CONSOLIDATED FINANCIAL STATEMENTS

2019

EDIZIONE

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2019

EDIZIONE

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GROUP KEY DATA

PARENT COMPANY OFFICERS

Board of Directors [1]

Gianni Mion [2]
Chairman

Alessandro Benetton
Director

Christian Benetton
Director

Franca Bertagnin Benetton
Director

Sabrina Benetton
Director

Carlo Bertazzo
Director

Giovanni Costa
Director

Fabio Cerchiai [3]
Director

Fabio Buttignon [4]
Director

Marco Patuano [4]
Director

[1] Appointed on June 24, 2019.
[2] Appointed Chairman on June 24, 2019.
[3] Chairman whose term of office ended on June 24, 2019.
[4] Director whose term of office ended on June 24, 2019.

In office until approval of the financial statements at December 31, 2019

General Manager [5]

Carlo Bertazzo

[5] Resigned on February 29, 2020.

Board of Statutory auditors

Angelo Casò
Chairman

Giovanni Pietro Cunial
Aldo Laghi
Auditors

Alberto Giussani
Maria Martellini [6]
Alternate auditors

[6] Alternate Auditor whose term of office ended on May 25, 2020.

In office until approval of the financial statements at December 31, 2019

Independent auditors

Deloitte & Touche S.p.A.

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

GROUP ACTIVITIES

At December 31, 2019 Edizione S.r.l. (“Edizione” or the “Parent Company”), fully owned by the Benetton family, held equity investments in the following industries: Transport Infrastructure, Digital Infrastructure, Food and Beverage, Clothing and Textiles, Real Estate and Agriculture and Financial Institutions.

Starting in January 2020, the domestic and international scenario was harshly impacted by the spread of Covid19 and the resulting restrictive measures implemented by the public authorities in the countries concerned. These measures had a harsh impact on all sectors in which the Group operates, starting with the dramatic drops in motorway traffic (decreasing by 80% in Italy) and airport traffic (with a reduction in passengers near 100%), to end with the restrictive measures for food and beverage and retail sales, which eliminated the revenues in those sectors for several months.
In this context, the primary objective and duty was to ensure the safety of all of our employees, users and consumers, and take action to support emergency management measures and the hospitals on the front lines in fighting the pandemic. In this regard, we would like to heartily thank all healthcare and humanitarian workers, along with the over 100,000 employees of the Group who, throughout the world, demonstrated their professionalism and sense of duty, continuing to work hard even in environmental and health conditions of great difficulty, guaranteeing essential public services for the community and enabling the Group to carry out its necessary operations.
We are counting on them to overcome this period of global crisis, for which it is objectively difficult to forecast duration or impact.
With specific reference to the business segments the Group operates in, we must be prepared for a long period of difficulty, with a return to normal which will be gradual and not lacking in risks of potential relapses.
We are aware that 2020 will be a challenging year, marked by harshly negative economic performance and sharply increasing financial indebtedness. However, we are all working with determination, a sense of responsibility and confidence in the Group’s future.

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, also by involving partners that share strategy and governance.

GROUP CHART

EDIZIONE	100% **Sintonia**	◤30.25% **Atlantia** [1]	88.06% **Autostrade per l'Italia**	Transport Infrastructure
			100% **Autostrade dell'Atlantico**	
			50% + 1 share **Abertis**	
			99.38% **Aeroporti di Roma**	
			62.50% **Azzurra Aeroporti** → 64% **Aéroports de la Côte d'Azur**	
			100% **Telepass**	
			◤23.86% **Hochtief**	
			◤15.49% **Getlink**	
		55% **ConnecT**	◤29.9% **Cellnex Telecom**	Digital Infrastructure
	100% **Schematrentaquattro**		◤50.10% **Autogrill** [2]	Food and Beverage
	100% **Benetton**		100% **Benetton Group**	Clothing and Textiles
			100% **Olimpias Group**	
	100% **Edizione Property**			Real Estate and Agriculture
	100% **Edizione Agricola**		100% **Maccarese**	
			100% **Compañia de Tierras Sud Argentino**	
			100% **Ganadera Condor**	
	100% **Schematrentatre**		◤4% **Assicurazioni Generali**	Financial Institutions
			◤2.10% **Mediobanca**	

◤ Listed company

[1] At December 31, 2019, Atlantia holds 0.94% of treasury shares

[2] At December 31, 2019, Autogrill holds 0.07% of treasury shares

FINANCIAL HIGHLIGHTS

The Group's results in 2019 and 2018, stated according to the International Financial Reporting Standards (IAS/IFRS), are summarised below.

(Millions of Euro)	**2019**	**2018 Restated**	**Change**	**%**
Revenues	17,928	13,153	4,775	36
EBIT	1,953	2,043	(90)	(4)
Net income for the year	485	984	(499)	(51)
Net income, non-controlling interests	430	800	(370)	(46)
Net income, Group	**55**	**184**	**(129)**	**(70)**
Net capital employed	**61,902**	**61,597**	**305**	
Shareholders' equity, Group	7,145	7,066	79	
Non-controlling interests	14,273	15,269	(996)	
Total shareholders' equity	**21,418**	**22,335**	**(917)**	
Net financial indebtedness	**40,484**	**39,262**	**1,222**	
Net Asset Value	12,323	10,147	2,176	
Cash flow [1]	6,709	3,492	3,217	
Net income, Group/Shareholders' Equity (ROE)	0.8%	2.6%		
EBIT/Capital employed (ROI)	3.2%	3.3%		

[1] Cash flow: calculated as Net income before non-controlling interests plus depreciation, amortisation, impairment and provisions, net of the related reversals and uses.

Restated Figures for 2018 have been restated to reflect the completion of the process of accounting for the acquisition of Abertis Infraestructuras group, which contributed to the results for the year starting from the end of October 2018.

The results for 2019 reflect the effects of consolidation for the entire year of the Abertis Infraestructuras S.A. group ("Abertis"), which, in 2018, contributed to the consolidated results only for two months, and the application of the international accounting standard IFRS 16 – Leases, starting from January 1, 2019.
It is also noted that the net income/(loss) for 2018 was restated, following the completion of the fair value measurement of assets acquired as a result of the acquisition of the Abertis group.

In order to adequately read the economic results of the Group and its statement of financial position, it must be considered that the Atlantia group provides the predominant share of the consolidated results of the Edizione Group.

NET ASSET VALUE

The Net Asset Value is the value of the Group's total assets net of the net financial position of the Group's financial sub-holding companies, including the Parent Company.

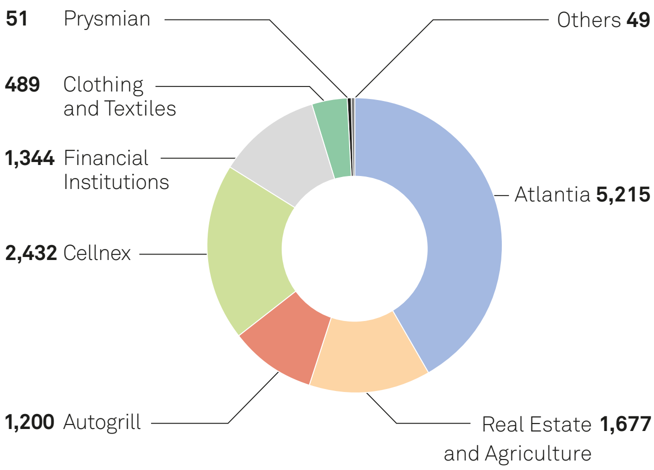
The table below shows a breakdown of the Net Asset Value of Edizione at December 31, 2019, compared to the values of each asset at December 31, 2018:

(Millions of Euro)	12.31.2019		12.31.2018		Change
	Value	**% / GAV**	**Value**	**% / GAV**	**Absolute**
Atlantia	5,215	41.9%	4,495	46.6%	720
Cellnex	2,432	19.5%	977	10.1%	1,455
Autogrill	1,200	9.6%	987	10.2%	213
Assicurazioni Generali	1,157	9.3%	757	7.8%	400
Mediobanca	187	1.5%	141	1.5%	46
Prysmian	51	0.4%	20	0.2%	31
Listed companies	**10,242**	**82.2%**	**7,377**	**76.5%**	**2,865**
Real Estate and Agriculture	1,677	13.5%	1,669	17.3%	8
Clothing and Textiles	489	3.9%	561	5.8%	(72)
Other	49	0.4%	42	0.4%	7
Non-listed companies	**2,215**	**17.8%**	**2,272**	**23.5%**	**(57)**
Gross Asset Value ("GAV")	**12,457**	**100%**	**9,649**	**100%**	**2,808**
(Net financial indebtedness)/Net cash and cash equivalents	(134)		498		(632)
Net Asset Value	**12,323**		**10,147**		**2,176**

The total asset value was determined by using the following valuation criteria:

- equity investments in listed companies are valued on the basis of the arithmetic average of the closing prices, in the 20 trading days prior to the valuation date;
- equity investments in unlisted companies are valued at the purchase cost in the 12 months following acquisition. Subsequently, the equity investments are valued at the carrying value or the value corresponding to the pro-rata equity, referring to the last statement of financial position available at the valuation date;
- investment properties are valued at market value, as determined by third-party and internal appraisals;
- the Net financial indebtedness includes the financial payables of the Parent Company and the 100% owned holdings net of cash and cash equivalents and liquid financial investments at the valuation date;
- assets and liabilities denominated in foreign currency are converted at the exchange rate at the date of determination of the Net Asset Value.

(Millions of Euro)



DIRECTORS' REPORT

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

The Group's key financial data for the years 2019 and 2018 are as follows:

(Millions of Euro)	2019	2018 Restated	Change	%
Revenues	17,928	13,153	4,775	36
Operating costs, net	(9,751)	(8,602)	(1,149)	13
Depreciation, amortisation, impairment and provisions	(6,224)	(2,508)	(3,716)	n.s.
EBIT	**1,953**	**2,043**	**(90)**	**(4)**
Income/(Losses) from equity investments	165	43	122	n.s.
Net financial income/(charges)	(1,442)	(666)	(776)	n.s.
Income taxes	(185)	(440)	255	(58)
Profit from continuing operations	**491**	**980**	**(489)**	**(50)**
Profit/(Loss) from assets held for sale and discontinued operations	(6)	4	(10)	n.s.
Net income for the year	**485**	**984**	**(499)**	**(51)**
Non-controlling interests	430	800	(370)	(46)
Net income, Group	**55**	**184**	**(129)**	**(70)**

Restated The reclassified consolidated accounting statements for 2018 were restated following completion of the process of measurement and accounting allocation of the acquisition of the Abertis group and several minor reclassifications made to better represent the accounting data.

The following main factors characterised the year 2019:
- consolidation of the Abertis group for the entire year, while in the previous year it provided contributions for two months;
- the provision of Euro 1,500 million allocated by the subsidiary Autostrade per l'Italia relating to the procedure for alleged serious breach launched at the time following the tragic collapse in August 2018 of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway (in the previous year, provisions amounted to Euro 455 million).

The combined effect of these factors had a limited impact on the EBIT for 2019, while the higher financial charges recognised by the Abertis group for 12 months, led to a significant reduction in the Net income for the period, mitigated by lower taxes and lower non-controlling interests.

The accounting representation of results for 2019 was influenced by the adoption of the international accounting standard IFRS 16 from January 1, 2019. This accounting standard, which has had a significant impact on the representation of operating leases, provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the leased asset, and on the liabilities side, the lease liability determined on the basis of the net present value of future minimum guaranteed lease payments. Subsequently, the right of use asset is depreciated, while the lease liability accrues the corresponding financial charges.
This accounting model therefore entails a reduction in operating costs (fixed component of lease payments) and an increase in depreciation and financial charges. Based on the standard, the variable component of leases is still recognized in operating expense in the reporting period.
The impacts for the Group of the application of IFRS 16, in terms of Net income, are not material on the whole.

The table below summarises the contribution of each business segment to the consolidated income for 2019:

(Millions of Euro)	**Transport Infrastructure**	**Digital Infrastructure**	**Food and Beverage**	**Clothing and Textiles**	**Real Estate, Agriculture and Other**	**Financial Institutions**	**Edizione, other companies and adjustments**	**Consolidated 2019**
Revenues	11,310	-	5,394	1,418	78	-	(272)	17,928
Operating costs, net	(4,198)	-	(4,469)	(1,311)	(26)	-	253	(9,751)
Depreciation, amortisation, impairment and provisions	(5,416)	-	(593)	(193)	(23)	-	1	(6,224)
EBIT	**1,695**	**-**	**332**	**(86)**	**29**	**-**	**(18)**	**1,953**
Income/(Losses) from equity investments	93	(31)	36	-	-	65	2	165
Net financial income/(charges)	(1,316)	-	(92)	(29)	(2)	-	(3)	(1,442)
Income taxes	(108)	-	(47)	(21)	(9)	(1)	1	(185)
Profit from continuing operations	**364**	**(31)**	**229**	**(136)**	**18**	**64**	**(18)**	**491**
Profit/(Loss) from assets held for sale and discontinued operations	(6)	-	-	-	-	-	-	(6)
Net income for the year	**358**	**(31)**	**229**	**(136)**	**18**	**64**	**(18)**	**485**
Non-controlling interests	222	-	21	1	-	-	1	245
Edizione's non-controlling interests	94	(14)	104	-	-	-	1	185
Net income, Group	**42**	**(17)**	**104**	**(137)**	**18**	**64**	**(19)**	**55**

Revenues

Revenues by business segment are shown below:

(Millions of Euro)	2019	%	2018	%	Change	%
Transport Infrastructure	11,217	62	6,639	50	4,578	69
Food and Beverage	5,393	30	5,113	39	280	5
Clothing and Textiles	1,236	7	1,325	10	(89)	(7)
Other sectors	82	1	76	1	6	8
Total	**17,928**	**100**	**13,153**	**100**	**4,775**	**36**

2019 Revenues came to Euro 17,928 million, an increase of Euro 4,775 million (+36%) on 2018, due to higher revenues of the Transport Infrastructure segment, as a result of the consolidation of the Abertis group for the entire year, of Euro 4,458 million (in 2018, only for November and December). Revenues in the Food and Beverage segment benefited from the full-year contribution of Avila (acquired in September 2018), for Euro 19 million, and of Pacific Gateway Concessions (acquired in May 2019), for Euro 26 million, and also include a positive currency exchange effect of Euro 169 million.

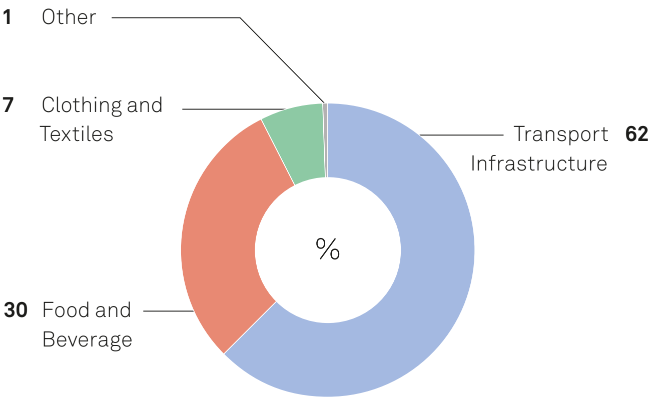
Revenues by geographical area are summarised below:

(Millions of Euro)	2019	%	2018	%	Change	%
Italy	7,241	40	6,907	53	334	5
Rest of Europe	5,391	30	2,545	19	2,846	n.s.
Americas	4,774	27	3,242	25	1,532	47
Rest of the World	522	3	459	3	63	14
Total	**17,928**	**100**	**13,153**	**100**	**4,775**	**36**

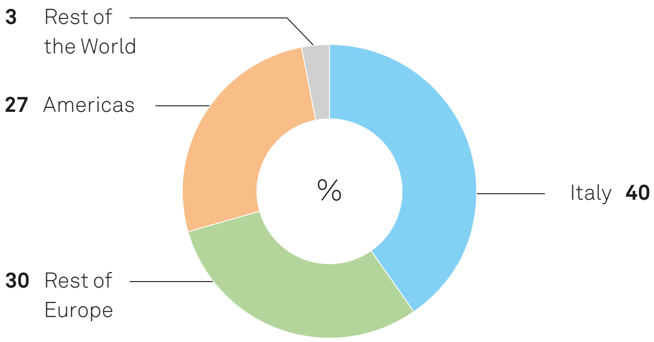
The change in revenues in the Rest of Europe is due to the consolidation of the Abertis group, specifically due to the higher revenues in France and Spain.

The increase in revenues in the Americas, mainly due to the Abertis group, also includes the contribution of the Autogrill group (Euro 246 million).

Revenues by sectors 2019

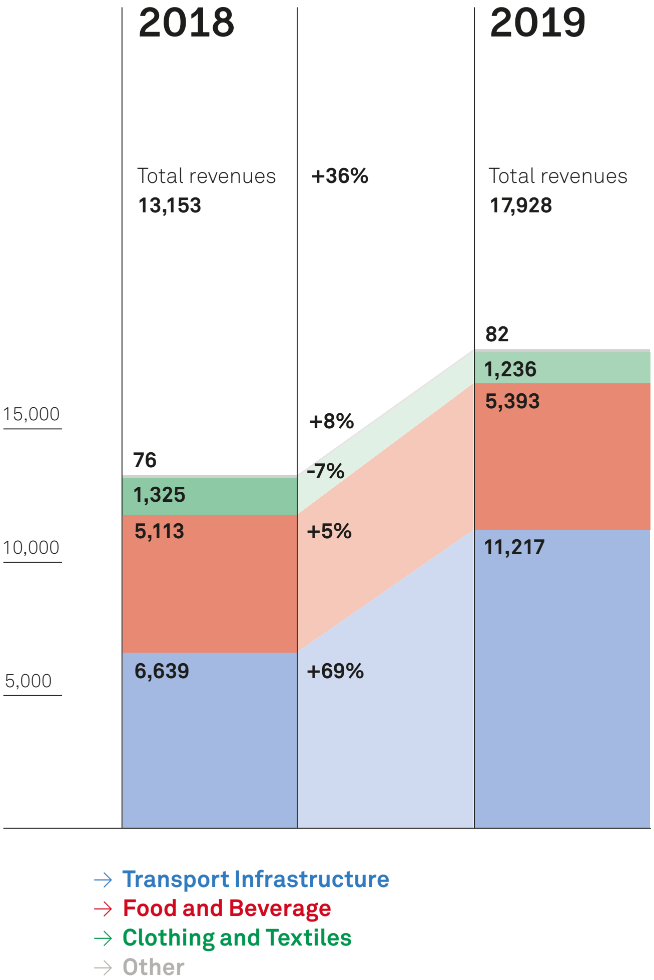


Revenues by geographies 2019



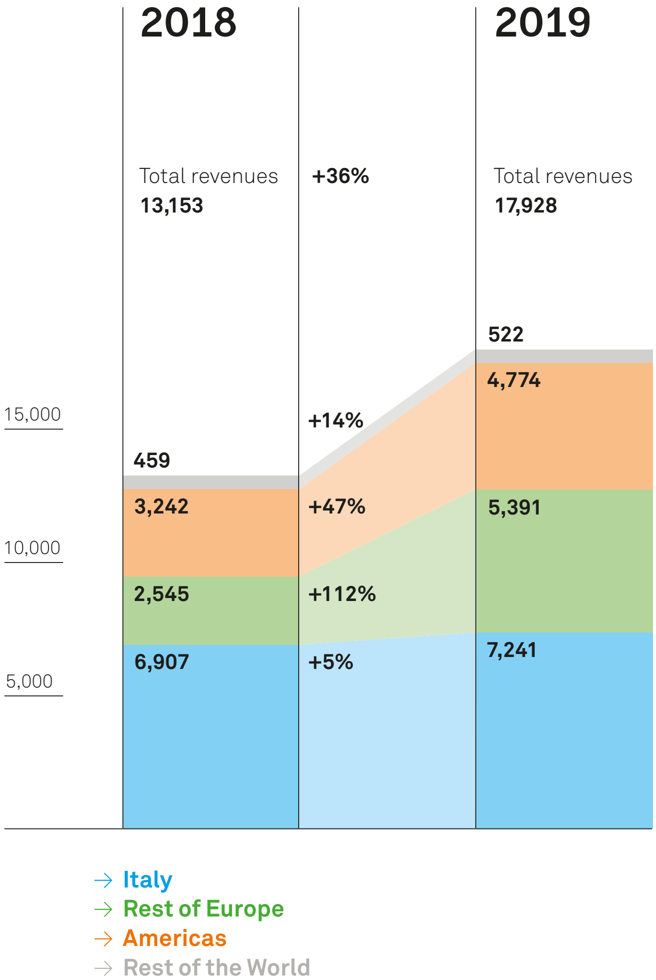
Revenues by sectors

(Millions of Euro)



Revenues by geographies

(Millions of Euro)



Other items

Net operating costs for 2019 amounted to Euro 9,751 million, and increased by Euro 1,149 million compared to the previous year: in relation to the higher costs contributed by the Abertis group for the entire year 2019 (Euro 1,299 million), the positive effect of the operating capital gains was recognised for Euro 129 million, recorded by the Autogrill group for the disposal of Canadian motorway businesses (Euro 121 million) and the company in the Czech Republic (Euro 8 million).

In 2019, Depreciation, amortisation, impairment and provisions came to Euro 6,224 million (Euro 2,508 million in 2018 EBITDA) and includes:

- provisions of Euro 1,500 million allocated by the subsidiary Autostrade per l'Italia, linked to the undertaking given with the aim of resolving the dispute with the Ministry of Infrastructure and Transport. The latter formally accused the subsidiary of an alleged serious breach of the obligations under the Single Concession Arrangement following the tragic collapse of the Polcevera road bridge on August 14, 2018, which, in the Ministry's opinion, could lead to the revocation of the concession;
- higher depreciation and amortisation of the Abertis group for Euro 2,224 million, which reflects the different contributions in the two years, and also includes the amortisation (Euro 1,188 million) recognised following the completion of the accounting allocation of the fair value of the intangible assets acquired;
- depreciation and impairment of the rights of use recorded following the application of IFRS 16, Euro 458 million.

2019 EBIT came to Euro 1,953 million, down by 4% compared to 2018, due to the reasons illustrated above.

In 2019, Income/(Losses) from equity investments showed a positive balance of Euro 165 million and included the dividends collected from Hochtief A.G. for Euro 63 million, Assicurazioni Generali S.p.A. for Euro 56 million, Mediobanca S.p.A. for Euro 9 million and Prysmian S.p.A. for Euro 3 million.
The balance of the item also includes the economic effects of the measurement using the equity method of the equity investments held in Getlink S.E. (positive for Euro 21 million) and Cellnex Telecom S.A. (negative for Euro 39 million), and the capital gain relating to the disposal of the Canadian associates of the Autogrill group (Euro 38 million).
The balance for 2018 (positive for Euro 44 million) referred mainly to dividends collected from Assicurazioni Generali S.p.A. (Euro 40 million) and Mediobanca S.p.A. (Euro 9 million), as well as the effect of measurement of the associates using the equity method.

Net financial charges stood at Euro 1,442 million in 2019 (Euro 666 million in the previous year). The change includes Euro 730 million in financial charges contributed by the Abertis group, connected with loans contracted to acquire control of the group.

Income taxes for 2019 came to Euro 185 million, down by Euro 255 million compared to 2018, due to the reduction in taxable income of the Group companies.

Non-controlling interests for 2019 (Euro 430 million) decreased on the comparison period (Euro 800 million) due to the decrease in income of the Atlantia group and the resulting lower allocation of profits to minority shareholders.

In 2019, the Group's share of income amounted to Euro 55 million, compared to Euro 184 million in 2018.

Financial situation

The Group’s main financial figures at December 31, 2019 and 2018, duly restated, are as follows:

(Millions of Euro)	12.31.2019	12.31.2018 Restated	Change
Net working capital	**(2,282)**	**(1,099)**	**(1,183)**
Net assets/(liabilities) held for sale	**9**	**1,362**	**(1,353)**
Non-current assets:			
– goodwill	13,944	13,918	26
– concession rights, net	43,408	46,113	(2,705)
– other property, plant and equipment and intangible assets	6,366	3,468	2,898
– non-current financial assets	7,637	6,353	1,284
– other non-current assets/(liabilities), net	(7,180)	(8,518)	1,338
Total non-current assets	**64,175**	**61,334**	**2,841**
Net capital employed	**61,902**	**61,597**	**305**
– Shareholders' equity, Group	7,145	7,066	79
– Non-controlling interests	14,273	15,269	(996)
Total Shareholders’ equity	21,418	22,335	(917)
Net financial indebtedness	40,484	39,262	1,222
Sources of funding	**61,902**	**61,597**	**305**

The effects on the financial position of the acquisition of the Abertis group were already included in the balances at December 31, 2018. Following the completion of the accounting activities relating to the fair value measurement of the net assets of the Abertis group acquired, those balances were restated as indicated in the disclosure relating to Transport Infrastructure.

At December 31, 2019 the Edizione Group's Net capital employed increased by Euro 305 million compared to December 31, 2018.
The increase in Net financial indebtedness derives from the recognition of Net financial lease liabilities pursuant to IFRS 16 (Euro 2,800 million).

The breakdown of Net financial indebtedness is as follows:

(Millions of Euro)	12.31.2019	12.31.2018	Change
Cash and cash equivalents	**(5,214)**	**(5,414)**	**200**
Financial assets deriving from concession rights	(3,568)	(3,527)	(41)
Term deposits	(754)	(594)	(160)
Other financial assets	(1,864)	(1,790)	(74)
Total financial assets	**(6,186)**	**(5,911)**	**(275)**
Loans from banks and other lenders	17,533	24,170	(6,637)
Bond issues	28,812	23,464	5,348
Other financial liabilities	2,739	2,953	(214)
Net financial lease liabilities	2,800	-	2,800
Total financial liabilities	**51,884**	**50,587**	**1,297**
Net financial indebtedness	**40,484**	**39,262**	**1,222**

The Group's Net financial indebtedness at December 31, 2019 and 2018 broke down as follows:

(Millions of Euro)	12.31.2019 before IFRS 16	IFRS 16 effect	12.31.2019	12.31.2018	Change
Transport Infrastructure	36,553	169	36,722	38,791	(2,069)
- of which Abertis group	*21,588*	*88*	*21,500*	*23,187*	*(1,687)*
Digital Infrastructure	(6)	-	(6)	(5)	(1)
Food and Beverage	557	2,391	2,948	671	2,277
Clothing and Textiles	77	644	721	88	633
Real Estate and Agriculture	382	1	383	232	151
Financial Institutions	114	-	114	18	96
Schematrentaquattro	(23)	-	(23)	(22)	(1)
Sintonia	500	-	500	4	496
Edizione	(461)	9	(452)	(489)	37
Intercompany eliminations	(9)	-	(9)	(26)	17
Intercompany IFRS 16 effect	-	(414)	(414)	-	(414)
Net financial indebtedness	**37,684**	**2,800**	**40,484**	**39,262**	**1,222**

HUMAN RESOURCES

The number of Group employees expressed in terms of Full Time Equivalent amounted to 80,044 employees, of which 28% are employed in Italy and 72% employed in the foreign companies.

FTEs 2019	Italy	Foreign countries	Total
Transport Infrastructure	12,533	16,492	29,025
Food and Beverage	7,170	34,344	41,514
Clothing and Textiles	2,748	6,138	8,886
Other sectors	309	310	619
Total	**22,760**	**57,284**	**80,044**

This figure underestimates the actual number of employees, due to the significant portion of part-time personnel, who reconcile their work needs with the needs of their families.
The total workforce at December 31, 2019 came to 103,251 resources, employed as follows in the various business segments of the Group:

At December 31, 2019	Italy	Foreign countries	Total
Transport Infrastructure	13,668	16,965	30,633
Food and Beverage	9,729	52,332	62,061
Clothing and Textiles	2,948	6,988	9,936
Other sectors	327	294	621
Total	**26,672**	**76,579**	**103,251**

Women employees are the prevalent component, 53% of the total, with percentages exceeding 60% in the Food and Beverage and Clothing segments.

Management and shareholders have always felt responsible for not only the employees and their families, but also in relation to customers/business people that manage the points of sale of Group products and the suppliers of goods and services that work with us and for us more or less exclusively.

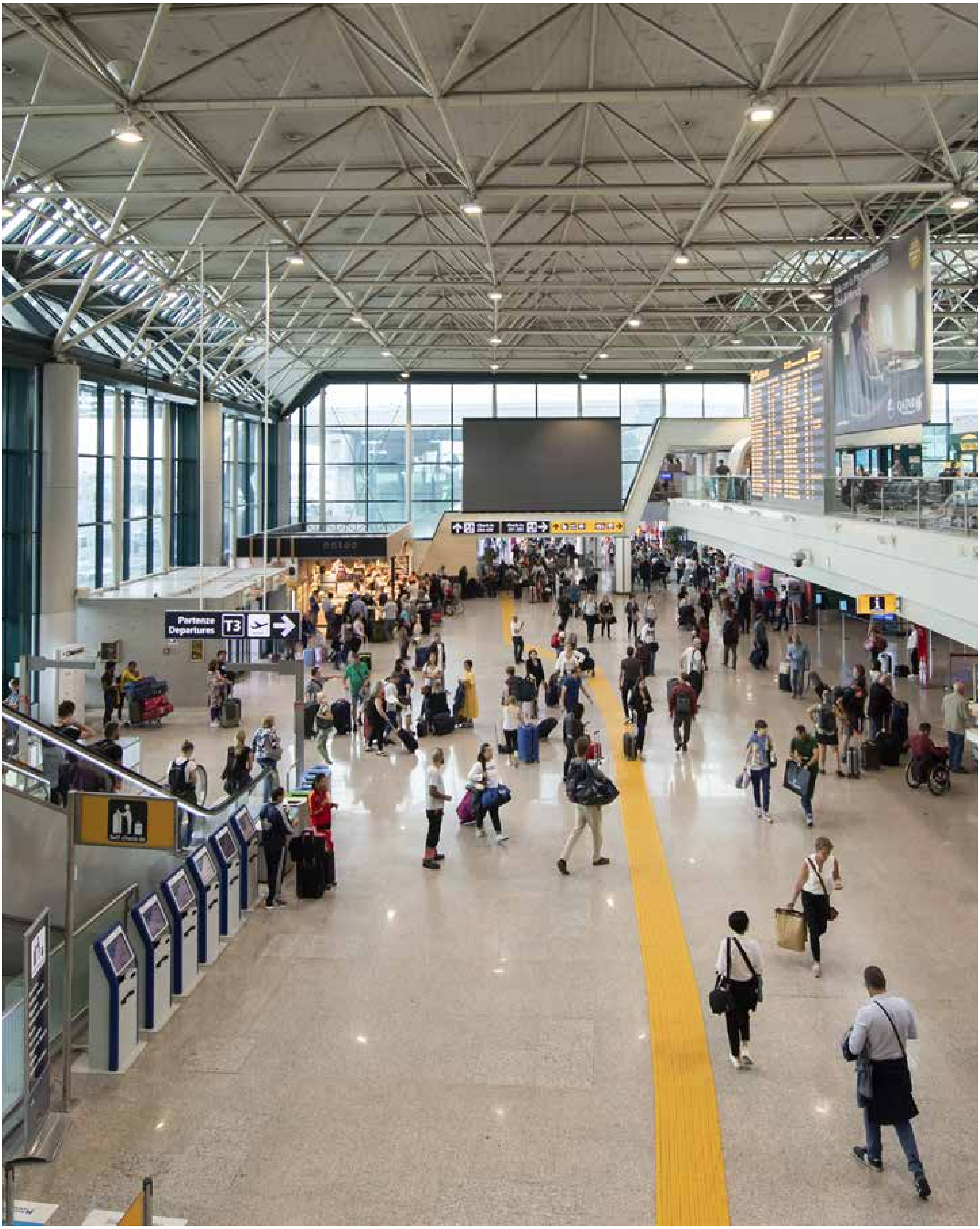
They are all part of our family, for whom we have always been committed to ensuring dignity and equal treatment, while respecting diversity.

PERFORMANCE BY BUSINESS SEGMENT

TRANSPORT INFRASTRUCTURE

Motorway A14 – South-North section widening and junction side road

Sintonia S.p.A. (“Sintonia”) is the holding company which manages the Group’s investments in the Transport Infrastructure segment, through an equity investment of 30.25% in the share capital of Atlantia S.p.A. (“Atlantia”). The company also holds an equity investment of 55% in ConnecT S.p.A. (“ConnecT”).



Aeroporti di Roma — Leonardo da Vinci airport (Fiumicino)

ATLANTIA

Transport Infrastructure

www.atlantia.it

The corporate mission of Atlantia, the main asset of Edizione, reflects the holding company's drive towards globalisation including through international partnerships that share the same strategies: high growth trends with a view to developing personal mobility. Atlantia, through constant investments in motorways and airports, affirms the Edizione philosophy, based on maximising long-term portfolio value.

2000	year of acquisition
30.25 %	stake held
5.7 bn Euro	EBITDA 2019
11.6 bn Euro	revenues 2019
24	countries
15,000	km of motorway
64 mln	airport passengers
31,000	employees

Following the acquisition of the Abertis group, Atlantia became the global leader in the transport infrastructure segment. The group is present in 24 countries throughout the world, with 31,000 employees, 15,000 km of tollways, 64 million passengers in the airports of Fiumicino and Ciampino in Italy and in the three airports of Nice, Cannes-Mandelieu and Saint Tropez in France. It is also a technological leader in electronic toll services and mobility information.

At the date of preparation of the Annual Report for the year ended December 31, 2019 of the Atlantia group, there are certain significant uncertainties, primarily surrounding the concession arrangement and regulatory framework of the subsidiary, Autostrade per l'Italia, linked to the events of August 14, 2018 and recent legislation (Law 8 of February 28, 2020, the so-called Milleproroghe Decree), as well as the liquidity and financial risks of Autostrade per l'Italia and Atlantia consequent also to the legal restrictions resulting from the spread of the Covid19 pandemic, which has led many governments to limit the movement of people, with a major impact on traffic and revenue at the Atlantia group's main subsidiaries.
In preparing the Annual Report for the year ended December 31, 2019, Atlantia assessed whether the going concern basis is appropriate, as required by law and by the applicable accounting standards.
This included an assessment of the uncertainties and risks relating to the subsidiary, Autostrade per l'Italia, and of Atlantia's liquidity and financial risk, within a time-frame of 12 months from the date of approval of the Annual Report for the year ended December 31, 2019. For further details, refer to the Annual Report for the year ended December 31, 2019 of Atlantia.
With regard to Autostrade per l'Italia, the Ministry of Infrastructure and Transport ("MIT") launched alleged that the subsidiary is in serious breach of its contractual obligations under the Single Concession Arrangement, following the tragic events of August 14, 2018. The resulting dispute could, in the Ministry's view, lead to termination of the concession.
At this time, no action has been taken in this sense and the subsidiary, without prejudice to any subsequent findings regarding liability for the collapse and whilst contesting any and all accusations levelled against it, has expressed a willingness to enter into talks with the MIT with a view to identifying agreed solutions that would lead to a resolution of the dispute, which would also be in the public interest.
Following a series of contacts between the parties, on March 5, 2020, Autostrade per l'Italia sent the MIT a letter in which the subsidiary, whilst continuing to refute the accusations made against it and confirming its willingness to work towards an agreed resolution of the ongoing dispute, set out details of the various elements previously mentioned in the discussions and proposals. The proposals include, among other things, a commitment to assume sole responsibility for meeting expenditure totalling
Euro 2,900 million. This sum breaks down as follows:

- Euro1,500 million to be allocated on the basis of agreements to be reached by the parties in order to fund the development of the country's infrastructure, the upgrade of the motorway network operated by Autostrade per l'Italia and/or its subsidiaries, and toll discounts for road users. Provisions for that amount were allocated in the 2019 financial statements;
- an increase of Euro 700 million (to be borne entirely by the subsidiary) in improvement maintenance in the period 2019-2023, compared with the commitments included in the financial plan submitted in June 2018;
- without affecting the Company's previous commitment to bear the cost of construction of the new Polcevera road bridge (including any ancillary expenses), estimated at Euro 600 million, an undertaking to make up to a further Euro 100 million available to the Special Commissioner to cover any additional reconstruction costs.

Other key events in relation to the group's development in 2019 include the agreement reached by Abertis, in partnership with the Government of Singapore Investment Corporation (GIC) fund, for the acquisition of a 70% stake in Red de Carreteras de Occidente (RCO) in Mexico. This company's five operators manage 876 km of the country's motorway network. The transaction is expected to close in June 2020, extending the group's footprint to 24 countries, with approximately 15,000 km of motorway operated under concession around the world.

Consolidated economic and financial highlights in 2019 and 2018 are as follows:

(Millions of Euro)	2019	2018 Restated	Change	%
Toll revenues	9,256	4,992	4,264	85
Aviation revenues	826	834	(8)	(1)
Other revenues	1,548	1,090	458	42
Total revenues	**11,630**	**6,916**	**4,714**	**68**
EBITDA	5,727	3,768	1,959	52
EBIT	1,666	1,985	(319)	(16)
Net income, group	**136**	**775**	**(639)**	**(82)**
Operating Cash Flow (FFO)	4,969	2,984	1,985	
Operating investments	1,794	1,125	669	
	12.31.2019	**12.31.2018 Restated**	**Change**	
Capital employed	51,625	55,659	(4,034)	
Shareholders' equity	14,903	16,868	(1,965)	
Net financial indebtedness	36,722	38,791	(2,069)	

Restated Figures for 2018 have been restated to reflect the completion of the process of accounting for the acquisition of Abertis Infraestructuras group, which contributed to the results for the year starting from the end of October 2018.

The reclassified consolidated figures for 2018 of the Atlantia group present a number of differences compared with the information published in the Annual Report for 2018. These reflect completion of the process of measuring and allocating the assets and liabilities resulting from the acquisition of the Abertis group, completed at the end of October 2018. The nature and effects of the above changes on the reclassified consolidated income statement and the reclassified consolidated statement of financial position are summarised below.
Adjustments to the income statement essentially regard:
- amortisation and depreciation, totalling Euro 258 million, of the gains allocated to the concession rights acquired;
- reduction of Euro 119 million in financial expenses due to release of the accrued portion of fair value losses on medium/long-term borrowings and bond issues recognized by Abertis group companies.

Adjustments to the statement of financial position primarily regard:
- an increase in the Abertis group's concession rights, estimated at Euro 13.6 billion;
- the recognition of final goodwill (Euro 7.9 billion), compared with the provisional amount recognized at December 31, 2018 (Euro 16.8 billion);
- an increase of Euro 3.9 billion in non-current non-financial liabilities (deferred tax liabilities on the increase in the value of concession rights) and an increase in net debt due to the fair value adjustment (Euro 0.9 billion).

It should also be noted that amounts for 2019 reflect the full-year contribution of the Abertis group, consolidated from the end of October 2018.

Revenues

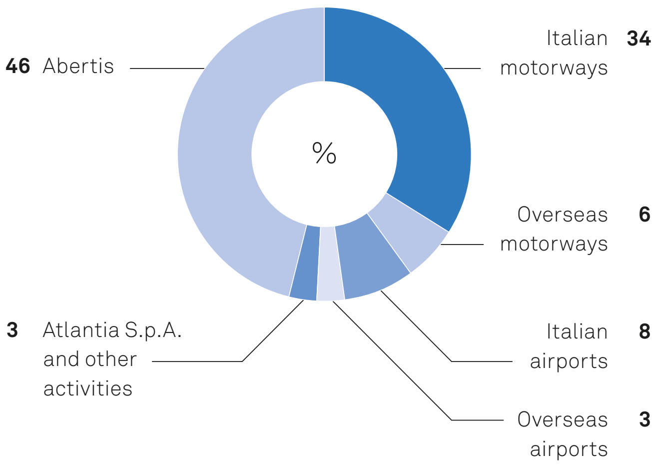
Total revenue for 2019 amounts to Euro 11,630 million, an increase of Euro 4,714 million compared with 2018 (Euro 6,916 million), including the full-year contribution from the Abertis group (Euro 4,534 million). On a pro forma like-for-like basis, operating revenue is up Euro 442 million (4%), primarily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

Toll revenue of Euro 9,256 million is up Euro 4,264 million compared with 2018 (Euro 4,992 million). After stripping out the impact of exchange rate movements, which had a negative impact of Euro 19 million, and the contribution from the Abertis group, totalling Euro 4,164 million, toll revenue is up Euro 119 million, primarily as a result of the following:
- traffic growth on the Italian network (+0.7%, + Euro 32 million);
- an improved contribution from overseas operators (up Euro 88 million), linked to both the traffic growth registered by the operators in Chile (up 4.7%), Poland (up 4.6%) and Brazil (up 0.6%) and the application of toll increases.

