EDIZIONE

2016 ANNUAL REPORT

EDIZIONE

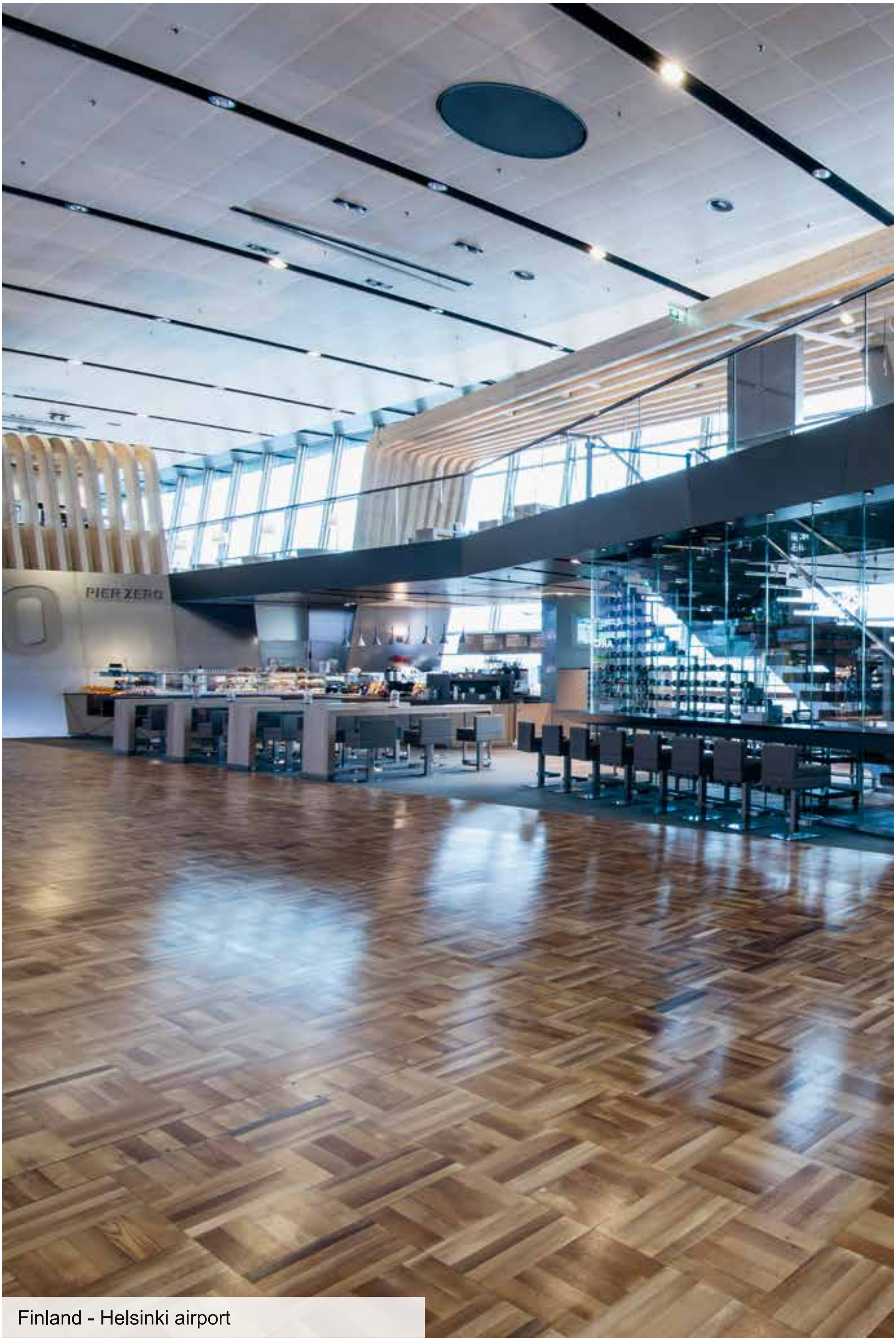
ANNUAL REPORT AT DECEMBER 31, 2016

Italy - A1 motorway - Settebagni section

Italy - A14 motorway - Valle del Rubicone toll

Italy - Rome Fiumicino airport - E Area

Poland - A4 Katowice-Krakow motorway



Finland - Helsinki airport

Belgium - Brussels airport

Canada - Montreal airport

Italy - Secchia (A1 motorway)

