%
Benetton Services Sa de Cv	Mexico	Mxn	50,000	100.00%
Benetton Services II Sa de Cv	Mexico	Mxn	50,000	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
Benetton Trading Taiwan Ltd	Taiwan	Twd	115,000,000	100.00%
Benetton Trading Usa Inc (inattiva)	USA	Usd	207,847,833	100.00%
Fabrica Srl	Italy	Euro	250,000	100.00%
Kazan Real Estate OOO	Russia	Rub	117,010,000	100.00%
Ponzano Children Srl	Italy	Euro	110,000	100.00%
Retail Italia Network Srl	Italy	Euro	1,000,000	100.00%
Shanghai Benetton Trading Company Ltd (in liquidation)	China	Usd	37,821,056	100.00%
Villa Minelli Società agricola arl	Italy	Euro	110,000	100.00%
Olimpias Group Srl	Italy	Euro	50,000,000	100.00%
Aerre Srl	Italy	Euro	25,000	60.00%
Olimpias Industrielle Tunisie Sàrl	Tunisia	Tnd	2,000,000	100.00%
Olimpias Manufacturing Tunisia Sàrl	Tunisia	Tnd	700,000	100.00%
Benetton Serbia Doo	Serbia	Rsd	1,138,444,166	100.00%
Olimpias Tekstil Doo	Croatia	Hrk	155,750,000	100.00%
Olimpias Ungheria Kft	Hungary	Huf	89,190	100.00%
Filatura di Vittorio Veneto Srl	Italy	Euro	220,576	50.00%
Olimpias Knitting Serbia Doo	Serbia	Rsd	10,000	60.00%
Olimpias Tunisia Sàrl	Tunisia	Tnd	100,000	100.00%
Sc Anton Industries Srl	Romania	Ron	1,162,460	60.00%
Olimpias MFG Romania Srl	Romania	Ron	1,416,880	100.00%
Real Estate				
Edizione Property Spa	Italy	Euro	4,000,000	100.00%
Edizione Alberghi Srl	Italy	Euro	5,000,000	100.00%
Edizione Realty Czech Sro	Czech Republic	Czk	100,000,000	100.00%
Compañìa de Tierras Sud Argentino Sa	Argentina	Ars	137,579,000	95.00%
Frigorifico Faimali Sa	Argentina	Ars	20,000,000	95.00%
Ganadera Condor Sa	Argentina	ARS	115,541,000	95.00%
Benetton Istanbul Real Ltd	Turkey	Try	34,325,000	100.00%
Edizione Property Latvia Sia	Latvia	Euro	896,304	100.00%
Edizione Property Doo Sarajevo	Bosnia-Herzego-vina	Bam	20,000	100.00%
Edizione Property Austria Gmbh	Austria	Euro	2,500,000	100.00%
Edizione Property Belgique Sa	Belgium	Euro	14,500,000	100.00%
Benetton Real Estate Kazakhstan Llp	Kazakhstan	Kzt	62,920,000	100.00%
Edizione Property France Sa	France	Euro	25,009,197	100.00%
Edizione Property Portugal Imobiliaria Sa	Portugal	Euro	100,000	100.00%
Edizione Property Spain Sl	Spain	Euro	15,270,450	100.00%
Edizione Property Mongolia Llc	Mongolia	Mnt	115,000,000	100.00%
Hotel Union Shpk	Kosovo	Euro	3,200,000	100.00%
Kaliningrad Real Estate Ooo	Russia	Rub	10,000	100.00%
Property Due Srl	Italy	Euro	50,000	100.00%
Property Russia Ooo	Russia	Rub	10,000	100.00%
Real Estate Russia Ooo	Russia	Rub	120,010,000	100.00%
Real Estate Ukraine Llc	Ukraina	Usd	7,921	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
Real Estate Management Ooo	Russia	Rub	250,000,000	100.00%
Benetton International Kish Pjsc	Iran	Irr	100,000,000	100.00%
Other companies				
Maccarese società agricola p.a.	Italy	Euro	34,485,805	100.00%
San Giorgio Srl	Italy	Euro	100,000	100.00%
Verde Sport Spa	Italy	Euro	8,000,000	100.00%
Asolo Golf Club Srl	Italy	Euro	100,000	100.00%
Schemaquaranta Srl	Italy	Euro	10,000	100.00%
Schemaquarantuno Srl	Italy	Euro	10,000	100.00%
L'Emporio di Maccarese Srl	Italy	Euro	50,000	100.00%
Subsidiaries and associates carried on at cost or fair value				
Schematrentatre Spa	Italy	Euro	120,000	100.00%
Schematrentasei Srl	Italy	Euro	15,000	100.00%
Benetton Rugby Treviso Srl	Italy	Euro	52,000	100.00%
Pallacanestro Treviso Società Sportiva Dilettantistica arl	Italy	Euro	50,000	100.00%
Eurostazioni Spa	Italy	Euro	160,000,000	32.71%
Pavimental Est Ao (in liquidation)	Russia	Rub	4,200,000	100.00%
Petrostal Sa (in liquidation)	Poland	Pln	2,050,500	100.00%
Domino Srl	Italy	Euro	10,000	100.00%
Gemina Fiduciary Services Sa	Luxembourg	Euro	150,000	99.99%
Bensec Scarl	Italy	Euro	110,000	78.00%
Associates and joint control				
Caresquick Nv	Belgium	Eur	3,300,000	50.00%
Dewina Host Sdn Bhd	Malaysia	Myr	350,000	49.00%
HKSC Developments Lp	Canada	Cad	-	49.00%
HKSC Opco Lp	Canada	Cad	-	49.00%
Autogrill Middle East Llc	United Arabian Emirates	Aed	100,000	50.00%
Arab Host Services Llc	Qatar	Qar	200,000	49.00%
HMSHost and Lite Bite Private Ltd	India	Inr	-	51.00%
A&T Road Construction Management and Operation Pvt Ltd	India	Inr	100,000	50.00%
Concesionaria Rodovias do Tieté Sa	Brazil	Brl	303,578,476	50.00%
Pune Solapur Expressways Pvt Ltd	India	Inr	100,000,000	50.00%
Bologna & Fiera Parking Spa	Italy	Euro	2,715,200	36.81%
Biuro Centrum Sp Zoo	Poland	Pln	80,000	40.63%
GEIE del Traforo del Monte Bianco	Italy	Euro	2,000,000	50.00%
Pedemontana Veneta Spa (in liquidation)	Italy	Euro	6,000,000	29.77%
Società Infrastrutture Toscane Spa (in liquidation)	Italy	Euro	15,000,000	46.60%

REPORT OF THE INDEPENDENT AUDITORS

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Quotaholders of
Edizione S.r.l.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Edizione S.r.l. and its subsidiaries (the "Edizione Group"), which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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 Edizione S.r.l. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Verona

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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 the aggregate, they could reasonably be 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 exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's 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 consolidated financial statements or, if such disclosures are inadequate, to modify 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.

- Evaluate 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 communicate 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.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10

The Directors of Edizione S.r.l. are responsible for the preparation of the Directors' report of Edizione Group as at December 31, 2017, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the Directors' report, with the consolidated financial statements of Edizione Group as at December 31, 2017 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned Directors' report is consistent with the consolidated financial statements of Edizione Group as at December 31, 2017 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto
Partner

Treviso, Italy
June 7, 2018

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

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