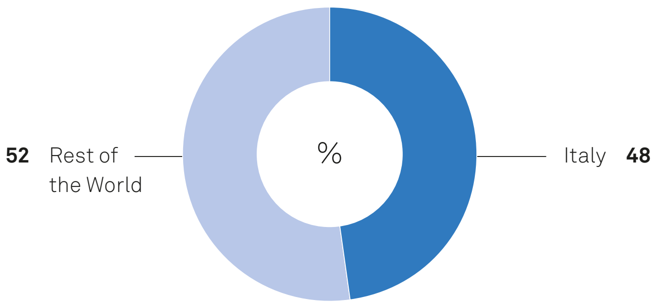
Aviation revenue of Euro 826 million is down by Euro 8 million compared with 2018, primarily reflecting the impact of the review of tariffs of the Aéroports de la Côte d'Azur group.

Other operating income totals Euro 1,548 million, an increase of Euro 458 million compared with 2018 (Euro 1,090 million). After stripping out the contribution from the Abertis group, totalling Euro 370 million, the increase of Euro 88 million is due to recognition of the insurance proceeds of approximately Euro 38 million received by Autostrade per l'Italia in relation to the events of August 14, 2018. The increase also reflects growth in contract work carried out by Pavimental for external customers (approximately Euro 38 million).

Revenues by channel 2019



Revenues by region 2019



Operating margins

EBITDA of Euro 5,727 million is up Euro 1,959 million compared with 2018 (Euro 3,768 million). This essentially refers to the Abertis group (Euro 3,186 million), which provided a contribution for the full year compared with the previous year (consolidated only for two months) partially offset by the provisions made in relation to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the MIT (Euro 1,500 million). On a pro forma like-for-like basis, gross operating profit was up Euro 56 million (1%), due to the increase in revenue, partially offset by the greater volume of maintenance work carried out (Euro 132 million) and increased provisions (Euro 194 million), due to a revised estimate of renewal work to be carried out on Autostrade per l'Italia's network, as well as an increase in staff costs (Euro 48 million).

EBIT of Euro 1,666 million is down Euro 319 million compared with 2018 (Euro 1,985 million), which reflects the higher depreciation and amortisation of the Abertis group, both due to the different contributions in the two years, and the higher amortisation recognised following the completion of the accounting allocation of the fair value of the intangible assets acquired.

The Atlantia group's share of net income, amounting to Euro 136 million, is down by Euro 639 million compared with 2018 (Euro 775 million). This reflects the increased provisions during the year, only partially offset by the increased contributions from the Abertis group.

Investments

In 2019, cash used for investment in non-financial assets of the Atlantia group amounted to Euro 1,794 million, up compared with 2018 (Euro 1,125 million).

Net financial indebtedness

The group's net debt as at December 31, 2019 amounts to Euro 36,722 million (Euro 38,791 million as at December 31, 2018) of which Euro 21,500 million relating to the Abertis group.

Key indicators for the Atlantia group for the year 2019 are broken down below by sector:

(Millions of Euro)	**Italian motorways**	**Overseas motorways**	**Italian airports**	**Overseas airports**	**Atlantia S.p.A. and other activities**	**Abertis group**	**Total**
Revenues from third parties	4,012	694	952	290	321	5,361	**11,630**
EBITDA	710	522	596	122	42	3,735	**5,727**
Operating Cash Flow (FFO)	1,435	392	437	90	49	2,566	**4,969**
Operating investments	559	112	258	70	94	701	**1,794**

Performance of Atlantia shares

The performance of Atlantia shares in 2019 and the initial months of 2020 was as follows:

Significant events following the end of the financial year

Correspondence with the Ministry of Infrastructure and Transport regarding the alleged serious breach of contract

Talks with the Grantor with a view to reaching agreement over amendment of the Single Concession Arrangement, and to resolving the dispute initiated by the MIT following the collapse of a section of the Polcevera road bridge in 2018, are continuing in 2020. As part of these talks, Autostrade per l'Italia has made a number of proposals, the latest contained in a letter dated April 6, 2020, which commits the subsidiary to an undertaking to provide funding of approximately Euro 2,900 million to be used on the basis of agreements to be reached with the Grantor.

Rating downgrades

In response to the uncertainty resulting from the approval of Law Decree 162 of December 30, 2019 (the Milleproroghe Decree), later converted into Law 8 of February 28, 2020, Atlantia's ratings were downgraded by the leading rating agencies (Moody's: Ba3 Outlook Negative, Fitch: BB Rating Watch Negative and Standard & Poor's: BB- Credit Watch Negative). This was accompanied by downgrades of the subsidiaries Autostrade per l'Italia, Aeroporti di Roma and Abertis Infraestructuras.
The terms and conditions applicable to Atlantia SpA's borrowings do not provide for early repayment in the event of a rating downgrade. The rating agencies' decision to downgrade the Group's rating to sub-investment grade, following publication of the Milleproroghe Decree in case of early repayment exercise right from the EIB and Cassa Depositi e Prestiti, could result in early repayment of loans totalling Euro 2.1 billion, including Euro 1.7 billion guaranteed by Atlantia.

Request for the drawdown of funds from Cassa Depositi e Prestiti

On April 3, 2020, Autostrade per l'Italia requested the disbursement of funds totalling Euro 200 million under the credit facility agreed with Cassa Depositi e Prestiti SpA ("CDP") on December 15, 2017. The request regards use of the Revolving Credit Facility tranche to meet the company's working capital requirements.
In a letter dated April 24, 2020, Cassa Depositi e Prestiti replied that not all the conditions precedent that would permit the requested disbursement of the revolving credit facility had been met (including those "relating to the absence of Potential Material Events"), noting, among other things, that the Milleproroghe Decree had "[...] established a regulatory framework for the motorway sector that expressly (i) provides that early termination of motorway concessions, including the concession held by Autostrade per l'Italia, is not subject to the payment of compensation, (ii) establishes new criteria for determining such compensation in the event of termination due to breach of contract on the part of the operator, and (iii) invalidates any non-compliant provisions of the concession arrangement.", and that "this regulatory framework must also be considered in the light of the announcement made by the Ministry of Infrastructure and Transport on August 20, 2018, in the which the Ministry alleged that Autostrade per l'Italia was in serious breach of the concession arrangement". Moreover, in view "[...] (i) of the ongoing emergency and the corresponding need to support the recovery effort, and (ii) the need, stated by Autostrade per l'Italia, to use the requested funds to also finance implementation of its business plan, including significant investment [...]", CDP stated that the request for disbursement could only be assessed following discussions with the company.

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

On April 24, 2020, Atlantia provided Autostrade per l'Italia with a letter of support worth up to Euro 900 million, in order to cover the subsidiary's financial needs in the period 2020-2021.

Covid19

Since the end of February 2020, the legal restrictions on movement, imposed by many governments in response to the global spread of the Covid19 pandemic, have had an impact on the motorways and airports infrastructures' traffic volumes operated under concession by the Group, resulting in a dramatic reduction in motorway traffic in Italy (with falls of up to 80%) and in airport use (where the drop in passengers is close to 100%). Similar falls have been seen in the other countries in which our Group operates, as the spread of the virus has progressed.
The group has responded rapidly to the impact of the reduction in traffic, taking plans to implement cost-efficiencies and cost-savings and review its capital expenditures programmes, whilst at the same time guaranteeing works linked to the safety of the infrastructures. Atlantia is also assessing all the various forms of aid being provided by governments and regulators in the various countries.
On March 31, 2020, the Board of Directors of Atlantia resolved to make donations of Euro 5 million to support the management of the emergency caused by Covid19, to develop research, diagnostic and health care projects for individuals that have contracted the virus, and to favour the work of humanitarian associations for the weakest members of society.

Outlook

For 2020, there are certain significant uncertainties, primarily surrounding the concession arrangement and regulatory framework of the subsidiary, Autostrade per l'Italia, as well as the liquidity and financial risks, consequent also to the legal restrictions on movement resulting from the spread of the Covid19 pandemic, with the potential to have a material impact on group companies. In relation to this, it is not possible to predict how the situation will develop or how long it will take to return to pre-exiting levels of traffic and of activity for the group.

DIGITAL INFRASTRUCTURE

Pico Orri — Cellnex Telecom

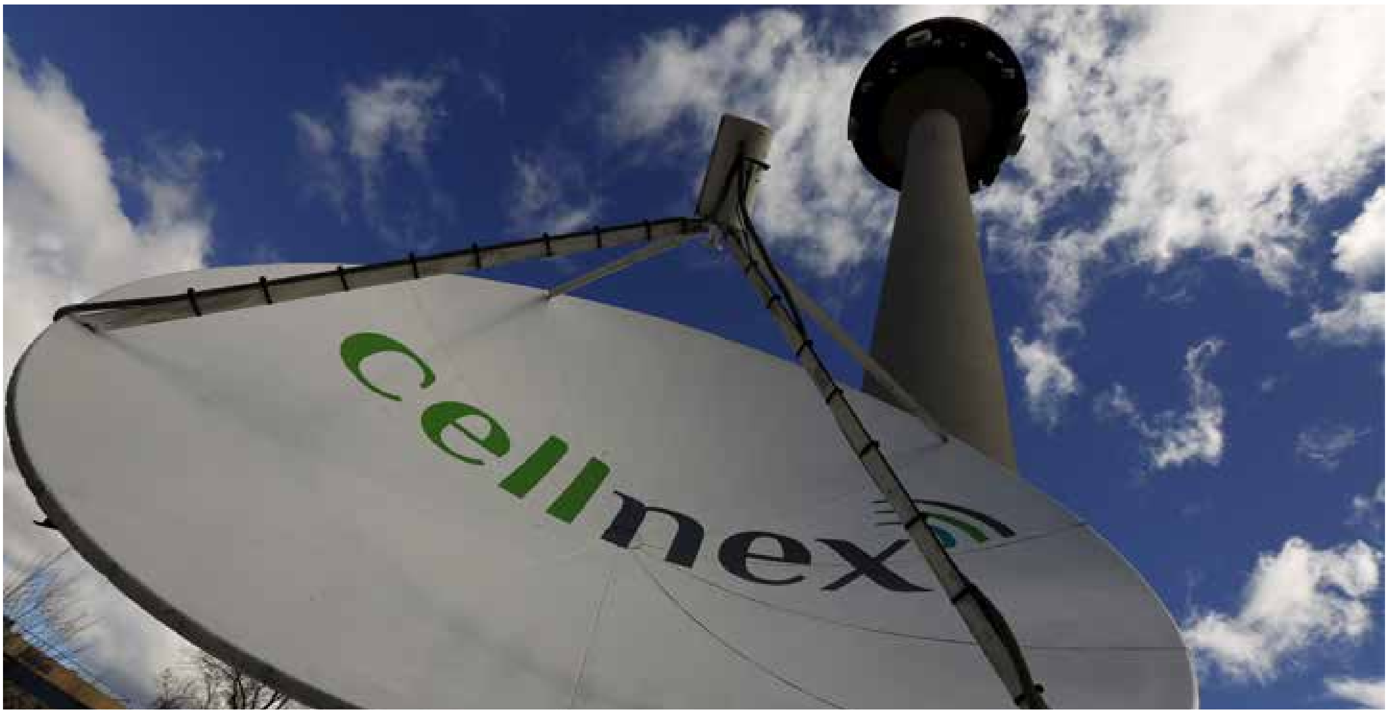
ConnecT is the holding company that directly oversees the Group's investments in the Digital Infrastructure segment and holds an affiliated equity investment of 29.9% in the share capital of Cellnex Telecom S.A. ("Cellnex"). In these consolidated financial statements, that equity investment was measured using the equity method.

Torre España — Cellnex Telecom

As part of the shareholders' agreements signed by Sintonia and the other shareholders of ConnecT, Infinity Investments S.A. ("Infinity") and Raffles Infra Holdings Limited ("Raffles"), Sintonia granted a call option to each of the shareholders to separately purchase an additional share of 2.5% of the share capital of ConnecT. Those call options were exercised by both shareholders in July 2019 and, as a result, Sintonia's stake in ConnecT decreased to 55% of the share capital of the subsidiary.

On March 6, 2019 the Shareholders' Meeting of ConnecT resolved a share capital increase of Euro 354 million, for the purpose of subscribing the share capital increase approved by Cellnex, for a total of Euro 1.2 billion.
On October 15, 2019 the Shareholders' Meeting of the subsidiary ConnecT resolved an additional share capital increase of Euro 747 million, for the purpose of subscribing the share capital increase approved on October 8, 2019 by Cellnex, for a total of Euro 2.5 billion.

CELLNEX TELECOM



Digital Infrastructure

www.cellnextelecom.com

In 2018, Edizione decided to invest in Cellnex, the leading infrastructure provider for wireless telecommunications and broadcasting in Europe. In accordance with the Group's values, this investment was inspired by confidence in global macro-trends, with the purpose of guaranteeing interesting prospects at international level.

2018	year of acquisition
29.9 %	stake held
1 bn Euro	revenues 2019
8	countries
61,000	sites
1,600+	employees

Cellnex Telecom is Europe's leading operator of wireless telecommunications infrastructure, with a portfolio of 61,000 sites, including the forecast implementations up to 2027. Cellnex conducts its business in Spain, Italy, The Netherlands, France, Switzerland, United Kingdom, Ireland and Portugal. Cellnex's business is organised into four areas: telecom infrastructure services, broadcasting networks, safety and emergency network services, and solutions for smart management of urban infrastructure and services (Smart Cities and "Internet of Things" (IoT)).

2019 marked a quantum leap in terms of size as well as a qualitative leap for Cellnex: after concluding two capital increases for a total amount of Euro 3.7 billion, Cellnex consolidated its coverage of key markets and entered two new countries, Ireland and Portugal.

The main events in 2019 are described briefly below:

- on February 28, 2019, Cellnex announced a share capital increase with option rights for an amount of Euro 1.2 billion, in order to obtain the resources needed to finance several investment operations identified by the management, in line with the company's business strategy. The subscription price was set at Euro 17.89 per share, which represented, based on the closing price of February 27, (Euro 23.66), a discount of 20.01% on the TERP. The capital increase was successfully completed on March 22, 2019, with all shares subscribed: 98.8% of the shareholders exercised their option rights.
- On May 7, 2019 Cellnex announced that it had signed a long-term business partnership with Iliad France, Iliad Italy and the Swiss operator Salt, based on which Cellnex:
  - acquired 10,700 sites, of which 5,700 sites from Iliad France, 2,200 sites from Iliad Italy and 2,800 sites from Salt, for a total outlay of Euro 2.7 billion;
  - committed to roll-out a gradual "built to suit" program of a maximum of 4,000 new sites over seven years, of which up to 2,500 sites in France, up to 1,000 sites in Italy and up to 500 sites in Switzerland, in relation to total investments estimated at Euro 1.35 billion.

  In total, this entails the acquisition/building of approx. 14,700 sites.
- On June 5, 2019 Cellnex and BT UK signed a strategic, long-term agreement which grants Cellnex the right to operate and market 220 high towers in the UK.
- On September 10, 2019 Cellnex announced that it had reached an agreement with InfraVia Capital Partners to acquire Cignal, an Irish telephony operator, for an equivalent value of Euro 210 million.
- On October 8, 2019, Cellnex announced a share capital increase with option rights for an amount of Euro 2.5 billion, in order to obtain the resources needed to finance the acquisitions of Arqiva (in the UK) and Cignal (in Ireland) and other operations identified by the management, in line with the company's business strategy. The subscription price was set at Euro 28.85 per share, which represented, based on the closing price of October 7, (Euro 37.91), a discount of 19.5% on the TERP. The capital increase was completed on October 31, 2019, with full subscription: 99.53% of the shareholders exercised their option rights.
- On October 8, 2019 Cellnex announced that it had reached an agreement for the acquisition of 100% of the Telecom division of Arqiva, a UK infrastructure and television and radio broadcasting services company, for GBP 2 billion. The closing of the operation is expected in 2020.
- On December 4, 2019, Cellnex announced that it had reached an agreement with Orange Spain to acquire approximately 1,500 telecommunications sites.

Key figures from the financial statements of Cellnex Telecom for the year ended December 31, 2019 are summarised below, compared to those of the previous year.

(Millions of Euro)	**2019**	**2018**	**Change**	**%**
Revenues from Telecom Infrastructure Services	699	586	113	19
Revenues from Broadcasting Infrastructure	235	233	2	1
Revenues from Other Network Services	101	82	19	23
Total revenues	**1,035**	**901**	**134**	**15**
Adjusted EBITDA	686	591	95	16
EBIT	142	113	29	26
Net income, group	**(9)**	**(15)**	**6**	**40**
Maintenance capital expenditure	41	31	10	
Recurring Leverage Free Cash Flow [1]	350	305	45	
	12.31.2019	**12.31.2018**	**Change**	
Net capital employed	8,989	3,782	5,207	
Shareholders' equity	5,051	615	4,436	
Net financial indebtedness	3,938	3,166	772	

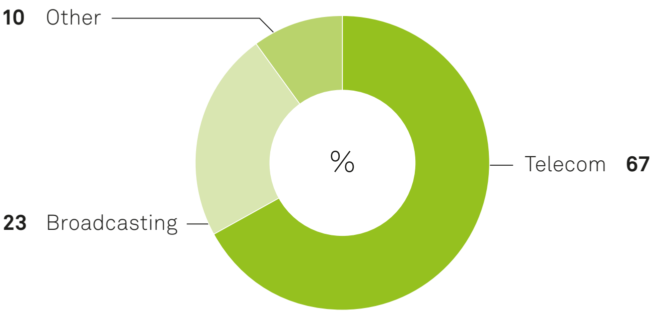
1 The Recurring Leverage Free Cash Flow equals the Adjusted EBITDA less maintenance capital expenditure, plus/minus the change in working capital, plus interest collected, less interest paid, less taxes paid and net of income pertaining to non-controlling interests.

Revenues

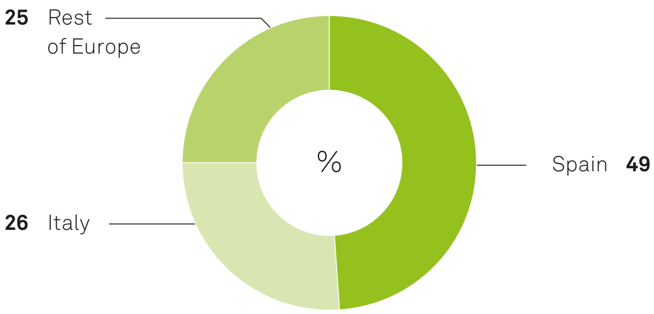
Total revenues in 2019 amounted to Euro 1,035 million and increased by 15% on the previous year.
Revenues from Telecom Infrastructure Services represented 67.5% of total revenues, up by 19% compared to the previous year, due to organic growth and the coming on stream of the acquisitions made in the second half of 2018 and in 2019.
Revenues from Broadcasting Infrastructure represented 22.7% of total revenues, up by 1% on the previous year.

Revenues from Other Network Services (safety and emergency networks and solutions for smart management of urban infrastructures, IoT and Smart Cities) came to 9.8% of total revenues, an increase of 23% on the previous year, mainly due to the inclusion of revenues of XOC, an independent telecommunications operator dedicated to the implementation, management and maintenance of fibre optic networks, acquired in July 2018.
In 2019, 51% of revenues were generated outside the Spanish market. Italy is its second-largest market, where 26% of group revenues are generated.

Revenues by channel 2019



Revenues by region 2019



Operating margins

The Adjusted EBITDA came to Euro 686 million in 2019, up by 16% on the previous year, and substantially reflects the increase in revenues. 60% of the Adjusted EBITDA was generated outside the Spanish market.

EBIT for 2019, amounting to Euro 142 million, increased on the previous year, specifically due to the effects of the personnel reorganisation plan for several of the Spanish subsidiaries operating in the broadcasting network sector implemented in 2018. The increase in EBIT also reflects the increase in revenues, partially offset by greater depreciation and amortisation deriving from the acquisitions by the group and the consequent expansion of the scope of consolidation.

The group's share of net income was a negative Euro 9 million, compared to a loss of Euro 15 million in the comparison year: in addition to the reasons illustrated above, the income for the year benefited from a positive tax effect of Euro 19 million due to the change in the tax rate in several countries where the group is located, partially offset by the increase in financial charges for debt servicing.

Investments

Total investments executed in 2019 amounted to around Euro 4,030 million (Euro 667 million in the comparison year), of which Euro 3,663 million linked to M&A activities (acquisition of new companies or portfolios of sites).
Operating investments for recurring maintenance of existing sites came to Euro 41 million (Euro 31 million in 2018). Additional investments to expand installed capacity or improve efficiency of existing sites came to Euro 97 million (Euro 94 million in 2018), while those relating to the roll-out of new sites came to Euro 229 million (147 million in the previous year).

Net financial indebtedness

Net financial indebtedness at December 31, 2019 amounted to Euro 3,938 million, compared to Euro 3,166 million at December 31, 2018.
At December 31, 2019, the average duration of the debt was 5.7 years and the average rate came to 1.7%. 68% of debt is index-linked to a fixed rate.

The Recurring Leverage Free Cash Flow came to Euro 350 million, up compared to Euro 305 million in 2018.

Performance of Cellnex shares

The performance of Cellnex shares in 2019 and the initial months of 2020 was as follows:

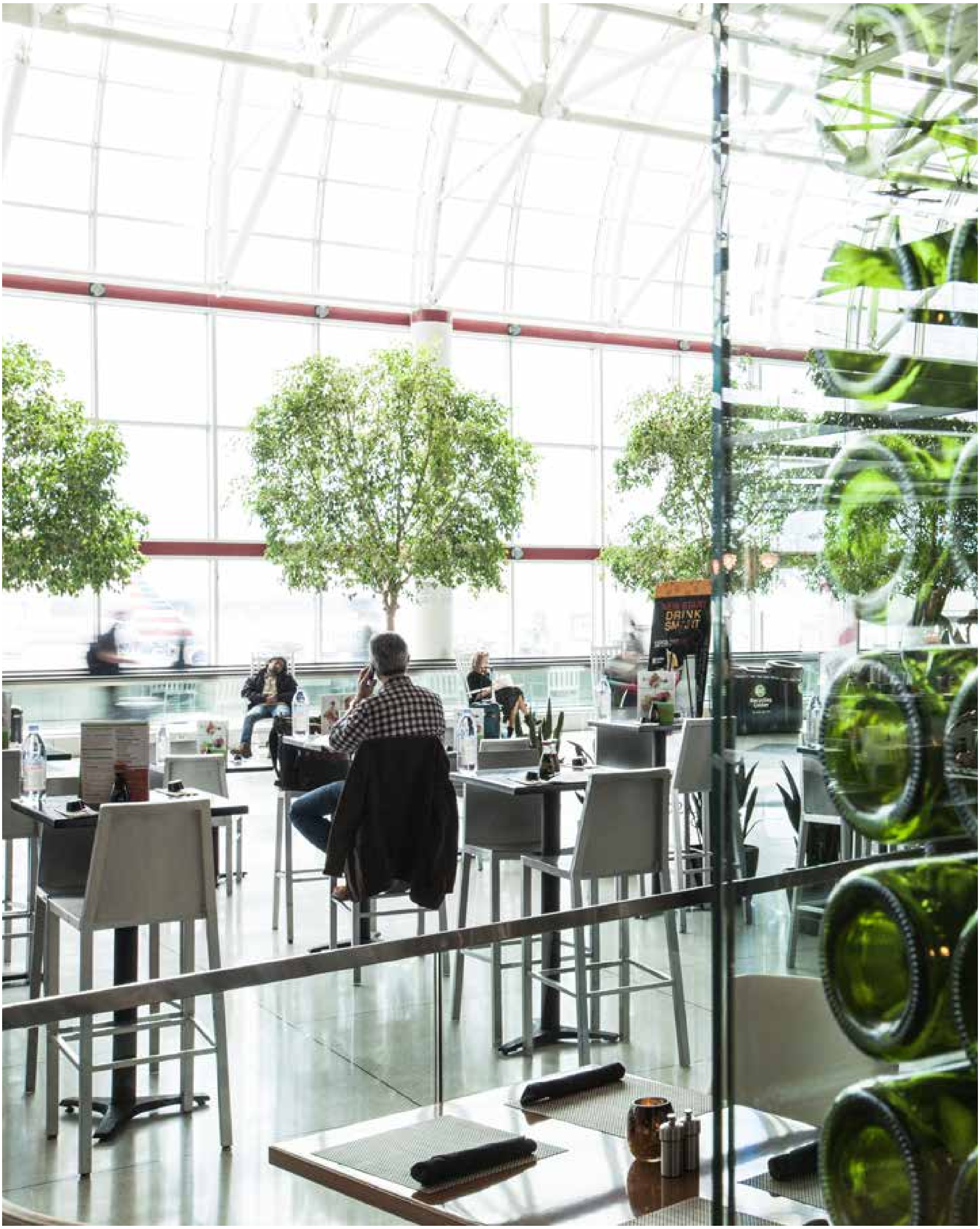
Significant events following the end of the financial year

On January 2, 2020, Cellnex reached an agreement with Altice Europe and Morgan Stanley Infrastructure Partners to acquire 100% of the Portuguese TowerCo OMTEL.

On February 26, 2020, Cellnex announced that it had reached a strategic agreement with Bouygues Telecom in France to implement and manage a fibre optic network that will connect towers, sites and edge computing centres and will support and accelerate the spread of 5G in France.

On May 22, 2020, the Board of Directors of ConnecT approved the full, non-proportionate demerger plan of ConnecT, with the following effects: (i) a stake of 6.73% of Cellnex will be assigned to each of the newly established companies, fully-owned by Raffles and Infinity, respectively, and (ii) the remaining stake of 16.45% of Cellnex will be assigned to a newly established company fully and indirectly controlled by Edizione through Sintonia. The demerger took effect on June 10, 2020.

FOOD AND BEVERAGE



Autogrill — Charlotte Douglas airport (ph. Davide Calafà)

Schematrentaquattro S.p.A. (“Schematrentaquattro”) is the holding company that directly oversees the Group’s investments in the Food and Beverage segment, through an equity investment of 50.10% in Autogrill S.p.A. (“Autogrill”).

Autogrill — Leonardo da Vinci airport (Fiumicino) (ph. Davide Calafà)

AUTOGRILL

(ph. Davide Calafà)

Food and Beverage

www.autogrill.com

Autogrill is the world's leading operator of Food and Beverage services for travellers.
Edizione invests in human-centric and future-oriented macro-trends: the constant challenge is to tackle the rapid and radical changes in consumer habits, to ensure sustainability, tradition and innovation at global level.
It is thanks to Autogrill that Edizione was able to launch its first major internationalisation process in 1999, in accordance with its original philosophy: to be an active majority shareholder to create value and success stories.

1995	year of acquisition
50.10 %	stake held
5 bn Euro	revenues 2019
60,000+	employees

31	countries
4,000+	points of sale
1,000+	locations
900+ mln	travellers served

Autogrill is the world's leading operator in the Food and Beverage services for travellers, with leadership in North America and Italy. Operating in 31 countries, with over 60,000 workers, it manages around 4,000 points of sale at around 1,000 locations, and has a portfolio of over 300 brands.

The main events during the year are described below:

- in May 2019, to expand its presence in the airport convenience retail sector, the group finalised the acquisition of Pacific Gateway Concessions, a company with 51 points of sale at 10 US airports. The outlay came to approximately Euro 32 million, with a commitment to make around Euro 8 million in investments. The acquisition contributed around Euro 26 million to 2019 revenues;
- in May 2019, the group disposed of all operations on motorways in Canada, for an amount of around Euro 164 million, generating a capital gain, net of ancillary expenses, of around Euro 158 million;
- in May 2019, the group sold its equity investment in Autogrill Czech S.r.o., a company that operates at Prague's two railway stations and an outlet in the Czech Republic. The sale price was Euro 9 million, realising a capital gain of Euro 8 million.

The airport channel is the group's primary business channel, generating approximately 62% of total revenues, with widespread presence throughout North America, and in Europe, Asia and the Pacific region.
In North America, the largest airport market for the group, passengers increased by 3.2% in 2019 with respect to the previous year, with similar levels of growth both for domestic traffic and international traffic. Specifically, in the United States, traffic grew by 3.6% in 2019.
In Europe, passengers increased by 4.4% compared to the previous year. In Asia and the Pacific region, traffic increased by 4.0%, while in the Middle East it grew by 3.7%.

Key figures for the Autogrill group in 2019 and 2018 are shown below:

(Millions of Euro)	2019	2019 Adj	2018	Change	%
Airport revenues	3,081	3,081	2,742	339	12
Motorway revenues	1,522	1,522	1,589	(67)	(4)
Other revenues	394	394	364	30	8
Total revenues and income	**4,997**	**4,997**	**4,695**	**302**	**6**
EBITDA	961	574	387	187	48
EBIT	337	306	150	156	n.s.
Net income, group	**205**	**237**	**69**	**168**	**n.s.**
Net cash flow from operating activities	372	372	324	48	
Investments, net	343	343	301	42	
	12.31.2019	**12.31.2019 Adj**	**12.31.2018**	**Change**	
Capital employed	3,884	1,528	1,412	116	
Shareholders' equity	936	969	741	228	
Net financial indebtedness	2,948	559	671	(112)	

Adj Figures adjusted as a result of the application of the international accounting standard IFRS 16, to permit comparability with the figures for 2018.

The accounting representation of the results for 2019 was influenced by the application of the international accounting standard IFRS 16 from January 1, 2019.
This accounting standard, which has significant effects on the method of accounting for operating lease contracts (concession arrangements) and sub-lease contracts, requires that the lessee recognise the right of use of the leased asset as assets in the statement of financial position, and, as a contra-entry, the financial liabilities representing the financial obligation, determined by discounting the minimum guaranteed future payments outstanding. Subsequently, the right of use is depreciated, while the financial liability accrues the related financial charges. This accounting model entails a reduction in operating costs (lease and concession payments), with a significant benefit in terms of EBITDA, against an increase in the aforementioned amortisation and financial charges. Based on the standard, the variable component of lease and concession payments continues to be recognised among operating costs during the period of accrual.

The Autogrill group has opted to apply IFRS 16 using the modified retrospective approach, whereby the right of use at January 1, 2019 is recognised in the same amount as the residual financial liability at that date, without restating comparative figures for the previous year. Therefore, the balances shown in the consolidated financial statements at December 31, 2019 are not comparable with the figures shown for the year ended at December 31, 2018.

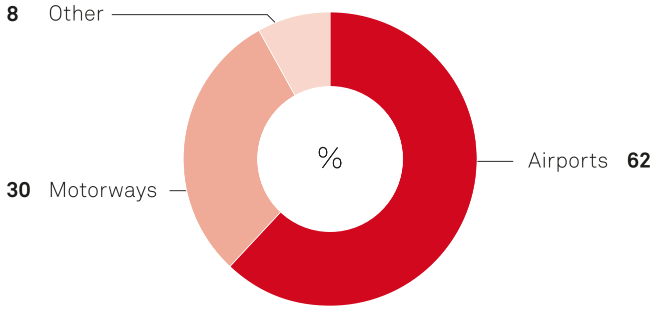
Revenues

Total revenues and income for 2019 came to Euro 4,997 million, up by 6.4% compared to 2018 (+3.5% on a like-for-like basis), driven by the performance in airports, the primary business channel of the group. The depreciation of the Euro on the US Dollar had a positive effect of Euro 133 million.
Revenues in the airport channel increased by a total of 12.3% at current exchange rates (+8.1% a constant exchange rates), due to the improvement in all geographical areas in which the group operates. It is noted the contribution of the acquisitions of Avila and Pacific Gateway Concessions in the United States (Euro 46 million) and the positive impact of a fifty-third week in North America (which was not present in the previous year), which generated revenues for around Euro 44 million.
In the motorway channel revenues showed a drop of 4.2% at current exchange rates (–5.5% at constant exchange rates), primarily due to the disposal of operations in Canada (–Euro 60 million) and the gradual exit from the Tank & Rast business in Germany (–Euro 39 million).
Revenues in other channels showed a net increase of 8.2% (+7.5% at constant exchange rates), mostly because of openings of new points of sale in the railway channel, the strong performance of outlets in the Netherlands and the fullyear consolidation of Le CroBag (Euro 7 million) – a company which in 2018 contributed to revenue from the month of March – net of the effects of the disposal of the business in the Czech Republic (–Euro 5 million).

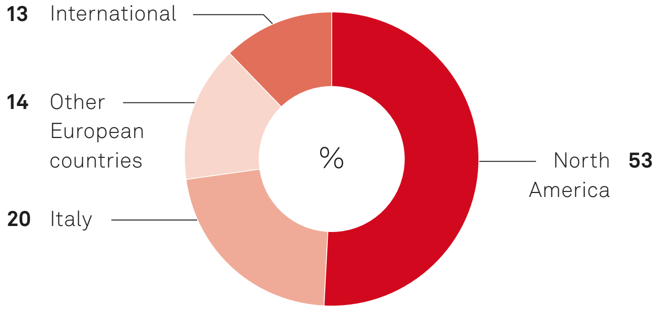
Sales are broken down below by geographical area:

(Millions of Euro)	**2019**	**%**	**2018**	**%**	**Change**
North America	2,636	53	2,389	51	247
Italy	1,022	20	1,024	22	(2)
Other European countries	692	14	698	15	(6)
International	647	13	584	12	63
Total	**4,997**	**100**	**4,695**	**100**	**302**

Revenues by channel 2019



Revenues by region 2019



Operating margins

EBITDA amounted to Euro 961 million in 2019. Adjusted EBITDA stood at Euro 574 million in 2019, compared to Euro 387 million in 2018. Income/(loss) for 2019 was heavily influenced by the capital gains from the disposal of operations of the group on Canadian motorways and in the Czech Republic, which totalled Euro 129 million.

The table below shows the EBITDA of the Autogrill group broken down by geographical area for 2019 and 2018:

(Millions of Euro)	**2019**	**2019 Adj**	**2018**	**Change**	**%**
North America	582	404	262	142	54
Europe	271	60	65	(5)	(8)
International	108	110	60	50	83
Total	**961**	**574**	**387**	**187**	**48**

EBIT for 2019 amounted to Euro 337 million. Adjusted EBIT stood at Euro 306 million in 2019, compared to Euro 150 million in 2018, significantly impacted by the previously mentioned capital gains from disposal of operations.

In 2019, the group's share of net income amounted to Euro 205 million. Adjusted net income attributable to shareholders of the parent company came to Euro 237 million in 2019 (Euro 69 million in the previous year) and reflects the improvement in operational results as well as the effects of the disposal of operations on motorways in Canada and the Czech Republic.

The adoption of the new accounting standard IFRS 16 resulted in a reduction in net income, as the increase in depreciation relating to the rights of use on leased assets and the financial charges implicit in the lease liabilities is greater than the fixed lease and concession payments that would have been recorded based on the previous standard.

Investments

In 2019 net investments, mainly targeted to the airport channel and the motorway channel in North America, amounted to Euro 343 million, compared to Euro 301 million in 2018.
Investments are broken down below by geographical area:

(Millions of Euro)	**2019**	**%**	**2018**	**%**	**Change**
North America	207	60	154	51	53
Europe	107	31	111	37	(4)
International	29	9	36	12	(7)
Total	**343**	**100**	**301**	**100**	**42**

Net financial indebtedness

Net financial indebtedness at December 31, 2019 amounted to Euro 2,948 million, including Euro 2,389 million in net financial lease liabilities. Adjusted net financial indebtedness stood at Euro 559 million, down from Euro 671 million at December 31, 2018, also as a result of the liquidity generated by the disposals of operations on motorways in Canada (Euro 164 million) and the Czech Republic (Euro 9 million).

At December 31, 2019, 50% of the group's financial indebtedness is denominated in US Dollar (compared to 63% at December 31, 2018); the remaining portion is denominated in Euro. At the same date, the percentage of fixed rate debt, or debt converted to fixed rate through Interest Rate Swaps, is 40% of the total (versus 33% at December 31, 2018). At December 31, 2019, the average residual duration of existing loans is approximately 2 years and 10 months, compared to approximately 3 years and 8 months at December 31, 2018.

Performance of Autogrill shares

The performance of Autogrill shares in 2019 and the initial months of 2020 was as follows:

Outlook

Covid19 began to spread in the second half of January, followed by rapid worldwide contagion in February, affecting motorway, as well as air traffic and leading to more serious consequences in a number of countries. The epidemic spread rapidly and at the moment it is extremely difficult to predict short term developments with any reliability.
With revenues declining, the group has taken a few steps to stem the impact of Covid19 in the countries where it operates (including: modifying business hours, managing and optimising points of sale, limiting general expenses and administrative costs) and has set up a task force to stay abreast of the changing situation at all times.
Revenues of the group in the first four months of 2020 fell by 33.9% at current exchange rates, compared to revenues in the same period of 2019 (-35% at constant exchange rates). In April 2020 alone, revenues recorded a decrease of 88% at current exchange rates compared to revenues in April 2019. That decrease, deriving from travel restrictions, and the partial absorption of working capital in the first quarter of 2020, resulted in the consumption of cash of around Euro 100 million in April 2020.

In the event that in the second half of 2020 the decrease in monthly revenues comes to 75% compared to the same period of 2019, and considering the mitigation measures implemented by the group's management to significantly reduce the cost base, the monthly consumption of cash is expected to decrease, starting in June 2020, to around Euro 35-40 million.
The group is adopting appropriate measures to mitigate the financial and operational impacts of Covid19 and to preserve liquidity by reducing rents and negotiating with lenders. To that end, negotiations are under way with all the reference banks and with the investors of US Private Placement of HMS, to obtain a derogation from testing the covenants, while contracting new loans, also through the measures set out in Decree no. 23 of April 8, 2020 (SACE guarantee).

CLOTHING AND TEXTILES

United Colors of Benetton — Los Angeles, California

Benetton S.r.l. wholly owns the equity investments in Benetton Group S.r.l. ("Benetton Group") and Olimpias Group S.r.l. ("Olimpias Group"), which head the Clothing and Textiles sectors, respectively.

Olimpias – yarns

BENETTON GROUP

Clothing

www.benettongroup.com

The story of the Benetton family begins with the Benetton brand in the 1950s. World famous, it has been synonymous for decades with the success of so-called made in Italy products, representing values of sustainability, tradition and innovation, an international outlook and creation of value. A global vision and significant entrepreneurial capabilities, these are the foundations of the Benetton family's success.

1955	year of foundation	**81**	countries
100 %	stake held	**7,300+**	employees
1.1 bn Euro	revenues 2019	**4,400+**	stores

Benetton Group S.r.l., which holds the United Colors of Benetton and Sisley trademarks, is one of the most famous fashion companies in the world, present on the main markets with a commercial network of 4,468 stores, of which 1,224 directly managed and 3,244 indirectly managed.

During 2019, Benetton group banked on and took new measures and initiatives to effectively relaunch the company, acting on all strategic areas of the group. For 2019 the situation is still in a settling phase. Overall, the negative trend on sales revenues was partially offset by an improvement in the contribution margins of collections, due to both their early introduction into the sales networks and the process implemented by the group, aimed at repositioning the brand toward a segment with a higher average price, with collections featuring increased focus on product quality and brand identity.

As stated in the financial statements of Benetton Group S.r.l. at December 31, 2019, to which reference is made, also following the spread of the Covid19 epidemic, at the date those financial statements were drawn up, there were uncertainties that could give rise to significant doubts on the going concern assumption, with possible cumulative effects on the recoverability of asset items and the ability to honour liabilities in the normal course of operations. Having assessed those uncertainties and considered the available financial resources, in addition to the financial support obtained from the shareholder and the mitigating actions implemented by the group, and assuming a quick recovery in sales operations and the concrete implementation of government support measures, the Board of Directors of Benetton Group S.r.l. has acquired a reasonable expectation that it will have sufficient financial resources to realise its assets and cover its liabilities in the normal course of operations. As a result, it decided to adopt the going concern assumption in drawing up the consolidated financial statements at December 31, 2019.

Key figures for the Benetton group in 2019 and 2018 are shown below:

(Millions of Euro)	**2019**	**2019 Adj**	**2018**	**Change**	**%**
Indirect channel revenues	580	580	627	(47)	(7)
Direct channel revenues	568	568	603	(35)	(6)
Total revenues	**1,148**	**1,148**	**1,230**	**(82)**	**(7)**
Gross operating profit	509	509	518	(9)	(2)
EBITDA	91	(52)	(41)	(11)	27
EBIT	(86)	(98)	(96)	(2)	2
Net income, group	**(138)**	**(128)**	**(115)**	**(13)**	**11**
Net cash flow from operating activities	(99)	(99)	(27)	(72)	
Net operating investments for the year	33	33	33	-	
	12.31.2019	**12.31.2019 Adj**	**12.31.2018**	**Change**	
Capital employed	1,076	470	474	(4)	
Shareholders' equity	311	346	383	(37)	
Net financial indebtedness/(Cash)	765	124	91	33	

Adj Figures adjusted as a result of the application of the international accounting standard IFRS 16, to permit comparability with the figures for 2018.

The Benetton group adopted IFRS 16 on January 1, 2019.