India - New Delhi

Spain - Madrid

Fabrics

Russia - Moscow

Treviso - Edizione headquarter

Venice - Fondaco dei Tedeschi

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GROUP KEY DATA

PARENT COMPANY OFFICERS

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

Fabio Cerchiai [1]	CHAIRMAN
Gilberto Benetton [2]	DEPUTY CHAIRMAN
Marco Patuano [3]	CHIEF EXECUTIVE OFFICER
Carlo Benetton [4]	DIRECTORS
Alessandro Benetton	
Franca Bertagnin Benetton	
Giovanni Costa	
Fabio Buttignon [5]	
Luciano Benetton [6]	
Giuliana Benetton [6]	
Massimo Benetton [6]	
Sabrina Benetton [6]	
Gianni Mion [7]	

GENERAL MANAGER
Carlo Bertazzo

BOARD OF STATUTORY AUDITORS
In office until approval of the financial statements at December 31, 2016

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

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

Deloitte & Touche S.p.A.

(1) Appointed Chairman of the Board of Directors on January 18, 2017.
(2) Chairman of the Board until January 18, 2017 and appointed Deputy Chairman of the Board of Directors on the same date.
(3) Appointed Chief Executive Officer on January 18, 2017.
(4) Deputy Chairman of the Board of Directors until January 18, 2017.
(5) Director in office since June 28, 2016.
(6) Director whose term of office ended on June 28, 2016.
(7) Resigned from Deputy Chairman of the Board and Board member on December 31, 2016.

GROUP STRUCTURE

At December 31, 2016 Edizione S.r.l., wholly owned by the Benetton family, holds equity investments mainly in the following sectors: infrastructure and services for mobility, motorway and airport restaurants, textiles and clothing, real estate & agriculture.

INVESTMENT PHILOSOPHY

Edizione is an active investor that combines an entrepreneurial approach with solid financial discipline, putting finance at its companies' service in order to improve their competitive position and returns.