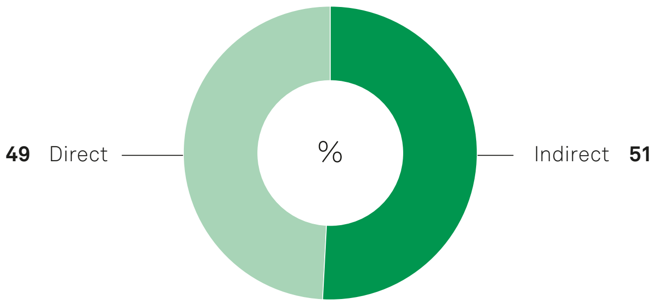
The adoption of the new standard using the modified retrospective approach, makes not possible the comparison of the 2019 figures with those of the previous year.
For this reason, the 2019 data was also presented separating out the effects of the application of the new accounting standard.

Revenues

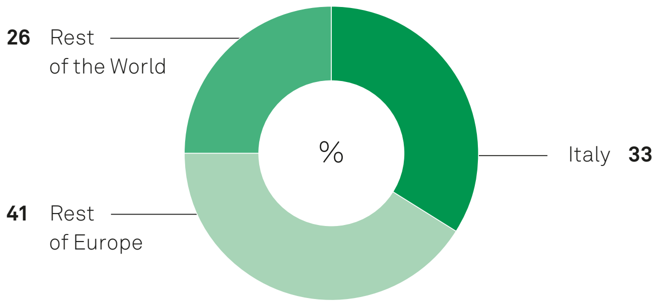
Net sales were negatively impacted by the adverse weather conditions during the season changes, which led to a reduction in total sales volumes for the Spring/Summer and Autumn/Winter 2019 collections, in both the direct and indirect channels. Direct e-commerce showed positive signs, improving its performance by over 13%.
The 2019 net revenues stood at Euro 1,148 million, down by Euro 82 million compared to the previous year (7%). Revenues by geographical area were as follows:

(Millions of Euro)	2019	%	2018	%	Change
Italy	377	33	418	34	(41)
Rest of Europe	472	41	506	41	(34)
Rest of the World	299	26	306	25	(7)
Total	**1,148**	**100**	**1,230**	**100**	**(82)**

Revenues by channel 2019



Revenues by region 2019



Operating margins

In 2019, the gross operating profit came to Euro 509 million or 44.3% of net sales, up compared with 42.1% in 2018, due to the combined effect of following:

- in the indirect channel, the improvement in margins of the collections, specifically of Autumn/Winter 2019, featuring items of higher quality, innovation and sustainability;
- in the direct channel, the increase in the performance of standard stores (+2%), partially offset by the effects of disposing of previous collections through stockists.

The 2019 EBITDA (a positive Euro 91 million) showed an improvement on the adjusted figure (a negative Euro 52 million), due to the elimination of the lease payments against the recognition of the rights of use.

The adjusted EBIT for 2019 was a negative Euro 98 million, and was substantially in line with the previous year.

In 2019, the net loss for the period amounted to Euro 138 million, compared to the loss of Euro 115 million in the previous year.

Operating cash flow and investments

Net cash flow from operating activities at December 31, 2019 was a negative Euro 99 million, and worsened compared to the previous year's figure (a negative Euro 27 million), due to the decrease in EBITDA, added to the increase in trade receivables, the reduction in inventories and the reduction in trade payables.
Operating investments amounted to a total of Euro 33 million, in line with 2018, and are allocated to support the development of the direct sales network and the renovation and expansion of existing points of sale.

Net financial indebtedness

Net financial indebtedness at December 31, 2019, which benefited from capital payments and/or coverage for loss of Euro 100 million received from the parent company in November 2019, was a negative Euro 124 million (Euro 91 million at December 31, 2018) and, gross of the effects of IFRS 16, a negative Euro 765 million.

Events following the end of the financial year

The Covid19 epidemic, which spread to an increasing number of countries, has resulted in a drastic reduction in the movement of people, domestic and international tourism and consumers' propensity to purchase.
In certain geographical areas (Europe), the decrease in sales is sharper, while in others (Japan, Taiwan and, especially, Korea), the outlook for recovery is more favourable. The group's management is implementing suitable measures to mitigate the negative effects on the income/(loss) for 2020.
On April 23, 2020, the Board of Directors of Benetton Group appointed as Chief Executive Officer Massimo Renon, who has held strategic roles in large international groups, specifically in the eyewear sector, gaining in-depth knowledge of production and distribution cycles. "He will guide our group toward a future full of new challenges as well as considerable opportunities, in a scenario in which nothing will be as it was", stated the Chairman of the group, Luciano Benetton.

Outlook

In light of the market conditions resulting from the Covid19 epidemic, the management reacted immediately, taking extremely decisive and appropriate measures to mitigate the negative effects on the income/(loss) for the year deriving from that scenario.
The Chairman of the group, Luciano Benetton, stated that "in its long history, the Benetton Group has faced and overcome many difficult situations, setting out the necessary measures and looking to the future. In this case we are also moving forward while remaining true to our values and close to our customers-business owners, who are crucial for our success".

OLIMPIAS GROUP

Textiles

www.olimpias.com

Created from the union of a number of industrial firms, Olimpias is now an important group in the European textiles sector.
With its two main business, textiles and clothing, Olimpias combines respect for the environment and for sustainability with research and the use of the most advanced technologies, in line with the Group's philosophy.

100 % stake held

252 mln Euro revenues 2019

2,600+ employees

6 countries

8 sites

The Olimpias group operates both in Italy and in foreign countries such as Romania, Croatia, Serbia, Hungary and Tunisia, manufacturing yarns for knitwear, cotton fabrics, labels and, specifically, men's, women's and children's apparel.

Production in the textiles segment is targeted to third-party customers, while the clothing segment is mainly targeted to the primary customer, the Benetton Group.

Key figures for the Olimpias group in 2019 and 2018 are shown below:

(Millions of Euro)	**2019**	**2018**	**Change**	**%**
Revenues from third parties	71	76	(5)	(7)
Revenues from Benetton Group	181	212	(31)	(15)
Revenues	**252**	**288**	**(36)**	**(13)**
Gross operating profit	19	20	(1)	(5)
EBITDA	16	14	2	14
EBIT	3	(10)	13	n.s.
Net income, group	**(0.4)**	**(12)**	**12**	**(100)**
Cash flow from operating activities	40	(16)	56	
Gross operating investments for the year	8	5	3	
	12.31.2019	**12.31.2018**	**Change**	
Capital employed	138	176	(38)	
Shareholders' equity	178	178	-	
Net financial indebtedness/(Cash)	(40)	(2)	(38)	

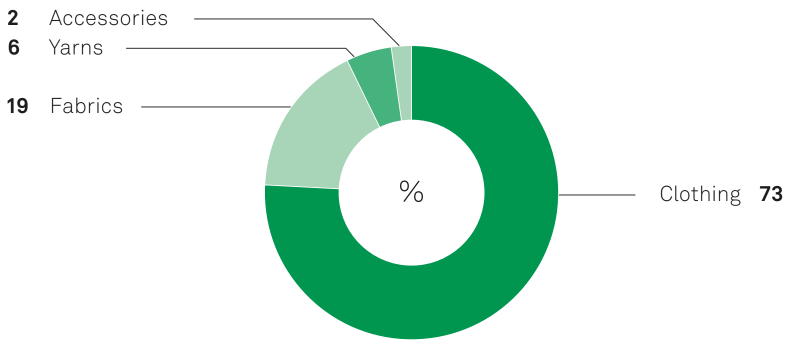
Revenues

Revenues stood at Euro 252 million, compared to Euro 288 million in 2018, a decrease of Euro 36 million (-13%), attributable to the Clothing business.
Revenues of the Clothing business were primarily from the customer Benetton Group, as well as approximately Euro 3 million from third-party customers.
Total revenues from third-party customers in 2019 amounted to Euro 71 million with a decrease compared to 2018.

Revenues by category are detailed below:

(Millions of Euro)	2019	%	2018	%	Change
Clothing	184	73	218	76	(34)
Yarns	14	6	15	5	(1)
Fabrics	48	19	48	17	-
Accessories	6	2	7	2	(1)
Total	**252**	**100**	**288**	**100**	**(36)**

Revenues by channel 2019



Operating margins

In 2019, the gross operating profit amounted to Euro 19 million (Euro 20 million in 2018). 2019 EBITDA came to Euro 16 million, improving on Euro 14 million in the comparison year.

2019 EBIT was a positive Euro 3 million, while it was a negative Euro 10 million in 2018, due to the reduction in other operating costs.

The group's share of the net loss for 2019 amounted to Euro 0.4 million (net loss of Euro 12 million in 2018), and reflects the improvement in the EBIT.

Net financial indebtedness/(Cash)

The net financial position of Olimpias at December 31, 2019 was a positive Euro 40 million (a positive Euro 2 million at December 31, 2018), also due to the trend in working capital.

Outlook

The year 2020 will be marked by a decrease in revenues in the Clothing business (around 20%), with an expected improvement in profitability following the reorganisation and streamlining of the production network.
However, with specific reference to the volatility related to the spread of the Covid19 epidemic, it cannot be ruled out that the general and sector-specific economic consequences could be more severe than could be forecast.

REAL ESTATE AND AGRICULTURE

Piazza Augusto Imperatore, Rome

Maccarese S.p.A. Società Agricola

EDIZIONE PROPERTY

Real Estate

As a result of the comprehensive programme of reorganisation and rationalisation of the real estate assets held by the holding company, Edizione Property now owns a portfolio of prestige properties, including the Fondaco dei Tedeschi in Venice and the Champs-Élysées building in Paris. With a clear goal of growth, through further acquisitions on the world's major international locations, Edizione is confirming its strategy to diversify and expand on global markets.

100 %	stake held	**15**	countries
49 mln Euro	revenues 2019	**230,000**	gross sqm
107	properties	**2** bn Euro	value of the real estate portfolio

At December 31, 2019, the real estate assets owned by the Edizione Property group consist of a portfolio of 107 properties in 15 countries worldwide, including 58 in Italy. The market value of the real estate portfolio amounts to around Euro 2 billion.

The main events during the year are described below:

- the Extraordinary Shareholders' Meeting of Edizione Property held on February 25, 2019, approved the proportional partial demerger of the agricultural segment held by the Argentine subsidiaries Compañia de Tierras Sud Argentino S.A. and Ganadera Condor S.A., to a newly established company (Edizione Agricola S.r.l.), 100%-owned by the parent company Edizione.
- In February 2019, the acquisition of the historical property Augusto Imperatore I in the centre of Rome was finalised, for a total investment of Euro 150 million. The functionality of spaces of Augusto Imperatore I is perfect for its future use as a hotel, and in July 2019 a lease was signed with a leading operator in the hotel sector. The economic start of the lease will occur on the opening of the hotel to the public, planned for mid-2022, on completion of the

renovation of the property. In March 2020, the acquisition of the historical property Augusto Imperatore II was finalised, for a total amount of Euro 120 million. The property is currently leased to third parties.
- During 2019 restructuring began on a portion of the real estate complex named Ex-Intendenza di Finanza, located in Treviso, for the purpose of creating a museum, while the administrative and economic analysis on the remaining portions are continuing, for the purpose of completing the development project of the entire area.
- As part of the larger process of reorganisation of the real estate portfolio, during 2019 the properties in Potenza and Varese (Italy), Lviv (Ukraine), Habarovsk (Russia) and Ulan Bator (Mongolia) were sold.
- To cover future investments and development plans, on December 20, 2019, a loan agreement was signed for an amount of Euro 750 million, including a term loan portion (Euro 525 million) and a revolving portion (Euro 225 million) with a term of 5 years.

Financial highlights in 2019 and 2018 are as follows:

(Millions of Euro)	2019	2018 [1]	Change
Rents	**48.6**	**43.9**	**4.7**
EBITDA	38.7	36.1	2.6
EBIT	22.3	14.2	8.1
Net income, group	**13.1**	**15.8**	**(2.7)**
	12.31.2019	**12.31.2018 [1]**	**Change**
Capital employed	906.4	789.6	116.8
Shareholders' equity	540.7	568.5	(27.8)
Net financial indebtedness/(Cash)	365.7	221.1	144.6

1 The income statement results and statement of financial position balances referring to agricultural businesses were reclassified in a single line of the income statement and the statement of financial position, respectively, in compliance with the provisions of IFRS 5.

Revenues

In 2019, the Company earned rental income of Euro 48.6 million from the management of real properties mainly intended for commercial use. This figure increased on Euro 43.9 million in the previous year. The increase is mainly due to the variable component of rent of the property in Venice, Fondaco dei Tedeschi.

Operating margins

EBITDA stood at Euro 38.7 million, up on the year of comparison (Euro 36.1 million) by effect of the increase in revenues.

EBIT came to Euro 22.3 million in 2019, compared to Euro 14.2 million in 2018, which included some devaluation of properties.

The group's share of net profit amounts to Euro 13.1 million (Euro 15.8 million in 2018).

Net financial indebtedness

The Edizione Property group's net financial indebtedness at the end of 2019 amounted to Euro 365.7 million, compared to Euro 221.1 million at December 31, 2018.

Significant events following the end of the financial year

In February 2020 the parent company Edizione Property S.p.A. began to feel the initial effects of the emergency related to the spread of Covid19. The group promptly adopted a series of measures to safeguard business continuity.

Outlook

The group continues its extremely careful monitoring of the development of the situation regarding Covid19, which could negatively influence not only the real estate market it operates in but also, and above all, the markets in which its lessees operate in (retail).
The group operates on a large scale, with financially-sound, international lessees, holds a real estate portfolio whose fair value is currently not expressed in the book value of assets and has a financial structure that guarantees the necessary liquidity from the banking system to finalise the real estate restructuring under way.

EDIZIONE AGRICOLA

Agriculture

Edizione Agricola S.r.l. ("Edizione Agricola"), established as a result of the demerger of the equity investments in the agricultural companies of the group, 100%-owned by Edizione, wholly owns the equity investments in Maccarese Società Agricola per Azioni ("Maccarese"), Compañia de Tierras Sud Argentino ("Cia de Tierras") and Ganadera Condor S.A. ("Ganadera").

Maccarese

Maccarese was acquired by the Edizione group in 1998, as part of the privatisation programme launched by the Italian government. Currently, the company, due to its size, is among the leading agricultural companies in Italy.

www.maccaresespa.com

12.5 mln Euro — revenues 2019

3,200 ha — land

3,600 — livestock

16.3 mln — litres of milk

Key figures of the company for the year ended December 31, 2019 and 2018 are shown below:

(Millions of Euro)	Separate financial statements		Change	
	2019	**2018**	**Absolute**	**%**
Revenues	12.5	12.0	0.5	4.2
Net income for the year	**0.9**	**0.4**	**0.5**	**n.s.**
	12.31.2019	**12.31.2018**	**Change**	
Shareholders' equity	33.7	32.8	0.9	
Net financial indebtedness/(Cash)	6.9	6.6	0.3	

The Argentine companies

Compañia de Tierras and Ganadera Condor conduct their business at several farms, which cover a total area of around 922 thousand hectares in Patagonia and around 16 thousand hectares in Balcarce, in Buenos Aires Province. In the areas of Patagonia, the group raises sheep and cattle for the production of wool and meat. In Balcarce area, instead, land is used for cereal and soy crops, mainly for sale to third parties and, to a residual extent, to support the herd.

1991	year of acquisition
18.6 mln Eur	revenues 2019
938,000 ha	land
278,000+	livestock

Compañia de Tierras Sud Argentino

Key figures of the company for the year ended December 31, 2019 and 2018 are shown below:

(Millions of Euro)	Separate financial statements		Change	
	2019	**2018**	**Absolute**	**%**
Revenues	8.3	9.7	(1.4)	(14.4)
Net income for the year	**3.3**	**0.6**	**2.7**	**n.s.**
	12.31.2019	**12.31.2018**	**Change**	
Shareholders' equity	28.2	25.3	2.9	
Net financial indebtedness/(Cash)	2.5	2.3	0.2	

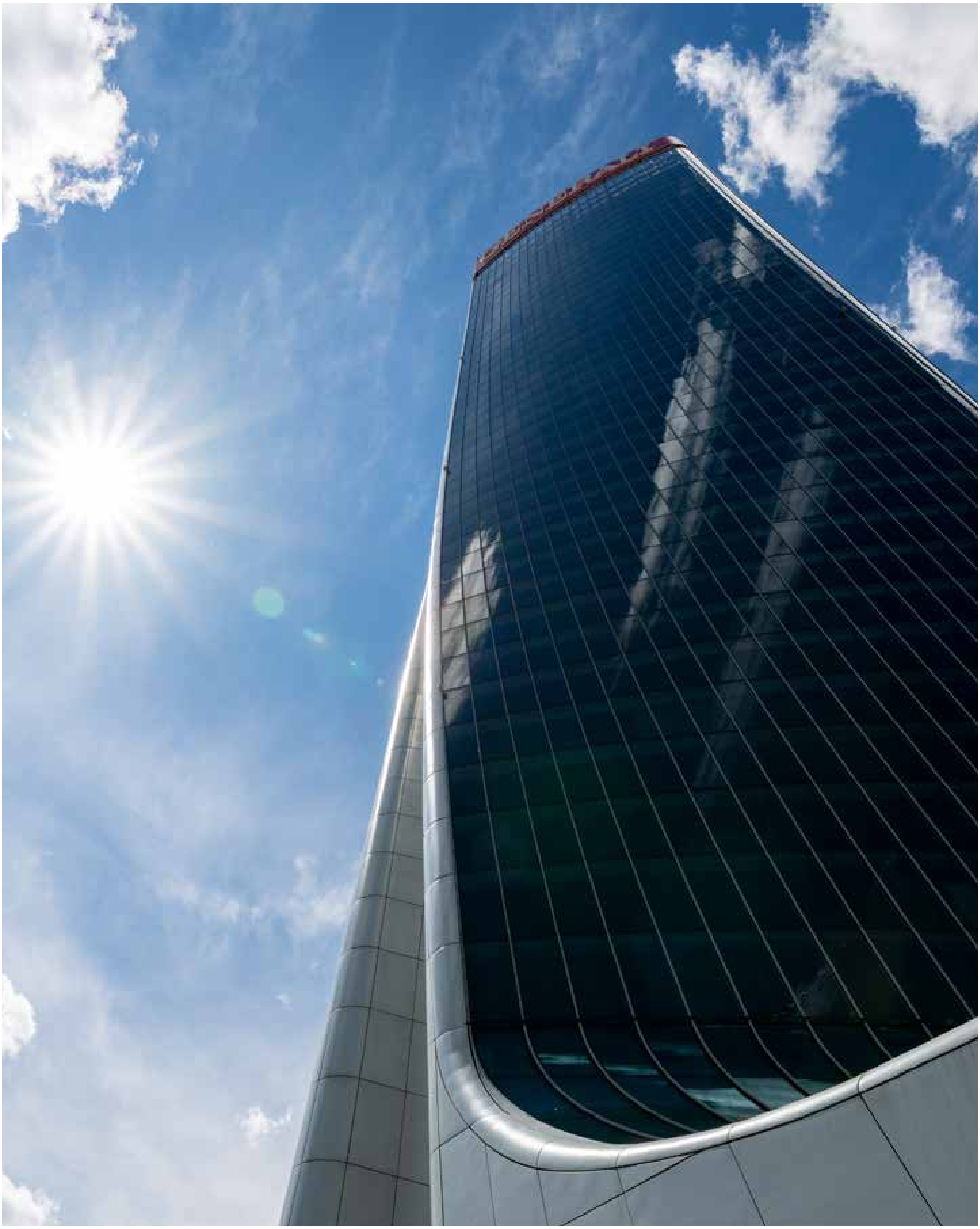
Ganadera Condor

Key figures of the company for the year ended December 31, 2019 and 2018 are shown below:

(Millions of Euro)	Consolidated financial statements		Change	
	2019	**2018**	**Absolute**	**%**
Revenues	10.3	7.7	2.6	33.8
Net income for the year	**1.0**	**0.9**	**0.1**	**11.1**
	12.31.2019	**12.31.2018**	**Change**	
Shareholders' equity	11.8	10.9	0.9	
Net financial indebtedness/(Cash)	(1.4)	1.6	(3.0)	

Ganadera owns 95% of Frigorifico Faimali, a company specialising in the processing and sale of sheepmeat. The figures shown are consolidated with Frigorifico Faimali.

FINANCIAL INSTITUTIONS



Assicurazioni Generali, piazza Tre Torri, Milan

SCHEMATRENTATRE

Schematrentatre S.p.A. ("Schematrentatre") holds the equity investments in Assicurazioni Generali S.p.A. ("Assicurazioni Generali") and Mediobanca S.p.A. ("Mediobanca") and is the holding company which manages the Group's investments in the Financial Institutions segment.

In 2019 and the previous year, the company had the following results:

(Millions of Euro)	Separate financial statements		Change	
	2019	**2018**	**Absolute**	**%**
Dividends and other income from equity investments	65.3	49.2	16.1	32.7
Operating costs	(0.1)	(0.3)	0.2	(66.7)
Net financial income/(charges)	(0.2)	-	(0.2)	n.s.
Income taxes	(0.6)	(0.5)	(0.1)	20.0
Income for the year	**64.4**	**48.4**	**16.0**	**33.1**

	12.31.2019	**12.31.2018**	**Change**
Shareholders' equity	1,229.5	879.9	349.6
Net financial indebtedness/(Cash)	114.3	18.1	96.2

In the first months of 2019, Schematrentatre acquired on the market 10,670,000 shares of Assicurazioni Generali for an amount of Euro 161 million. At December 31, 2019, the company held 62,800,000 Assicurazioni Generali shares, equal to 4.001% of the share capital, and 18,625,029 Mediobanca shares, equal to 2.10% of the share capital.

Dividends and other income from equity investments comprise Euro 56.5 million for the dividends received from Assicurazioni Generali in May 2019 and Euro 8.8 million for the dividends received from Mediobanca in November 2019.

In the previous year, Schematrentatre had collected Euro 40.5 million in dividends from Assicurazioni Generali in May 2018 and Euro 8.7 million in dividends from Mediobanca in November 2018.

Net financial indebtedness at December 31, 2019 is represented by the debt of the intercompany current account held with the parent company Edizione, whose change was attributable to the purchase of Assicurazioni Generali shares during the year.

Significant events following the end of the financial year

On March 12, 2020, the Board of Directors of Assicurazioni Generali resolved to propose that the Shareholders' Meeting distribute a dividend of Euro 0.96 per share. Subsequently, on April 10, 2020, the Board of Directors decided to confirm the proposal to the Shareholders' Meeting to pay a dividend per share of Euro 0.96, but to divide it into two tranches: the first of Euro 0.50 to be paid in May 2020 and the second of Euro 0.46, to be paid by year-end, subject to verification by the board. On May 20, 2020 Schematrentatre collected a dividend of Euro 31.4 million.

Outlook

Starting in the last week of February 2020, the performance of the Assicurazioni Generali and Mediobanca shares gradually began to reflect the effects of the emergency relating to the spread of Covid19, recording significant decreased in their prices.

THE PARENT COMPANY

www.edizione.com

The main events in 2019 are described below:

Reorganisation of the equity investments in the agricultural sector
On February 25, 2019, the Shareholders' Meeting of Edizione approved the plan for demerger of the equity investments held directly and indirectly in the agricultural sector (Maccarese, Cia de Tierras and Ganadera) in a newly established beneficiary company (Edizione Agricola).
The demerger took effect on July 1, 2019.

Renewal of the Board of Directors
On June 24, 2019, the Shareholders' Meeting of Edizione appointed the new Board of Directors, which shall remain in office up to the date of approval of the financial statements for the year ended at December 31, 2019.

Capital increases of Benetton S.r.l.
On July 22, 2019 the Board of Directors of the Parent Company approved a payment on the future capital increase of the subsidiary Benetton S.r.l., for an amount of Euro 100 million, which was carried out with effect on August 1, 2019.

Prysmian S.p.A.
In early 2019, the Company continued on the market purchases of shares of Prysmian S.p.A., begun in December 2018. Specifically, in 2019 the Company acquired 6,614,018 shares of Prysmian S.p.A., amounting to 2.467% of the share capital, for an amount of Euro 120.6 million. Also considering the shares acquired at the end of the previous year, in total, Edizione acquired 7,776,183 shares, amounting to 2.9% of the share capital, for a total investment of Euro 140.3 million.
In December 2019, in light of the favourable share price trend, Edizione initiated the sale of the equity investment, which was completed in January 2020, realising a capital gain of Euro 23.8 million, of which Euro 16.3 million relating to the shares sold at December 31, 2019. At the same date, the Company still held 2,393,465 shares, equal to 0.89% of the share capital of Prysmian S.p.A., for a fair value of Euro 50.7 million.

Italian Tax Authority Refunds
In December 2019 Edizione, as the Parent Company of the companies participating in the National Consolidated Taxation System, received from the Italian Tax Authority a refund on IRES receivables for IRAP deductible pursuant to Decree Law 201/2011 for the years 2008 and 2009, for Euro 6.4 million, including interest. This amount was credited to the companies in the Tax Consolidation that had applied for the refund.

Below are the economic and financial highlights for 2019, compared to 2018:

(Millions of Euro)	2019	2018	Change	%
Dividends from equity investments	227.2	186.6	40.6	21.8
Income from investment funds	-	5.6	(5.6)	n.s.
Dividends and income from investment funds	**227.2**	**192.2**	**35.0**	**18.2**
Other revenues and income	0.8	0.8	-	-
Operating costs	(17.3)	(17.5)	0.2	(1.1)
Depreciation, amortisation and impairment	(1.0)	(0.1)	(0.9)	n.s.
Net financial income/(charges)	0.8	2.1	(1.3)	(61.9)
Income taxes	2.2	4.0	(1.8)	(45.0)
Net operating income	**212.7**	**181.5**	**31.2**	**17.2**
Fair value adjustment of investment funds	-	(2.2)	2.2	n.s.
Capital gains/(losses) from investment funds	0.5	(7.3)	7.8	n.s.
Impairment of equity investments	(5.2)	(0.1)	(5.1)	n.s.
Income for the year	**208.0**	**171.9**	**36.1**	**21.0**

	12.31.2019	12.31.2018	Change
Equity investments	3,507.3	3,413.5	93.8
Other assets, net	31.1	40.9	(9.8)
Capital employed	**3,538.4**	**3,454.4**	**84.0**
Shareholders' equity	3,990.4	3,944.0	46.4
Net financial indebtedness/(Cash)	(452.0)	(489.6)	37.6
Sources of funding	**3,538.4**	**3,454.4**	**84.0**

Dividends stood at Euro 227.2 million in 2019, compared to Euro 186.6 million in 2018.
The change is specifically attributable to the higher dividends distributed by the subsidiary Sintonia (Euro 37.6 million) and the dividends distributed by Prysmian S.p.A. (Euro 3.3 million).

Capital gains/(losses) from investment funds and equity investments refer to the income deriving from the liquidation of the subsidiary Schemaquattordici S.p.A. During the previous year, the amount referred to the loss realised on the liquidation of the residual 50% of the units held in Quaestio Opportunity Fund.

The item Impairment of equity investments refers to the subsidiaries Verde Sport S.r.l. (Euro 4.15 million) and San Giorgio S.r.l. (Euro 1.1 million) due to the adjustments to the carrying value at equity of the respective companies at year-end.

At December 31, 2019, the Parent Company had net cash for Euro 452 million, compared to net cash of Euro 489.6 million at the end of 2018.

At December 31, 2019, Shareholders' equity amounted to Euro 3,990.4 million (Euro 3,944.0 million at December 31, 2018). During the year, dividends totalling Euro 150 million were distributed to the shareholders. In 2019, the movements in the statement of comprehensive income included the capital gains deriving from the sale of shares held in Prysmian S.p.A., amounting to Euro 16.3 million.

Significant events following the end of the financial year

In January 2020, Edizione completed the sale of Prysmian S.p.A. shares, realising a total net capital gain of Euro 23.8 million, of which Euro 16.3 million recorded in the statement of comprehensive income for 2019.

On February 29, 2020, Carlo Bertazzo resigned from the office of General Manager of Edizione and, effective March 1, 2020, took on the office of General Manager of Atlantia, for which he was already appointed Chief Executive Officer on January 13, 2020.

On March 11, 2020, the Board of Directors of Edizione decided to donate Euro 3 million to support the projects and needs of four hospitals, as a concrete contribution to the emergency resulting from the epidemiological spread of the Covid19 in Italy. The donation concerns the hospitals Ca' Foncello in Treviso, Luigi Sacco in Milan, and Lazzaro Spallanzani and Agostino Gemelli polyclinic in Rome. In Italy, Edizione's main operations are located in Treviso, the city of origin of the Benetton family, in Milan and in Rome.

On April 8, 2020 a loan agreement was signed with the subsidiary Benetton S.r.l., for an amount of Euro 100 million, which can be used in several tranches, has a duration of 18 months and a fixed rate of 1% per year. The repayment of principal and payment of interest is planned in a bullet repayment on maturity.

On May 25, 2020 Edizione subscribed with Crédit Agricole an 18-month credit line of Euro 300 million, guaranteed by the Assicurazioni Generali shares held by its subsidiary Schematrentatre.
The line is a revolving facility which, inter alia, requires that a minimum ratio be maintained of the market value of the shares used as collateral to the amount used.

Outlook

Starting in January 2020, the domestic and international scenario was harshly impacted by the spread of the Covid19 and the resulting restrictive measures implemented by the public authorities in the countries concerned. These circumstances, which are extraordinary in terms of their nature and scope, had direct and indirect negative impacts on economic activities, whose evolution and related effects cannot be predicted at this time. In this scenario marked by extreme uncertainty, the market value of equity securities recorded a sharply negative trend compared to the prices at the end of 2019. The restrictive measures imposed by the public authorities to contain the pandemic had a strong impact on all sectors in which the Group operates.
Those factors led all the subsidiaries to decide not to distribute dividends.

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 branch office in Milan, in Corso di Porta Vittoria, 16.
Note 55 – 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 the environment and additional details on human resources, please refer to the annual financial reports approved by each group. For a detailed description of the main risks and uncertainties of the Atlantia group, refer to the 2019 Annual Report of the Atlantia group and, specifically, to the section Risk management in the Report on Operations and to Note 2 Going concern assumption and Basis of preparation in the Notes.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Millions of Euro)	12.31.2019	12.31.2018	Note
ASSETS			
Non-current assets			
Property, plant and equipment			1
Land and buildings	668	707	
Investment property	464	316	
Plant, machinery and equipment	526	562	
Furniture, furnishings and electronic equipment	247	267	
Assets to be relinquished	77	74	
Leasehold improvements	570	497	
Other property, plant and equipment	124	108	
Assets under construction and advances	234	182	
Total property, plant and equipment	**2,910**	**2,713**	
Right of use for leased assets	**2,718**	**-**	2
Intangible assets			
Goodwill and other intangible assets of indefinite useful life	13,944	13,918	3
Other intangible assets	47,190	50,083	4
Total intangible assets	**61,134**	**64,001**	
Other non-current assets			
Equity investments in subsidiaries	1	2	5
Equity investments in associates and joint ventures	4,173	3,199	6
Equity investments in other companies	3,442	3,090	7
Investment securities	22	17	8
Non-current financial lease assets	66	-	9
Other non-current financial assets	4,792	4,724	10
Other non-current receivables	162	194	11
Deferred tax assets	2,295	1,797	12
Total other non-current assets	**14,953**	**13,023**	
Total non-current assets	**81,715**	**79,737**	
Current assets			
Inventories	589	600	13
Trade receivables	2,583	2,416	14
Tax receivables	1,030	951	15
Other current receivables	861	904	16
Current financial lease assets	17	-	9
Other current financial assets	1,389	1,051	10
Other investments	5	-	
Cash and cash equivalents	5,845	5,820	17
Total current assets	**12,319**	**11,742**	
Assets held for sale	9	1,627	18
TOTAL ASSETS	**94,043**	**93,106**	

(Millions of Euro)	12.31.2019	12.31.2018	Note
SHAREHOLDERS' EQUITY			
Shareholders' equity attributable to the Parent Company			
Share capital	1,500	1,500	19
Fair value and hedging reserve	121	(109)	20
Other reserves and retained earnings	5,809	5,786	21
Translation reserve	(340)	(295)	22
Income for the year	55	184	
Total	**7,145**	**7,066**	
Equity attributable to non-controlling interests	14,273	15,269	23
Total shareholders' equity	**21,418**	**22,335**	
LIABILITIES			
Non-current liabilities			
Provisions for construction services required by contract	2,473	2,787	24
Other non-current provisions and liabilities	2,459	2,421	25
Provisions for employee benefits	438	462	26
Bonds	26,919	21,849	27
Medium and long-term loans	16,315	22,865	28
Financial lease liabilities	2,423	7	29
Other non-current financial liabilities	1,994	1,549	30
Deferred tax liabilities	6,350	7,001	31
Other non-current liabilities	390	581	32
Total non-current liabilities	**59,761**	**59,522**	
Current liabilities			
Trade payables	2,845	2,737	33
Current portion of provisions for construction services required by contract	571	428	24
Other current provisions and liabilities	2,625	1,286	25
Current portion of bonds	1,893	1,615	27
Current portion of medium and long-term loans	1,218	1,173	28
Current portion of financial lease liabilities	460	1	29
Other current financial liabilities	746	1,069	30
Bank loans and overdraft	631	453	34
Current income tax liabilities	303	244	35
Other payables	1,572	1,704	36
Total current liabilities	**12,864**	**10,710**	
Liabilities held for sale	-	539	18
Total liabilities	**72,625**	**70,771**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**94,043**	**93,106**	

CONSOLIDATED INCOME STATEMENT

(Millions of Euro)	2019	2018	Note
Revenues	**17,928**	**13,153**	**37**
Revenues from construction services	989	516	38
Other revenues and operating income	676	343	39
Purchases and changes of raw materials and consumables	(2,946)	(2,815)	40
Payroll costs	(3,580)	(2,948)	41
Costs of services	(3,667)	(2,336)	42
Leases and rentals	(1,200)	(1,494)	43
Other operating expenses	(446)	(236)	44
Use of provisions for construction services required by contract	423	368	45
Depreciation, amortisation and impairment	(4,725)	(1,941)	46
Impairment of doubtful accounts	(39)	(34)	47
Provisions for risks	(1,460)	(533)	48
EBIT	**1,953**	**2,043**	
Share of income/(loss) of associates	26	(7)	49
Financial income	815	464	50
Impairment of equity investments and investment funds	(2)	(3)	51
Financial charges	(2,245)	(1,071)	50
Foreign currency hedging gains/(losses) and exchange differences	129	(6)	52
Income before taxes	**676**	**1,420**	
Income taxes	(185)	(440)	53
Profit/(Loss) from assets held for sale and discontinued operations	(6)	4	54
Net income for the year (Group and non-controlling interests)	**485**	**984**	
Income/(Loss) attributable to:			
- Parent Company	55	184	
- Non-controlling interests	430	800	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Millions of Euro)	**2019**	**2018**
Income for the year	**485**	**984**
Gains/(Losses) from fair value measurement of cash flow hedges	(505)	(104)
Gains/(Losses) from fair value measurement of net investment hedges	(35)	13
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the Euro	(316)	(406)
Gains/(Losses) from investments in associates and JVs accounted for using the equity method	(84)	(1)
Other fair value gains/(losses)	(5)	-
Total other comprehensive income/(loss) for the year reclassifiable to profit or loss	**(945)**	**(498)**
Gains/(Losses) from fair value measurement of fair value hedges	102	(78)
Gains/(Losses) from fair value measurement of equity investments (FVTOCI)	241	(427)
Actuarial gains/(losses) (IAS 19)	(8)	2
Total other comprehensive income/(loss) for the year not reclassifiable to profit or loss	**335**	**(503)**
Reclassifications of the other comprehensive income to profit or loss for the year	**80**	**13**
Tax effect	126	25
Total other comprehensive income/(loss) for the year	**(404)**	**(963)**
Comprehensive income/(loss) for the year, attributable to:	**81**	**21**
- Parent Company	233	(104)
- Non-controlling interests	(152)	125

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Millions of Euro)	**Share capital**	**Fair value and hedging reserve**	**Other reserves and retained earnings**	**Translation reserve**	**Income/(loss) for the year**	**Equity attributable to the Parent Company**	**Equity attributable to non-controlling interests**	**Total**
Balance at 12.31.2017	**1,500**	**100**	**5,651**	**(215)**	**234**	**7,270**	**9,426**	**16,696**
IFRS 9 Restatement	-	-	9	-	-	9	23	32
Carry forward of 2017 income	-	-	234	-	(234)	-	-	-
Dividends distributed	-	-	(150)	-	-	(150)	(662)	(812)
Capital increases/ (reimbursements)	-	-	-	-	-	-	3,399	3,399
Transactions with non-controlling interests	-	-	-	-	-	-	594	594
Change in scope of consolidation	-	-	-	-	-	-	2,369	2,369
Other movements	-	-	41	-	-	41	(5)	36
Comprehensive income for the year	-	(209)	1	(80)	184	(104)	125	21
Balance at 12.31.2018	**1,500**	**(109)**	**5,786**	**(295)**	**184**	**7,066**	**15,269**	**22,335**
Carry forward of 2018 income	-	-	184	-	(184)	-	-	-
Dividends distributed	-	-	(150)	-	-	(150)	(1,035)	(1,185)
Capital increases/ (reimbursements)	-	-	(1)	-	-	(1)	55	54
Transactions with non-controlling interests	-	-	-	-	-	-	91	91
Change in scope of consolidation	-	-	-	-	-	-	(51)	(51)
Other movements	-	-	(3)	-	-	(3)	96	93
Comprehensive income for the year	-	230	(7)	(45)	55	233	(152)	81
Balance at 12.31.2019	**1,500**	**121**	**5,809**	**(340)**	**55**	**7,145**	**14,273**	**21,418**
Note	19	20	21	22			23	

CONSOLIDATED CASH FLOW STATEMENT

(Millions of Euro)	2019	2018
Operating activities		
Income for the year (Group and non-controlling interests)	485	984
Income taxes	185	440
Income before taxes	**670**	**1,424**
Adjustments:		
- depreciation and amortisation	4,654	1,929
- (capital gains)/capital losses/impairment of intangible assets and property, plant and equipment	(69)	6
- net provisions charged to income statement	1,598	655
- share of (income)/loss of associates	28	9
- dividends from associates	(54)	(4)
- dividends from other companies	(141)	(53)
- (capital gains)/capital losses/impairment of other equity investments	2	3
- net financial (income)/charges	1,572	662
Cash flow from operating activities before changes in working capital	**8,260**	**4,631**
Cash flow provided/(used) by changes in working capital	(229)	(210)
Cash flow provided/(used) by changes in non-current assets and liabilities	(160)	795
Payment of taxes	(1,228)	(702)
Payment of employee termination indemnities	(52)	(33)
Net interest received/(paid)	(1,345)	(790)
Cash flow provided/(used) by operating activities	**5,246**	**3,691**
Investing activities		
Operating investments	(2,324)	(1,473)
Operating divestments	36	16
Increase in financial assets deriving from concession rights (related to capital expenditure)	(86)	(26)
Purchase of equity investments and share capital increases	(1,393)	(4,385)
Purchase of consolidated companies	(32)	(17,654)
Net cash and cash equivalents contributed by newly consolidated companies	-	2,479
Disposal of equity investments	116	9
Disposal of consolidated companies	998	-
Operations in non-current financial assets	136	250
Cash flow provided/(used) by investing activities	**(2,549)**	**(20,784)**
Financing activities		
Change in shareholders' equity	58	3,402
New medium and long-term loans	11,933	15,063
Repayment of medium and long-term loans	(12,995)	(2,264)
Net changes in other sources of financing	(509)	13
Dividend payments and distribution of capital reserves	(1,185)	(812)
Cash flow provided/(used) by financing activities	**(2,698)**	**15,402**
Increase/(decrease) in cash and cash equivalents	**(1)**	**(1,691)**
Cash and cash equivalents at the beginning of the period	**5,767**	**7,492**
Translation differences and other movements		(34)
Cash and cash equivalents at the beginning of the period of activities recognised as held for sale		-
Cash and cash equivalents at the end of the period	**5,766**	**5,767**

NOTES
TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP ACTIVITIES

Set up in 1981, Edizione S.r.l. at December 31, 2019 held controlling and non-controlling interests in companies operating in the following business segments:
- Transport Infrastructure;
- Digital Infrastructure;
- Food and Beverage;
- Clothing and Textiles;
- Real Estate and Agriculture, and
- Financial Institutions.

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 associates 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, 2019 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, 2019, the interim statements prepared as of the Group reporting date. 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 17 weeks (16 in 2018), resulting in the inclusion in the income statement of 53 weeks compared to 52 weeks for the year 2018. Consequently, the respective accounting situations included in the consolidated financial statements at December 31, 2019 refer to the period from December 28, 2018 to January 3, 2020, while the comparison figures refer to the period from December 30, 2017 to December 28, 2018. This practice has no significant effects on the statement of financial position at December 31, 2019 or the operating result.