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

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

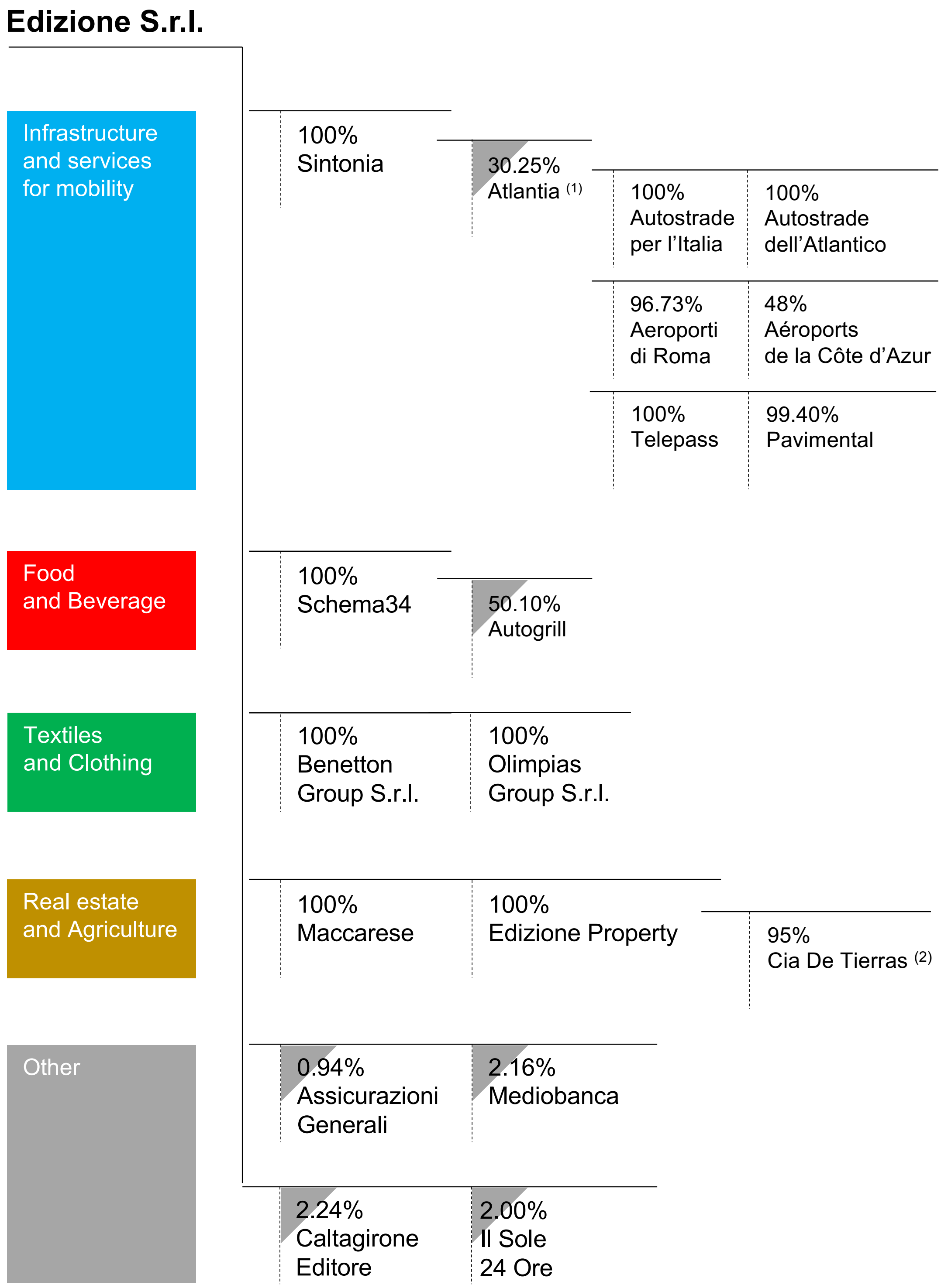
This goal can also be pursued through acquisitions, which leverage global relationships built over the years. Specifically, Edizione's new investments are mainly focused on target companies that:

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

Partners that share Edizione's strategic lines can be involved in the investments.

GROUP ORGANISATION CHART

The Group structure at December 31, 2016 was as follows:



(1) At December 31, 2016, Atlantia holds 0.66% of treasury shares.
(2) The remaining 5% stake is held directly by Edizione S.r.l.

Listed companies

FINANCIAL HIGHLIGHTS

The Group's results in 2016 and 2015, stated according to the International Financial Reporting Standards (IAS/IFRS), are summarised below.

(Millions of Euro)	2016	2015
Revenues	**11,670**	**11,412**
Ebitda (*)	3,857	3,763
Operating result	2,495	2,490
Net income, Group	**388**	**1,598**
Net working capital	(834)	(822)
Net assets held for sale	(1)	-
Intangible assets, property, plant and equipment	28,432	24,688
Non-current financial assets	1,219	1,183
Other non-current assets/(liabilities), net	(2,810)	(1,791)
Total non-current assets	26,841	24,081
Net capital employed	**26,006**	**23,259**
Shareholders' equity, Group	6,773	6,406
Non-controlling interests	8,147	6,731
Total shareholders' equity	**14,920**	**13,137**
Net financial indebtedness	**11,086**	**10,122**
Cash flow (**)	2,715	3,628
Net income, Group/Shareholders' equity (ROE)	5.7%	25.0%
Operating result/Capital employed (ROI)	9.6%	10.7%