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 as at December 31, 2019 underwent changes with respect to December 31, 2018 due to:

- the acquisition by Iberpistas S.A. of control of Autopista Trados-45 S.A. (in which Iberpistas S.A., a 100% owned subsidiary of Abertis Autopista España S.A., already held a 50% interest) in 2019. This was completed via the purchase of a further 1% stake (at a price of Euro 5 million, in return for net cash of Euro 64 million acquired with Autopista Trados-45 S.A.), and on the basis of existing partnership and governance agreements. The transaction has been accounted for using the acquisition method, in accordance with IFRS 3, allocating the effects of the transaction on a provisional basis, as permitted by the standard. For this purpose, whilst awaiting the Group's definition of a long-term, post-acquisition business plan, it was decided to temporarily continue using the IFRS amounts for the assets and liabilities recognised in Autopista Trados-45's financial statements, allocating the entire difference with respect to the purpose cost to goodwill. Line-by-line consolidation of Autopista Trados-45 S.A. has led to the recognition, as the only assets of significant value, of concession rights deriving from the concession held by the company, consisting of a 15-km section of Spain's M-45 motorway, amounting to Euro 88 million, and of provisional goodwill of Euro 58 million. Considering the immaterial nature of this transaction and the insignificant contribution of this company's operations to the Group's profit or loss or financial position, the full disclosure provided for in IFRS 3 has not been presented;
- the acquisition, in May 2019, by the Autogrill group of the entire share capital of Pacific Gateway Concessions, a company which, at the time of the acquisition, had 51 points of sale at 10 US airports. The acquisition, which entailed an outlay of USD 35.9 million (Euro 32.2 million), also required the commitment of the buyer to make investments of USD 8.8 million (Euro 7.8 million), in relation to which the seller company had already undertaken a contractual obligation;
- the sale, on October 3, 2019, of Abertis Infraestructuras's 89.7% stake in Hispasat S.A. to Red Eléctrica for a price of Euro 933 million, resulting in the deconsolidation of this company and its subsidiaries. The net assets of the Hispasat group had already been classified as held for sale pursuant to IFRS 5 as at December 31, 2018.

In accordance with the provisions of IFRS 5, balances relating to the operating activities sold and held for sale during 2019 were reclassified in a single line of the income statement of 2018 and 2019 Profit/(Loss) from assets held for sale and discontinued operations.

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.
The currency used is the Euro. Considering the significant increase in the Group's income, equity and financial indicators as a result of the acquisition of the Abertis group, to ensure greater clarity in reading the consolidated financial statements and standardise the representation of the accounting statements and disclosure included in the report on operations with that shown in the financial statements, starting with these consolidated financial statements at December 31, 2019, the balances herein are expressed in millions of Euro, unless otherwise indicated.

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.
With reference to the Atlantia group operating as a going concern, there are certain aspects of uncertainty, which are irrelevant from the point of view of Edizione operating as a going concern. However, these are significant in these consolidated financial statements which, in compliance with the reference accounting standards include in the scope of consolidation the balances of the Atlantia group, which contribute around 87% of the assets and around 63% of the revenues of the Edizione Group.
At the date of preparation of the Annual Report at December 31, 2019 of the Atlantia Group, there are certain significant uncertainties, primarily surrounding the concession arrangement and regulatory framework of the subsidiary, Autostrade per l'Italia, linked to the events of August 14, 2018 and recent legislation (Law 8 of February 28, 2020, the so-called Milleproroghe Decree), as well as the liquidity and financial risks of Autostrade per l'Italia and Atlantia consequent also to the legal restrictions resulting from the spread of the Covid19 pandemic, which has led many governments to limit the movement of people, with a major impact on traffic and revenue at the Atlantia group's main subsidiaries.

With regard to the assessment of whether the going concern basis is appropriate, the main uncertainties relating to Autostrade per l'Italia, as also assessed by the subsidiary's Board of Directors, are as follows:

a. existing relations with and ongoing procedures involving Autostrade per l'Italia and the Grantor (the Ministry of Infrastructure and Transport, or otherwise the "MIT"), resulting from the subsidiary's alleged responsibility for the events of August 14, 2018, and which, on August 16, 2018, led the MIT to dispute serious breaches of its contractual maintenance and caring obligations over the infrastructure. As previously reported, in its response to the MIT dated May 3, 2019, the operator stated its belief that it had at all times acted correctly. The operator has yet to receive a response. In this regard, in July 2019, the Cross-Institutional Working Group set up by the MIT highlighted, among other things, the risks for the Grantor associated with litigation with the operator, should the MIT unilaterally decide to terminate the concession arrangement. In response to this technical opinion, Autostrade per l'Italia entered into talks with the MIT, the Ministry of the Economy and Finance and the Cabinet Office in order to find an agreed solution to the dispute over the serious breach;
b. the Italian Government's approval of the Milleproroghe Decree, governing the eventual "revocation, forfeiture or termination of road or motorway concessions, including those for toll roads and motorways", providing among other things that (i) where termination of the concession is the result of a breach of contract by the operator, the provisions of article 176, paragraph 4.a) of Legislative Decree 50 of April 18, 2016 (the "public tenders code") shall apply, even if such provisions are in contrast with substantial and procedural provisions in concession arrangements, which shall be understood to be cancelled (art. 35 of the Decree) and that (ii) the adoption of such procedure shall not result in any termination by law. Law 8 of February 28, 2020 also provides that effectiveness of revocation, forfeiture or termination of the concession shall not be subject to payment, by the Grantor, of the compensation provided for in the arrangement;
c. the downgrade of Autostrade per l'Italia's credit rating to sub-investment grade by the international agencies, Moody's, Fitch and Standard & Poor's, following enactment of the Milleproroghe Decree, was based on the agencies' view that the legislation has unilaterally and retroactively altered (in peius) the rules governing termination of the Single Concession Arrangement, above all with regard to determination of the compensation and the fact that its payment does not necessarily have to coincide with the effectiveness of termination of the concession in accordance with art. 35 of the Decree. The downgrade has had a major impact on Autostrade per l'Italia's creditworthiness, increasing the uncertainties surrounding Autostrade per l'Italia's future relations with the MIT and, ultimately, financial and business outlook for Autostrade per l'Italia and its ability to borrow in the financial markets (including from banks).

With regard to the subsidiary's financial situation, existing loan agreements with the EIB and Cassa Depositi e Prestiti contain early repayment provisions relating to loans amounting to approximately Euro 2.1 billion as at December 31, 2019 (including approximately Euro 1.7 billion guaranteed by Atlantia), in the event of a rating downgrade. At the date of preparation of the 2019 Annual Report, the subsidiary has not received a request for early repayment from the two financial institutions and, from the ongoing discussions had, the parties are monitoring developments. Any non compliance with a request for early repayment from the EIB or Cassa Depositi e Prestiti, provided that it was lawful, could result in similar requests from Autostrade per l'Italia's other creditors, including bondholders.
In addition, the implementation of legal restrictions on movement in response to the spread of the Covid19 pandemic has led to a significant decline in motorway traffic, since the last week of February 2020, with a significant impact in terms of lower toll service areas revenue. This has had evident repercussions for Autostrade per l'Italia's ability to generate sufficient cash to fund capital expenditures planned and meet its operating costs, whilst maintaining financial stability.
The above downgrade, essentially reflecting the uncertain regulatory environment, is also preventing Autostrade per l'Italia from borrowing in the markets (including from banks) in order to meet its financial requirements, resulting in a further heightening existing liquidity tensions. In this situation, the subsidiary's Board of Directors has taken additional measures to conserve cash, in addition to Atlantia's willingness to provide Autostrade per l'Italia with financial support of up to Euro 900 million, after the subsidiary's available alternative financial sources of funding.
On completion of the assessment, conducted also by the subsidiary Autostrade per l'Italia's Board of Directors, and based on opinions from leading legal and technical experts, it was confirmed that the going concern basis is appropriate. This reflects the Company's belief that the risk of termination of the concession arrangement is reasonably unlikely and that there is a reasonable likelihood that an arrangement will be reached with the Ministry of Infrastructure and Transport, thereby resolving the dispute with Autostrade per l'Italia. In brief, the objective elements described above, the legal opinions acquired and initial (though interlocutory) judgements handed down have led the Board of Directors to believe that it is reasonably unlikely that the Government is close to deciding to revoking the concession arrangement, and to augur well for the achievement of the arranged solution. Should such a decision be taken, the Board of Directors of Autostrade per l'Italia believes that it has strong arguments in its favour.
The arrangement would also enable it to restore long-term financial stability, also due to the impact of improved access to credit.
As a result of the above, the Directors of Autostrade per l'Italia decided to prepare the company's separate financial statements as at and for the year ended December 31, 2019 on a going concern basis.

With regard to the risks and uncertainties to which Atlantia is exposed and above all liquidity risk, it should be noted that, at the date or preparation of its Annual Report, the Company has cash reserves of approximately Euro 4 billion, including approximately Euro 3.25 billion in liquidity resulting from use, on January 14, 2020, of available revolving credit facilities.
The Company does not have debt falling due before November 2021 (the maturity date for a revolving facility of Euro 2 billion).
As a result, Atlantia's liquidity risk, excluding the risk of early repayment of the Company's debt linked to the risk of default by the subsidiary, Autostrade per l'Italia, is deemed reasonably unlikely.
This judgement is also confirmed in the event of an absence of dividends received from investees in 2020, as a result of the Covid19 pandemic, and considering Atlantia's willingness to provide Autostrade per l'Italia with up to Euro 900 million in contingent financial support, taking into account the proposal not to pay any dividend for 2019 in 2020.

Atlantia and its subsidiaries are also engaged in assessing all the available options, including those provided by the recent Law Decree 23 of April 8, 2020, and other legislation introduced in the countries in which the Group operates, with a view to providing liquidity support for businesses.
With regard to Atlantia's financial risk, it should be remembered that the Company's loan agreements and bond issues contain early repayment provisions triggered by the occurrence of certain events. In addition, loan agreements and bond issues of the main subsidiaries, including Autostrade per l'Italia, contain early repayment provisions which, if triggered, could lead to enforcement of the guarantees provided by the Company, where present, or, via cross-default provisions, the Company's early repayment obligation of its own borrowings.
The other events that might trigger early repayment of debt for Autostrade per l'Italia and Atlantia (also bearing in mind that there are further guarantees issued by Atlantia in relation to bonds issued by the subsidiary, totalling Euro 3.4 billion), under the various applicable terms and conditions, in view of the circumstances and also based on the legal opinions received, are not considered reasonably likely to occur.
The financial tensions after 2019 year end caused by the legal restrictions on movement imposed in response to the spread of the Covid19 pandemic, and the consequent impacts on traffic and the results of the Atlantia group's operators, could affect the covenants attaching to the various loan agreements and have a negative impact on some operators' liquidity.
In the light of the assessment conducted and bearing in mind the above considerations and the facts, as also assessed in the opinions received, the occurrence of liquidity and financial risks is considered reasonably unlikely.
Despite these significant uncertainties, which raise material doubts about use of the going concern assumption, the Directors believe that it is appropriate for Atlantia to prepare the financial statements as at and for the year ended December 31, 2019 on a going concern basis. This is based on the information currently available, the opinions obtained from leading independent experts in regulatory, administrative, accounting and financial matters, the examination and assessment of the impacts on potential alternative scenarios, and in view of the actions taken to improve the financial and operating performances of the Atlantia group.
The directors of Atlantia note that assessment of whether the going concern assumption is appropriate requires a judgement, at a certain time, of the future outcome of events or circumstances that are by nature uncertain. Whilst taking due account of all the available information at that time, this judgement is, therefore, susceptible to change as developments occur, should events that were reasonably foreseeable at the time of the assessment not occur, or should facts or circumstances arise that are incompatible with such events, and that are currently not known or, in any event, not reasonably estimable.

The new accounting standard IFRS 16 – Leases was adopted for the first time from January 1, 2019. The new standard has introduced a single approach to accounting for lease contracts, removing the distinction between operating and finance leases for the lessee. For a complete illustration of the effects of the adoption of this standard, see the paragraph "Impacts of the application of IFRS 16 – Leases in the Group", under Accounting standards and policies, in these Notes.

Lastly, it is noted that:
- during 2019, no non-recurring, atypical or unusual transactions were implemented, either with third parties or with related parties, with significant effects on the economic-financial data of the Group, other than those illustrated in these financial statements;
- during 2018 a non-recurring event occurred relating to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway, managed by the subsidiary Autostrade per l'Italia. The effects of this event on the separate financial statements for 2019 are described in Note 60 Non-recurring events.

Compared to the data published in the consolidated financial statements of the Group at December 31, 2018, several items of the statement of financial position and income statement were restated following completion of the process of measurement and accounting allocation of the acquisition of the Abertis group, which resulted in the definitive determination of the fair value of the assets acquired and liabilities assumed as part of the business combination. Several minor reclassifications were also made to better represent the accounting data, as shown in the following pages.

The effects of those adjustments and reclassifications are shown in the tables below:

(Millions of Euro)	12.31.2018	Abertis PPA	Other effects	12.31.2018 Restated	Note
ASSETS					
Non-current assets					
Property, plant and equipment					1
Land and buildings	707	-	-	707	
Investment property	316	-	-	316	
Plant, machinery and equipment	562	-	-	562	
Furniture, furnishings and electronic equipment	267	-	-	267	
Assets to be relinquished	74	-	-	74	
Leasehold improvements	497	-	-	497	
Other property, plant and equipment	108	-	-	108	
Assets under construction and advances	182	-	-	182	
Total property, plant and equipment	**2,713**	**-**	**-**	**2,713**	
Right of use for leased assets	**-**	**-**	**-**	**-**	2
Intangible assets					
Goodwill and other intangible assets of indefinite useful life	22,822	(8,904)	-	13,918	3
Other intangible assets	36,445	13,638	-	50,083	4
Total intangible assets	**59,267**	**4,734**	**-**	**64,001**	
Other non-current assets					
Equity investments in subsidiaries	2	-	-	2	5
Equity investments in associates and joint ventures	2,907	292	-	3,199	6
Equity investments in other companies	3,090	-	-	3,090	7
Investment securities	17	-	-	17	8
Non-current financial lease assets	-	-	-	-	9
Other non-current financial assets	4,471	253	-	4,724	10
Other non-current receivables	280	(86)	-	194	11
Deferred tax assets	1,788	9	-	1,797	12
Total other non-current assets	**12,555**	**468**	**-**	**13,023**	
Total non-current assets	**74,535**	**5,202**	**-**	**79,737**	
Current assets					
Inventories	600	-	-	600	13
Trade receivables	2,416	-	-	2,416	14
Tax receivables	951	-	-	951	15
Other current receivables	904	-	-	904	16
Current financial lease assets	-	-	-	-	9
Other current financial assets	1,051	-	-	1,051	10
Other investments	-	-	-	-	
Cash and cash equivalents	5,820	-	-	5,820	17
Total current assets	**11,742**	**-**	**-**	**11,742**	
Assets held for sale	1,567	60		1,627	18
TOTAL ASSETS	**87,844**	**5,262**	**-**	**93,106**	

(Millions of Euro)	12.31.2018	Abertis PPA	Other effects	12.31.2018 Restated	Note
SHAREHOLDERS' EQUITY					
Shareholders' equity attributable to the Parent Company					
Share capital	1,500	-	-	1,500	19
Fair value and hedging reserve	(111)	-	-	(111)	20
Other reserves and retained earnings	5,789	(3)	-	5,786	21
Translation reserve	(293)	-	-	(293)	22
Income for the year	197	(13)	-	184	
Total	**7,082**	**(16)**	**-**	**7,066**	
Equity attributable to non-controlling interests	14,717	587	(35)	15,269	23
Total shareholders' equity	**21,799**	**571**	**(35)**	**22,335**	
LIABILITIES					
Non-current liabilities					
Provisions for construction services required by contract	2,787	-	-	2,787	24
Other non-current provisions and liabilities	2,421	-	-	2,421	25
Provisions for employee benefits	462	-	-	462	26
Bonds	21,175	674	-	21,849	27
Medium and long-term loans	22,512	353	-	22,865	28
Financial lease liabilities	7	-	-	7	29
Other non-current financial liabilities	1,549	-	-	1,549	30
Deferred tax liabilities	3,303	3,698	-	7,001	31
Other non-current liabilities	581	-	-	581	32
Total non-current liabilities	**54,797**	**4,725**	**-**	**59,522**	
Current liabilities					
Trade payables	2,737	-	-	2,737	33
Current portion of provisions for construction services required by contract	428	-	-	428	24
Other current provisions and liabilities	1,286	-	-	1,286	25
Current portion of bonds	1,615	-	-	1,615	27
Current portion of medium and long-term loans	1,169	4	-	1,173	28
Current portion of financial lease liabilities	1	-	-	1	29
Other current financial liabilities	1,072	(3)	-	1,069	30
Bank loans and overdraft	453	-	-	453	34
Current income tax liabilities	244	-	-	244	35
Other payables	1,704	-	-	1,704	36
Total current liabilities	**10,709**	**1**	**-**	**10,710**	
Liabilities held for sale	539	-	-	539	18
Total liabilities	**66,045**	**4,726**	**-**	**70,771**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**87,844**	**5,297**	**(35)**	**93,106**	

(Millions of Euro)	2018	Abertis PPA	Other effects	2018 Restated	Note
Revenues	**13,119**	**-**	**34**	**13,153**	**37**
Revenues from construction services	516	-	-	516	38
Other revenues and operating income	406	-	(63)	343	39
Purchases and changes of raw materials and consumables	(2,789)	-	(26)	(2,815)	40
Payroll costs	(2,948)	-	-	(2,948)	41
Costs of services	(2,336)	-	-	(2,336)	42
Leases and rentals	(1,494)	-	-	(1,494)	43
Other operating expenses	(236)	-	-	(236)	44
Use of provisions for construction services required by contract	368	-	-	368	45
Depreciation, amortisation and impairment	(1,705)	(258)	22	(1,941)	46
Impairment of doubtful accounts	(34)	-	-	(34)	47
Provisions for risks	(566)	-	33	(533)	48
EBIT	**2,301**	**(258)**	**-**	**2,043**	
Share of income/(loss) of associates	(6)	(1)	-	(7)	49
Financial income	463	1	-	464	50
Impairment of equity investments and investment funds	(3)	-	-	(3)	51
Financial charges	(1,190)	119	-	(1,071)	50
Foreign currency hedging gains/(losses) and exchange differences	(6)	-	-	(6)	52
Income before taxes	**1,559**	**(139)**	**-**	**1,420**	
Income taxes	(480)	40	-	(440)	53
Profit/(loss) from assets held for sale and discontinued operations	4	-	-	4	54
Net income for the year (Group and non-controlling interests)	**1,083**	**(99)**	**-**	**984**	
Income/(Loss) attributable to:					
- Parent Company	197	(13)	-	184	
- Non-controlling interests	886	(86)	-	800	

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 shareholders' equity and, consequently, the difference between the acquisition cost and the relevant equity portions is directly recognised under shareholders' 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 shareholders' 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 12.31.2019	Average exchange rate in 2019
Euro/USD	1.123	1.120
Euro/PLN	4.257	4.298
Euro/CLP	844.860	786.890
Euro/ARS [1]	67.275	67.275
Euro/BRL	4.516	4.413
Euro/INR	80.187	78.836
Euro/CZK	7.440	7.418
Euro/GBP	0.851	0.878
Euro/JPY	121.940	122.006
Euro/HKD	7.440	7.418
Euro/RUB	69.956	72.456
Euro/KRW	1,296.280	1,305.321
Euro/CAD	1.459	1.485
Euro/CHF	1.086	1.112

[1] The spot and average exchange rates for the Argentine peso are the same, in accordance with the provisions of IAS 21 and IAS 29 for hyperinflationary economies.

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 Standard Interpretations Committee (SIC).
The consolidated financial statements of 2019 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, 2019:

Details	IASB adoption	EU adoption
IFRS 16 – Leases	January 1, 2019	October 31, 2017
Amendments to IFRS 9: Prepayment Features with Negative Compensation	January 1, 2019	March 22, 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	January 1, 2019	October 23, 2018
Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures	January 1, 2019	February 8, 2019
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	January 1, 2019	March 13, 2019
Annual Improvements to IFRS Standards 2015-2017 Cycle	January 1, 2019	March 14, 2019

For an illustration of the effects of the adoption of IFRS 16, see the paragraph “Impacts of the application of IFRS 16 – Leases in the Group”, in these Notes.

There are no 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, 2019.

Below are the new accounting standards and the respective applications, not yet endorsed by the European Union, which may in the future be applied:

Details	IASB adoption	IASB issue date
IFRS 17 – Insurance Contracts	January 1, 2021	May 2017
Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020	March 2018
Amendments to IFRS 3: Definition of a Business	January 1, 2020	October 2018
Amendments to IAS 1 and IAS 8: Definition of Material	January 1, 2020	October 2018
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	January 1, 2020	September 2019

Amendments to IAS 1 – Presentation of Financial Statements, and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

On October 31, 2018 the IASB published the "Definition of Material (Amendments to IAS 1 and IAS 8)", which introduced a change to clarify the definition of "material" set out in the standards IAS 1 and IAS 8. That amendment also aims to introduce the concept of "obscured information", alongside the concepts of "omitted" or "misstated" information, previously included in the two standards being amended. The amendment clarifies that information is "obscured" when it is described in such a way as to generate effects in readers similar to those that would be generated if that information was omitted or misstated.

Amendments to IFRS 9, IAS 39 and IFRS 7 on Interest Rate Benchmark Reform

On September 26, 2019, the IASB published "Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)", which amends some of the requirements for the application of hedge accounting, setting out temporary exceptions from such requirements, to mitigate the impact deriving from the uncertainty arising from the IBOR reform, still under way, on future cash flows, pending its completion. The amendment was necessary as a result of the report "Reforming Major Interest Rate Benchmarks", through which the European Financial Stability Board issued recommendations to increase the robustness of existing benchmark indices and other potential interbank offered benchmark rates, and to develop alternative nearly risk-free rates.

The amendment also requires that enterprises provide information in the financial statements on their hedges that are directly impacted by the uncertainties arising from the reform, to which the above exceptions apply and, in particular, that enterprises continue to comply with that set by in the IFRS, assuming that the benchmark indices to determine existing interest rates shall not be changed following the reform of interbank offered rates.

Amendments to IFRS 3 – Business Combinations

On October 22, 2018 the IASB published "Definition of a Business (Amendments to IFRS 3)", which introduces several amendments to the accounting standard IFRS 3 to better clarify the definition of a business. In particular, the amendment clarifies that the presence of an output is not strictly necessary to identify a business if, in any event, there is an integrated set of activities, processes and assets. Nonetheless, to meet the definition of a business, an integrated set of activities, processes and assets must at the least include an input and a substantive process, which together significantly contribute to the ability to create outputs. To that end, the IASB replaced the wording "ability to create outputs" with the "ability to contribute to creating outputs", to clarify that a business may also exist without the presence of all the inputs and processes necessary to create outputs.

The amendment also added an optional concentration test for enterprises to assess whether a set of activities, processes and assets is a business. To that end, the amendment added numerous illustrative examples of the standard IFRS 3 to ensure understanding of the practical application of the new definition of a business in specific cases. The amendments apply to business combinations and acquisitions of activities following January 1, 2020. However, early application is permitted.

Impacts of the application of IFRS 16 – Leases in the Group

In January 2016, the IASB issued the new accounting standard IFRS 16 – Leases, to replace the previous IAS 17 – Leases, as well as the interpretations IFRIC 4 – Determining Whether an Arrangement Contains a Lease, SIC 15 – Operating Leases – Incentives and SIC 27 – Evaluating the Substance of Transactions in the Legal Form of a Lease.

The new accounting standard introduced a new definition of lease, based on the control of the underlying asset, i.e. the right of use of the identified asset and the right to obtain substantially all of the economic benefits from use of the identified asset, for a period of time in exchange for a consideration. As a result, IFRS 16 is not applicable to contracts for the provision of services, but only to lease contracts that include leases.

IFRS 16 sets out a single model for recording lease contracts, based on which the lessee shall recognise, as an asset, the right of use of the leased asset ("Right of use for leased assets") as a contra-entry to a liability representing the financial obligation ("Financial lease liabilities"), determined by discounting the minimum guaranteed lease payments due ("net present value"), thereby eliminating the accounting distinction between operating and finance leases made by the lessee (leases payable), previously required by IAS 17. Therefore, no impacts are expected on lease contracts previously classified as finance leases. The carrying amount of those contracts recognised at December 31, 2018 according to IAS 17, are reclassified under the rights of use and the financial lease liabilities, respectively, without any adjustments. The new standard does not introduce significant changes for lessors (leases receivable).

The new accounting standard IFRS 16 takes effect for the Group starting on January 1, 2019.

The Group used the option to adopt IFRS 16 using the modified retrospective approach. Therefore, on first-time application, the cumulative effect deriving from the application of the standard was recognised in the shareholders' equity at January 1, 2019, without restating the previous year's comparative balances.

The impacts of IFRS 16 on the statement of financial position and the income statement for the Edizione Group at December 31, 2019 are illustrated below:

(Millions of Euro)	12.31.2019	IFRS 16 effect	12.31.2019 Adj
Tangible and intangible assets	64,044	-	64,044
Right of use for leased assets	2,718	(2,716)	2
Other non-current assets	14,953	(86)	14,867
Total non-current assets	**81,715**	**(2,802)**	**78,913**
Total current assets	**12,319**	**(23)**	**12,296**
Assets held for sale	9	-	9
TOTAL ASSETS	**94,043**	**(2,825)**	**91,218**
	12.31.2019	**Effetti IFRS 16**	**12.31.2019 Adj**
Shareholders' equity	**21,418**	**60**	**21,478**
Non-current liabilities	**59,761**	**(2,420)**	**57,341**
Current liabilities	**12,864**	**(465)**	**12,399**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**94,043**	**(2,825)**	**91,218**

(Millions of Euro)	2019	IFRS 16 effect	2019 Adj
Revenues	**17,928**	**18**	**17,946**
Operating costs, net	(9,751)	(513)	(10,264)
Depreciation, amortisation and impairment	(6,224)	457	(5,767)
EBIT	**1,953**	**(38)**	**1,915**
Share of income/(loss) of associates	26	-	26
Net financial income/(charges), exchange differences and impairment of equity investments and investment funds	(1,303)	91	(1,212)
Income before taxes	**676**	**53**	**729**
Income taxes	(185)	(10)	(195)
Profit/(loss) from assets held for sale and discontinued operations	(6)	-	(6)
Net income for the year (Group and non-controlling interests)	**485**	**43**	**528**
Income/(Loss) attributable to:			
- Parent Company	55	24	79
- Non-controlling interests	430	19	449

Adj Figures adjusted as a result of the application of the international accounting standard IFRS 16.

The impacts of the IFRS 16 application on each group are illustrated below.

Autogrill group

For the Autogrill group, the application of IFRS 16 had a significant impact. The accounting models adopted by the group and the impacts, both on the transition date and during the year under way, are briefly described below.

Accounting model for the lessee

As lessee, the Autogrill group previously classified its leases as operating leases or finance leases, assessing whether the lease substantially transferred the risk and rewards related to the ownership.

According to IFRS 16, the group recognises in separate items of its consolidated statement of financial position the right of use assets and the lease liabilities for all lease contracts in which it serves as lessee. However, the group has elected not to recognise the right of use asset or the lease liability in case of lease contracts with a duration of less than 12 months (short term) or those with underlying assets worth less than Euro 10,000 when new (low value). Therefore, as an exception, the group recognises the payments due for those lease contracts as operating costs on a straight-line basis over the lease term. The group recognises the right of use asset and the lease liability as of the date the lease commences.

The right of use assets for leased assets include the initial valuation of the lease liabilities, the lease payments made prior to or at the commencement date of the contract and any other initial direct cost.

The right of use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability previously referred to.

The right of use for leased assets is depreciated on a straight-line basis each year over the lease term of the contract or the underlying asset's residual useful life, whichever is shorter.

Accounting model for the lessor

The Autogrill group has subleases (mostly in the United States) granting third parties the right to use some leased assets, generally for the same length of time as the main lease.

The accounting policies applicable to the group in its role as lessor are essentially unchanged from IAS 17. However, when the group acts as sublessor, the subleases are classified with reference to the right of use asset arising from the main lease, not the underlying assets.

For this reason, considering the recognition of a right of use asset under IFRS 16 and that the subleases typically have a term equal to the main lease, the group reduced the right of use amount for leased assets and recognised a financial lease asset as a contra-entry, classified under current and non-current financial assets.

Effects of first-time application at the transition date

At the transition date, for leases classified as operating under IAS 17, the lease liabilities have been measured at the present value of future minimum lease payments not yet paid at that date, discounted using the group's incremental borrowing rate at January 1, 2019 (as described below). The right of use assets have been initially measured at an amount equal to the lease liabilities, adjusted for any oneoff lease payments made at or before the commencement date and any deferred lease charges already included in the statement of financial position at December 31, 2018, as well as any lease incentives obtained before January 1, 2019.

At the transition date, the group decided to make use of some of the practical expedients envisaged under the transitional provisions of the new standard. In particular:

- the contractual scope of reference for IFRS 16 (lease contracts or contracts containing lease components) was identified based on the conclusions the group reached in the past, pursuant to IAS 17 and IFRIC 4. Therefore, the definition of lease included in IFRS 16 has been applied only to new or revised contracts subscribed or amended at January 1, 2019 or later;
- for the purposes of accounting for onerous contracts, and in alternative to the impairment testing of the item "Right of use for leased assets" at January 1, 2019, the assessment made at December 31, 2018, based on the rules envisaged in IAS 37 Provisions, contingent liabilities and contingent assets, was used, thus adjusting the item "Right of use for leased assets" by any provisions for onerous contracts outstanding at December 31, 2018;
- the group has elected to exclude from the scope of application of IFRS 16 not only leases on low value assets, but also short term leases, namely those expiring within 12 months from the transition date (December 31, 2019). Therefore, for those contracts, as a result of the introduction of IFRS 16, the group has not recognised the lease liability or corresponding right of use asset at January 1, but will continue to recognise the lease payments through profit or loss on a straight-line basis over the terms of the respective leases.
- the group elected to exclude its initial direct costs (consulting, legal expenses, "key money," etc.) from the item "Right of use for leased assets", therefore no reclassifications were made at the date of first time application.

The transition to IFRS 16 required certain professional judgments to be made, including the definition of some accounting policies and the use of assumptions and estimates. In this regard, the group decided as follows:

- not to apply IFRS 16 to leases that have an underlying intangible asset;
- not to apply IFRS 16 to some Italian contracts where Autogrill Italia S.p.A. already owns the land and buildings along the motorway and has negotiated access rights with the concession grantor, with the commitment to manage the sale of fuel products and/or food and beverages to motorway users;
- for the purpose of determining the lease term, to analyse all lease contracts and define each one's term as the "non-cancellable" period, together with the effects of any extension or early termination option if the exercise of these is deemed reasonably certain using the information available at the transition date. In December 2019 the IFRS Interpretation Committee published its conclusions relating to an Agenda Decision concerning the lease term and the useful life of leasehold improvements (as well as assets to be relinquished free of charge). At the date of preparation of these consolidated financial statements, the group is evaluating the impacts that interpretation may have on the accurate estimation of the term of its lease contracts and on the useful life of leasehold improvements. In light of the contents of the Agenda Decision, while the group does not foresee significant impacts on the determination of the right of use for leased assets and financial lease liabilities/assets, it expects to complete its analysis by the end of 2020;

– as the implicit interest rate is not available for all the group's leases, as the discount rate to be applied to future minimum lease payments to determine the financial liability (incremental borrowing rate previously mentioned), the risk free rate of each country of the group's operations where the leases were drawn up was used, with maturities in line with the terms of the leases plus a country-specific credit spread referable to the subsidiary. The average weighted discounted rate applied to the lease liabilities as of January 1, 2019 is 2.99%.

Impacts during the year
Following the first-time application of IFRS 16, at December 31, 2019, the group recognised:
– rights of use of Euro 2,359 million;
– financial lease assets of Euro 83 million;
– a financial lease liability of Euro 2,474 million.

With regard to the income statement figures, the group recognised depreciation and interest in place of costs for operating leases which, during 2019, amounted to Euro 356 million and Euro 72 million, respectively, plus deferred tax assets of Euro 9 million.

Benetton group
In compliance with the new standard, the group recognised the following in relation to lease contracts previously classified as operating leases:
– a financial liability, equal to the present value of residual future payments at the transition date, discounted using the incremental borrowing rate applicable at the transition date for each contract;
– a right of use equal to the value of the financial liability at the transition date, net of any accruals and deferrals relating to the lease and recognised in the statement of financial position at the end of the reporting period.
With regard to the financial statement schedules, starting on January 1, 2019, the following effects were recorded:
– the rights of use (ROU) and the lease liabilities are recognised in the statement of financial position in separate items from the other financial components, and highlighted in the notes;
– the depreciation of right-of-use assets is recorded under operating costs in the income statement, while the interest expense accrued on the lease liability is recorded in the financial section, in place of the operating lease payments previously recognised under operating costs, as per IAS 17.

The group decided to apply IFRS 16 according to the modified retrospective approach, which entails the recognition in shareholders' equity at January 1, 2019 of all cumulative effects arising from the application of the standard, without restating the previous years. The adoption of IFRS 16 had impacts on the opening shareholders' equity at January 1, 2019, following the impairment of the rights of use, at the date of initial recognition, did not pass the impairment test required by IAS 36.
In adopting IFRS 16, the company applied:
– the exemption granted by paragraph IFRS 16:5(a) relating to short-term leases;
– the exemption granted by IFRS 16:5(b) concerning lease contracts whose underlying assets are low-value assets (meaning that the assets underlying the contract do not exceed Euro 5 thousand when new). For those contracts, the introduction of IFRS 16 did not entail the recognition of lease liabilities or the related right of use, rather, the lease payments were recognised in the income statement on a straight-line basis for the term of their respective contracts.

The key assumptions used for the first-time application of IFRS 16 (including those arising during 2019) are summarised below:
– all contracts in force at January 1, 2019 relating to the use of third party assets were analysed in light of the new definition of lease included in the new standard;
– as part of the analyses conducted, the group decided to use the practical expedient that permits the identification of leases based on the analyses already conducted on the basis of IAS 17 and IFRIC 4 – "Determining Whether an Arrangement Contains a Lease";
– for lease contracts falling within the scope of application of the new standard, the right-of-use assets were recognised in an amount equal to the present value of residual future payments at January 1, 2019 (lease liability), adjusted by the amount of any advance payments or payments already recorded in the financial statements, as well as any incentives received from the lessor prior to January 1, 2019;
– only where it is not possible to identify the component relating to payments for services or maintenance, the practical expedient envisaged by the new standard was used, which makes it possible not to separate the payments for use of the asset (lease component) from those for other services (non-lease component) pertaining to the same asset;
– sublease contracts, which were classified as operating leases based on IAS 17, were reanalysed to verify whether they should be classified as operating or finance leases based on the new rules of IFRS 16. No contracts were identified to which IFRS 16 applies.

Other practical expedients were applied at the transition date:
– initial direct costs (including key money) were excluded from the measurement of the right of use at the initial application date;
– the transition to IFRS 16 required certain professional judgments to be made, including the definition of some accounting policies and the use of assumptions and estimates of the lease term. In this sense, the company analysed all lease contracts, defining the lease term for each of them, given by the "non-cancellable" period, together with the effects of any extension or early termination clauses whose exercise was deemed reasonably certain.

For the purpose of discounting, the group used the practical expedient set out in the new standard of considering an incremental borrowing rate, as the implicit interest rate cannot readily be determined for each single contract.
The primary key assumptions regarding the definition of the incremental borrowing rate (IBR) at the date of first-time application of the new standard were as follows:

- a method for defining the IBR was defined, to apply to all contracts with similar characteristics, which are considered as a single portfolio of contracts to which an interest rate has been associated with each single contract that considered diversification by country and accounting duration. Thus, it was decided to apply the practical expedient of simplification in defining this parameter, as permitted by the new standard;
- the interest rate was calculated for each single country and, based on the various contractual terms, calculated as the sum of:
  - the market IRS rate of the local currency;
  - country risk, represented by the CDS of the single country;
  - spread of the Parent Company Benetton Group S.r.l. on long-term transactions.

Impacts during the year
Following the first-time application of IFRS 16, at December 31, 2019, the group recognised:

- rights of use of Euro 584 million;
- a financial lease liability of Euro 642 million.

With regard to the income statement figures, the group recognised depreciation and interest in place of costs for operating leases which, during 2019, amounted to Euro 125 million and Euro 24 million, respectively, plus deferred tax assets of Euro 2 million.

Atlantia group
The process of assessing the impact of the new standard on the group's accounts took place in stages, including one involving the mapping of contracts that might potentially include a lease and the analysis of such contracts to understand the main provisions that would be relevant in relation to the application of IFRS 16. The assessment revealed that the group does not hold significant assets as a lessee, with the relevant contracts referring mainly to the operating lease of property.
In addition, the group availed itself of the following practical expedients allowed by the standard on first-time adoption:

- modified retrospective approach, with recognition in the statement of financial position as of January 1, 2019 of the cumulative effects deriving from the adoption of the standard, without any impact on equity and without any change in the comparative consolidated income statement for 2018;
- use of the information available at the transition date in determining the lease term, with special emphasis given to the exercise of extension and early termination options;
- exclusion of the new accounting method for lease contracts of little significance, with a residual term of up to 12 months (starting from January 1, 2019) or for low-value assets, relating essentially to computers, telephones and other electronic devices. For these assets, lease payments will continue to be recognised through profit or loss, based on the duration of the relevant contracts;
- exclusion of initial direct costs from the measurement of the right as of January 1, 2019;
- exclusion of the application of the new standard for contracts containing leases of intangible assets.

Impacts during the year
The impacts deriving from the adoption of IFRS 16 on the group's statement of financial position as of January 1, 2019 are as follows:

- recognition of rights of use of Euro 137 million;
- recognition of a non-current financial lease liability of Euro 116 million;
- recognition of a current financial lease liability of Euro 21 million.

The incremental borrowing rate applied to the financial liabilities resulting from lease agreements recognized in the statement of financial position as at January 1, 2019 is between 0.6% and 6.27%.

With regard to the impact on profit or loss, the recognition of depreciation of right-of-use assets and of the interest expense on the financial liabilities of an amount equal to the present value of the minimum lease payments due, in place of lease expense (operating lease payments under IAS 17), has had the following effects:

- a positive impact on service costs, totalling Euro 37 million;
- a negative impact on depreciation of property, plant and equipment, totalling Euro 34 million;
- a negative impact on financial expenses of Euro 6 million;
- use of the assessment conducted as at December 31, 2018 applying the rules in IAS 37 in relation to an assessment of whether a lease is an onerous contract, as an alternative to performing an impairment review.

With regard to contracts in which group companies are the lessor, these leases continue to be classified as operating leases (essentially relating to the sub-concessions for the lease of retail and refreshment areas on motorways operated under concession). The introduction of IFRS 16 has therefore not had any impact in relation to these transactions.

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 financial instruments issued by the acquirer in exchange for control of the acquiree. The ancillary expenses 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 do not give rise to the respective recognition of goodwill or capital gains or losses in the income statement, but are considered transactions between shareholders that only have an effect on shareholders' equity.
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.

The depreciation rates applied in 2019 are within the ranges shown below by category of asset:

	2019
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	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.

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 expenses 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 is recovered in the form of payments received from road users and may include one or more of the following:

a. the fair value of construction and/or upgrade services carried out for the grantor, less finance-related amounts, consisting of (i) the amount funded by government grants, (ii) the amount that will be unconditionally paid by replacement operators on termination of the concession (so-called "takeover rights"), and/or (iii) any minimum level of tolls or revenue guaranteed by the grantor. In particular, the following give rise to intangible assets deriving from concession rights:
   1. rights received as consideration for specific obligations to provide construction services for road widening and improvement for which the operator does not receive additional economic benefits. These rights are initially recognised at the fair value of the construction services to be provided in the future (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services), with a contra entry of an equal amount in "Provisions for construction services required by contract", accounted for in liabilities in the statement of financial position. In addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the fair value of the part of the construction services still to be rendered at the end of the reporting period (equal to their present value, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services);
   2. rights received as consideration for construction and/or upgrade services rendered for which the operator receives additional economic benefits in the form of specific toll increases and/or significant increases in the expected number of users as a result of expansion/upgrade of the infrastructure;
   3. rights to infrastructure constructed and financed by service area concession holders which will revert free of charge to Group companies on expiry of the related concessions;
b. rights acquired from third parties, to the extent costs were incurred to acquire concessions from the Grantor or from third parties (the latter relating to the acquisition of control of a company that holds 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 over the concession term in a pattern that reflects the estimated manner in which the economic benefits embodied in the right are consumed; amortisation rates are, consequently, determined taking, among other things, any significant changes in traffic volumes during the concession term into account.
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.

Rights of use
The Right of use for leased assets is recognised under assets at the commencement date of the lease contract, i.e. the date on which a lessor makes the underlying asset available to the lessee. In some circumstances, the lease contract may contain various lease components and, as a result, the commencement date must be determined for each single lease component.
This item is initially measured at cost, and includes the initial valuation of the Financial lease liabilities, the lease payments made prior to or at the commencement date of the contract and any other initial direct cost. The item may be subsequently adjusted further in order to reflect any recalculations of the lease assets/liabilities.
The Right of use for leased assets is depreciated on a straight-line basis each year over the lease term of the contract or the underlying asset's residual useful life, whichever is shorter. Amortisation is begun at the start date of the lease.
In the event that, irrespective of the amortisation previously recorded, impairment arises, determined in accordance with the criteria described in the principle of burdensome contracts, the asset is proportionately written down.