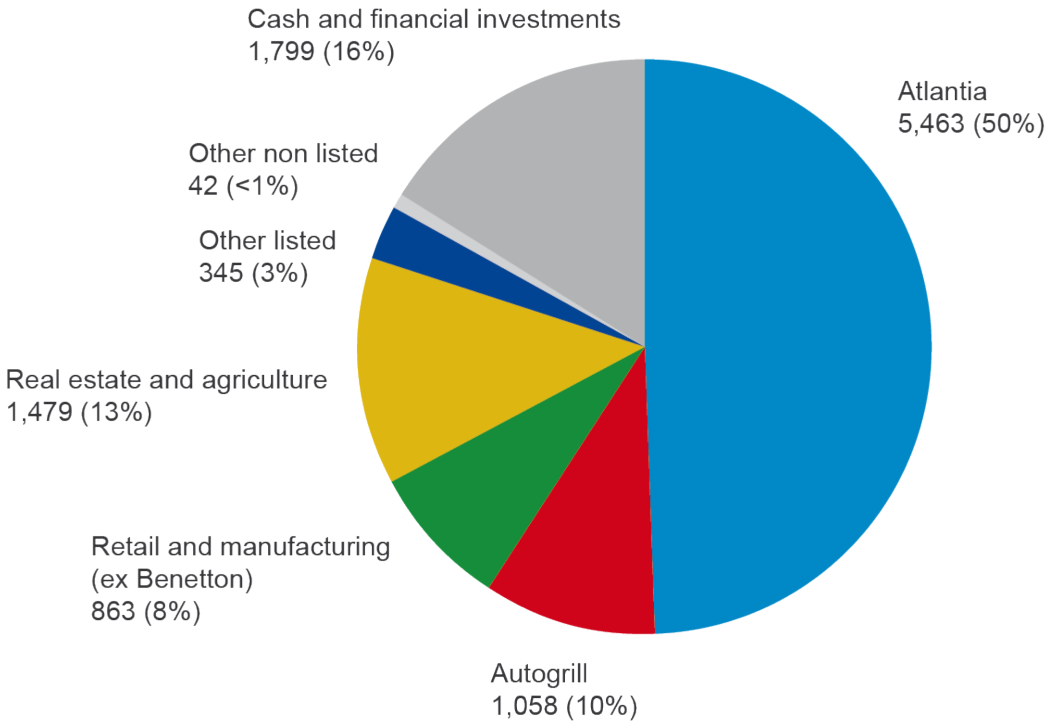
(*) EBITDA: calculated as Operating result plus depreciation, amortisation, impairment and provisions.
(**) Cash Flow: calculated as Net income before minority interests plus depreciation, amortisation, impairment and provisions.

To fully appreciate the Group's results and financial situation, the variety of its business segments must be considered, as described in detail in the following pages.

NET ASSET VALUE

The chart below shows a breakdown of the Net Asset Value of Edizione S.r.l. at December 31, 2016, amounting to Euro 11,049 million. The item "Other listed" mainly includes investments in Assicurazioni Generali and Mediobanca.

(millions of euro and %)



The total asset value at December 31, 2016 was determined by using the following valuation criteria:

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

DIRECTORS' REPORT

Dear shareholders,

The Group's share of net income in 2016 comes to Euro 388 million, compared to Euro 1,598 million in 2015. In 2015, a capital gain was realised from the sale of the equity investment in World Duty Free S.p.A. (Euro 1,060 million).
The Group's international scope and diversified business segments allowed it to gain ground in both revenues (+2.3%) and EBITDA (+2.5%).
At December 31, 2016, consolidated shareholders' equity stood at Euro 14,920 million (Euro 13,137 million the previous year) and net financial indebtedness at Euro 11,086 million (Euro 10,122 million at December 31, 2015).

ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Income Statement

The Group's key financial data for the years 2016 and 2015 are as follows:

(Millions of Euro)	2016	%	2015	%
Revenues	**11,670**	**100**	**11,412**	**100**
Materials and subcontracted work	(2,776)	(23.8)	(2,865)	(25.1)
Payroll costs	(2,704)	(23.2)	(2,601)	(22.8)
Other costs and general expenses, net	(2,333)	(20.0)	(2,182)	(19.1)
Ebitda	**3,857**	**33.0**	**3,763**	**33.0**
Depreciation, amortisation, impairments and provisions	(1,362)	(11.7)	(1,273)	(11.2)
Operating result (Ebit)	**2,495**	**21.4**	**2,490**	**21.8**
Net financial income/(charges)	(583)	(5.0)	(816)	(7.2)
Income/(losses) from equity investments	64	0.5	184	1.6
Income/(charges) from currency hedges and exchange differences	9	0.1	(25)	(0.2)
Income before taxes and non-controlling interests	**1,985**	**17.0**	**1,833**	**16.1**
Income taxes	(626)	(5.4)	(531)	(4.7)
Profit/(loss) from continuing operations	**1,359**	**11.6**	**1,301**	**11.4**
Profit/(loss) from assets held for sale and discontinued operations	(6)	(0.1)	1,053	9.2
Non-controlling interests	965	8.3	756	6.6
Net income, Group	**388**	**3.3**	**1,598**	**14.0**

(*) 2015 figures were reclassified in accordance with IFRS 5 provisions on the recognition of discontinued Autogrill group business operations.

Group revenues increased by Euro 258 million (+2.3%), due to contributions from the Mobility Infrastructures and Services and the Motorway and Airport Restaurants segments.

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

(Millions of Euro)	2016	%	2015	%
Infrastructures and services for mobility	5,213	44.7	4,968	43.5
Food and Beverage	4,941	42.3	4,805	42.1
Textiles and Clothing	1,460	12.5	1,594	14.0
Other	56	0.5	45	0.4
Total	**11,670**	**100**	**11,412**	**100**

The following table shows revenues by geographical area:

(Millions of Euro)	2016	%	2015	%
Italy	6,648	57.0	6,515	57.1
Rest of Europe	1,662	14.2	1,679	14.7
Americas	2,939	25.2	2,807	24.6
Rest of the world	421	3.6	411	3.6
Total	**11,670**	**100**	**11,412**	**100**

2016 EBITDA came to Euro 3,857 million, up by Euro 94 million from 2015 EBITDA.

Net financial charges stood at Euro 583 million in 2016, down from Euro 816 million in 2015.

In 2016, Income/(losses) from equity investments showed a positive balance of Euro 64 million and mainly benefited from the dividends distributed by the affiliated company Eurostazioni S.p.A (Euro 54.8 million). The item also includes a capital gain of Euro 14.7 million from the sale of the Autogrill group's business operations in French railway stations, and is recognised net of investment write-downs.

Income taxes for 2016 came to Euro 626 million, up by Euro 95 million compared to the previous year.

As a result of the above, Profit from continuing operations amounted to Euro 1,359 million, increased by Euro 58 million over 2015.

Profit/(loss) from discontinued operations shows a loss of Euro 6 million. The 2015 figure included a capital gain of Euro 1,060 million from the sale of the equity investment in World Duty Free.

The Group's share of net income amounts to Euro 388 million, compared to Euro 1,598 million in 2015.

Financial situation

The Group's main financial figures at December 31, 2016 and 2015, duly restated, are as follows:

(Millions of Euro)	12.31.2016	%	12.31.2015	%
Net working capital:				
– inventories	591	2.3	605	2.6
– receivables, accrued income and prepaid expenses	2,479	9.5	2,326	10.0
– payables, accrued expenses and prepaid income	(3,904)	(15.0)	(3,753)	(16.1)
Net working capital	**(834)**	**(3.2)**	**(822)**	**(3.5)**
Net liabilities held for sale	**(1)**	**-**	**-**	**-**
Non-current assets:				
– intangible assets	6,483	24.9	6,468	27.8
– concession rights, net	19,737	75.9	16,179	69.6
– property, plant and equipment	2,212	8.5	2,041	8.8
– non-current financial assets	1,219	4.7	1,183	5.1
– other non-current assets/(liabilities), net	(2,810)	(10.8)	(1,791)	(7.7)
Non-current assets	**26,841**	**103.2**	**24,081**	**103.5**
Net capital employed	**26,006**	**100**	**23,259**	**100**
– Shareholders' equity, Group	6,773	26.0	6,406	27.5
– Non-controlling interests	8,147	31.3	6,731	28.9
Total shareholders' equity	14,920	57.4	13,137	56.5
Net financial indebtedness	11,086	42.6	10,122	43.5
Sources of funding	**26,006**	**100**	**23,259**	**100**

Net financial indebtedness increased by Euro 964 million on the previous year (Euro 10,122 million).

A breakdown of net financial indebtedness is presented below:

(Millions of Euro)	12.31.2016	12.31.2015
Atlantia group	(11,677)	(10,387)
Autogrill group	(578)	(629)
Benetton group	24	85
Olimpias group	34	48
Edizione Property group	(190)	(124)
Edizione S.r.l.	370	(21)
Schematrentaquattro S.p.A.	924	921
Sintonia S.p.A.	8	8
Other companies	(1)	(24)
Net financial indebtedness	**(11,086)**	**(10,122)**

PERFORMANCE BY BUSINESS SEGMENT

2016 key events and the performance of the main group companies are discussed below by business segment.

The 2016 and 2015 financial statements of the groups related to the segments in which the Group operates are stated in accordance with the International Financial Reporting Standards (IAS/IFRS) in effect at the reporting date.

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

INFRASTRUCTURE AND SERVICES FOR MOBILITY

Atlantia S.p.A. (controlling interest at 12.31.2016: 30.25%)

In 2016, the Atlantia Group continued its plan for the modernisation and expansion of the motorway and airport infrastructure, with investments of approximately Euro 1.4 billion.

In Italy, after the opening to traffic of the Variante di Valico inaugurated in late 2015, during 2016 improvement works were completed on the 154 km of the A14 between Rimini and Porto Sant'Elpidio.
In Chile, we completed 74% of the works planned in the urban area of Santiago on the stretch managed by Costanera Norte.

On the Group's Italian motorway network, traffic increased by 3.2%, while with regard to foreign motorway operators, traffic increases were recorded in Chile (+5.8%) and Poland (+10.5%), while Brazil saw a decrease in traffic (-2.7%);

In late 2016, Aeroporti di Roma inaugurated the new "E" international boarding area for the extra-Schengen flights of the Leonardo da Vinci airport. The structure is vitally important for the Roman system and for Italy; it can host over 6 million more passengers per year, and also includes one of the largest airport malls in Europe. The Fiumicino airport now ranks among the leading airports in Europe in terms of quality of the service offered to passengers.

In 2016, the Fiumicino and Ciampino airports operated by Aeroporti di Roma handled over 47 million passengers, up by 1.8% on the previous year; the non-EU international segment grew by 3.6%.

To facilitate the international growth process started years ago, the group has set up a new organisational structure by business areas, which will help the different group companies to pursue their respective mission and to seize new opportunities. Today, Atlantia is the holding company of a group organised into five business areas:

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

The 2016 consolidated figures for the Atlantia group are not directly comparable with the previous year's due to non-homogeneous effects, including:

- acquisition of control of Aéroports de la Côte d'Azur at the end of 2016, through the vehicle Azzurra Aeroporti, of a stake equal to 64% of the capital, with the consequent consolidation of balance sheet components at December 31, 2016;
- contribution throughout the reporting period of Società Autostrada Tirrenica, consolidated as of September 2015;
- exchange differences on foreign currency balances;
- the impact of fluctuations in the discounting rates applied to funds recorded under liabilities.

Consolidated economic and financial highlights in 2016 and 2015 are as follows:

(Millions of Euro)	2016	%	2015	%
Toll revenues	4,009	73.1	3,836	72.3
Aviation revenues	636	11.6	565	10.7
Other revenues	839	15.3	903	17.0
Total revenues	**5,484**	**100**	**5,304**	**100**
Ebitda	**3,378**	**61.6**	**3,215**	**60.6**
Ebit	2,315	42.2	2,212	41.7
Net financial charges	(539)	(9.8)	(774)	(14.6)
Income taxes	(533)	(9.7)	(470)	(8.9)
Profit/(loss) from continuing operations	**1,243**	**22.7**	**968**	**18.3**
Profit/(loss) from discontinued operations	(5)	(0.1)	7	0.1
Non-controlling interests	116	2.1	122	2.3
Net income, group	**1,122**	**20.5**	**853**	**20.7**