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
Equity investments in unconsolidated subsidiaries are carried at cost, including directly attributable ancillary expenses. The cost is adjusted for any impairment, in accordance with the criteria set out in IAS 36.
Equity investments in associates and joint ventures are measured at equity, recognising the Group's share of income or loss accrued during the year in the income statement, with the exception of the effects of other changes in shareholders' equity of the investees other than transactions with shareholders, which are directly reflected in the Group's statement of comprehensive income. Moreover, as part of measuring the value of the equity investment, the above method recognises the fair value of the assets and liabilities held by the investee as well as any goodwill, determined referring to the time of acquisition of the equity investment, and subsequently measures them in the following years based on the accounting standards and policies illustrated in these notes.
According to IFRS 11, interests in joint ventures are carried using the equity method, while interests in joint operations are recognised using the proportional consolidation method.
Equity investments in other companies, classified in the residual category envisaged by IAS 9, are measured at fair value through profit or loss. In the event of investments in equity instruments not held for trading, on initial recognition, the entity may irrevocably choose to measure these at fair value, recognising the subsequent changes in the statement of comprehensive income.
If the fair value cannot be reliably measured, equity investments are valued at cost, net of impairment losses.

Held for sale investments or those acquired as a temporary investment are recognised at the lower of their carrying value 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

Classification and related measurement of financial assets 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:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that solely represent the returns on the financial assets (principal and interest).

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.
Receivables measured at amortised cost are initially recognised at the fair value of the underlying asset, net of any directly attributable transaction income. Measurement at amortised cost is carried out using the effective interest rate method, net of any impairment recognised in the income statement with regard to doubtful accounts. The amount of the provisions is based on the present value of expected future cash flows. These flows take account of expected collection times, estimated realisable value, any guarantees received, 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 value of the amortised cost of the receivable had no previous impairment losses been recognised.

Trade receivables whose maturity falls within the normal commercial terms or which do not have significant financial components are not discounted.
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 and, based on its contract, the financial asset generates cash flows at set dates that exclusively represent the returns on the financial asset.
Lastly, any residual financial assets held other than those described above are classified as assets held for trading and are measured at fair value through profit or loss.

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 impairment losses recorded in specific provisions for doubtful accounts. The amount of the provisions is based on the present value of expected future cash flows. These flows take account of expected collection times, estimated realisable value, any guarantees received, 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 outlay 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.
Provisions for the repair and replacement of motorway infrastructure assets refer entirely to the Atlantia group and cover the liability represented by the contractual obligation to repair and replace motorway infrastructure, as required by the concession arrangements entered into by the Group's motorway operators and the respective grantors with the aim of ensuring the necessary serviceability and safety. These provisions are calculated on the basis of the usage and state of repair of motorways at the end of the reporting period, taking into account, if material, the time value of money.
Provisions for construction services required by contract relate to any outstanding contractual obligations for construction services to be performed, having regard to motorway expansion and upgrades for which the operator receives no additional economic benefits in terms of a specific increase in tolls and/or a significant increase in expected use of the infrastructure. Since the performance of such obligations is treated as part of the consideration for the concession, an amount equal to the fair value of future construction services (equal to the present value of the services, less the portion covered by grants, and excluding any financial expenses that may be incurred during provision of the services) is initially recognised as a contra item of concession rights without additional benefits. The fair value of the residual liability for future construction services is, therefore, periodically reassessed and changes to the measurement of the liabilities (such as, for example, changes to the estimated cash outflows necessary to discharge the obligation, a change in the discount rate or a change in the construction period) are recognised as a matching increase or reduction in the corresponding intangible asset. Any increase in provisions to reflect the time value of money is recognised as a financial expense.

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.

Financial lease liabilities
Financial lease liabilities equal the present value of the minimum lease payments due and not paid at the commencement date, including those determined based on an index or a rate (initially measured using the index or rate at the commencement date of the contract), as well as any penalties set out if the lease term provides the option of early termination of the lease and the exercise of that option is estimated as reasonably certain. The present value is determined using the interest rate implicit in the lease. Where it is not possible to easily determine this rate, the Group uses the incremental borrowing rate, as the discount rate. The lease liabilities are subsequently increased by the interest that accrues on that liability and decreased by the lease payments made.
The lease liability is redetermined if the minimum future lease payments due change, as a result of:
- a change in the index or rate used to determine those payments: in such cases, the lease liability is redetermined by discounting the new lease payments using the initial discount rate;
- a change in the duration of the lease contract or a change in the assessment of whether the option right for purchase, extension or early termination of the contract will be exercised: in such cases, the lease liability is redetermined by discounting the new minimum lease payments due using the revised discount rate;
- contractual changes that are not included in the cases for separate recognition of a new lease contract: in such cases, the lease liability is redetermined by discounting the new minimum lease payments due using the revised discount rate.

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 reporting 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 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. The amount recognised as revenue reflects the consideration to which the company is entitled in exchange for goods transferred to the customer and services rendered.
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 airport charges are recognised when the facilities are utilised by airport users;
- 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 reporting 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 are 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.
Provision of the above services also includes construction and/or upgrade services provided to Grantors, in application of IFRIC 12, and relating to concession arrangements to which certain Group companies are party. These revenues represent the consideration for services provided and are measured at fair value, calculated on the basis of the total costs incurred (primarily consisting of the costs of materials and external services, the relevant employee benefits and attributable financial expenses, the latter only in the case of construction and/or upgrade services for which the operator receives additional economic benefits) plus any arm's length profits realised on construction services provided by Group entities (insofar as they represent the fair value of the services). The double entry of revenue from construction and/or upgrade services is represented by a financial asset (concession rights and/or government grants) or an intangible asset deriving from concession rights.

Financial income and charges
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 reporting 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 reporting date.

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.
It is possible to offset deferred tax assets and liabilities only if it is possible to offset the current tax balances and if the deferred balances refer to taxes levied by the same tax authorities.

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.

Operations in hyperinflationary economies
As required by IAS 29, the Group conducts an analysis to verify whether the operations of a subsidiary are expressed in a functional currency of a hyperinflationary economy.
As a result of the application of the above standard, costs and revenues were translated at the exchange rate in force at the reporting date. All income statement items were restated by applying the change in the general consumer price index from the date on which the costs and revenues were initially recorded in the financial statements to the reference date thereof.
With regard to the statement of financial position, monetary elements were not restated, as they were already express in the current unit of measure at the period-end date. Instead, non-monetary assets and liabilities were revalued to reflect the loss of purchasing power of the local currency that occurred from the date on which the assets and liabilities were initially recognised to the period-end date.

COMMENTS ON ASSETS ITEMS

(All figures in millions 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:

(Millions of Euro)			12.31.2019			12.31.2018
	Gross value	**Accumulated depreciation and impairment**	**Net value**	**Gross value**	**Accumulated depreciation and impairment**	**Net value**
Land and buildings	1,139	(471)	668	1,183	(476)	707
Investment property	526	(62)	464	370	(54)	316
Plant, machinery and equipment	2,789	(2,263)	526	2,750	(2,188)	561
Furniture, furnishings and electronic equipment	1,319	(1,072)	247	1,304	(1,037)	267
Assets to be relinquished	341	(264)	77	337	(263)	75
Leasehold improvements	1,498	(928)	570	1,397	(900)	497
Other property, plant and equipment	329	(205)	124	289	(181)	108
Assets under construction and advances	234	-	234	182	-	182
Total	**8,175**	**(5,265)**	**2,910**	**7,812**	**(5,099)**	**2,713**

The following table reports changes in 2019 in property, plant and equipment, stated net of accumulated depreciation.

(Millions of Euro)	Land and buildings	Investment property	Plant, machinery and equipment	Furniture, furnishings and electronic equipment	Assets to be relinquished	Leasehold improve-ments	Other property, plant and equipment	Assets under construc-tion and advances	Total
Opening balance	**707**	**316**	**562**	**267**	**74**	**497**	**108**	**182**	**2,713**
Additions	23	151	75	58	13	36	32	314	702
Disposals	(16)	-	(5)	(9)	-	(1)	(1)	(4)	(36)
Depreciation	(23)	(5)	(192)	(65)	(17)	(121)	(29)	-	(452)
Impairment	(3)	-	(4)	(1)	(1)	(5)	-	-	(14)
Impairment reversals	-	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	(3)	-	-	2	-	12	11
Reclassification to assets held fro sale	(2)	-	-	-	-	-	-	-	(2)
Translation differences	1	-	3	(1)	-	7	1	(1)	10
Other movements	(19)	2	90	(2)	8	155	13	(269)	(22)
Closing balance	**668**	**464**	**526**	**247**	**77**	**570**	**124**	**234**	**2,910**

Investments in property, plant and equipment in 2019 amounted to Euro 702 million, and comprise Euro 327 million attributable to the Autogrill group, Euro 168 million to the Atlantia group, Euro 167 million to the Edizione Property group and Euro 22 million to the Benetton group.

The impairment recorded during the year came to Euro 14 million. Refer to the process of impairment of intangible assets set out in Note 2 – Intangible assets.

Changes in scope essentially concerned the acquisition of the Pacific Gateway Concessions group, net of sales of motorway operations of the Autogrill group in Canada and the Czech Republic.

Translation differences mostly concern the Autogrill group.

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 lease contracts or concession arrangements.

The fair value of investment property is greater than the stated carrying amount.

At December 31, 2019 property, plant and equipment was encumbered by liens, mortgages or other collateral for an amount of Euro 63 million, referring to the Abertis group.

2 — Right of use for leased assets

The adoption of the new accounting standard IFRS 16 resulted in the recognition of a new statement of financial position asset item representing the right of use of goods operated under lease or concession contracts. The item Right of use for leased assets, equal to Euro 2,718 million, was determined for the first time on January 1, 2019 based on the present value of the minimum future fixed or substantially fixed payments due on concession or lease contracts outstanding as of that date, and updated due to new contracts awarded.

The item Buildings refers essentially to area concessions, business leases and commercial leases, while Other assets consist mainly of leased vehicles:

(Millions of Euro)			12.31.2019
	Gross value	**Accumulated depreciation and impairment**	**Net value**
Buildings	3,095	(427)	2,668
Other assets	75	(25)	50
Total	**3,170**	**(452)**	**2,718**

The following table reports changes in 2019 in Rights of use for leased assets.

(Millions of Euro)	Buildings	Other assets	Total
Opening balance	**2,807**	**8**	**2,815**
Additions	223	35	258
Disposals	(14)	(1)	(15)
Depreciation	(428)	(24)	(452)
Impairment	(6)	-	(6)
Impairment reversals	-	-	-
Changes in scope of consolidation	57	-	57
Reclassification to assets held for sale	-	-	-
Translation differences	30	-	30
Other movements	(1)	32	31
Closing balance	**2,668**	**50**	**2,718**

The increases refer to new contracts of the Autogrill group (Euro 184 million), mainly in the United States.

The changes in scope refer to the acquisition of Pacific Gateway Concessions during the current year (Euro 58 million), net of decreases connected with the sales of the Canadian motorway operations, limited to one concession which provided for minimum guaranteed future payments.

3 — Goodwill and other intangible assets of indefinite useful life

The following table summarises changes in 2019 and in 2018 in Goodwill and other intangible assets of indefinite useful life:

(Millions of Euro)	12.31.2019	12.31.2018
Opening balance	**13,918**	**6,005**
Additions	-	-
Disposals	-	-
Impairment	(50)	-
Changes in scope of consolidation	61	7,889
Translation differences	15	24
Other movements	-	-
Closing balance	**13,944**	**13,918**

Goodwill and other intangible assets of indefinite useful life, at December 31, 2019, consists essentially of:

- the goodwill referred to the Atlantia group (Euro 13,089 million), broken down as follows:
  - Euro 7,869 million relating to the goodwill allocated on the acquisition of the Abertis group, as illustrated in Note 58, to which reference is made;
  - Euro 5,046 million relating to the goodwill allocated to Autostrade per l'Italia, recognised in 2003 as a result of the acquisition of the majority interest in the former 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 116 million relating to the goodwill recognised following the acquisition of control over the Aéroports de la Côte d'Azur group in 2016;
  - Euro 58 million from the goodwill recognised following the acquisition of control over Autopistas Trados-45 in 2019;
- the goodwill referred to the Autogrill group (Euro 809 million).

Goodwill and other intangible assets of indefinite useful life are subject to impairment testing once a year. In 2019 an impairment loss was recognised for Euro 50 million relating to the goodwill of Aéroports de la Côte d'Azur.

Translation differences pertain to the Autogrill group.

4 — Other intangible assets

Changes in the principal intangible asset items in 2019 were as shown in the table below:

(Millions of Euro)	Intangible assets deriving from concession rights	Commercial contractual relations	Concessions, licenses, trademarks and similar rights	Deferred charges	Other intangible assets	Total
Opening balance	**49,329**	**230**	**158**	**25**	**341**	**50,083**
Additions	-	-	28	2	99	129
Additions due to execution of construction services	903	-	-	-	-	903
Changes due to update of concession plans	93	-	-	-	-	93
Disposals	-	-	-	-	-	-
Amortisation	(3,581)	(32)	(40)	(5)	(92)	(3,750)
Impairment	-	-	(1)	-	-	(1)
Impairment reversals	-	-	-	-	-	-
Changes in scope of consolidation	88	-	23	-	-	111
Translation differences	(400)	-	-	-	-	(400)
Other movements	20	-	4	(3)	1	22
Closing balance	**46,452**	**198**	**172**	**19**	**349**	**47,190**

Intangible assets deriving from concession rights pertain solely to the Atlantia group and are broken down as follows:

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Acquired concession rights	31,690	34,706
Concession rights deriving from construction services for which no additional economic benefits are received	7,548	7,859
Concession rights deriving from construction services for which additional economic benefits are received	7,155	6,705
Concession rights deriving from construction services carried on by service area sub-operators	59	59
Total	**46,452**	**49,329**

The various categories of Intangible assets deriving from concession rights are described in the Accounting policies – Intangible assets.

The main changes in this item, compared to the previous year, are:
- an increase of Euro 903 million in the amount of investments carried out in 2019 relating to construction and/or upgrade services for which additional economic benefits are received;
- revised estimate of the present value of construction services to be rendered in the future, Euro 93 million;
- amortisation of Euro 3,581 million;
- the consolidation of Autopistas Trados-45 for Euro 88 million, following the acquisition of control finalised in 2019;
- the negative balance of exchange losses amounting to Euro 400 million, mainly attributable to devaluation of the Brazilian real and the Chilean peso.

The item Commercial contractual relations refers to the fair value measurement of the assets and liabilities acquired with the Aeroporti di Roma group in 2013. Its change is exclusively due to the amortisation charges for the year.

Concessions, licenses, trademarks and similar rights at December 31, 2019 refer to the Autogrill group for Euro 103 million: the change in scope compared to the previous year is attributable to the allocation of the higher value paid by the Autogrill group for the net assets of Pacific Gateway Concessions acquired.

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.

Other intangible assets mainly include the cost of purchasing and developing software (Euro 50 million), costs for assets under construction and advances (Euro 71 million) and research and development costs (Euro 46 million).

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.
In terms of Aéroports de la Côte d'Azur, operating cash flows resulting from the long-term business plan prepared by the company, discounted at a rate of 4.41% indicated the partial recoverability of the value recognised as goodwill for that CGU, with the resulting impairment thereof in the amount of Euro 50 million.

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 2020 budget and forecasts for 2021-2022, 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 2019 the goodwill allocated to each CGU was found to be fully recoverable.

The impairment test on the Benetton group was conducted based on the following:

- 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. In 2019, the rights of use deriving from the lease contracts related to the store CGUs, which emerged on January 1, 2019 as a result of the application of IFRS 16, were attributed to the store CGU. In accordance with that set out in the standard, these right-of-use assets were subjected to impairment testing both on initial recognition, based on the assumptions used by the group for the impairment test in the previous year, and at December 31, 2019. If value in use is found to be lower than the carrying amount of the CGU, the latter's assets have been impaired. It is noted that, in the specific case of just the right-of-use assets, where the impairment test conducted at the date of first-time adoption of IFRS 16 reported a value in use lower than the value of the right-of-use assets, Benetton recognised the resulting impairment loss in Shareholders' equity at January 1, 2019. In 2019 the classes of assets for which impairment losses were recognised included furniture and furnishings, deferred charges ("key money") and leasehold improvements mainly in Italy, Germany, Switzerland, France and Spain;
- 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 2019, a "fonds de commerce" in Belgium was subject to impairment;
- 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 sufficient to cover the value of the same.

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.
In 2019, the value of the Textiles and Clothing CGUs was found consistent in relation to the relevant capital employed.
Impairment of Euro 1 million was recognised, relating to three operating properties.

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 2019 operating properties were subject to impairment of Euro 1 million.

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 a minimum of 0.5% to a maximum of 2.3%. 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.

It should be noted that, in view of the timing of the World Health Organisation's announcement of the Covid19 pandemic, this was considered a subsequent event of a "non-adjusting" type and, as such, not classifiable as an indicator of impairment at the end of 2019. Accordingly, the financial forecasts and discount rates used in the impairment tests are based on the existing conditions and information as at December 31, 2019.

The results of impairment testing in 2019 are summarised in the following table which reports, by business segment and type of asset, the impairment losses recognised for the year:

(Millions of Euro)	Transport Infrastructure	Food and Beverage	Clothing and Textiles	Real Estate and Agriculture	Total
Property, plant and equipment					
Land and buildings	-	-	2	1	3
Plant, machinery and equipment	-	4	-	-	4
Furniture, furnishings and electronic equipment	-	-	1	-	1
Leasehold improvements	-	5	-	-	5
Other	-	1	-	-	1
Total property, plant and equipment	**-**	**10**	**3**	**1**	**14**
Rights of use	**-**	**-**	**6**	**-**	**6**
Intangible assets					
Intangible assets of indefinite useful life	50	-	-	-	50
Intangible assets of finite useful life	-	1	-	-	1
Total intangible assets	**50**	**1**	**-**	**-**	**51**
Total	**50**	**11**	**9**	**1**	**71**

5 — Equity investments in subsidiaries

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

6 — Equity investments in associates and joint ventures

Equity investments in associates and joint ventures are measured using the equity method. For each equity investment, that measurement was made using the latest income statements and statements of financial position approved and made available by the investees. If the interim statements were not available at December 31, 2019, the latest approved accounting statements were supplemented with estimates, drawn up based on the available information and adjusted, where necessary, to align them with the accounting standards applied by the Group.

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

(Millions of Euro)	12.31.2019		12.31.2018	
	% held	Carrying amount	% held	Carrying amount
Cellnex Telecom S.A.	29.90%	2,547	29.90%	1,474
Getlink S.E.	15.49%	980	15.49%	1,041
Aeroporto Guglielmo Marconi di Bologna S.p.A.	29.38%	161	29.38%	163
Other		485		521
Total		**4,173**		**3,199**

The table below shows changes during the year in Equity investments in associates and joint ventures:

(Millions of Euro)	**Balance at 12.31.2018**	**Capital increases**	**Changes in scope of consolidation**	**Equity value effect in other comprehen-sive income**	**Equity value effect in profit and loss**	**Balance at 12.31.2019**
Cellnex Telecom S.A.	1,474	1,107	-	(39)	5	2,547
Getlink S.E.	1,041	-	-	21	(82)	980
Aeroporto Guglielmo Marconi di Bologna S.p.A.	163	-	-	3	(28)	138
Other	521	3	(3)	(3)	(10)	508
Total	**3,199**	**1,110**	**(3)**	**(18)**	**(115)**	**4,173**

Cellnex is a wireless telecom and radio broadcasting infrastructure operator, the European leader, that operates in Spain, Italy, the Netherlands, France, Switzerland and the United Kingdom, and is listed on the Madrid Stock Exchange.
The value of the equity investment increased on December 31, 2018 following the subscription and payment of two share capital increases resolved by the associate Cellnex during 2019. In detail:

– on March 22, 2019, ConnecT subscribed 20,052,791 newly-issued Cellnex shares, for a total amount of Euro 359 million;
– on November 4, 2019, ConnecT subscribed 25,933,374 newly-issued Cellnex shares, for a total amount of Euro 748 million.

The effect of measurement using the equity method was negative for Euro 34 million.

Getlink is the company that manages the concession for the Channel Tunnel between the UK and France, and is listed on the Paris and London Stock Exchanges. The effect of measurement using the equity method was negative for Euro 61 million.

For the purpose of the additional disclosure required by IFRS 12, the key figures from the statements of financial position and income statements taken from the financial statements at December 31, 2019 of the Cellnex group, Getlink and Aeroporto Guglielmo Marconi di Bologna S.p.A. ("AdB S.p.A.") are shown below:

(Millions of Euro)	**Cellnex Telecom S.A.**	**Getlink S.E.**	**AdB S.p.A.**
Current assets	2,721	685	51
Non-current assets	10,280	15,523	588
Current liabilities	661	337	60
Non-current liabilities	7,289	9,542	61
Revenues	1,031	1,085	125
Income/(Loss) from operating activities	(18)	139	9
Capital gain/(loss), net of tax, from discontinued operations	-	-	-
Other items of comprehensive income	(2)	(342)	-
Total comprehensive income	**(20)**	**(203)**	**9**
- of which Group	(11)	(203)	9
- of which non-controlling interests	(9)	-	-

7 — Equity investments in other companies

This item relates to equity investments that can be classified in the residual category set out by IFRS 9 “Other financial assets at fair value”. For some equity investments recognised in this item, the irrevocable option was exercised, as permitted by the standard, to recognise the changes in fair value through other comprehensive income instead of in the income statement.

Equity investments in other companies are as follows:

(Millions of Euro)		12.31.2019		12.31.2018
	% held	**Carrying amount**	**% held**	**Carrying amount**
Hochtief A.G.	23.86%	1,916	23.86%	1,984
Assicurazioni Generali S.p.A.	4.00%	1,157	3.33%	757
Mediobanca S.p.A.	2.10%	187	2.10%	141
Prysmian S.p.A.	0.89%	51	0.44%	20
Other		131		188
Total		**3,442**		**3,090**

With regard to the equity investment held in Hochtief A.G., on March 27, 2019, Atlantia entered into a derivative financial instrument called a “funded collar" involving 5.6 million shares in Hochtief (representing approximately 33% of the total shares held by Atlantia and approximately 8% of the interest in Hochtief). The aim of the hedging strategy implemented by Atlantia is to eliminate the risk that movements in the price of the Hochtief share would take the share price below a certain floor (the put strike price) and to benefit from increases in the share price up to a certain cap (the call strike price).
The derivative is associated with a collar financing transaction with a value of Euro 752 million (disbursed by Goldman Sachs International (GS) on April 1, 2019). The financing has an average term to maturity of 6.5 years and with scheduled repayments between September 2024 and March 2026, potentially via the sale of the Hochtief shares at prices within the agreed range.
At the same time, Atlantia and GS agreed a stock lending facility involving the shares used to secure the financing (5.6 million shares, as above). Under this facility, the Company has transferred the financial rights (dividends) and non-financial rights (voting rights) attaching to the shares securing the loan, whilst retaining the rights attaching to the remaining shares.

In 2019, the subsidiary Schematrentatre acquired on the market 10,670,000 shares of Assicurazioni Generali for a consideration of Euro 161 million.

From December 2018 to January 2019, the Parent Company acquired on the market 7,776,183 shares of Prysmian S.p.A. for a price of Euro 141 million.
In December 2019, considering the favourable trend of the share on the market, Edizione began the gradual sale of the shares held, which was concluded in January 2020. At December 31, 2019 the Parent Company sold 5,382,718 shares of Prysmian S.p.A. for a price of Euro 113 million, realising a capital gain in the statement of comprehensive income of Euro 16.3 million. At the same date, Edizione continued to hold 2,393,465 shares, whose fair value amounted to Euro 51 million.

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

(Millions of Euro)	**Fair value at 12.31.2018**	**Additions**	**Disposals**	**Fair value adjustments**	**Other movements**	**Fair value at 12.31.2019**
Hochtief A.G.	1,984	-	-	(67)	(1)	1,916
Assicurazioni Generali S.p.A.	757	161	-	239	-	1,157
Mediobanca S.p.A.	141	-	-	46	-	187
Prysmian S.p.A.	20	121	(113)	7	16	51
Other	188	1	-	-	(58)	131
Total	**3,090**	**283**	**(113)**	**225**	**(43)**	**3,442**

8 — Investment securities

The balance refers almost exclusively to the fair value at December 31, 2019 of the units of mutual funds held by the Parent Company (Euro 21 million), which were classified, based on the provisions of IFRS 9, as Financial assets at fair value through profit or loss. The fair value of mutual funds at the reporting date matches the Net Asset Value at the same date.

9 — Other current and non-current financial lease assets

The recognition of the item Financial lease assets exclusively derives from the application of the new accounting standard IFRS 16 and represents the transfer of some of the rights of use held by the Group to third parties, through sublease contracts.

10 — Other non-current financial assets

The item at December 31, 2019 includes the following amounts:

(Millions of Euro)	Current portion	Non-current portion	12.31.2019	Current portion	Non-current portion	12.31.2018
Financial assets deriving from concession rights	559	3,010	3,569	536	2,990	3,526
Convertible term deposits	432	321	753	245	350	595
Financial assets deriving from government grants related to construction services	63	214	277	74	283	357
Loans from Group companies	-	573	573	-	535	535
Derivatives	77	247	324	54	144	198
Accrued income on derivatives	65	-	65	65	-	65
Other financial assets and receivables from third parties	188	427	615	71	422	493
Other accrued income and prepaid expenses	5	-	5	6	-	6
Total	**1,389**	**4,792**	**6,181**	**1,051**	**4,724**	**5,775**

The item Financial assets deriving from concession rights is mainly composed of:
- the receivables of the Abertis group's operators for Euro 2,154 million, relating to the accrued amounts due from the grantors for the remuneration of investments made (Euro 2,036 million) and due to the minimum guaranteed level of tolls (Euro 118 million);
- the financial assets relating to the Chilean motorway operator Costanera Norte to make the motorway investments envisaged by the programme "Santiago Centro Oriente" (Euro 474 million);
- the present value of the financial assets deriving from concession rights due to the minimum level of tolls guaranteed by the Grantor, in accordance with the concession agreements signed by several Chilean operators in the Atlantia group (Euro 531);
- the value of the takeover rights of Autostrade Meridionali (Euro 409 million), that the motorway operator that will take over the concession shall pay to the company, to compensate for investments carried out during the final years of managing the concession that have not yet depreciated.

The change on the previous year mainly refers to the interest accrued during 2019 on the receivables of the operators due from the grantors, partially offset by collections during the year.

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.

Loans 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 change in the item Derivatives mainly refers to the recognition of fair value gains on the derivative financial instrument called a "funded collar" entered into by Atlantia with Goldman Sachs International at the end of March 2019, to hedge the risk deriving from movements in the market price of Hochtief's shares (Euro 170 million), as stated in Note 7 – Equity investments in other companies.

The item Accrued income on derivatives pertains to Atlantia group.

The item Other financial assets and receivables from third parties mainly refers to the Atlantia group.

11 — Other non-current receivables

Other non-current receivables, equal to Euro 162 million at December 31, 2019, include the contributions of:
- the Benetton group for trade receivables (Euro 2 million), security deposits (Euro 21 million) and VAT credits (Euro 1 million);
- the Autogrill group for concession fees paid in advance (Euro 5 million), security deposits (Euro 23 million) and interest-bearing cash and cash equivalents with third parties (Euro 11 million);
- the Atlantia group, for other receivables (Euro 77 million), mainly referring to the recognition of assets connected with the concession arrangements entered into with the Chilean operators Ruta 78-68 and Avo II of the Costanera group in 2018.

12 — Deferred tax assets

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

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Tax effect on deductible intercompany goodwill	117	201
Tax effect on the adoption of IFRIC 12	372	382
Tax effect on provisions and costs that will be deductible in future periods	1,577	1,041
Tax effect on different basis for amortisation, depreciation and impairment	240	278
Benefit on carried forward tax losses	452	413
Tax effect on transactions in financial derivatives	482	155
Other deferred tax assets	283	325
Total deferred tax assets	**3,523**	**2,795**
Total offsettable deferred tax liabilities	(1,228)	(998)
Net deferred tax assets	**2,295**	**1,797**

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 of net non-offsettable deferred tax assets at December 31, 2019, equal to Euro 2,113 million, primarily includes:
- taxes relating to the portions of provisions for risks and charges deductible in future years (Euro 1,453 million), which, in 2019, include the increase referred to the provision of Euro 1,500 million recognised by Autostrade per l'Italia;
- the deferred tax assets (Euro 372 million) recognised as a result of the impact of taxation of adoption of IFRIC 12 by Autostrade per l'Italia, to be released throughout the life of the concession;
- the residual deferred tax assets (Euro 117 million) arising from the transfer of motorway assets to Autostrade per l'Italia and that company's recognition of deductible goodwill.

Benetton group
The item, amounting to Euro 94 million, mainly refers to tax benefits related to the release of the amounts 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 provision for doubtful accounts, the inventory write-down provision and the provisions for risks and charges).
Additional tax benefits of Euro 195 million were not recognised at the reporting date.

CURRENT ASSETS

13 — Inventories

Inventories are broken down below:

(Millions of Euro)	12.31.2019	12.31.2018
Raw materials, other materials and consumables	261	251
Work in progress and semi-manufactured products	62	60
Finished goods and construction contracts in progress	266	289
Total	**589**	**600**

Inventories are stated net of the write-down provision of Euro 43 million (Euro 53 million at December 31, 2018), of which Euro 31 million pertains to the Benetton group and Euro 10 million to the Olimpias group.

14 — Trade receivables

At December 31, 2019, trade receivables, net of the provision for doubtful accounts, were as follows:

(Millions of Euro)	12.31.2019	12.31.2018
Trade receivables	3,355	3,033
Provision for doubtful accounts	(772)	(617)
Total	**2,583**	**2,416**

The balance of Trade receivables includes mainly the contribution of the Atlantia group, Euro 2,272 million, and of the Benetton group, Euro 229 million.
Gross of the provision for doubtful accounts, the item increased substantially due to the increase in receivables due from motorway customers, reflecting both growth in traffic on the motorway network managed in 2019 and the performance of billing, which led to a delay, until early January 2020, in the collection of tolls billed in arrears.

Changes in the Provision for doubtful accounts are summarised below:

(Millions of Euro)	Opening balance	Additions	Uses	Releases to income statement	Translation differences	Change in scope of consolidation and other movements	Closing balance
Provision for doubtful accounts	617	198	(29)	(1)	(35)	22	772

15 — Tax receivables

This item includes:
- tax refunds due in the amount of Euro 979 million (Euro 892 million at December 31, 2018), whose change is mainly attributable to the increase in income taxes of foreign companies of the Atlantia group;
- other tax receivables relating to tax refunds for Euro 51 million (Euro 59 million at December 31, 2018): in particular, the item includes receivables referring to the IRES refund due under Art. 2 of Decree Law 201/2001 and Art. 6 of Decree Law 185/2008, submitted by the Group companies. In December 2019, receivables of Euro 6 million were paid. Additional refunds of Euro 7 million were received in May 2020.

16 — Other current receivables

Other current receivables are detailed in the table below:

(Millions of Euro)	12.31.2019	12.31.2018
Advances paid to suppliers	70	77
VAT credits	164	107
Receivables due from motorway end-users and insurance companies for damages	18	19
Advances to employees and agents	6	6
Receivables from social security institutions	4	7
Receivables from public entities	185	198
Other receivables from tax authorities	103	76
Other receivables	187	270
Fees for leases, concessions and operating leases	8	27
Other accrued income and prepaid expenses	116	117
Total	**861**	**904**

Advances paid to suppliers concern the Autogrill group for Euro 42 million, comprised of promotional contributions and bonuses from suppliers awaiting settlement, the Atlantia group for Euro 23 million, consisting of advances paid to providers of services and the Benetton group for Euro 4 million.

The increase in VAT credits is due for Euro 50 million to the Abertis group and to the VAT on the invoices received by Autostrade per l'Italia in relation to demolition and reconstruction of the Polcevera road bridge (Euro 26 million).

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

Receivables from public entities refer to the Atlantia group, primarily including amounts due from grantors to certain Spanish operators (primarily Acesa, totalling Euro 38 million) and Chilean operators (Rutas del Pacifico, totalling Euro 25 million, and Autopista Central, totalling Euro 13 million) for construction services outside the scope of IFRIC 12. This item also includes amounts receivable by Autostrade per l'Italia in the form of advances paid to the Special Commissioner in relation to demolition and reconstruction of the Polcevera road bridge (Euro 29 million).

Other receivables from tax authorities also include the credits for tax relief granted under the “Contribution Économique Territoriale” scheme in France (Euro 27 million).

Other accrued income and prepaid expenses refer to maintenance fees, insurance policies, advertising and sponsorship costs. The change on the previous year is mainly attributable to the Abertis group.

This item is shown net of the provision for doubtful accounts, at Euro 31 million, of which Euro 30 million pertains to the Atlantia group.

17 — Cash and cash equivalents

This item can be broken down as follows:

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Time deposits	1,063	1,156
Bank current accounts	4,665	4,568
Cash in hand	111	92
Cheques	6	4
Total	**5,845**	**5,820**

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned.

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.

18 — Assets and liabilities held for sale

At December 31, 2019 and 2018 this item was made up as follows:

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Assets held for sale		
Property, plant and equipment	5	1,424
Equity investments	4	71
Financial assets	-	41
Deferred tax assets	-	-
Trading assets	-	91
Other assets	-	-
Total assets held for sale	**9**	**1,627**

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Liabilities held for sale		
Financial liabilities	-	315
Trading liabilities	-	9
Other liabilities	-	215
Total liabilities held for sale	**-**	**539**

Assets and liabilities held for sale at December 31, 2019 referred to Euro 4 million for the residual 2% of the equity investment in Strada dei Parchi of the Atlantia group.
In addition to the above-mentioned equity investment, Assets and liabilities held for sale at December 31, 2018 referred to the Hispasat group for a net amount of Euro 1,021 million, whose sale was finalised on February 12, 2019.

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS

(All figures in millions of Euro)

SHAREHOLDERS' EQUITY

Shareholders' equity attributable to the Parent Company
On June 24, 2019, the Annual General Meeting of Edizione S.r.l. approved a dividend totalling Euro 150 million, which was paid in July 2019.

19 — Share capital

At December 31, 2019 the share capital of Edizione S.r.l. amounted to Euro 1,500 million, fully subscribed and paid in and divided into quotas.

20 — Fair value and hedging reserve

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

21 — Other reserves and retained earnings

Amounting to Euro 5,809 million at the close of the year (Euro 5,786 million at December 31, 2018), this item includes:
- Euro 117 million for the Parent Company's legal reserve;
- Euro 2,165 million for the Parent Company's other reserves;
- Euro 3,527 million representing the shareholders' equity of consolidated companies in excess of their carrying value, together with other consolidation entries.

22 — 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 components of comprehensive income and the related tax effect are summarised below:

(Millions of Euro)	Gross value	Financial gains/ (losses)	Net value
Gains/(Losses) from fair value measurement of cash flow hedges	(505)	119	(386)
Gains/(Losses) from fair value measurement of net investment hedges	(35)	2	(33)
Gains/(Losses) from translation of assets and liabilities of consolidated companies denominated in functional currencies other than the Euro	(316)	-	(316)
Gains/(Losses) from investments in associates and JVs accounted for using the equity method	(84)	10	(74)
Other fair value gains/(losses)	(5)	1	(4)
Other comprehensive income/(loss) for the year reclassifiable to profit or loss	-	-	-
Total other comprehensive income/(loss) for the year reclassifiable to profit or loss	**(945)**	**132**	**(813)**
Gains/(Losses) from fair value measurement of fair value hedges	102	1	103
Gains/(Losses) from fair value measurement of equity investments (FVTOCI)	241	1	242
Actuarial gains/(losses) (IAS 19)	(8)	2	(6)
Other comprehensive income/(loss) for the year not reclassifiable to profit or loss	-	-	-
Total other comprehensive income/(loss) for the year not reclassifiable to profit or loss	**335**	**4**	**339**
Reclassifications of the other comprehensive income to profit or loss for the year	**80**	**(10)**	**70**
Total other comprehensive income/(loss) for the year	**(530)**	**126**	**(404)**

Below is the reconciliation between the shareholders' equity and net income of Edizione S.r.l. at December 31, 2019 and the corresponding consolidated amounts, net of non-controlling interests:

(Millions of Euro)	Shareholders' equity	Net income
Separate financial statements of Edizione S.r.l.	**3,990**	**208**
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying amount	2,600	265
Elimination of dividends paid to the Parent Company by consolidated subsidiaries	-	(476)
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	-
Adjustment to reflect the equity value of associated companies	(47)	(39)
Elimination of capital (gains)/losses from the intercompany transactions	(20)	95
Net effect of other consolidation adjustments	(39)	2
As shown in the Group's consolidated financial statements	**7,145**	**55**

23 — Equity attributable to non-controlling interests

At December 31, 2019 and 2018, non-controlling interests in the shareholders' equity of consolidated companies were as follows:

(Millions of Euro)	12.31.2019	12.31.2018
Atlantia group	12,641	14,305
Autogrill group	507	397
Olimpias group	4	3
ConnecT S.p.A.	1,148	592
Other companies and consolidation adjustments	(27)	(28)
Total	**14,273**	**15,269**

The decrease in non-controlling interests of the Atlantia group is mainly attributable to:
- the distribution of equity reserves and returns of capital to non-controlling shareholders by Abertis HoldCo, the vehicle through which Atlantia holds 50%+1 share of the Abertis group, for a total of Euro 432 million;
- dividends distributed to non-controlling shareholders of Euro 457 million.

The balance of non-controlling interests in ConnecT refers to the 45% held by non-controlling shareholders and increased due to the share capital increases paid in by the shareholders in 2019 to subscribe the capital increases of Cellnex.

COMMENTS ON LIABILITIES ITEMS

(All figures in millions of Euro)

NON-CURRENT LIABILITIES

24 — Provisions for construction services required by contract

(Millions of Euro)	Current	Non-current	Balance at 12.31.2018	Changes due to revised present value of commitments	Financial provisions	Reduction for completed works	Grants accrued on completed works	Translation differences and change in scope of consolidation	Balance at 12.31.2019	Current	Non-current
Provisions for construction services required by contract	428	2,787	**3,215**	93	16	(423)	-	143	**3,044**	571	2,473

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.

25 — Other non-current provisions and liabilities

(Millions of Euro)	Current	Non-current	Balance at 12.31.2018	Provisions	Uses	Released to income statement	Changes in scope of consolidation	Other movements and translation differences	Balance at 12.31.2019	Current	Non-current
Provisions for risks	144	551	**695**	59	(66)	(20)	-	(133)	**535**	81	454
Provisions for sales agent indemnities	-	11	**11**	-	-	-	-	-	**11**	-	11
Provisions for other expenses	105	96	**201**	1,534	(74)	(8)	-	(11)	**1,642**	1,550	92
Provisions for the repair and replacement of motorway infrastructure assets	951	1,492	**2,443**	825	-	(951)	2	195	**2,514**	915	1,599
Provisions for renewal of assets held under concessions	86	271	**357**	92	-	(71)	-	4	**382**	79	303
Total	**1,286**	**2,421**	**3,707**	**2,510**	**(140)**	**(1,050)**	**2**	**55**	**5,084**	**2,625**	**2,459**

At December 31, 2019, Provisions for risks totalled Euro 535 million. The Atlantia group contributed Euro 485 million to this item (current portion: Euro 66 million), representing the estimated charges to be incurred in connection with pending litigation, including those with maintenance contractors regarding contract reserves. The remainder of the provisions for risks refers to the Autogrill group, for the self-insurance provision.

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.

At December 31, 2019, the Provision for other expenses, totalling Euro 1,642 million, primarily refers to the Atlantia group – Euro 1,625 million (current portion: Euro 1,543 million). The increase on the balance at December 31, 2018 (Euro 201 million) was attributable to the allocation of Euro 1,500 million recognized by Autostrade per l'Italia in relation to the undertaking given during talks with the Government and the Ministry of Infrastructure and Transport with a view to reaching an agreed resolution of the dispute regarding the revocation of the concession.

The balance at December 31, 2019 for the Autogrill group includes:
- a provision for the refurbishment of third party assets (Euro 8 million), representing estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition;
- a tax risk provision (Euro 2 million), referring mostly to disputes over the US subsidiaries' direct and indirect taxation.

Provisions for the repair and replacement of motorway infrastructure assets (Euro 2,514 million) refer entirely to the Atlantia group and cover the present value of the estimated cost to be incurred in order to fulfil the contractual obligation of repairing or replacing motorway and airport 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 following combined effects:
- operating and finance-related provisions of Euro 880 million, primarily relating to Autostrade per l'Italia (Euro 647 million);
- uses during the year due to restoration works, equal to Euro 951 million, primarily referring to Autostrade per l'Italia (Euro 644 million), of which Euro 225 million in relation to demolition and reconstruction of the Polcevera road bridge, and the motorway operators of the Abertis group (Euro 246 million).