Operating cash flow (FFO)	2,400	2,105
Operating investments	1,422	1,488

	12.31.2016	12.31.2015
Capital employed	21,686	18,870
Shareholders’ equity	10,009	8,483
Net financial indebtedness	11,677	10,387
Net financial indebtedness/Ebitda	3.46	3.23

Revenues

2016 revenues amounted to Euro 5,484 million, up by Euro 180 million (+3%) compared to 2015.

Toll revenues amounted to Euro 4,009 million with a total increase of Euro 173 million (5%) compared to 2015. At equal exchange rates, which had a negative impact of Euro 20 million, toll revenues increased by Euro 193 million, mainly due to the following factors:

- application of annual tariff increases for the Group's Italian operators (+ Euro 30 million);
- increase in traffic on the Italian network (3.2% or Euro 97 million);
- higher contribution from foreign operators (+Euro 33 million) due to positive traffic dynamics in Chile (+5.8%) and Poland (+10.5%) and to tariff increases, partially offset by decreased traffic in Brazil (-2.7%);
- contribution for the entire reporting period from Società Autostrada Tirrenica (Euro 30 million).

Aviation revenues amounted to Euro 636 million and increased by 71 million (+13%) compared to 2015, due to tariff adjustments applied as of March 1, 2015 and March 1, 2016, as well as increased passenger traffic (+1.8%).

Other revenues totalled Euro 839 million, down by Euro 64 million from 2015 (Euro 903 million), largely as a result of a reduction in Pavimental, Autostrade Tech and ETC sales to third-party clients (- Euro 53 million). This was partly offset by higher business volumes achieved by Telepass and higher revenues from third parties by Spea Ingegneria. In addition, we note that 2015 included income from the insurance settlement for the fire at the Fiumicino Airport Terminal 3 in compensation for safety costs incurred in the period under review (Euro 24 million).

Key indicators for the Atlantia group for the year 2016 are broken down below by sector:

(Millions of Euro)	Italian motorways	Aeroporti di Roma	Overseas motorways	Atlantia S.p.A. and others	Total
Revenues from third parties	3,794	883	558	249	5,484
Ebitda	2,384	532	422	40	3,378
Operating cash flow (FFO)	1,632	387	340	41	2,400
Operating investments	718	445	177	78	1,418

Operating margins

EBITDA came to Euro 3,378 million, rising by Euro 163 million (+5%) compared to 2015 (Euro 3,215). On a homogeneous basis, EBITDA increased by Euro 155 million (+5%).

EBIT stood at Euro 2,315 million, up by Euro 103 million (+5%) from 2015, mainly due to the different contribution from the provision for the repair and replacement of motorway infrastructure. 2015 also included provisions made by Aeroporti di Roma for the fire in the Fiumicino airport amounting to Euro 15 million.

The Group's share of consolidated profit (Euro 1,122 million) increased by Euro 269 million compared to 2015 (Euro 853 million). On a homogeneous basis, the Group's share of the profit increased by Euro 103 million (+10%).