The Provisions for renewal of assets held under concessions, totalling Euro 382 million, represent the present value of the estimated costs to be incurred for extraordinary maintenance, repairs and replacements under the contractual obligations provided for in the Atlantia group's motorway and airport concessions agreements. Compared to December 31, 2018, the provisions increased by Euro 25 million, essentially as a result of operating and finance-related provisions, partly offset by uses for works carried out during the year.

26 — 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 226 million).

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

(Millions of Euro)	
Opening balance	**462**
Service cost	35
Financial charges/(income)	3
Actuarial losses/(gains)	8
Contributions paid by the Group and by employees	(4)
Indemnities paid	(52)
Change in scope of consolidation	-
Other movements and translation differences	(14)
Closing balance	**438**

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, 2019 amounted to Euro 80 million.

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

	2019
Discounting rate	0.1% - 1.1%
Inflation rate	0.6% - 1.75%
Expected rate of salary increases	0.65% - 3.08%

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

27 — Bonds

The movements in Bonds for the year 2019 are shown below:

(Millions of Euro)	Current	Non-current	12.31.2018	Issuance	Redemption	Foreign exchange gains/(losses)	Other changes	12.31.2019	Current	Non-current
Bonds	1,615	21,849	**23,464**	7,434	(1,990)	21	(117)	**28,812**	1,893	26,919
Total	**1,615**	**21,849**	**23,464**	**7,434**	**(1,990)**	**21**	**(117)**	**28,812**	**1,893**	**26,919**

The balance of the item referring to the Atlantia group, at December 31, 2019, equal to Euro 28,499 million, is mainly comprised of:
- Euro 10,156 million in bonds issued by companies in the Abertis Infraestructuras group;
- Euro 7,423 million in bonds issued by Autostrade per l'Italia;
- Euro 3,098 million in bonds issued by HIT (the holding company that controls the operators Sanef and Sapn);
- Euro 1,736 million in bonds issued by Atlantia;
- Euro 909 million in bonds issued by Sanef; and
- Euro 869 million in bonds issued by Aeroporti di Roma.

The change in the balance, compared to the previous year (Euro 23,161 million), is attributable to:
- the issues by Abertis Infraestructuras under its EMTN programme of March 6, 2019, totalling Euro 5,870 million as part of the refinancing of loans obtained by Abertis HoldCo in 2018 to fund the acquisition of control of the Abertis group, which were transferred to Abertis Infraestructuras in 2019;
- the issues of several Brazilian and Chilean companies in the Atlantia group (Euro 1,407 million);
- redemptions of Euro 1,990 million, primarily attributable to Abertis group companies (Euro 1,223 million), essentially Abertis Infraestructuras and Sanef, and redemption of bonds issued by Autostrade per l'Italia in 2012 (Euro 593 million).

The remainder, equal to Euro 313 million, relates to the Autogrill group and changed during the year almost exclusively due to currency exchange effects.

The non-current portion of bonds is broken down below by maturity:

Year	**12.31.2019**
2020	1,893
2021	3,591
2022	1,238
2023	2,455
2024	3,528
2025 and beyond	16,107
Total	**28,812**

28 — Medium and long-term loans

The balance of the item amounts to Euro 17,533 million and consists of medium and long-term loans from credit institutions (Euro 17,305 million) and loans from other lenders (Euro 228 million).

(Millions of Euro)	Current	Non-current	12.31.2018	Increase	Redemption	Foreign exchange gains/ (losses)	Changes in scope of consolidation	Other changes	12.31.2019	Current	Non-current
Financial payables to banks	901	22,634	**23,535**	4,499	(10,017)	(53)	71	(728)	**17,307**	1,188	16,119
Loans from other lenders	272	231	**503**	-	(999)	-	-	722	**226**	30	196
Total	**1,173**	**22,865**	**24,038**	**4,499**	**(11,016)**	**(53)**	**71**	**(6)**	**17,533**	**1,218**	**16,315**

The movements during 2019 refer to the following factors of the Atlantia group:
- partial early repayment by Abertis Infraestructuras of the financing obtained by Abertis HoldCo in 2018 in relation to the acquisition of control of the Abertis group and which were transferred to the former in 2019 (Euro 7,574 million);
- repayments by Abertis group companies of lines of credit totalling Euro 2,015 million, primarily attributable to Abertis Infraestructuras (Euro 790 million), the Brazilian motorway operator, Regis Bittencourt (Euro 368 million) and Metropistas (Euro 256 million);
- repayment of the Revolving Credit Facility obtained by Atlantia in July 2018 (of which Euro 675 million was disbursed in September 2018);
- the use by Abertis Infraestructuras of lines of credit available as at December 31, 2018, totalling Euro 1,535 million;
- new loans obtained by Atlantia as part of the Collar Financing transaction (Euro 752 million), by Costanera Norte (Euro 355 million), Abertis Infraestructuras (Euro 250 million), and a number of Chilean motorway operators, Rutas del Pacifico and Autostrada Los Libertadores (Euro 262 million) and by Arteris via Paulista, an Abertis group company operating in Brazil (Euro 98 million).

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

Year	**12.31.2019**
2020	1,188
2021	1,166
2022	2,712
2023	5,704
2024	2,894
2025 and beyond	3,643
Total	**17,307**

29 — Financial lease liabilities

The increase in this item essentially derives from the adoption of the new accounting standard IFRS 16, which resulted in the recognition of a financial lease liability of Euro 2,883 million, deriving from the discounting of minimum guaranteed future payments outstanding at January 1, 2019.
During the year, the change of the item is due to interest and payments.

30 — Other non-current financial liabilities

Details are as follows:

(Millions of euro)	Current	Non-current	12.31.2019	Current	Non-current	12.31.2018
Derivatives	43	1,301	1,344	13	923	936
Promissory Note	-	-	-	49	-	49
Payable to brokerage companies	-	-	-	8	-	8
Financial payables due to other companies	192	693	885	499	626	1,125
Financial accrued expenses and deferred income	511	-	511	500	-	500
Total	**746**	**1,994**	**2,740**	**1,069**	**1,549**	**2,618**

The balance of the item Derivatives refers almost entirely to the Atlantia group and represents the negative market value of derivatives outstanding at December 31, 2019. In detail:

- fair value losses (Euro 509 million) on Atlantia's and Autostrade per l'Italia's Interest Rate Swap (IRSs), which do not qualify for the application of hedge accounting as the required economic relationship resulting from a highly probable forecast transaction (bond issues planned for 2020 and 2021) no longer exists;
- fair value losses (Euro 293 million) on Interest Rate Swap (IRSs) classified as cash flow hedges in accordance with IFRS 9, entered into by Abertis, Aeroporti di Roma, Azzurra Aeroporti, Aéroports de la Côte d'Azur and Pavimental to hedge interest rate risk on their existing non-current financial liabilities and those that are highly likely to be assumed in the future, in accordance with the Group's financial plan;
- fair value losses (Euro 203 million) on Cross Currency Swaps (CCSs) entered into by Autostrade per l'Italia to hedge bond issues denominated in pounds sterling;
- fair value losses (Euro 106 million) on Aeroporti di Roma's Cross Currency Swaps relating to the bond issue denominated in pounds sterling;
- fair value losses (Euro 19 million) on IPCA vs CDI Swap offsets entered into by the Brazilian companies, Triangulo do Sol and Rodovia das Colinas, to crystallise the mark-to-market value of IPCA vs CDI Swaps at the date of agreeing the Offset.

Derivatives – Current essentially refer to the negative fair value of derivatives involved in exchange rate and interest rate hedging transactions of the Benetton group (Euro 1 million) and the Atlantia group (Euro 42 million).

Financial accrued expenses and deferred income – Current are made up mostly of accrued expenses and deferred income on bonds and loans (Euro 431 million) and of accrued expenses on derivative transactions (Euro 80 million).

31 — Deferred tax liabilities

The balance of this item includes the deferred tax liabilities which cannot be offset with deferred tax assets, mainly calculated on the excess cost recognised as a result of the fair value measurement of the assets activities acquired through business combinations.

32 — Other non-current liabilities

This item can be broken down as follows:

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Accrued expenses and deferred income	126	112
Payables to social security institutions	10	10
Payables to personnel	37	19
Payables to concession grantors	121	163
Other payables to third parties	96	277
Total	**390**	**581**

The item Accrued expenses and deferred income concerns investments to be carried out for contractual obligations (Euro 43 million) and other non-commercial deferred income (Euro 83 million) 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 mainly include the payables of the French motorway operators Sanef and Sapn due to the French government under agreements entered into in relation to the “Plan Relance” project, for a total of Euro 117 million.

The decrease in Other payables to third parties comprises Euro 188 million relating to the settlement of the payable to non-controlling interests of Invin, a Chilean holding company belonging to the Abertis group.

CURRENT LIABILITIES

33 — 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 84 million) and payables to operators of interconnecting motorways (Euro 596 million).
The change in the balance of the item compared to December 31, 2018 is primarily attributable to the increase in trade payables due to suppliers of the Atlantia group, due to the increased maintenance performed in the final months of the year.

34 — Bank loans and overdraft

In detail:

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Short-term bank loans from credit institutions	546	390
Current account overdrafts	85	63
Total	**631**	**453**

At December 31, 2019 the balance of the item comprises Euro 375 million referring to the Atlantia group, Euro 190 million referring to the Benetton group and Euro 56 million referring to the Autogrill group.
The balance increased primarily due to the contracting of a new loan by Telepass for Euro 100 million, maturing in 2020.

35 — Current income tax liabilities

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, 2018 is attributable to the Atlantia group.

36 — Other payables

Details are as follows:

(Millions of Euro)	**12.31.2019**	**12.31.2018**
Payables to personnel	385	366
Other tax payables	204	212
Payables for the purchase of non-current assets	100	94
Payables to social security institutions	127	121
Payables to grantors	104	104
Guarantee deposits and deposits of users who pay by direct debit	45	74
VAT payables	200	158
Payable to public entities	52	34
Other payables to third parties	319	492
Accrued expenses and deferred income	36	49
Total other payables	**1,572**	**1,704**

Payables to personnel concern amounts accrued and not paid at December 31, 2019 and also include the current portion of liabilities for long-term personnel incentive plans. These mainly relate to the French motorway operators (Euro 59 million), Autostrade per l'Italia (Euro 40 million), Aeroporti di Roma (Euro 17 million), Atlantia (Euro 16 million) and Aéroports de la Côte d'Azur (Euro 15 million).

Other tax payables comprise Euro 175 million referring to the Atlantia group and Euro 23 million to the payable due to the Region of Lazio for the IRESA tax of Aeroporti di Roma, i.e. the new tax established by the Region of Lazio that carriers have to pay to airport handling companies, which turn the tax over periodically to the region.

Payables for the purchase of non-current assets refer to the Benetton group, Euro 9 million (Euro 11 million at December 31, 2018), and to amounts payable in connection with investments by the Autogrill group, Euro 90 million (Euro 81 million at December 31, 2018); the change reflects the seasonality in making investments and the related payments.

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

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

VAT payables comprise Euro 159 million referring to the Atlantia group, and specifically refer to the French motorway operators (Euro 67 million) and Chilean motorway operators (Euro 25 million).

Other payables to third parties include amounts due to Directors and Statutory Auditors, amounts due to insurance companies, and other non-trade payables. The item includes Euro 86 million for a payable recognised by Traforo del Monte Bianco following the collection of one-off toll increases permitted jointly by the Italian and French governments for the periods 2010-2015 and 2018-2019, and for which the Italian motorway operator is awaiting a decision from the relevant authorities for the use of the sum raised.

COMMENTS ON INCOME STATEMENT ITEMS

(All figures in millions of Euro)

37 — Revenues

Revenues are broken down by type as follows:

(Millions of Euro)	**2019**	**2018**
Net sales	6,693	6,493
Tolls	9,256	4,992
Aviation revenues	826	834
Revenues from sub-operators and Royalties	486	416
Other revenues	667	418
Total	**17,928**	**13,153**

Net sales increased from the previous period due to the contribution of the Autogrill group.

Tolls of Euro 9,256 million are up Euro 4,264 million compared with 2018. Net of the contribution of the Abertis group for 12 months (Euro 4,164 million), toll revenues increased by Euro 119 million, mainly due to the following factors:
- traffic growth on the Italian network (+0.6%) which, also considering the positive effect of the traffic mix, resulted in an estimated increase of Euro 32 million;
- an improved contribution from overseas operators of Euro 88 million, linked to both toll increases and traffic growth registered by the operators in Chile (+4.7%), Brazil (+4.6%) and Poland (+0.6%).

Aviation revenues of Euro 826 million are down Euro 8 million compared with 2018 (Euro 834 million), primarily reflecting the impact of the decision taken by the French regulator (ASI) to reduce, from May 15, 2019, the tariffs applied by Nice airport, which is owned by the Aéroports de la Côte d'Azur group.

Revenues from sub-operators and Royalties pertain to the Atlantia group and include fees paid by the sub-concession holders that operate motorway and airport service areas. The increase is attributable to the greater contribution of the Abertis group with regard to the French and Italian motorway operators.

Other revenues mainly consist of the Telepass and Viacard income of the Atlantia group, equal to Euro 172 million, which increased by around Euro 6 million on 2018, and sundry motorway and airport management revenues. The contribution of the Abertis group is primarily attributable to revenues deriving from tolling products of the subsidiary Emovis.
This item also includes the lease payments for property classified under Investment property of the Edizione Property group (Euro 31 million).

Revenues by geographical area are summarised below:

(Millions of Euro)	**2019**	**2018**
Italy	7,241	6,906
Rest of Europe	5,391	2,545
Americas	4,774	3,243
Rest of the World	522	459
Total	**17,928**	**13,153**

Further details are provided in the Directors' Report.

38 — Revenues from construction services

Revenues from construction services are broken down in the table below:

(Millions of Euro)	2019	2018
Revenues from construction services for which additional economic benefits are received	903	486
Revenues from investment in financial assets deriving from concession rights	83	25
Services provided by sub-operators	3	5
Total	**989**	**516**

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 the accounting model set out in IFRIC 12, the Atlantia group recognises as revenues from construction services the consideration due in return for the construction and upgrade services rendered in relation to assets held under concession during the year, determined on the basis of the operating costs and financial charges incurred (the latter solely in relation to intangible assets deriving from concession rights) and any margin on services provided by entities within the Atlantia group.

In particular, compared with 2018, Revenues from construction services for which additional economic benefits are received increased by Euro 417 million, mainly due to:

- the contribution of the Abertis group for full-year 2019, amounting to Euro 548 million (Euro 139 million in 2018);
- the increase in revenues from construction services for which additional economic benefits are received of Aeroporti di Roma for Euro 62 million, mainly due to the progress of work on construction of the new terminal layout in the eastern area.

In 2019 the Atlantia group carried out additional construction services for which no additional economic benefits are received, amounting to Euro 423 million, for which the group made use of a portion of the Provisions for construction services required by contract (Note 24). 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:

(Millions of Euro)	2019	2018
Capital gain on disposal of operating activities	129	-
Capital gains on disposal of non-current assets	17	8
Reimbursement of costs by third parties	121	76
Rents	71	44
Promotional contributions by suppliers	47	44
Commissions on premium product sales	18	21
Other operating income	226	109
Contingent income	9	15
Change in inventories of finished products and work in progress	38	26
Total	**676**	**343**

The item Capital gains on disposal of operating activities refers to the Autogrill group.
In May 2019, Autogrill finalised the sale of all of its motorway operations in Canada, through the US subsidiary HMSHost Corporation.
The transaction was finalised in favour of a consortium headed by Arjun Infrastructure Partners Ltd. and Fengate Capital Management Ltd. for a consideration of USD 184 million (Euro 164 million) for the portion pertaining to HMSHost. The total capital gain realised came to USD 178 million (Euro 159 million):

- Euro 121 million of which is recognised in this item;
- Euro 38 million of which is recognised in the item Income/(losses) from associates in Note 49, deriving from the sale of the interests in the Canadian companies previously measured using the equity method.

Moreover, on May 31, 2019, through its subsidiary Autogrill Europe S.p.A., Autogrill S.p.A. finalised the sale to the Lagardère group of the entire equity investment in Autogrill Czech S.r.o., which operates in two railway stations in Prague and at an outlet. That sale was made for a consideration of Euro 9 million, realising a capital gain of Euro 8 million, recognised in this item.

Reimbursement of costs by third parties includes Euro 114 million for the Atlantia group and refers to refunds and indemnities received by Group companies. With regard to the latter, the increase was primarily the result of the agreement defined between Autostrade per l'Italia and its insurance company regarding third-party liability in relation to the collapse of a section of the Polcevera road bridge for Euro 38 million.

Rents refer mainly to income from commercial premises used for the sale of Benetton group label products, (Euro 24 million), lease payments of the Autogrill group, and the business lease payments of the Autogrill group (Euro 44 million).

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

40 — Purchases and changes of raw materials and consumables

The increase in the item is attributable to higher costs for raw materials and consumables in relation to the increase in purchase costs for raw materials of the Autogrill group, the start of the works for the Gronda di Genova bypass incurred by the subsidiary Autostrade per l'Italia and the full-year contribution from Abertis group.

41 — Payroll costs

Details are as follows:

(Millions of Euro)	2019	2018
Wages and salaries	2,573	2,163
Social security charges	628	517
Directors' emoluments	16	16
Provision for employee termination indemnities and similar	35	16
Other payroll costs	328	236
Total	**3,580**	**2,948**

Payroll costs of the Atlantia group increased by Euro 520 million, primarily reflecting the full-year contribution of the Abertis group in 2019, amounting to Euro 559 million, specifically due to the costs incurred by operators in France (Euro 179 million), Spain (Euro 110 million), Brazil (Euro 67 million) and Italy (Euro 50 million). There was an increase in the cost of staff incentive plans in 2019, partly in relation to changes in the fair value of rights vested at December 31, 2018, linked to the positive performance of Atlantia's share price at the end of 2019.
Other payroll costs concern the Autogrill group for Euro 162 million, in connection with long-term incentives, health insurance and other benefits, and the Atlantia group for Euro 159 million, and include bonuses, leaving incentives and the cost of seconded personnel.

The average number of employees by business segment in terms of equivalent full-time employees (FTE) are summarised below:

FTEs	2019	2018
Transport Infrastructure	29,025	29,686
Food and Beverage	41,514	42,353
Clothing and Textiles	8,886	9,325
Other sectors	619	736
Total	**80,044**	**82,100**

42 — Costs of services

Costs of services are made up as follows:

(Millions of Euro)	2019	2018
Construction and similar	1,218	359
Maintenance costs	697	369
Consultants' fees (Accounting, Tax & Legal)	212	174
Utilities	195	156
Subcontracted work	101	114
Transport and distribution	112	104
Professional and technical services	108	107
Cleaning and disinfestation	99	81
Advertising and promotion	86	69
Sales commissions	76	66
Banking services	89	56
Insurance	78	53
Travel expenses and accommodation	42	41
Surveillance	34	32
Telephone and postal charges	47	34
Statutory auditors' emoluments	3	2
Other services	470	519
Total	**3,667**	**2,336**

The increase in Costs of services compared to 2018 (Euro 1,331 million) is due to the costs pertaining to the Abertis Group (Euro 1,007 million) for the full year 2019, mainly relating to construction services (Euro 522 million), maintenance costs (Euro 245 million) and toll collection services (Euro 32 million), primarily attributable to the operators in Brazil, France and Chile. The change in Costs of services is also attributable to the higher charges of Autostrade per l'Italia attributable to the increase in the maintenance of motorway infrastructure (Euro 271 million). The item includes the costs related to the progress of work on demolition and reconstruction of the Polcevera road bridge, amounting to Euro 89 million, which are entirely covered by use of the provisions for the repair and replacement of motorway infrastructure assets, in relation to the reconstruction of Polcevera road bridge, already made at December 31, 2018.

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

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 1,200 million compared to Euro 1,494 million in 2018), substantially reflects the effects of the application of IFRS 16, which resulted in the exclusion from that item of the fixed component of lease and concession payments from January 1, 2019.

44 — Other operating expenses

In detail:

(Millions of Euro)	2019	2018
Indirect taxes and duties	366	113
Donations	30	48
Compensation for damages and penalties	30	43
Capital losses on disposal of non-current assets	4	3
Differences in cash deposits	5	3
Other expenses	11	26
Total	**446**	**236**

Indirect taxes and duties include the contribution from the Atlantia group of Euro 326 million, the Autogrill group of Euro 28 million, the Benetton group of Euro 5 million and the Edizione Property group of Euro 4 million.
The increase in the item is primarily attributable to the contribution of the Abertis group, equal to Euro 254 million, essentially composed of indirect taxes and duties of the French companies.

Donations concern the Atlantia group for Euro 27 million. During 2018, that item included disbursements to individuals and businesses impacted by the collapse of a section of the Polcevera road bridge.

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 2019 for the construction services provided by operators of the Atlantia group. The increase of Euro 55 million primarily refers to the investments of the Chilean motorway operator Autopista del Sol for the construction of third lanes.

46 — Depreciation, amortisation and impairment

In detail:

(Millions of Euro)	2019	2018
Depreciation of property, plant and equipment	452	361
Depreciation of rights of use	452	-
Amortisation of intangible assets	3,750	1,568
Impairment of property, plant and equipment	14	32
Impairment of rights of use	6	-
Impairment of goodwill and intangible assets	51	2
Reversal of impairment of property, plant and equipment	-	(8)
Reversal of impairment of intangible assets	-	(14)
Total	**4,725**	**1,941**

The increase in the item compared to the previous year is attributable to the different contributions in the two years of the Abertis group, which in 2019 also includes the higher amortisation (Euro 1,188 million) recognised following the completion of the accounting allocation of the fair value of the intangible assets acquired of the Abertis group.

47 — Impairment of doubtful accounts

This item, totalling Euro 39 million, pertains to the impairment of trade receivables for Euro 33 million and to other receivables for Euro 6 million.
In the previous year, the item totalled Euro 34 million, and pertained to the impairment of trade receivables for Euro 32 million and to other receivables for Euro 2 million.
Changes in the Provision for doubtful accounts are shown in Note 14 – Trade receivables.

48 — Provisions for risks

Details are as follows:

(Millions of Euro)	2019	2018
Provisions for risks	59	47
Releases to income statement of provisions for risks	(20)	(23)
Provisions for sales agent indemnities	-	-
Provisions for other expenses	1,534	87
Releases to income statement of provisions for other expenses	(8)	(10)
Provisions for the repair and replacement of motorway infrastructure assets	825	810
Release to income statement of provisions for repair and replacement of motorway infrastructure assets	(951)	(463)
Provisions for renewal of assets held under concessions	92	162
Releases to income statement of provisions for renewal of assets held under concessions	(71)	(77)
Total	**1,460**	**533**

Provisions for risks regard the provisions accounted in 2019:
- to Provisions for risk, Euro 59 million;
- to Provision for other expenses, Euro 1,534 million, which includes the provisions of Euro 1,500 million linked to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the Ministry of Infrastructure and Transport, described in Note 60;

The operating change in the Provisions for the repair and replacement of motorway infrastructure assets, represented by income of Euro 125 million, essentially attributable to Autostrade per l'Italia's use of Euro 225 million, relates to the payments incurred in 2019 for the demolition and reconstruction of the Polcevera road bridge. After stripping out that item, provisions less uses are up Euro 100 million, primarily reflecting:
- a revised estimate of the cost of the repairs to the motorway network, primarily those included in Autostrade per l'Italia's new strategic plan (Euro 210 million); and
- the increased costs resulting from the performance of the discount rates used to discount the provisions to present value, partially offset by an increase in net uses by the Italian, Spanish, Brazilian and French operators in the Abertis group, amounting to Euro 78 million.

49 — Share of income/(loss) of associates

The balance of the item also includes the effect of the measurement using the equity method of the equity investments held in Getlink (positive for Euro 21 million) and Cellnex (negative for Euro 39 million), and the capital gain relating to the disposal of the Canadian associates of the Autogrill group (Euro 38 million), previously illustrated in Note 39 – Other revenues and operating income.
For further information, see Note 6 – Equity investments in associates and joint ventures.

50 — Financial income and charges

This item comprises:

(Millions of Euro)	2019	2018
Dividends from other companies	141	53
Financial income from discounting	259	110
Other financial income:		
– Interest income from banks and other creditors	*162*	*114*
– Financial income on derivatives	*124*	*116*
– Financial income accounted for as an increase in financial assets	*66*	*58*
– Other income	*63*	*13*
Total other financial income	415	301
Total financial income	**815**	**464**
Financial charges from discounting	80	54
Other financial charges:		
– Interest on bonds	*647*	*432*
– Interest on bank loans	*432*	*172*
– Financial charges from financial lease liabilities	*94*	*-*
– Financial charges from derivatives	*338*	*136*
– Financial charges accounted for as an increase of financial liabilities	*24*	*17*
– Non-recurring financial charges connected to the Abertis Public Tender Offer	*80*	*92*
– Other charges	*550*	*168*
Total other financial charges	2,165	1,017
Total financial charges	**2,245**	**1,071**
Total financial charges, net of financial income	**(1,430)**	**(607)**

Dividends from other companies were collected in 2019 from Assicurazioni Generali S.p.A. (Euro 56 million), Mediobanca S.p.A. (Euro 9 million), and some Atlantia group companies (Euro 72 million), of which Euro 63 million referred to Hochtief A.G.

The net increase in the items Other financial charges and Other financial income regard the following combined effects of the Atlantia group:

- the full-year contributions of the Abertis group and Abertis HoldCo for 2019 (Euro 924 million), compared with 2018 when the Abertis group contributed for just the last two months of the year (Euro 31 million). The Abertis group's contribution includes the financial expenses connected with the acquisition financing used to fund the acquisition of control of Abertis itself, which was refinanced during 2019. The balance also includes:
  - the expenses resulting from the impairment loss on the financial assets of the Argentine operators, GCO and Ausol, guaranteed by the Grantor, amounting to Euro 140 million, after taking into account the country's worsening economic situation;
  - net financial expenses amounting to Euro 147 million, recognised in application of IAS 29 and relating to financial reporting in hyperinflationary economies in connection with the Argentine operators (amounting to Euro 13 million in 2018);
- an increase in the net cost of derivative financial instruments (Euro 103 million), reflecting the increase in ineffective hedges entered into by Autostrade per l'Italia and Atlantia, following the measurement of the two companies' Interest Rate Swaps as at December 31, 2019, and the recognition of accrued differentials on derivative instruments;
- a reduction in interest expense linked to the redemption, in November 2018, of retail bonds issued by Atlantia (Euro 35 million) and, in February 2019, of bonds issued by Autostrade per l'Italia in 2012 (Euro 23 million);
- the impairment loss on amounts due to AB Concessões from Rodovias de Tieté, totalling Euro 27 million, reflecting the company's worsening financial situation.

51 — Impairment of equity investments and investment funds

Impairment of equity investments and investment funds include the adjustment to the fair value at December 31, of investment funds based on their Net Asset Values at the same date, and the impairment of equity investments in non-consolidated subsidiaries and associates.

52 — 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. This item includes the rise in the value of the US Dollar against the Argentine peso on the financial assets deriving from concession rights attributable to the motorway operators, GCO and Ausol, amounting to Euro 128 million.

53 — Income taxes

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

(Millions of Euro)	Income taxes	Deferred tax liabilities	Deferred tax assets	Total 2019	Total 2018
Atlantia group	1,011	(575)	(329)	107	399
Autogrill group	54	14	(20)	48	35
Benetton group	-	(1)	20	19	12
Other group companies	8	2	1	11	(6)
Total	**1,073**	**(560)**	**(328)**	**185**	**440**

Total income tax expense of the Atlantia group came to Euro 107 million, decreasing on 2018, substantially linked to the reduction in the pre-tax profit for 2019, specifically of the subsidiary Autostrade per l'Italia.
In 2019, higher taxes (Euro 46 million) were recognised under current taxes, deriving from the introduction of the 3.5% IRES surtax for the three-year period 2019-2021 applicable to the earnings of Italian motorway and airport operators, based on Art. 1, paragraphs 716-718 of Law 160/2019 (2020 Budget Law).
Deferred tax assets include the provisions of Euro 480 million linked to the undertaking given by Autostrade per l'Italia with the aim of resolving the dispute with the Ministry of Infrastructure and Transport.

54 — Profit/(Loss) from assets held for sale and discontinued operations

The following table breaks down the Profit from discontinued operations in 2019 and 2018:

(Millions of Euro)	2019 Atlantia group	2018 Atlantia group
Operating income	129	27
Operating expenses	(109)	(4)
Financial income	42	30
Financial charges	(61)	(32)
Tax income/(expense)	(7)	(17)
Contribution to net income of discontinued operations	**(6)**	**4**
Capital gain/(loss) on disposal of discontinued operations, net of tax effect	-	-
Other income/(charges) relating to discontinued operations	-	-
Profit/(loss) of discontinued operations	**(6)**	**4**

The balance of the item in the previous year referred to profit from the last two months of 2018 of the Hispasat group, whose sale was agreed on February 12, 2019.

OTHER INFORMATION

55 — Financial risk management

Introduction
The holding companies (Edizione, Sintonia ConnecT, Schematrentaquattro and Schematrentatre) and the main sub-groups of the Edizione Group, such as Atlantia, Autogrill, Benetton Group, Olimpias Group 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

Interest rate risk, currency risk and price 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 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 measured at fair value through profit or loss or through other comprehensive income on the basis of IFRS 9.
Regarding the fair value hierarchy for the classification of assets measured at fair value or for which fair value is disclosed herein, the prevailing level is 1 for listed securities and 2 for investment securities.

Sensitivity analysis of price risk
Concerning the risk of share price movements in investments in listed companies, we have assumed a 500 bps change 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, 2019 would have affected shareholders' equity by ± Euro 2.5 million (± Euro 0.9 million in 2018).

Schematrentatre S.p.A.

Price risk
Schematrentatre 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 measured at fair value through profit or loss or through other comprehensive income on the basis of IFRS 9.

Sensitivity analysis of price risk
Concerning the risk of share price movements in investments "available for sale", we have assumed a 500 bps change 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, 2019 would have affected shareholders' equity by ±/- Euro 67.2 million, respectively.

Atlantia group

Interest rate risk
This risk is linked to uncertainty regarding the performance of interest rates, and takes two forms:
- cash flow risk: linked to financial assets and liabilities, with cash flows indexed to a market interest rate. In order to reduce the amount of floating rate debt, the Group has entered into Interest Rate Swaps (IRSs), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities, including future financial liabilities, have matching terms to maturity and notional amounts. Following changes in market conditions in early 2020, bond issues by Autostrade per l'Italia planned to take place in 2020 are no longer considered possible and this has, therefore, resulted in reclassification of a part of the Forward-Starting Interest Rate Swaps, with a fair value of Euro 67 million, as no longer qualifying for hedge accounting in compliance with IFRS 9. In addition, planned issues by Atlantia in 2020 and 2021 and by Autostrade per l'Italia in 2021 are considered possible and no longer highly probable. As a result, the two companies' remaining Forward-Starting Interest Rate Swaps (and Autostrade per l'Italia's IRSs) have been classified, after June 30, 2019, as no longer qualifying for the application of hedge accounting;
- 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. As at December 31, 2019, the Group reports transactions classifiable as fair value hedges in accordance with IFRS 9, regarding 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 to a floating CDI rate. Changes in the fair value of such instruments are recognised in profit or loss and are offset by the change in the fair value of the underlying hedged liability. In addition, an Offset Swap was entered into in 2018 to crystallise the positive mark-to-market value of the IPCA x CDI Swaps at the date of execution of the Offset. The value of the IPCA x CDI Swaps as at December 31, 2019, net of the value of the Offset Swaps, is a negative Euro 11 million.

72.5% of the Group's debt is fixed rate. After taking into account the related interest rate hedges, fixed rate debt represents 83.7% of the total.

Currency risk
The Atlantia 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. With the aim of eliminating the currency risk associated with the sterling and yen denominated bonds transferred to Autostrade per l'Italia as a result of an issuer substitution, the Group has entered into Cross Currency Swaps (CCS) with notional values and maturities equal to those of the underlying financial liabilities. These swaps also qualify as cash flow hedges.
Following Atlantia's buyback of 99.87% of the sterling-denominated notes, amounting to GBP215 million, originally issued by Romulus Finance (a vehicle company controlled by Aeroporti di Roma and wound up in 2017 with the transfer of the liabilities assumed to the parent), the Cross Currency Swaps entered into by Atlantia and Aeroporti di Roma to hedge interest and currency risk associated with the underlying in foreign currency, no longer qualify for hedge accounting in the consolidated financial statements.
In January 2020, the receivables due on the sterling-denominated bonds issued by Romulus and held by Atlantia were assigned, resulting in the reissue of the liabilities in the consolidated accounts. As part of this transaction, the Company entered into two Cross Currency Offset Swaps with the same notional value in sterling as the above CCS, in order to crystallise the mark-to-market value of the original CCS at the date of execution of the offset. 15% of the Group's debt is denominated in currencies other than the Euro.

Price risk
Share price risk reflects the potential for the market prices of the shares held by an entity move in response to changes in market conditions.
In this regard, in March 2019, Atlantia entered into a derivative financial instrument called a “funded collar", involving 5.6 million shares in Hochtief (representing approximately 33% of the total shares held). The aim is to mitigate the shares’ exposure to the risk that movements in the market price would take the share price below a certain floor and to benefit from increases in the share price up to a certain cap. The derivative instrument consists of a put option (with fair value gains amounting to Euro 212 million) and a call option (with fair value losses amounting to Euro 42 million). The derivative is being used to secure a loan of Euro 752 million with an average term to maturity of 6.5 years and with scheduled repayments between September 2024 and March 2026, potentially via the sale of the Hochtief shares at prices within the above range. Fair value gains on these derivatives as at December 31, 2019 amount to Euro 170 million and are recognised in other comprehensive income, in keeping with the accounting treatment applied to the underlying (the Hochtief shares), as required by IFRS 9 for fair value hedges.

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).
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. These instruments are recognised as financial assets or liabilities, under a specific item 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 Autogrill group companies subject to this risk and are recognised as financial assets or liabilities with a contra-entry in the Income Statement.
At December 31, 2019, the percentage of fixed rate debt, or debt converted to fixed rate through Interest Rate Swaps, is 40% of the total (versus 33% at December 31, 2018).
At December 31, 2019, gross debt denominated in US Dollars amounted to USD 2,166.7 million, including USD 352 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, 2019, a negative impact of Euro 54,459 and a positive impact of Euro 66,561, respectively, on equity and a negative impact of Euro 18,376 and a positive impact of Euro 22,459, respectively, on income.
Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into Euros in the parent company's or its subsidiaries' accounts of equity investments denominated in foreign currency) 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
The companies in the Benetton group use external financial resources in the form of debt and employ 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 the group’s financial income and charges. 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, 2019. Almost all of the interest-bearing debt consists of floating-rate loans and their fair value is close to the value recognised in the statement of financial position.

Currency risk
It is the 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 less than two 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, 2019 the fair value of hedging instruments on currency risk is negative for Euro 6,656 (negative for Euro 8,755 at December 31, 2018).
At December 31, 2019, 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 3 million. The potential (pre-tax) impact on the income statement of a hypothetical 10% decrease in exchange rates would not be significant (less than 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 8 million and positive for Euro 12 million, respectively.

Price risk
The 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). Based on the group's financial policy, it may use derivative financial instruments to hedge or reduce its exposure to commodity risk. There are no hedges in place at December 31, 2019.

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 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.

Edizione Property group

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, 2019.
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, and effects on the equivalent value of assets and liabilities. Intercompany loans are expressed in Euro. Currency risk is not borne or managed by the Parent Company Edizione Property, but by the individual group companies that operate in a different currency. The group remains exposed to the fluctuations of several foreign currencies, providing detailed evidence of the effect in the statement of income and in the translation reserve recognised under shareholders' equity. There are no currency hedges in place at December 31, 2019.

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.
At December 31, 2019 Edizione had demand deposits totalling Euro 201 million.
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, 2019 by maturity:

(Millions of Euro)

Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Bank and intercompany current accounts	22	22	-	-
Other financial liabilities	-	-	-	-
Financial lease liabilities	9	1	4	4
Total	**31**	**23**	**4**	**4**

The table below shows financial liabilities outstanding at December 31, 2018 by maturity:

(Millions of Euro)

Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Bank and intercompany current accounts	-	-	-	-
Other financial liabilities	3	3	-	-
Total	**3**	**3**	**-**	-

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, extreme liquidability of the assets held and its historic ability to avail of steady cash flows, it has access to funds whose amounts and maturities are in line with its investment plans.
At December 31, 2019, Sintonia had demand bank deposits of Euro 15.8 million, of which Euro 9.8 million were restricted up to 2024 based on agreements with the Company's former shareholders.

The table below shows financial liabilities outstanding at December 31, 2019 by maturity:

(Millions of Euro)	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Revolving Facility (Euro 800 million)	154	1	153	-
Term Loan (Euro 200 million)	206	2	204	-
Bank and intercompany current accounts	165	165	-	-
Total	**525**	**168**	**357**	-

ConnecT S.p.A.

ConnecT considers itself not exposed to significant liquidity risks because, due its high capitalisation and the dividend and financial policy adopted by the Company, it is able to comply with its investment plans and commitments assumed.
At December 31, 2019 ConnecT had demand deposits totalling Euro 5.6 million.

Schematrentaquattro S.p.A.

Schematrentaquattro believes that the company is not exposed to significant liquidity risks because, due to its high capitalisation and its ability to avail of steady cash flows, it has access to funds whose amounts and maturities are in line with its investment plans.
At December 31, 2019 Schematrentaquattro had demand deposits totalling Euro 1.2 million.

Schematrentatre S.p.A.

Schematrentatre believes that the company is not exposed to significant liquidity risks because, due to its high capitalisation and its ability to avail of steady cash flows, it has access to funds whose amounts and maturities are in line with its investment plans.

Atlantia Group

As at December 31, 2019, the Atlantia group has cash reserves totalling Euro 15,655 million, consisting of:

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

With regard to assessment of the risk of early repayment of Autostrade per l'Italia's borrowings from the EIB and Cassa Depositi e Prestiti (Euro 2.1 billion, including Euro 1.7 billion guaranteed by Atlantia), as a result of the downgrade of the rating review to sub-investment grade by the rating's agencies, following publication of the Milleproroghe Decree, at the date of preparation of the Annual Report for 2019, Autostrade per l'Italia has not received a request for early repayment from the two financial institutions and that, from the discussions had the parties are monitoring developments. Any non compliance with a request for early repayment from the EIB or Cassa Depositi e Prestiti, provided that it was lawful, could result in similar requests from Autostrade per l'Italia's other creditors, including bondholders.

The financial tensions after 2019 year end caused by the legal restrictions on movement imposed by many governments in response to the spread of the Covid19 pandemic, and the consequent impacts on traffic and the results of the Atlantia Group's operators, could affect the covenants attaching to the various loan agreements and have a negative impact on some operators' liquidity.
With regard to Autostrade per l'Italia, the subsidiary has taken a series of initiatives to ensure it is able to meet its financial requirements, including a request to draw down sums available under the credit facility obtained from Cassa Depositi e Prestiti, recourse to new borrowings, by taking advantage of the measures introduced by Decree 23 of April 8, 2020 (SACE guarantees) and, finally, by recourse to the support provided by Atlantia, amounting to up to Euro 900 million, after the subsidiary's available alternative financial sources of funding.
The other Group companies do not appear to have significant problems in terms of liquidity. The companies, partly in order to mitigate the impact on liquidity resulting from the Covid19 emergency, are monitoring developments and assessing the option of accessing new lines of credit available on the market or the option of taking advantage of the aid provided by the various governments in the countries in which they operate in order to meet their planned financial requirements.

The following table shows the distribution of loan maturities outstanding at December 31, 2019:

(Millions of Euro)						Financial liabilities
12.31.2019	**Carrying amount**	**Total contractual amount**	**Within 12 months**	**1 to 2 years**	**3 to 5 years**	**Beyond 5 years**
Non-derivative financial liabilities [1]:						
Total bond issues (A)	**28,499**	**(33,616)**	**(2,657)**	**(4,593)**	**(7,411)**	**(18,955)**
Medium/long-term loans [2]						
Bank borrowings	16,056	(18,015)	(1,522)	(1,876)	(9,651)	(4,966)
Loans from other lenders	396	(467)	(67)	(9)	(231)	(160)
Total medium/long-term loans (B)	**16,452**	**(18,482)**	**(1,589)**	**(1,885)**	**(9,882)**	**(5,126)**
Total non-derivative financial liabilities (C = A + B)	**44,951**	**(52,098)**	**(4,246)**	**(6,478)**	**(17,293)**	**(24,081)**
Derivatives [2, 3]						
Interest Rate Swaps	838	(941)	(92)	(144)	(267)	(438)
IPCA x CDI Swaps	19	(25)	(1)	(6)	(18)	-
Cross Currency Swaps	484	(563)	109	(64)	(359)	(249)
Embedded Floors	1	-	-	-	-	-
Fx Forwards	1	(1)	(1)	-	-	-
Total derivatives	**1,343**	**(1,530)**	**15**	**(214)**	**(644)**	**(687)**

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, 2019, expected contractual flows are linked to present and future hedged financial liabilities.
3 Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.

The following table shows the distribution of loan maturities outstanding at December 31, 2018:

(Millions of Euro)						Financial liabilities
12.31.2018	**Carrying amount**	**Total contractual amount**	**Within 12 months**	**1 to 2 years**	**3 to 5 years**	**Beyond 5 years**
Non-derivative financial liabilities [1]:						
Total bond issues (A)	**22,487**	**(24,643)**	**(3,131)**	**(2,135)**	**(5,270)**	**(14,107)**
Medium/long-term loans [2]						
Bank borrowings	7,922	(8,602)	(1,052)	(635)	(4,695)	(2,220)
Loans from other lenders	14,978	(15,000)	(784)	(7,246)	(5,676)	(1,294)
Total medium/long-term loans (B)	**22,900**	**(23,602)**	**(1,836)**	**(7,881)**	**(10,371)**	**(3,514)**
Total non-derivative financial liabilities (C = A + B)	**45,387**	**(48,245)**	**(4,967)**	**(10,016)**	**(15,641)**	**(17,621)**
Derivatives [2, 3]						
Interest Rate Swaps	(341)	(485)	(77)	(110)	(157)	(141)
IPCA x CDI Swaps	(9)	(7)	-	7	(2)	(12)
Cross Currency Swaps	(582)	(588)	(16)	(20)	(391)	(161)
Embedded Floors	(1)	(1)	(1)	-	-	-
Fx Forwards	-	-	-	-	-	-
Total derivatives	**(933)**	**(1,081)**	**(94)**	**(123)**	**(550)**	**(314)**

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, 2018, expected contractual flows are linked to highly probable present and future hedged financial liabilities covering requirements from the present to 2020.
3 Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.

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 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, 2019 were as follows:

(Millions of Euro)								12.31.2019
								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**	**Beyond 5 years**
Current account overdrafts	40	40	40	-	-	-	-	-
Unsecured bank loans	550	550	16	-	-	233	301	-
Lease payments due to others	2,474	2,474	154	73	146	398	934	769
Loans from other lenders	2	2	-	-	2	-	-	-
Bonds	314	314	-	-	22	36	206	50
Trade payables	397	397	397	-	-	-	-	-
Due to suppliers for investments	90	90	90	-	-	-	-	-
Total	**3,867**	**3,867**	**697**	**73**	**170**	**667**	**1,441**	**819**

Derivative financial liabilities	**Carrying amount**	**Total**	**1-3 months**	**3-6 months**	**6 months-1 year**	**1-2 years**	**2-5 years**	**Beyond 5 years**
Forward foreign exchange derivatives	-	-	-	-	-	-	-	-
Interest Rate Swaps	2	3	3	-	-	-	-	-
Total	**2**	**3**	**3**	**-**	**-**	**-**	**-**	**-**

Exposure and maturity data at December 31, 2018 were as follows:

(Millions of Euro)								**12.31.2018**
			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**	**Beyond 5 years**
Current account overdrafts	48	48	48	-	-	-	-	-
Unsecured bank loans	572	573	397	-	1	44	131	-
Lease payments due to others	4	4	-	-	-	-	1	3
Loans from other lenders	2	2	-	-	2	-	-	-
Bonds	304	305	-	-	-	22	166	117
Trade payables	376	376	376	-	-	-	-	-
Due to suppliers for investments	81	81	81	-	-	-	-	-
Total	**1,387**	**1,389**	**902**	**-**	**3**	**66**	**298**	**120**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 15.69% of the total and the leading supplier, Starbucks, for 4.57%.
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, 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, 2019 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, 2019, all of the aforesaid parameters were met. It is noted that, following the significant impacts on business deriving from Covid19, negotiations are under way with all the reference banks and with the investors of US Private Placement of HMS, to obtain a derogation from testing the covenants, while contracting new loans, also through the measures set out in Decree no. 23 of April 8, 2020 (SACE guarantee).

The weighted average term of bank loans and bonds at December 31, 2019, including unutilised credit lines, is approximately two years and ten months, versus three years and three months at December 31, 2018.

Benetton group

Liquidity requirements are monitored by the group's head office functions in order to guarantee effective access to financial resources and/or adequate investment of liquidity. Credit line 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, 2019 the Benetton group also had uncommitted cash credit lines of approximately Euro 259 million, of which Euro 190 million had been used, and cash holdings of Euro 64 million, as well as unsecured credit lines of approximately Euro 298 million, of which Euro 149 million had been used. The Directors have the reasonable expectation that currently available funds and credit lines, apart from those which will be generated by operating and financing activities, as well as the financial support from the shareholder Benetton S.r.l., will allow the Benetton group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

The group's financial liabilities at December 31, 2019 and 2018 are analysed by due date in the following tables; note that these amounts include cash flows arising from future financial expenses.

(Millions of Euro)	**12.31.2019**	**Contractual maturity within 1 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	-	-	-	-	-	-	-
Other medium/long-term payables	4	-	-	-	-	-	4
Lease financing	604	-	127	110	85	68	214
Current liabilities							
Trade payables	238	238	-	-	-	-	-
Other payables, accrued expenses and deferred income	35	35	-	-	-	-	-
Current portion of lease financing	143	143	-	-	-	-	-
Current portion of medium/long-term loans	-	-	-	-	-	-	-
Financial payables and bank loans	201	201	-	-	-	-	-

Exposure and maturity data at December 31, 2018 were as follows:

(Millions of Euro)	**12.31.2018**	**Contractual maturity within 1 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	22	-	1	1	20	-	-
Other medium/long-term payables	6	-	2	1	-	-	3
Lease financing	-	-	-	-	-	-	-
Current liabilities							
Trade payables	293	292	1	-	-	-	-
Other payables, accrued expenses and deferred income	47	38	2	1	1	1	4
Current portion of lease financing	-	-	-	-	-	-	-
Current portion of medium/long-term loans	-	-	-	-	-	-	-
Financial payables and bank loans	132	132	-	-	-	-	-

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. At December 31, 2019, the Olimpias group had demand deposits totalling Euro 40 million.

Edizione Property group

At December 31, 2019, Edizione Property S.p.A. had committed credit lines of Euro 750 million, of which Euro 370 million had been used, and uncommitted credit lines of Euro 21 million, of which Euro 5.6 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 new 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 is modest because the Group serves consumers represented by end consumers, with sales generally paid in cash or by credit/debit card. This means that Trade receivables and thus the relative degree of risk is of limited significance in relation to total financial assets.
In most cases, the group's trade receivables stem from catering service agreements and commercial affiliations.
Other current and non-current receivables consist mainly of amounts due from tax authorities 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 16.9% of the total trade receivables, and the No. 1 customer, Beijing Capital Airport Catering Management Co. Ltd., for 3.66%.

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 and e-commerce channel customers are settled in cash or using credit cards and other debit cards. The group applies a simplified approach to calculating expected losses; therefore, it does not monitor the changes in credit risk, but fully recognises the expected losses at each reference date. The group has defined a matrix-based system using the historical information, revised to consider forward-looking elements with regard to specific types of debtors and their economic environment, as a tool for determining expected losses. 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.
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 or bank deposits with maturities of less than two weeks.
- Financial risk hedging: for maturities of more than 12 months, a long-term issuer or counterparty rating of at least "BBB-" from S&P (or equivalent); for shorter maturities, a short-term issuer 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, 2019 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 90% 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.

56 — Related party transactions

Statement of financial position figures at December 31, 2019 and income statement figures for 2018 regarding related party transactions are summarised below. Related party transactions are conducted at arm's length and with the utmost transparency.

(Millions of Euro)	Receiva-bles	Payables	Costs of services and leases and rentals	Revenues from sales and services	Other revenues and income	Financial income	Financial charges
Non-consolidated subsidiaries	-	-	-	-	-	-	-
Associates, joint ventures and others	40	11	3	-	33	6	-
Total	**40**	**11**	**3**	**-**	**33**	**6**	**-**

57 — 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;
- ConnecT S.p.A.

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.

(Millions of Euro)	Atlantia group		Autogrill group		ConnecT S.p.A.	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Revenues	11,630	6,916	5,604	5,224	-	-
Income/(loss) for the year	357	984	226	86	7	2
Income/(loss) for the year, minority interests	**221**	**209**	**21**	**18**	**3**	**1**
Non-current assets	70,928	73,549	4,611	2,049	3	1
Current assets	10,690	11,540	679	587	-	-
Non-current liabilities	55,631	58,248	3,104	1,051	-	-
Current liabilities	11,084	9,973	1,250	844	-	-
Net assets	14,903	16,868	936	741	3	1
Net assets, minority interests	**7,495**	**8,477**	**55**	**55**	**1**	**1**
Cash flow from operating activities	4,662	2,943	697	324	-	-
Cash flow from investing activities	(1,221)	(18,673)	(209)	(375)	(1)	(1)
Cash flow from financing activities	(3,288)	15,223	(412)	75	(1)	(1)
Translation impact on cash and cash equivalents	(24)	(33)	-	-	-	-
Increase/(Decrease) of cash and cash equivalents	129	(540)	76	23	-	-
Dividends paid to minority interests	**(736)**	**(238)**	**(40)**	**(33)**	**-**	**-**

58 — Business combinations

The main business combinations in the year are as follows:

Completion of the process of accounting for the acquisition of control of Abertis Infraestructuras S.A.
The process of identification and fair value measurement of the assets acquired and liabilities assumed following the acquisition of control of Abertis Infraestructuras S.A., on October 29, 2018, has been completed by the Atlantia group. The acquired company is the parent company of a group engaged in the operation of motorway concessions in Europe, the Americas and India.
The transaction was completed though the establishment of a Spanish-registered special purpose entity, Abertis HoldCo S.A. (controlled by Atlantia as a result of both its holding of 50% plus one share and under existing agreements with the minority shareholders, ACS and Hochtief), which in turn established the Spanish-registered wholly-owned subsidiary, Abertis Participaciones S.A. (later merged with and into Abertis Infraestructuras S.A. under a reverse merger transaction with effect from January 1, 2019), which at the end of October 2018 acquired 98.7% of the shares issued by Abertis Infraestructuras S.A.
The transaction has been accounted for using the acquisition method, in accordance with IFRS 3.
Following the transaction and the acquisition of 23.86% of Hochtief, at the acquisition date, Atlantia's interest in Abertis Infraestructuras S.A., held through the two special purpose entities under its control and the shareholding in Hochtief, was 54.06%. However, as permitted by the IFRS, a policy election has been made under IAS 8 which, in consolidating Abertis Infraestructuras S.A. (and attributing the value of the interests held by Abertis's non-controlling shareholders), takes into account solely the 49.39% equity interest held directly by Atlantia in Abertis through the wholly-owned special purpose entities consolidated on a line-by-line basis.

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**	**Elimination of pre-existing goodwill and fair value adjustments**	**Fair value**
Net assets acquired			
Property, plant and equipment	394	-	394
Goodwill	4,386	(4,386)	-
Other intangible assets	14,440	13,923	28,363
Equity investments	300	292	592
Other assets	334	-	334
Trading assets	586	-	586
Current tax assets	762	-	762
Financial assets	2,628	166	2,794
Cash and cash equivalents	2,436	-	2,436
Assets held for sale and discontinued operations	1,718	(74)	1,644
Provisions	(1,585)	-	(1,585)
Net deferred tax liabilities	(757)	(3,740)	(4,497)
Trading liabilities	(393)	-	(393)
Other liabilities	(951)	-	(951)
Current tax liabilities	(188)	-	(188)
Financial liabilities	(17,565)	(1,146)	(18,711)
Liabilities related to discontinued operations	(559)		(559)
Total net assets acquired	**5,986**	**5,035**	**11,021**
Non-controlling interests			2,370
Total net assets acquired by the Group			**8,651**
Goodwill			7,869
Total consideration			16,520
Cash and cash equivalents acquired			(2,436)
Net effective cash outflow for the acquisition			**14,084**

Completion of the measurement process has resulted in net fair value adjustments of the net assets acquired amounting to Euro 5,035 million, reflecting:

a. the recognition of a higher value for the Abertis group's intangible assets, estimated at Euro 13,923 million (including Euro 13,824 million deriving from concession rights);
b. the derecognition of goodwill previously recognised in Abertis' consolidated financial statements at the time of the Group's acquisition, amounting to Euro 4,520 million, of which Euro 4,386 million classified in "Goodwill" and Euro 134 million in "Assets held for sale and discontinued operations";
c. a fair value adjustment to financial liabilities, resulting in an increase in such liabilities of Euro 1,146 million;
d. the fair value of financial assets, of investments in associates and joint ventures and net assets held for sale, totalling Euro 518 million, of which Euro 60 million recognized in "Assets held for sale and discontinued operations";
e. net deferred tax liabilities on the adjustments referred to in points a), c) and d), totalling Euro 3,740 million.

Net of the share of the fair value of identifiable net assets attributable to non-controlling shareholders, totalling Euro 2,370 million, the fair value of the net assets acquired by the group amounts to Euro 8,651 million, compared with a purchase price of Euro 16,520 million. This has resulted in the recognition of goodwill (thus recognised solely on the basis of the share attributable to the group) of Euro 7,869 million, attributed to Abertis and the group of CGUs it controls. This goodwill indistinctly represents the Abertis group's ability to generate or acquire additional business in the operation of infrastructure under concession and in the related services (including business beyond its activities or geographical footprint at the acquisition date).
As required by IFRS 3, the above amounts have been retrospectively reflected at the acquisition date, with the resulting changes and additions to amounts previously included on a provisional basis in the consolidated financial statements as at and for the year ended December 31, 2018.
The above goodwill is lower than the amount provisionally recognised in consolidated financial statements as at and for the year ended December 31, 2018 (Euro 16,774 million), which had already been tested for impairment at that date, as required by IAS 36. The test confirmed that the related carrying amount was fully recoverable.

Acquisition of Pacific Gateway Concessions (PGC)
On May 31, 2019, as part of the strategy of expanding its business in the airport retail sector in North America, through the indirect US subsidiary Stellar Partners Inc. – already active in the airport retail business – the Autogrill group finalised the acquisition of Pacific Gateway Concessions, a company which at the time of acquisition operated 51 points of sale in 10 US airports.
The acquisition, which entailed an outlay of USD 35.9 million (Euro 32.2 million), also required the commitment of the buyer to make investments of USD 8.8 million (Euro 7.8 million), in relation to which the seller company had already undertaken a contractual obligation.
The transaction involved the acquisition of the assets and liabilities of PGC, the fair value of which was determined by applying the valuation methods generally used in acquisitions; this resulted in an increase in intangible assets of Euro 24.5 million. IFRS 3 revised allows to record any additional items which should be measurable at the date of acquisition, within 12 months of the date of acquisition, and therefore the information provided below should be considered on a provisional basis.
The table below shows the analysis of the impact of the acquisition on the items of consolidated assets and liabilities:

(Millions of Dollars)	**Pacific Gateway Concessions**	**Purchase price allocation adjustments**	**Pacific Gateway Concessions Adjusted**
Intangible assets	-	25	25
Property, plant and equipment	25	-	25
Rights of use for leased assets	65	-	65
A) Non-current assets	**90**	**25**	**115**
Inventories	3	-	3
Trade receivables	-	-	-
Other receivables	1	-	1
Trade payables	(4)	-	(4)
Other payables	(9)	-	(9)
B) Working capital	**(9)**	**-**	**(9)**
C) Other non-current and non-financial assets and liabilities	**-**	**-**	**-**
D) Net capital employed (A+B+C)	**81**	**25**	**106**
Shareholders' equity, Group	11	25	36
Non-controlling interests	5	-	5
E) Shareholders' equity	**16**	**25**	**41**
Non-current net financial indebtedness	53	-	53
Current net financial indebtedness	11	-	11
F) Net financial indebtedness	**65**	**-**	**65**
G) Total as D)	**81**	**25**	**106**
Acquisition costs	-	-	36
Goodwill	-	-	-

59 — Significant events following the end of the financial year

Atlantia

– *Correspondence with the Ministry of Infrastructure and Transport regarding the alleged serious breach of contract*
  Talks with the Grantor with a view to reaching agreement over amendment of the Single Concession Arrangement, and to resolving the dispute initiated by the MIT following the collapse of a section of the Polcevera road bridge in 2018, are continuing in 2020. As part of these talks, Autostrade per l'Italia has made a number of proposals, the latest contained in a letter dated April 6, 2020, which commits the subsidiary to an undertaking to provide funding of approximately Euro 2,900 million to be used on the basis of agreements to be reached with the Grantor.

– *Rating downgrades*
  In response to the uncertainty resulting from the approval of Law Decree 162 of December 30, 2019 (the Milleproroghe Decree), later converted into Law 8 of February 28, 2020, Atlantia's ratings were downgraded by the leading rating agencies (Moody's: Ba3 Outlook Negative, Fitch: BB Rating Watch Negative and Standard & Poor's: BB- Credit Watch Negative). This was accompanied by downgrades of the subsidiaries Autostrade per l'Italia, Aeroporti di Roma and Abertis Infraestructuras.
  The terms and conditions applicable to Atlantia S.p.A.'s borrowings do not provide for early repayment in the event of a rating downgrade. The rating agencies' decision to downgrade the group's rating to sub-investment grade, following publication of the Milleproroghe Decree in case of early repayment exercise right from the EIB and Cassa Depositi e Prestiti, could result in early repayment of loans totalling Euro 2.1 billion, including Euro 1.7 billion guaranteed by Atlantia.

– *Request for the drawdown of funds from Cassa Depositi e Prestiti*
  On April 3, 2020, Autostrade per l'Italia requested the disbursement of funds totalling Euro 200 million under the credit facility agreed with Cassa Depositi e Prestiti S.p.A. on December 15, 2017. The request regards use of the Revolving Credit Facility tranche to meet the company's working capital requirements.
  In a letter dated April 24, 2020, Cassa Depositi e Prestiti replied that not all the conditions precedent that would permit the requested disbursement of the revolving credit facility had been met (including those "relating to the absence of Potential Material Events"), noting, among other things, that the Milleproroghe Decree had "[…] established a regulatory framework for the motorway sector that expressly (i) provides that early termination of motorway concessions, including the concession held by Autostrade per l'Italia, is not subject to the payment of compensation, (ii) establishes new criteria for determining such compensation in the event of termination due to breach of contract on the part of the operator, and (iii) invalidates any non-compliant provisions of the concession arrangement.", and that "this regulatory framework must also be considered in the light of the announcement made by the Ministry of Infrastructure and Transport on August 20, 2018, in the which the Ministry alleged that Autostrade per l'Italia was in serious breach of the concession arrangement". Moreover, in view "[…] (i) of the ongoing emergency and the corresponding need to support the recovery effort, and (ii) the need, stated by Autostrade per l'Italia, to use the requested funds to also finance implementation of its business plan, including significant investment […], Cassa Depositi e Prestiti stated that the request for disbursement could only be assessed following discussions with the company.

– *Letter of financial support issued by Atlantia for the benefit of Autostrade per l'Italia*
  On April 24, 2020, Atlantia provided Autostrade per l'Italia with a letter of support worth up to Euro 900 million, in order to cover the subsidiary's financial needs in the period 2020-2021.

ConnecT

- On January 2, 2020, Cellnex reached an agreement with Altice Europe and Morgan Stanley Infrastructure Partners to acquire 100% of the Portuguese TowerCo OMTEL.
- On February 26, 2020, Cellnex announced that it had reached a strategic agreement with Bouygues Telecom in France to implement and manage a fibre optic network that will connect towers, sites and edge computing centres and will support and accelerate the spread of 5G in France.
- On May 22, 2020, the Board of Directors of ConnecT approved the full, non-proportionate demerger plan of ConnecT, with the following effects: (i) a stake of 6.73% of Cellnex will be assigned to each of the newly established companies, fully-owned by Raffles and Infinity, respectively, and (ii) the remaining stake of 16.45% of Cellnex will be assigned to a newly established company that fully and indirectly controlled by Edizione through Sintonia. The demerger took effect on June 10, 2020.

Schematrentatre
On March 12, 2020, the Board of Directors of Assicurazioni Generali S.p.A. resolved to propose that the Shareholders' Meeting distribute a dividend of Euro 0.96 per share. Subsequently, on April 10, 2020, the Board of Directors decided to confirm the proposal to the Shareholders' Meeting to pay a dividend per share of Euro 0.96, but to divide it into two tranches: the first of Euro 0.50 to be paid in May 2020 and the second of Euro 0.46, to be paid by year-end, subject to verification by the board. On May 20, Schematrentatre collected a dividend of Euro 31.4 million.

Edizione
- In January 2020, Edizione completed the sale of Prysmian S.p.A. shares, realising a total net capital gain of Euro 23.8 million, of which Euro 16.3 million recorded in the statement of comprehensive income for 2019.
- On February 29, 2020, Carlo Bertazzo resigned from the office of General Manager of the Company and, effective March 1, 2020, took on the office of General Manager of Atlantia, for which he was already appointed Chief Executive Officer on January 13, 2020.
- On April 8, 2020 a loan agreement was signed with the subsidiary Benetton S.r.l., for an amount of Euro 100 million, which can be used in several tranches, has a duration of 18 months and a fixed rate of 1% per year. The repayment of principal and payment of interest is planned in a bullet repayment on maturity.
- On May 25, 2020 Edizione subscribed with Crédit Agricole an 18-month credit line of Euro 300 million, guaranteed by the Assicurazioni Generali S.p.A. shares held by its subsidiary Schematrentatre. The line is a revolving facility which, inter alia, requires that a minimum ratio be maintained of the market value of the shares used as collateral to the amount used.

Covid19
- Starting in January 2020, the domestic and international scenario was harshly impacted by the spread of the coronavirus and by the resulting restrictive measures implemented by the public authorities in the countries concerned. These circumstances, which are extraordinary in terms of their nature and scope, had direct and indirect negative impacts on economic activities, whose evolution and related effects cannot be predicted at this time. In this scenario marked by extreme uncertainty, the market value of equity securities recorded a sharply negative trend compared to the prices at the end of 2019. The restrictive measures imposed by the public authorities to contain the pandemic had a strong impact on all sectors in which the Group operates.
- On March 11, 2020, the Board of Directors of the Company decided to donate Euro 3 million to support the projects and needs of four hospitals, as a concrete contribution to combat the emergency deriving from the spread of the Covid19 epidemic in Italy. The donation regards the hospitals Ca' Foncello in Treviso, Luigi Sacco in Milan, and Lazzaro Spallanzani and the Agostino Gemelli polyclinic in Rome. In Italy, Edizione's main operations are located in Treviso, the city of origin of the Benneton family, in Milan and in Rome.
- On March 31, 2019, the Board of Directors of Atlantia resolved to make donations of Euro 5 million to support the management of the emergency caused by Covid19, to develop research, diagnostic and health care projects for individuals that have contracted the virus, and to favour the work of humanitarian associations for the weakest members of society.

60 — Non-recurring events

With regard to the tragic collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway operated by Autostrade per l'Italia on August 14, 2018, the impact of this event on the accounts in 2019 and 2018 is described below. Reference should be made to the information already provided in note 8.17 to the consolidated financial statements of Atlantia as at and for the year ended December 31, 2018 for full details relating to 2018.
Developments relating to legal and regulatory aspects in 2019 are described in note 10.7 of the consolidated financial statements of Atlantia as at and for the year ended December 31, 2019.

Convinced that it has fully complied with its concession obligations and whilst awaiting the outcome of the ongoing investigation into the causes of the collapse, the operator has, in any event, an obligation to reconstruct the Polcevera road bridge in compliance with the terms of the Single Concession Arrangement. This obligation falls within the scope of provisions to be made to the "Provisions for the repair and replacement of motorway infrastructure", in application of the accounting standards and policies applied. In particular, the provisions already made in the financial statements for 2018 meet the requirements of IAS 37 in relation to provisions, being that:
a. there is a present obligation as a result of a past event;
b. it is probable that an outflow of resources will be required to settle the obligation; and;
c. the related amount can be reliably estimated.

Moreover, fulfilment of the obligation will not qualify for recognition of an intangible asset, either as a right deriving from construction services for which no additional economic benefits are received or as a right deriving from construction services for which additional benefits are received.
Autostrade per l'Italia has an obligation to reconstruct the infrastructure previously operated under concession and this reconstruction of the road bridge:
a. does not form part of specific obligations to perform certain construction services (services that do not give rise to any form of toll increase or other benefit) assumed at the time of signing the Concession Arrangement;
b. does not generate any additional economic benefit, in that it relates to the mere reconstruction /replacement of pre-existing infrastructure. Any indirect benefits, such as, for example, the fact that the new road bridge will result in lower maintenance costs in future years cannot result in recognition of an intangible asset, as this would not meet the requirements of IAS 38.

With regard to the above, in accordance with the accounting treatment applicable had the operator proceeded directly to carry out reconstruction based on the terms of the Single Concession Arrangement (rather than responsibilities for these activities being assigned by law to a Special Commissioner appointed by the Government), a series of expenses resulting from the events in question were already recognised in the consolidated income statement for 2018, as described in detail in note 8.17 to the consolidated financial statements of Atlantia as at and for the year ended December 31, 2018, to which reference is made.
In keeping with the above accounting treatment, in 2019 Autostrade per l'Italia:

a. recognised costs of Euro 225 million as a result of requests from the Special Commissioner to fund reconstruction of the road bridge, as set out in a letter dated December 21, 2018, in implementation of the provisions of art. 1, paragraphs 5 and 6, art. 1-bis, art. 4-bis of Law Decree 109, converted with amendments into Law 130 of November 16, 2018; this amount is entirely covered by use of "Provisions for the repair and replacement of motorway infrastructure" previously set aside in the consolidated financial statements as at and for the year ended December 31, 2018, and its impact on the 2019 income statement has been offset by indirect use of the above provisions in the "Operating change in provisions";
b. paid a total of Euro 51 million directly from "Other provisions for risks and charges", already made as at December 31, 2018, in the form of compensation for a number of the families of victims impacted by the collapse of the road bridge, in grants for small businesses and firms hit by the collapse and to cover the cost of consultants' fees and legal expenses linked to actions undertaken to protect the Autostrade per l'Italia's rights and those of its employees who are under investigation;
c. made further provisions of Euro 12 million to the "Other provisions for risks and charges" following an updated estimate of the charges to be incurred in order to pay further compensation to victims' families.

Agreement was reached with the insurance company in 2019 regarding quantification of the amount payable to Autostrade per l'Italia under existing third-party liability insurance policies for the Polcevera road bridge, amounting to Euro 38 million. This amount has been recognised in "Other operating income" in the consolidated income statement for 2019, as it relates to costs for which provision had already been made in the consolidated financial statements as at and for the year ended December 31, 2018. These proceeds were not recognised in the financial statements at such date as they did not meet the requirements for reasonable certainty regarding either the amount to be collected or the date on which collection would occur.
Similarly, as at December 31, 2019, no further proceeds that may in future be collected on other insurance policies relating to the Polcevera road bridge have been recognised, as they do not meet the requirements of IFRS.
Again with regard to the impact of the collapse of a section of the Polcevera road bridge on profit or loss, in 2019, other Atlantia Group companies, namely Pavimental and Spea Engineering, have:

a. recognised charges totalling Euro 7 million, essentially attributable to consultants' fees;
b. made provisions of Euro 2 million to the "Other provisions for risks and charges.

Following the payments and provisions recognised in 2019, remaining provisions made in relation to the collapse of a section of the Polcevera road bridge in the consolidated financial statements as at and for the year ended December 31, 2019 consist of:

a. "Provisions for the repair and replacement of motorway infrastructure", totalling Euro 172 million;
b. "Other provisions for risks and charges", totalling Euro 19 million.

Following the collapse of the road bridge, the Ministry of Infrastructure and Transport formally accused Autostrade per l'Italia of certain breaches of its contractual obligations under the Single Concession Arrangement, as described in note 10.7 of the Annual Report for 2019 of Atlantia, to which reference is made.
As described in that note, as well as in the paragraph "Going concern assumption" in note 2 of the Annual Report for 2019 of Atlantia, to which reference should be made, Autostrade per l'Italia, without prejudicing any determination of liability for the collapse, proceeded to enter into discussions with the Government, the MIT and the Ministry of the Economy and Finance with the aim of agreeing on a resolution of the dispute, in return for the subsidiary's withdrawal of certain legal actions challenging aspects of the legislation introduced by the Government, which in some respects were in breach of Autostrade per l'Italia's rights.

Following a series of contacts between the parties, on March 5, 2020, Autostrade per l'Italia sent the MIT a letter in which the subsidiary, whilst continuing to refute the accusations made against it and confirming its willingness to work towards an agreed resolution of the ongoing dispute, set out details of the various elements previously mentioned in the discussions and proposals.
The proposals include, among other things, a commitment to assume sole responsibility for meeting expenditure totalling Euro 2,900 million. This sum breaks down as follows:

a. Euro 1,500 million to be allocated on the basis of agreements to be reached by the parties in order to fund the development of the country's infrastructure, the upgrade of the motorway network operated by Autostrade per l'Italia and/or its subsidiaries, and toll discounts for road users;
b. an increase of Euro 700 million (to be borne entirely by the subsidiary) in improvement maintenance in the period 2019-2023, compared with the commitments included in the financial plan submitted in June 2018;
c. without affecting the Company's previous commitment to bear the cost of construction of the new Polcevera road bridge (including any ancillary expenses), estimated at Euro 600 million, an undertaking to make up to a further Euro 100 million available to the Special Commissioner to cover any additional reconstruction costs.

With regard to the commitments in point b), these are maintenance works that Autostrade per l'Italia had already provided for in its current programme of works, included in its business plan, to be carried out in relation to the commitments assumed in the Single Concession Agreement. These maintenance works are therefore accounted for in the financial statements in accordance with the criteria previously described in note 3. The works are quantified as part of the process of measuring the value of the "Provisions for the repair and replacement of motorway infrastructure", which take into account the commitments assumed by the company, including with regard to the impact on the estimate of the duration of the upcoming cycle of repair or replacement work on the various components of motorway infrastructure.
With regard to the expenses incurred in relation to demolition and/or reconstruction of the road bridge referred to in point c), in accordance with the previously noted requirements, amounts representing a probable outflow and that can be reliably estimated

were already included in the measurement of the related “Provisions for the repair and replacement of motorway infrastructure” in the financial statements as at and for the year ended December 31, 2018.

As described in note 2, with regard to the uncertainties surrounding the ability of Autostrade per l’Italia and the Group to continue operating as going concerns, a detailed assessment has been conducted. Following this assessment, based on the belief that the risk of the initiation of the termination process is unlikely and the effective state of ongoing talks with the MIT, and on the assumption that there is a reasonable likelihood that an agreement will be reached as a result of these talks, the subsidiary has deemed that preparation of its financial statements on a going concern basis is appropriate. As a result, in these consolidated financial statements as at and for the year ended December 31, 2019, the Group has made a further provision to “Other current provisions for risks and charges” amounting to Euro 1,500 million, corresponding with the current best estimate of the amount of Autostrade per l’Italia’s undertaking, despite the previously noted fact that the manner in which these funds are to be used has yet to be decided on. This approach is based on the fact that the requirements of IAS 37 have been met, above all based on the fact that the company has assumed a specific current constructive obligation that has been indicated to the counterparty, resulting from the event represented by the collapse of the road bridge. At the date of approval of these financial statements by the Company’s Board of Directors, there are no further actions or formal obligations assumed by the Company that, under IFRS, must be reflected in specific items in the financial statements.
Given that, the above talks are still ongoing, it is not at this time possible to accurately predict the content of the final agreement that may be reached with the Government. However, despite the uncertainty surrounding the ongoing talks, at this time, the Group believes that the above amount of Euro 1,500 million represents the best estimate of the expenses to be met by Autostrade per l’Italia and to be reflecting in provisions, in accordance with the requirements of IAS 37 and the accounting standards adopted.

61 — Guarantees given, commitments and other contingent liabilities

(Millions of Euro)	12.31.2019	12.31.2018
Guarantees given		
Sureties and guarantees	2,577	1,307
Commitments		
Purchase commitments	19	25
Sale commitments	6	6
Other commitments	113	88
Total	**2,715**	**1,426**

Guarantees are made up as follows:

- the guarantees issued by the Abertis group’s Spanish and Chilean operators to their respective grantors with whom they have entered into concession arrangements, guaranteeing both the performance of construction services and fulfilment of the related contractual obligations, above all the guarantees given to the Spanish Ministry for Development, totalling Euro 92 million;
- guarantees given to third parties by the Atlantia group, including the following of particular importance:
  a. bank guarantees provided to the Ministry of Infrastructure and Transport, under the obligations assumed in the relevant concession agreement, by the Italian operators, Autostrade Brescia Verona Padova (Euro 28 million), Tangenziale di Napoli (Euro 26 million), Autostrade Meridionali (Euro 16 million), Società Autostrada Tirrenica (Euro 14 million), Raccordo Autostradale Valle d’Aosta (Euro 6 million) and Autostrada A31 Valdastico Sud (Euro 2 million);
  b. the guarantees issued by Group companies to Italian and Spanish local authorities with the aim of guaranteeing the performance of construction services and claims, totalling Euro 71 million;
  c. the guarantee issued by Atlantia in favour of credit institutions on behalf of Strada dei Parchi as a safeguard against the impact on cash flow hedges of movements in interest rates. The amount of the guarantee, based on the fair value of the hedges, has been capped at Euro 40 million, which corresponds to the value as at December 31, 2019. This guarantee was extinguished in February 2020;
  d. guarantees issued by the subsidiary, Electronic Transaction Consultants (Performance Bonds and Maintenance Bonds), totalling approximately Euro 36 million, to guarantee projects in progress;
  e. the guarantee of Euro 33 million given to the Italian Civil Aviation Authority in order to guarantee compliance with the obligations assumed in Aeroporti di Roma’s concession agreement.
- mortgage guarantees for Euro 1,430m on Significant Properties linked to the Italian bank loan signed by Edizione Property. The bank loan also includes a pledge on the shares of two companies of the Edizione Property group, Edizione Property France and Edizione Property Belgique.

Purchase commitments chiefly relate to payments to be made to investment funds held by the Parent Company (Euro 17 million) and preliminary agreements for the purchase of commercial properties by the Autogrill group (Euro 2 million).

Sale commitments consist of the value of sale-or-return products held at the premises of Autogrill group companies (Euro 6 million).

Other commitments refer to the Autogrill group and include the value of the assets comprising companies rented for Euro 13 million, commitments for group service contracts for Euro 72 million, commitments for access rights for Euro 21 million and commitments under low value and short-term leases for Euro 16 million.

62 — 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.

63 — Contingent liabilities

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

64 — 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 the current year.

(Millions of Euro)	**2019**
Type of service:	
Audit	7
Certification	1
Other services	1
Total	**9**

65 — Liquidity Decree

On April 8, 2020 a Decree Law was issued by the Italian Government, later converted into Law 40 of June 5, 2020, containing measures to support the liquidity of businesses in difficulty due to Covid19.
With regard to transactions relating to the granting of loans backed by guarantees from SACE S.p.A. pursuant to Art. 1 of said decree, the following informations are provided:

- consolidated global annual revenues for 2019: Euro 17,928 million;
- annual revenues generated by companies registered in Italy for 2019: Euro 7,743 million;
- number of employees in Italy on a consolidated basis at December 31, 2019: 26,672 employees;
- amount of payroll costs incurred in Italy for 2019: Euro 1,421 million.

ANNEXES

LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2019

Company name	Registered office	Currency	Share capital	% held
Companies consolidated on a line-by-line basis				
Parent Company and holding companies				
Edizione S.r.l.	Italy	Euro	1,500,000,000	
Sintonia S.p.A.	Italy	Euro	1,000,000	100.00%
Schematrentatre S.p.A.	Italy	Euro	1,000,000	100.00%
Schematrentaquattro S.p.A.	Italy	Euro	100,000,000	100.00%
Benetton S.r.l.	Italy	Euro	225,708,580	100.00%
ConnecT S.p.A.	Italy	Euro	29,533,872	60.00%
Schemaquattordici S.p.A. (liquidated)	Italy	Euro	50,000	58.99%
Food and Beverage				
Autogrill S.p.A.	Italy	Euro	68,688,000	50.10%
Nuova Sidap S.r.l.	Italy	Euro	100,000	100.00%
Autogrill Europe S.p.A.	Italy	Euro	50,000,000	100.00%
Autogrill Italia S.p.A.	Italy	Euro	68,688,000	100.00%
Autogrill Advanced Business Service S.p.A.	Italy	Euro	1,000,000	100.00%
Autogrill Austria GmbH	Austria	Euro	7,500,000	100.00%
Autogrill D.o.o.	Slovenia	Euro	1,342,670	100.00%
Autogrill Hellas Single Member Limited Liability Company	Greece	Euro	3,696,450	100.00%
Autogrill Polska Sp. z.o.o. (in liquidation)	Poland	Pln	40	100.00%
Autogrill Iberia S.L.U.	Spain	Euro	7,000,000	100.00%
Autogrill Deutschland GmbH	Germany	Euro	205,000	100.00%
Le CroBag GmbH & Co KG	Germany	Euro	894,761	100.00%
Le CroBag Polska Sp. Z.o.o.	Poland	Pln	26,192	100.00%
Le Fournil de Frédéric Neuhauser GmbH	Germany	Euro	10,226	100.00%
Autogrill Belgie N.V.	Germany	Euro	6,700,000	100.00%
Ac Restaurants & Hotels Beheer N.V.	Belgium	Euro	3,250,000	99.99%
Autogrill Schweiz A.G.	Switzerland	Chf	23,183,000	100.00%
Restoroute de Bavois S.A.	Switzerland	Chf	2,000,000	73.00%
Restoroute de la Gruyère S.A.	Switzerland	Chf	1,500,000	54.33%
Holding de Participations Autogrill S.a.s.	France	Euro	84,581,920	100.00%
Autogrill Côté France S.a.s.	France	Euro	31,579,526	100.00%
Volcarest S.a.s.	France	Euro	1,050,144	50.00%
Autogrill Restauration Carrousel S.a.s.	France	Euro	2,337,000	100.00%
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	France	Euro	8,000	100.00%
Autogrill FFH Autoroutes S.àr.l.	France	Euro	375,000	100.00%
Autogrill FFH Centres Villes S.àr.l.	France	Euro	375,000	100.00%
HMSHost Corporation	USA	Usd	-	100.00%
HMSHost International, Inc.	USA	Usd	-	100.00%

Company name	Registered office	Currency	Share capital	% held
HMSHost USA, LLC	USA	Usd	-	100.00%
Host International, Inc.	USA	Usd	-	100.00%
HMS Host Tollroads, Inc.	USA	Usd	-	100.00%
HMS Airport Terminal Services, Inc.	USA	Usd	1,000	100.00%
Host International of Maryland, Inc.	USA	Usd	1,000	100.00%
Michigan Host, Inc.	USA	Usd	1,000	100.00%
Host Services of New York, Inc.	USA	Usd	1,000	100.00%
Host International of Kansas, Inc.	USA	Usd	1,000	100.00%
Host Services, Inc.	USA	Usd	-	100.00%
Anton Airfood of Cincinnati, Inc.	USA	Usd	-	100.00%
Anton Airfood, Inc.	USA	Usd	1,000	100.00%
Anton Airfood of Newark, Inc.	USA	Usd	-	100.00%
Anton Airfood of JFK, Inc.	USA	Usd	-	100.00%
Anton Airfood of Minnesota, Inc.	USA	Usd	-	100.00%
Palm Springs AAI, Inc.	USA	Usd	-	100.00%
Fresno AAI, Inc.	USA	Usd	-	100.00%
Anton Airfood of Seattle, Inc.	USA	Usd	-	100.00%
Anton Airfood of Tulsa,Inc.	USA	Usd	-	100.00%
Islip AAI, Inc.	USA	Usd	-	100.00%
Stellar Partners, Inc.	USA	Usd	25,500	100.00%
Host International (Poland) Sp.zo.o. (in liquidation)	Poland	Usd	-	100.00%
Shenzhen Host Catering Company, Ltd. (in liquidation)	China	Usd	-	100.00%
Host Services Pty, Ltd.	Australia	Aud	11,289,360	100.00%
Host International of Canada, Ltd.	Canada	Cad	31,351,237	100.00%
Horeca Exploitatie Maatschappij Schiphol, B.V.	The Netherlands	Euro	45,400	100.00%
Marriott Airport Concessions Pty, Ltd.	Australia	Aud	3,910,104	100.00%
HMSHost Services India Private, Ltd.	India	Inr	668,441,680	99.00%
HMSHost Singapore Private, Ltd.	Singapore	Sgd	8,470,896	100.00%
Host (Malaysia) Sdn. Bhd.	Malaysia	Myr	2	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 International B.V.	The Netherlands	Euro	18,090	100.00%
HMSHost Hospitality Services Bharath Private, Ltd.	India	Inr	100,000,000	100.00%
NAG B.V.	The Netherlands	Euro	-	60.00%
HMSHost Finland Oy	Finland	Euro	2,500	100.00%
Host-Chelsea Joint Venture #3	USA	Usd	-	63.80%

Company name	Registered office	Currency	Share capital	% held
Host Bush Lubbock Airport Joint Venture	USA	Usd	-	90.00%
HSI Kahului Joint Venture Company	USA	Usd	-	90.00%
HSI Southwest Florida Airport Joint Venture	USA	Usd	-	78.00%
HSI Honolulu Joint Venture Company	USA	Usd	-	90.00%
HMS/Blue Ginger Joint Venture	USA	Usd	-	55.00%
Host-Chelsea Joint Venture #1	USA	Usd	-	65.00%
HSI-Tinsley Joint Venture	USA	Usd	-	84.00%
HSI/Tarra Enterprises Joint Venture	USA	Usd	-	75.00%
HSI D&D STL FB, LLC	USA	Usd	-	75.00%
HSI/LJA Joint Venture	USA	Usd	-	85.00%
Seattle Restaurant Associates	USA	Usd	-	70.00%
Bay Area Restaurant Group	USA	Usd	-	49.00%
Host/JV Ventures McCarran Joint Venture	USA	Usd	-	60.00%
HSI Miami Airport FB Partners Joint Venture	USA	Usd	-	70.00%
Host DEI Jacksonville Joint Venture	USA	Usd	-	51.00%
Host/JQ RDU Joint Venture	USA	Usd	-	75.00%
Host CTI Denver Airport Joint Venture	USA	Usd	-	90.00%
Host-Chelsea Joint Venture #4	USA	Usd	-	63.00%
Host-CMS SAN F&B, LLC	USA	Usd	-	100.00%
Host GRL LIH F&B, LLC	USA	Usd	-	85.00%
Host Fox PHX F&B, LLC	USA	Usd	-	75.00%
Host FDY ORF F&B, LLC	USA	Usd	-	90.00%
LTL ATL JV, LLC	USA	Usd	-	70.00%
Host ATLChefs JV 3, LLC	USA	Usd	-	95.00%
Host ATLChefs JV 5, LLC	USA	Usd	-	85.00%
Host LGO PHX F&B, LLC	USA	Usd	-	80.00%
Host-Love Field Partners I, LLC	USA	Usd	-	51.00%
Host-True Flavors SAT Terminal A FB, LLC	USA	Usd	-	65.00%
HSI Havana LAX F&B, LLC	USA	Usd	-	90.00%
Host-CTI DEN F&B II, LLC	USA	Usd	-	80.00%
Host Lee JAX FB, LLC	USA	Usd	-	80.00%
Host/DFW AF, LLC	USA	Usd	-	50.01%
HSI Havana LAX TBIT FB, LLC	USA	Usd	-	70.00%
Host Houston 8 IAH Terminal B, LLC	USA	Usd	-	60.00%
HHL Cole's LAX F&B, LLC	USA	Usd	-	80.00%
Host CMS LAX TBIT F&B, LLC	USA	Usd	-	100.00%
Host JQE RDU Prime, LLC	USA	Usd	-	85.00%
Host Howell Terminal A F&B, LLC	USA	Usd	-	65.00%
HSI MCA FLL FB, LLC	USA	Usd	-	76.00%
Host MCA SRQ FB, LLC	USA	Usd	-	90.00%
Host ECI ORD FB, LLC	USA	Usd	-	51.00%
Host Aranza Howell DFW B&E FB, LLC	USA	Usd	-	55.00%
Host MGV IAD FB, LLC	USA	Usd	-	65.00%

Company name	Registered office	Currency	Share capital	% held
Host MGV DCA FB, LLC	USA	Usd	-	70.00%
Host CTI DEN F&B STA, LLC	USA	Usd	-	80.00%
Host MGV DCA KT, LLC	USA	Usd	-	51.00%
Host MBA LAX SB, LLC	USA	Usd	-	70.00%
Host H8 IAH FB I, LLC	USA	Usd	-	60.00%
Host BGV IAH FB, LLC	USA	Usd	-	55.00%
HSI TBL TPA FB, LLC	USA	Usd	-	71.00%
Host JQE CVG FB, LLC	USA	Usd	-	90.00%
Host MBA CMS LAX, LLC	USA	Usd	-	60.00%
Host VDV CMH FB LLC	USA	Usd	-	80.00%
HOST OHM GSO FB, LLC	USA	Usd	-	80.00%
Host JQE RSI LIT FB, LLC	USA	Usd	-	70.00%
Host JVI PDX FB, LLC	USA	Usd	-	84.00%
Host TFC SDF FB, LLC	USA	Usd	-	60.00%
Host JQE RDU CONC D, LLC	USA	Usd	-	70.00%
Host SMI SFO FB, LLC	USA	Usd	-	90.00%
Host DOG LAS FB, LLC	USA	Usd	-	55.00%
Stellar Partners Tampa, LLC	USA	Usd	-	90.00%
Host LBL LAX T2 FB, LLC	USA	Usd	-	80.00%
Host BGI MHT FB, LLC	USA	Usd	-	90.00%
Host SCR SAV FB, LLC	USA	Usd	-	90.00%
Host Chen ANC FB LLC	USA	Usd	-	88.00%
Host SCR SAN FB, LLC	USA	Usd	-	75.00%
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 Java DFW MGO, LLC	USA	Usd	-	50.01%
Host SHI PHL FB LLC	USA	Usd	-	55.00%
Host VDV DTW SB, LLC	USA	Usd	-	75.00%
MCO Retail Partners, LLC	USA	Usd	-	80.00%
Host VDV DTW 3 SB, LLC	USA	Usd	-	79.00%
HMSHost Family Restaurants, Inc.	USA	Usd	2,000	100.00%
HMSHost UK, Ltd.	United Kingdom	Gbp	217,065	100.00%
HMSHost Sweden A.B.	Sweden	Sek	2,500,000	100.00%
HMSHost Ireland Ltd.	Ireland	Euro	13,600,000	100.00%
HMSHost Nederland B.V.	The Netherlands	Euro	100	100.00%
HMSHost Huicheng (Beijing) Catering Management Co., Ltd.	China	Cny	89,000,000	100.00%
HMSHost – UMOE F&B Company AS	Norway	Nok	150,000	51.00%
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Indonesia	Idr	46,600,000,000	65.00%
SMSI Travel Centres, Inc.	Canada	Cad	10,800,100	100.00%
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Turkey	Trl	35,271,734	100.00%
Autogrill VFS F&B Co. Ltd.	Vietnam	Vnd	104,462,000,000	70.00%
Limited Liability Company Autogrill Rus	Russia	Rub	10,000	100.00%

Company name	Registered office	Currency	Share capital	% held
PT Autogrill Services Indonesia	Indonesia	Idr	99,782,177,014	100.00%
HMSHost Vietnam Company Limited	Vietnam	Vnd	1,134,205,500	100.00%
HMSHost Family Restaurants, LLC	USA	Usd	-	100.00%
HMSHost Motorways L.P.	Canada	Cad	-	100.00%
HMSHost Motorways, Inc.	Canada	Cad	-	100.00%
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Turkey	Trl	2,140,000	51.00%
Stellar Retail Group ATL, LLC	USA	Usd	-	59.00%
Host CEI KSL MSY, LLC	USA	Usd	-	63.00%
Host MCA ATL FB, LLC	USA	Usd	-	64.00%
Stellar RSH DFW, LLC	USA	Usd	-	65.00%
Stellar Retail Partners DFW, LLC	USA	Usd	-	65.00%
Host HTB DEN FB, LLC	USA	Usd	-	67.00%
Host DSL DEN FB, LLC	USA	Usd	-	67.00%
Host MCL DFW SB, LLC	USA	Usd	-	65.00%
Host MCL DFW Bar, LLC	USA	Usd	-	75.00%
Host DCG ATL SB, LLC	USA	Usd	-	59.00%
Host MCA HLM ATL FB, LLC	USA	Usd	-	55.00%
Host TGI DEN GD FB, LLC	USA	Usd	-	70.00%
Host TGI DEN STA FB, LLC	USA	Usd	-	55.00%
Host D&D STL 3KG FB, LLC	USA	Usd	-	75.00%
Host JAVA DFW SBC-GAB, LLC	USA	Usd	-	50.01%
Host IBC MCO FB, LLC	USA	Usd	-	70.00%
Host BGB ARG MSP, LLC	USA	Usd	-	80.00%
HMSHost Maldives Pvt Ltd	Republic of Maldives	Usd	1,182,464	100.00%
HMSHost Rus Limited Liability Company	Russia	Rub	10,000	100.00%
HMSHost (Shanghai) Catering Management Co., Ltd.	China	Cny	30,900,000	100.00%
Host CEG KSL LGA FB, LLC	USA	Usd	-	70.00%
Host TRA BNA STA FB, LLC	USA	Usd	-	84.00%
Host TRA BNA FB, LLC	USA	Usd	-	80.00%
HSI BFF SEA FB, LLC	USA	Usd	-	51.00%
Stellar PHL, LLC	USA	Usd	-	65.00%
Stellar Retail Group PHX, LLC	USA	Usd	-	55.00%
Stellar LAM PHX, LLC	USA	Usd	-	70.00%
Host NMG EWR SB, LLC	USA	Usd	-	80.00%
Host PHE LDL MCO FB, LLC	USA	Usd	-	70.00%
Host AAC SFO FB, LLC	USA	Usd	-	70.00%
HSI MCA LBL LAX T6-TBIT, LLC	USA	Usd	-	75.00%
Host LDL MCO FB, LLC	USA	Usd	-	70.00%
Host WSE SJC FB, LLC	USA	Usd	-	80.00%
Host LDL BWI FB, LLC	USA	Usd	-	90.00%
Stellar DOC1 DCGG DEN, LLC	USA	Usd	-	75.00%
Host LPI SEA FB, LLC	USA	Usd	-	80.00%
Stellar MGV BWI, LLC	USA	Usd	-	60.00%

Company name	Registered office	Currency	Share capital	% held
HSI MCA MIA SB, LLC	USA	Usd	-	51.00%
HSI MCA BOS FB, LLC	USA	Usd	-	80.00%
Host DCG AUS FB, LLC	USA	Usd	-	75.00%
Host IBC PIE FB, LLC	USA	Usd	-	80.00%
HSI HCL SEA FB, LLC	USA	Usd	-	75.00%
Stellar BDI PIE, LLC	USA	Usd	-	90.00%
Stellar DCA BNA, LLC	USA	Usd	-	50.01%
Stellar DCA SLA BNA, LLC	USA	Usd	-	50.01%
HSI KIND EDMV PHX T3, LLC	USA	Usd	-	60.00%
Host IAV EWR FB, LLC	USA	Usd	-	65.00%
HSI CEG ALB BK, LLC	USA	Usd	-	80.00%
Host ETL ORD FB, LLC	USA	Usd	-	70.00%
Host LB NMG MKE FB, LLC	USA	Usd	-	75.00%
Stellar RSH EWR, LLC	USA	Usd	-	70.00%
Stellar St. Croix IAH – TLLC LLC	USA	Usd	-	90.00%
PGC-St. Croix IAH, LLC	USA	Usd	-	51.00%
Stellar PCG PEA IAH, LLC	USA	Usd	-	60.00%
Stellar AIR LAX I, LLC	USA	Usd	-	74.00%
PGC St. Croix LGA, LLC	USA	Usd	-	51.00%
PGC-SC MSP-305, LLC	USA	Usd	-	49.00%
PGC-SC MSP-G, LLC	USA	Usd	-	49.00%
PGC-SC MSP-304, LLC	USA	Usd	-	51.00%
PGC MSP Venture, LLC	USA	Usd	-	80.00%
Stellar HLL MSY Venture, LLC	USA	Usd	-	66.70%
Stellar Bambuza SEA, LLC	USA	Usd	-	85.00%
Stellar AIM VMW SFO, LLC	USA	Usd	-	70.00%
Host AJA EI DTW FB, LLC	USA	Usd	-	70.00%
Host SMI HPH LAX FB, LLC	USA	Usd	-	75.00%
Adastra Brands, Inc.	USA	Usd	-	100.00%
Puro Gusto NA, LLC	USA	Usd	-	100.00%
HSI BGI BOS SB, LLC	USA	Usd	-	60.00%
Host WSE SJC, LLC	USA	Usd	-	80.00%
Host MBC LAS FB, LLC	USA	Usd	-	80.00%
Stellar CGS LGA, LLC	USA	Usd	-	80.00%
Host DOC1 EDMV DEN FB, LLC	USA	Usd	-	67.00%
Host DOG LAS FB, LLC	USA	Usd	-	55.00%
Host JAVA Howell DFW F, LLC	USA	Usd	-	50.01%
Host KIND DOC1 DEN FB, LLC	USA	Usd	-	51.00%
Stellar DOC1 DCGG DEN II, LLC	USA	Usd	-	75.00%
Transport Infrastructure				
Atlantia S.p.A.	Italy	Euro	825,783,990	30.25%
A4 Holding S.p.A.	Italy	Euro	134,110,065	44.47%

Company name	Registered office	Currency	Share capital	% held
A4 Mobility S.r.l.	Italy	Euro	100,000	44.47%
A4 Trading S.r.l.	Italy	Euro	3,700,000	44.47%
AB Concessões S.A.	Brazil	Brl	738,652,989	50.00%
Abertis Autopistas España S.A.	Spain	Euro	551,000,000	49.39%
Abertis Holdco S.A.	Spain	Euro	100,059,990	50.00%
Abertis India Toll Road Services Llp	India	Inr	185,053,700	49.39%
Abertis India S.l.	Spain	Euro	17,113,500	49.39%
Abertis Infraestructuras Finance B.v.	The Netherlands	Euro	18,000	49.39%
Abertis Infraestructuras S.A.	Spain	Euro	2,734,696,113	49.39%
Abertis Internacional S.A.	Spain	Euro	33,687,000	49.39%
Abertis Italia S.r.l.	Italy	Euro	341,000,000	49.39%
Abertis Mobility Services S.l.	Spain	Euro	1,003,000	49.39%
Abertis Motorways UK Ltd.	United Kingdom	Gbp	10,000,000	49.39%
Abertis Telecom Satélites S.A.	Spain	Euro	242,082,290	49.39%
ACA Holding S.a.s.	France	Euro	17,000,000	38.66%
AD Moving S.p.A.	Italy	Euro	1,000,000	88.06%
ADR Assistance S.r.l.	Italy	Euro	4,000,000	99.38%
Aero 1 Global & International S.àr.l.	Luxembourg	Euro	6,670,862	100.00%
Aeroporti di Roma S.p.A.	Italy	Euro	62,224,743	99.38%
Aéroports de la Côte d’Azur S.A.	France	Euro	148,000	38.66%
Aéroports du Golfe de Saint Tropez S.A.	France	Euro	3,500,000	38.63%
Airport Cleaning S.r.l.	Italy	Euro	1,500,000	99.38%
ADR Mobility S.r.l.	Italy	Euro	1,500,000	99.38%
ADR Security S.r.l.	Italy	Euro	400,000	99.38%
ADR Sviluppo S.r.l.	Italy	Euro	100,000	99.38%
ADR Tel S.p.A.	Italy	Euro	600,000	99.38%
Arteris Participações S.A.	Brazil	Brl	73,842,009	20.73%
Arteris S.A.	Brazil	Brl	5,103,847,555	20.73%
Autopista Fernão Dias S.A.	Brazil	Brl	1,452,884,583	20.73%
Autopista Fluminense S.A.	Brazil	Brl	991,789,100	20.73%
Autopista Litoral Sul S.A.	Brazil	Brl	1,287,995,511	20.73%
Autopista Planalto Sul S.A.	Brazil	Brl	1,034,034,052	20.73%
Autopista Regis Bittencourt S.A.	Brazil	Usd	1,175,785,422	20.73%
Autopistas Aumar S.A. Concesionaria del Estado (AUMAR)	Spain	Euro	213,595,500	49.39%
Autopistas de León S.a.c.e. (AULESA)	Spain	Euro	34,642,000	49.39%
Autopistas de Puerto Rico y Compañía S.e. (APR)	Puerto Rico	Usd	3,503,002	49.39%
Autopistas del Sol S.A. (AUSOL)	Argentina	Ars	88,384,092	15.60%
Autopistas Metropolitanas de Puerto Rico Llc	Puerto Rico	Usd	500,323,664	25.19%
Autopistas Vasco-Aragonesa C.e.s.a. (AVASA)	Spain	Euro	237,094,716	49.39%
Autopistas Concesionaria Española S.A. (ACESA)	Spain	Euro	319,488,531	49.39%
Autopista Trados-45 S.A. (Trados-45)	Spain	Euro	21,039,015	25.19%
Autopistes de Catalunya S.A. (AUCAT)	Spain	Euro	96,160,000	49.39%
Autostrada BS VR VI PD S.p.A.	Italy	Euro	125,000,000	44.47%

Company name	Registered office	Currency	Share capital	% held
Autostrade Concessões e Participações Brasil Limitada	Brazil	Brl	729,590,863	100.00%
Autostrade dell'Atlantico S.r.l.	Italy	Euro	1,000,000	100.00%
Autostrade Holding do Sur S.A.	Chile	Clp	51,496,805,692	100.00%
Autostrade Indian Infrastructure Development Private Limited	India	Inr	500,000	100.00%
Autostrade Meridionali S.p.A.	Italy	Euro	9,056,250	51.94%
Autostrade per l'Italia S.p.A.	Italy	Euro	622,027,000	88.06%
Autostrade Portugal S.r.l.	Italy	Euro	30,000,000	100.00%
Autostrade Tech S.p.A.	Italy	Euro	1,120,000	88.06%
Autovías S.A.	Brazil	Brl	128,514,447	20.73%
Azzurra Aeroporti S.p.A.	Italy	Euro	3,221,234	60.40%
Bip&Go s.a.s.	France	Euro	1,000	49.39%
Castellana de Autopistas S.a.c.e.	Spain	Euro	98,000,000	49.39%
Centrovias Sistemas Rodoviários S.A.	Brazil	Brl	104,798,079	20.73%
Concessionária da Rodovia MG050 S.A.	Brazil	Brl	468,878,027	50.00%
Concesionaria de Rodovias do Interior Paulista S.A.	Brazil	Brl	129,625,130	20.73%
Electronic Transaction Consultants Co.	USA	Usd	16,264	64.46%
Emovis Operations Ireland Ltd	Ireland	Euro	10	49.39%
Emovis Operations Leeds (UK)	United Kingdom	Gbp	10	49.39%
Emovis Operations Mersey Ltd	United Kingdom	Gbp	10	49.39%
Emovis Operations Puerto Rico Inc.	USA	Usd	1,000	49.39%
Emovis S.a.s.	France	Euro	11,781,984	49.39%
Emovis Tag UK Ltd	United Kingdom	Gbp	10	49.39%
Emovis Technologies BC Inc.	Canada	Cad	450,100	49.39%
Emovis Technologies Chile S.A. (in liquidation)	Chile	Clp	460,948,000	49.39%
Emovis Technologies D.o.o.	Croatia	Hrk	2,364,600	49.39%
Emovis Technologies Ireland Limited	Ireland	Euro	10	49.39%
Emovis Technologies Québec Inc.	Canada	Cad	100	49.39%
Emovis Technologies UK Limited	United Kingdom	Gbp	130,000	49.39%
Emovis Technologies US Inc.	USA	Usd	1,000	49.39%
Eurotoll Central Europe Zrt	Hungary	Euro	16,633	49.39%
Eurotoll S.a.s.	France	Euro	3,300,000	49.39%
EsseDiEsse Società di Servizi S.p.A.	Italy	Euro	500,000	88.06%
Fiumicino Energia S.r.l.	Italy	Euro	741,795	87.14%
Gestora de Autopistas S.p.A. (GESA)	Chile	Clp	837,978,217	39.51%
Giove Clear S.r.l.	Italy	Euro	10,000	88.06%
Globalcar Services S.p.A.	Italy	Euro	2,000,000	29.35%
Grupo Concesionario del Oeste S.A. (GCO)	Argentina	Ars	160,000,000	24.00%
Grupo Costanera S.p.A.	Chile	Clp	328,443,738,418	50.01%
Holding d’Infrastructures de Transport 2 S.a.s	France	Euro	5,010,000	49.39%
Holding d’Infrastructures de Transport S.a.s	France	Euro	1,512,267,743	49.39%
Iberpistas S.A.	Spain	Euro	54,000,000	49.39%
Infoblu S.p.A.	Italy	Euro	5,160,000	75.00%
Infraestructures Viaries de Catalunya S.A. (INVICAT)	Spain	Euro	92,037,215	49.39%

Company name	Registered office	Currency	Share capital	% held
Infraestructuras Viarias Mexicanas, S.a. de C.v.	Mexico	Mxn	1,000	49.39%
Inversora de Infraestructuras S.l. (INVIN)	Spain	Euro	116,047,578	39.51%
Jadcherla Expressways Private Limited (JEPL)	India	Inr	2,100,402,530	49.39%
K-Master S.r.l.	Italy	Euro	10,000	93.40%
Latina Manutenção de Rodovias Ltda.	Brazil	Brl	31,048,345	20.73%
Leonardo Energia – Società Consortile a r.l.	Italy	Euro	10,000	88.36%
Leonord Exploitation s.a.s	France	Euro	40,000	41.98%
Mulhacen S.r.l.	Italy	Euro	10,000	44.47%
Pavimental Polska Sp.zo.o.	Poland	Pln	3,000,000	96.89%
Pavimental S.p.A.	Italy	Euro	10,116,452	96.89%
Operavias S.A.	Chile	Clp	4,230,063,893	39.51%
Partícipes en Brasil II S.l.	Spain	Euro	3,100	25.19%
Partícipes en Brasil S.A.	Spain	Euro	41,093,222	25.19%
PDC Partecipações S.A.	Brazil	Brl	602,684,727	25.19%
Raccordo Autostradale Valle d'Aosta S.p.A.	Italy	Euro	343,805,000	21.54%
Rodovias das Colinas S.A.	Brazil	Brl	226,145,401	50.00%
Sanef 107,7 S.a.s.	France	Euro	15,245	49.39%
Sanef Aquitaine S.a.s.	France	Euro	500,000	49.39%
Sanef S.A.	France	Euro	53,090,462	49.39%
SAPN S.A. (Société des Autoroutes Paris-Normandie)	France	Euro	14,000,000	49.38%
SCI la Ratonnière S.a.s.	France	Euro	243,918	38.66%
SE BNPL S.a.s.	France	Euro	40,000	49.39%
Serenissima Partecipazioni S.p.A.	Italy	Euro	2,314,063	44.47%
Sky Valet France S.a.s.	France	Euro	1,151,584	38.66%
Sky Valet Portugal Lda	Portugal	Euro	50,000	38.66%
Sky Valet Spain S.l.	Spain	Euro	231,956	38.66%
Sociedad Concesionaria AMB S.A.	Chile	Clp	5,875,178,700	50.01%
Sociedad Concesionaria Americo Vespucio Oriente II S.A.	Chile	Clp	100,000,000,000	50.01%
Sociedad Concesionaria Autopista Central S.A.	Chile	Clp	76,694,956,663	39.51%
Sociedad Concesionaria Autopista de los Andes S.A.	Chile	Clp	35,466,685,791	39.51%
Sociedad Concesionaria Autopista del Sol S.A.	Chile	Clp	19,960,726,041	39.51%
Sociedad Concesionaria Autopista los Libertadores S.A.	Chile	Clp	16,327,525,305	39.51%
Sociedad Concesionaria Autopista Nororiente S.A.	Chile	Clp	22,738,904,654	50.01%
Sociedad Concesionaria Autopista Nueva Vespucio sur S.A.	Chile	Clp	166,967,672,229	50.01%
Sociedad Concesionaria Conexion Vial Ruta 78 – 68 S.A.	Chile	Clp	32,000,000,000	50.01%
SociedadConcesionaria Costanera Norte S.A.	Chile	Clp	58,859,765,519	50.01%
Sociedad Concesionaria del Elqui S.A. (Elqui)	Chile	Clp	44,000,000,000	39.51%
Sociedad Concesionaria de los Lagos S.A.	Chile	Clp	53,602,284,061	100.00%
Sociedad Concesionaria Litoral Central S.A.	Chile	Clp	18,368,224,675	50.01%
Sociedad Concesionaria Rutas del Pacífico S.A.	Chile	Clp	51,000,000,000	39.51%
Sociedade para Participação em Infraestructura S.A.	Brazil	Brl	22,506,527	25.19%
Societat d'Autopistes Catalanes S.A.U.	Spain	Euro	1,060,000	49.39%
Sociedad Gestion Vial S.A.	Chile	Clp	11,397,237,788	50.01%
Sociedad Operacion y Logistica de Infraestructuras S.A.	Chile	Clp	11,736,819	50.01%

Company name	Registered office	Currency	Share capital	% held
Società Autostrada Tirrenica p.A.	Italy	Euro	24,460,800	88.06%
Società Italiana per Azioni per il Traforo del Monte Bianco	Italy	Euro	198,749,200	44.91%
Soluciona Conservaçao Rodoviaria Ltda	Brazil	Brl	500,000	50.00%
Spea do Brasil Projetos e Infra Estrutura Limitada	Brazil	Brl	4,504,000	97.49%
Spea Engineering S.p.A.	Italy	Euro	6,966,000	97.49%
Stalexport Autoroute S.ar.l.	Luxembourg	Euro	56,149,500	61.20%
Stalexport Autostrada Małopolska S.A.	Poland	Pln	66,753,000	61.20%
Stalexport Autostrady S.A.	Poland	Pln	185,446,517	61.20%
Tangenziale di Napoli S.p.A.	Italy	Euro	108,077,490	88.06%
Tech Solutions Integrators S.a.s.	France	Euro	2,000,000	88.06%
Telepass S.p.A.	Italy	Euro	26,000,000	100.00%
Telepass Broker S.r.l.	Italy	Euro	500,000	100.00%
Telepass Pay S.p.A.	Italy	Euro	702,983	100.00%
Tolling Operations Puerto Rico Inc.	Puerto Rico	Usd	1,000,000	49.39%
Triangulo do Sol Auto-Estradas S.A.	Brazil	Brl	71,000,000	50.00%
Trichy Tollway Private Limited (TTPL)	India	Inr	1,946,215,010	49.39%
Túnels de Barcelona i Cadí Concesionaria de la Generalitat de Catalunya S.A.	Spain	Euro	60,000	24.70%
URBANnext S.A.	Switzerland	Chf	100,000	70.00%
Via4 S.A.	Poland	Pln	500,000	33.66%
Vianorte S.A.	Brazil	Brl	113,651,571	20.73%
Viapaulista S.A.	Brazil	Brl	1,348,385,843	20.73%
Vías Chile S.A.	Chile	Clp	93,257,077,900	39.51%
Clothing and Textiles				
Benetton Group S.r.l.	Italy	Euro	200,000,000	100.00%
Retail Italia Network S.r.l.	Italy	Euro	1,000,000	100.00%
Benetton Servizi S.r.l.	Italy	Euro	5,100,000	100.00%
Fabrica S.r.l.	Italy	Euro	250,000	100.00%
Ponzano Children S.r.l.	Italy	Euro	110,000	100.00%
Villa Minelli – Società Agricola a r.l.	Italy	Euro	110,000	100.00%
Ben-Mode A.G.	Switzerland	Chf	500,000	100.00%
Benetton Denmark A.p.S.	Denmark	Dkk	125,000	100.00%
Benetton Agency Ireland Ltd.	Ireland	Euro	260,000	100.00%
Benetton France Commercial S.A.S.	France	Euro	10,000,000	100.00%
Benetton Retail Poland Sp. z o.o.	Poland	Pln	21,000,000	100.00%
Benetton Hellas Agency of Clothing Single Partner E.P.E.	Greece	Euro	3,549,990	100.00%
Benetton Giyim Sanayi ve Ticaret A.S.	Turkey	Try	70,308,100	100.00%
Benetton Pars P.J.S.C.	Iran	Irr	6,831,400,000	100.00%
Benetton de Commerce International Tunisie S.à r.l.	Tunisia	Tnd	1,936,000	100.00%
Benetton Commerciale Tunisie S.à r.l.	Tunisia	Tnd	2,429,000	100.00%
Benetton India Pvt. Ltd.	India	Inr	4,400,000,000	100.00%
Benetton Asia Pacific Ltd.	Hong Kong	Hkd	41,400,000	100.00%
Shanghai Benetton Trading Company Ltd. (in liquidation)	China	Usd	37,821,056	100.00%
Benetton Trading USA Inc.	USA	Usd	207,847,833	100.00%

Company name	Registered office	Currency	Share capital	% held
Benetton Japan Co., Ltd.	Japan	Jpy	90,000,000	100.00%
Benetton Korea Inc.	Korea	Krw	2,500,000,000	100.00%
Benetton Russia O.O.O.	Russia	Rub	223,518,999	100.00%
Kazan Real Estate O.O.O.	Russia	Rub	2,117,010,000	100.00%
Benetton Trading Taiwan Ltd.	Taiwan	Twd	115,000,000	100.00%
Benetton Mexicana S.A. de C.V.	Mexico	Mxn	455,979,520	100.00%
Benetton Services S.A. de C.V.	Mexico	Mxn	50,000	100.00%
Benetton Services II S.A. de C.V.	Mexico	Mxn	50,000	100.00%
Sabbia Ltd.	Cyprus	Euro	50,000	100.00%
Olimpias Group S.r.l.	Italy	Euro	50,000,000	100.00%
Filatura di Vittorio Veneto S.r.l.	Italy	Euro	110,288	50.00%
Aerre S.r.l.	Italy	Euro	15,000	60.00%
Olimpias Knitting Serbia D.o.o.	Serbia	Rsd	10,000	60.00%
Sc Anton Industries S.r.l.	Romania	Ron	1,162,460	60.00%
Olimpias Tunisia S.àr.l.	Tunisia	Tnd	100,000	100.00%
Olimpias SRB Doo	Serbia	Rsd	1,138,444,166	100.00%
Olimpias Industrielle Tunisie S.àr.l.	Tunisia	Tnd	2,000,000	100.00%
Olimpias Manufacturing Tunisia S.àr.l.	Tunisia	Tnd	700,000	100.00%
Olimpias Tekstil D.o.o.	Croatia	Hrk	155,750,000	100.00%
Olimpias MFG Romania S.r.l.	Romania	Ron	1,416,880	100.00%
Olimpias Ungheria Kft	Hungary	Huf	89,190	100.00%
Real Estate and Agriculture				
Edizione Property S.p.A.	Italy	Euro	4,000,000	100.00%
Edizione Alberghi S.r.l.	Italy	Euro	5,000,000	100.00%
Property Due S.r.l.	Italy	Euro	50,000	100.00%
Edizione Property France S.A.	France	Euro	25,009,197	100.00%
Edizione Realty Czech Sro	Czech Republic	Czk	40,000,000	100.00%
Edizione Property Spain S.L.	Spain	Euro	15,270,450	100.00%
Edizione Property Portugal Imobiliaria S.A.	Portugal	Euro	100,000	99.90%
Edizione Property Belgique S.A.	Belgium	Euro	14,500,000	100.00%
Edizione Property Austria GmbH	Austria	Euro	2,500,000	100.00%
Real Estate Ukraine LLC	Ukraine	Usd	7,921	100.00%
Hotel Union Shpk	Kosovo	Euro	3,200,000	100.00%
Edizione Property D.o.o. Sarajevo	Bosnia-Herzegovina	Bam	20,000	100.00%
Edizione Property Latvia Sia	Latvia	Euro	896,304	100.00%
Real Estate Russia O.o.o.	Russia	Rub	120,010,000	100.00%
Real Estate Management O.o.o.	Russia	Rub	250,000,000	100.00%
Kaliningrad Real Estate O.o.o.	Russia	Rub	10,000	100.00%
Benetton Real Estate Kazakhstan LLP	Kazakhstan	Kzt	62,920,000	100.00%
Benetton International Kish Pjsc	Iran	Irr	100,000,000	100.00%
Benetton Istanbul Real Estate Ltd	Turkey	Try	34,325,000	100.00%

Company name	Registered office	Currency	Share capital	% held
Edizione Property Mongolia LLC	Mongolia	Mnt	115,000,000	100.00%
Edizione Agricola S.r.l.	Italy	Euro	1,000,000	100.00%
Compania de Tierras Sud Argentino S.A.	Argentina	Ars	137,579,000	100.00%
Frigorifico Faimali S.A.	Argentina	Ars	25,000,000	100.00%
Ganadera Condor S.A.	Argentina	Ars	115,541,000	100.00%
Maccarese S.p.A. società agricola	Italy	Euro	34,485,805	100.00%
San Giorgio S.r.l.	Italy	Euro	100,000	100.00%
Other sectors				
Verde Sport S.p.A.	Italy	Euro	8,000,000	100.00%
Asolo Golf Club S.r.l.	Italy	Euro	100,000	100.00%
Equity investments in associates and joint ventures				
Caresquick N.V.	Belgium	Euro	1,020,000	50.00%
Autogrill Middle East, LLC	Abu Dhabi	Aed	100,000	50.00%
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	350,000	49.00%
Arab Host Services LLC	Qatar	Qar	200,000	49.00%
DLV-WSE, LLC	USA	Usd	-	49.00%
Aeroporto Guglielmo Marconi di Bologna S.p.A.	Italy	Euro	90,314,162	29.38%
A'lienor S.a.s.	France	Euro	275,632,000	35.00%
Alazor Inversiones S.A.	Spain	Euro	223,600,000	31.22%
Autopista Terrassa-Manresa Concessionària de la Generalitat de Catalunya S.A. (AUTEMA)	Spain	Euro	83,410,572	23.72%
Autoroute de Liaison Seine-Sarthe S.A. (ALIS)	France	Euro	2,850,000	19.67%
Bip & Drive S.A.	Spain	Euro	4,612,969	35.00%
C.I.S. S.p.A. (in liquidation)	Italy	Euro	5,236,530	25.23%
CIRALSA S.a.c.e.	Spain	Euro	50,167,000	25.00%
Concesionaria Vial de los Andes S.A. (COVIANDES)	Colombia	Cop	27,400,000,000	40.00%
Constructora de Infraestructura Vial S.a.s.	Colombia	Cop	50,000,000	40.00%
Bologna & Fiera Parking S.p.A.	Italy	Euro	2,715,200	36.81%
Biuro Centrum Sp. Z o.o.	Poland	Pln	80,000	40.63%
Getlink S.E.	France	Euro	220,000,000	15.49%
G.R.A. di Padova S.p.A.	Italy	Euro	2,950,000	33.90%
Infraestructuras y Radiales S.A. (IRASA)	Spain	Euro	11,610,200	30.00%
Leonord S.a.s	France	Euro	697,377	35.00%
M-45 Conservacion S.A.	Spain	Euro	553,000	50.00%
Road Management Group Ltd (RMG)	United Kingdom	Gbp	25,335,000	33.30%
Routalis S.a.s.	France	Euro	40,000	30.01%
Tangenziali Esterne di Milano S.p.A.	Italy	Euro	220,344,608	27.45%
A&T Road Construction Management and Operation Private Limited	India	Inr	100,000	50.00%
Airport One S.a.s.	France	Euro	1,000	49.00%
Airport Hotel S.a.s.	France	Euro	1,000	49.00%
Areamed 2000 S.A.	Spain	Euro	2,070,012	50.00%
Concessionária Rodovias do Tietê S.A.	Brazil	Brl	303,578,476	50.00%

Company name	Registered office	Currency	Share capital	% held
GEIE del Traforo del Monte Bianco	Italy	Euro	2,000,000	50.00%
Pune Solapur Expressways Private Limited	India	Inr	100,000,000	50.00%
Trans-Canada Flow Tolling Inc.	Canada	Cad	2	50.00%
BMM S.c.ar.l.	Italy	Euro	10,000	12.00%
Consorcio Anhanguera Norte	Brazil	Brl	-	13.13%
Consorzio Autostrade Italiane Energia	Italy	Euro	114,853	38.41%
Consorzio Costruttori TEEM	Italy	Euro	10,000	1.00%
Consorzio E.T.L. – European Transport Law (in liquidation)	Italy	Euro	-	25.00%
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 S.c.ar.l. (in liquidation)	Italy	Euro	10,000	49.00%
Consorzio R.F.C.C. (in liquidation)	Italy	Euro	510,000	30.00%
Consorzio Spea-Garibello	Brazil	Brl	-	50.00%
Consorzio Tangenziale Engineering	Italy	Euro	20,000	30.00%
Consorzio 2050	Italy	Euro	50,000	0.50%
Costruzioni Impianti Autostradali S.c.ar.l. (in liquidation)	Italy	Euro	10,000	100.00%
Elmas S.c.ar.l. (in liquidation)	Italy	Euro	10,000	60.00%
Lambro S.c.ar.l.	Italy	Euro	200,000	2.78%
Safe Roads S.c.ar.l.	Italy	Euro	10,000	17.22%
Sat Lavori S.c.ar.l. (in liquidation)	Italy	Euro	100,000	1.00%
Smart Mobility Systems S.c.ar.l.	Italy	Euro	10,000	24.50%
Dom Maklerski BDM S.A.	Poland	Pln	19,796,924	2.71%
Strada dei Parchi S.p.A.	Italy	Euro	48,114,240	2.00%
Cellnex Telecom S.A.	Spain	Euro	96,331,632	29.90%
Subsidiaries and associates carried on at cost or fair value				
Domino S.r.l.	Italy	Euro	10,000	100.00%
Pavimental Est AO (in liquidation)	Russia	Rub	4,200,000	100.00%
Pedemontana Veneta S.p.A. (in liquidation)	Italy	Euro	6,000,000	61.70%
Aeroporto di Genova S.p.A.	Italy	Euro	7,746,900	15.00%
Argentea Gestione	Italy	Euro	120,000	5.84%
Autoroutes Trafic S.a.s.	France	Euro	349,000	15.00%
Autostrada del Brennero S.p.A.	Italy	Euro	55,472,175	4.23%
Autostrade Lombarde S.p.A.	Italy	Euro	501,726,626	4.90%
Autovie Venete S.p.A.	Italy	Euro	157,965,738	0.42%
Centaure Paris-Normandie S.a.s.	France	Euro	700,000	49.90%
Centaure Nord-Est S.a.s.	France	Euro	320,000	34.00%
Centaure Grand Est S.a.s.	France	Euro	450,000	14.44%
Centro Intermodale Toscano Amerigo Vespucci S.p.A.	Italy	Euro	11,756,695	0.43%
Compagnia Aerea Italiana S.p.A.	Italy	Euro	3,526,846	6.52%
Confederaziona Autostrade S.p.A.	Italy	Euro	6,000,000	16.67%
Directional Capital Holdings (in liquidation)	USA	Euro	150,000	5.00%
Hochtief Aktiengesellschaft	Germany	Euro	180,855,570	23.86%
Holding Partecipazioni Immob.	Italy	Euro	1	13.00%

Company name	Registered office	Currency	Share capital	% held
Huta Jedność S.A.	Poland	Pln	27,200,000	2.40%
Interporto Padova S.p.A.	Italy	Euro	36,000,000	3.27%
Inwest Star S.A. (in liquidation)	Poland	Pln	11,700,000	0.26%
Lusoponte – Concessionaria para a Travessia do Tejo	Portugal	Euro	25,000,000	17.21%
Ligabue Gate Gourmet Roma S.p.A. (bankruptcy)	Italy	Euro	103,200	20.00%
Konsorcjum Autostrada śląsk S.A. (in liquidation)	Poland	Pln	1,987,300	5.43%
Nogara Mare Adriatico	Italy	Euro	120,000	2.50%
S.a.cal. S.p.A.	Italy	Euro	13,920,225	9.23%
Società di Progetto Brebemi S.p.A.	Italy	Euro	113,336,332	0.60%
Stradivaria S.p.A.	Italy	Euro	20,000,000	1.00%
Tangenziale Esterna S.p.A.	Italy	Euro	464,945,000	1.25%
Terra Mitica, Parque Tematico de Benidorm S.A.	Spain	Euro	247,487,181	1.29%
Uirnet S.p.A.	Italy	Euro	1,142,000	1.40%
Walcownia Rur Jedność Sp. Z o. o.	Poland	Pln	220,590,000	0.01%
Wash Out S.r.l.	Italy	Euro	16,001	10.75%
Zakłady Metalowe Dezamet S.A.	Poland	Pln	19,241,750	0.26%
Benetton Rugby Treviso S.r.l.	Italy	Euro	52,000	100.00%
Benetton Real Estate Azerbaijan LLC (in liquidation)	Azerbaijan	Usd	130,000	100.00%
Pallacanestro Treviso Società Sportiva Dilettantistica a r.l.	Italy	Euro	50,000	100.00%
Eurostazioni S.p.A.	Italy	Euro	160,000,000	32.71%
Bensec S.c.ar.l.	Italy	Euro	110,000	78.00%

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 Group (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' 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 consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2019, 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 Edizione S.r.l. 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.

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.

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, 2019, 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, 2019 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, 2019 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 24, 2020

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

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