Investments

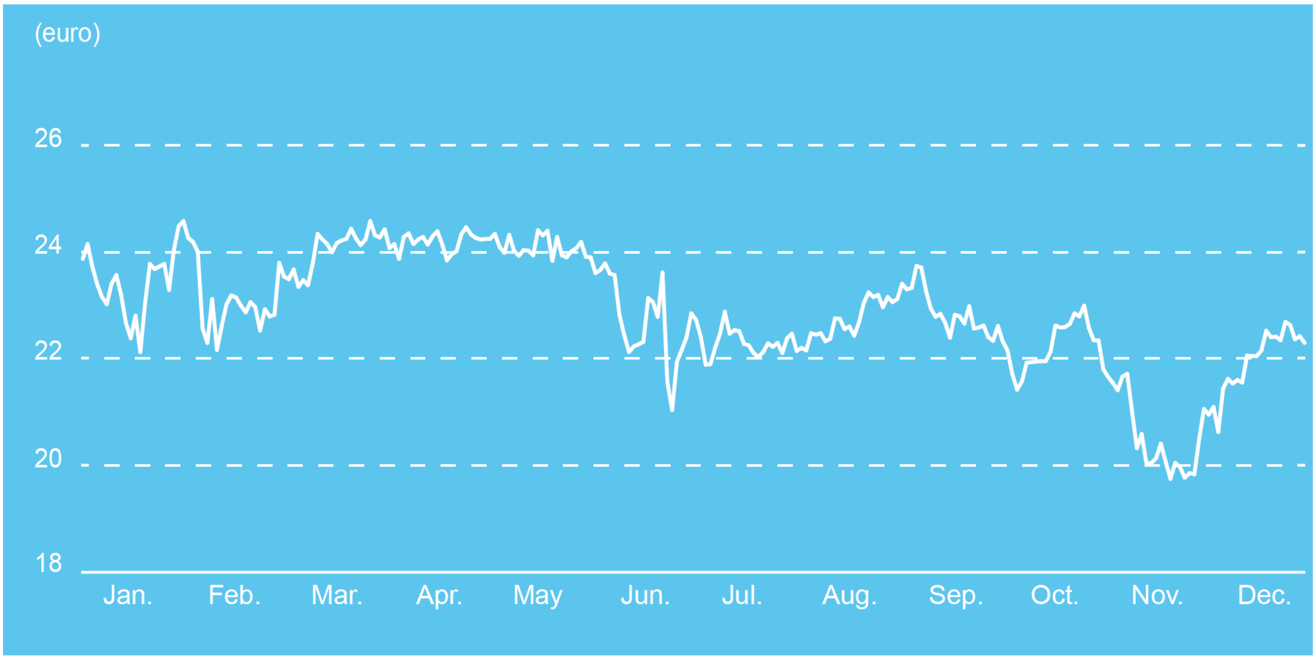
In 2016 the Atlantia group made operating investments of Euro 1,422 million, a decrease of Euro 66 million compared to 2015 (Euro 1,488 million).

Net financial indebtedness

At December 31, 2016 the group's net debt stood at Euro 11,677 million (EUR 10,387 million at December 31, 2015).

Performance of Atlantia shares in 2016

The performance of Atlantia shares in 2016 is shown below, with a 7% loss:



FOOD AND BEVERAGE

Autogrill S.p.A. (controlling interest at 12.31.2016: 50.10%)

During the reporting period, the Autogrill group pursued its expansion strategy in the North American airport channel and selective operation of European business. In particular:

- the group sold the French stations operations, a channel where no significant development opportunities are expected in future years;
- the sale of the Dutch motorway operations has been finalised. This transaction allowed the group to exit business segments with a strong hospitality component, which has a low level of synergy with the group's other businesses in the region, with limited profitability and cash generation.

The airport channel is the group's primary business channel, with over 56% of total revenues and operations in all continents except Africa and South America.

In 2016, airport passengers in North America grew by 3.9% compared to the previous year. In detail, domestic traffic increased by 3.6%, while international traffic grew by 5.9%.
In Europe, passengers rose by 5% from the previous year.
Lastly, in Asia-Pacific traffic grew by 9%, while the Middle East showed a 9.4% growth.

As to the motorway segment, traffic in Italy increased by a total of 3.3%, thanks to the early signs of a recovery of the national economy and reduced fuel prices, at least in the first part of the year. Traffic growth was driven by both light traffic, up by 3.2%, and by heavy traffic, which increased by 3.7%. In the United States, in 2016 traffic increased by approximately 5.7% compared to 2015.

Key figures for the Autogrill group in 2016 and 2015 are shown below:

(Millions of Euro)	2016	%	2015	%
Revenues	4,519	100	4,336	100
Fuel sales	422	9.3	470	10.8
Other operating income	101	2.2	102	2.4
Total revenues and income	**5,042**	**111.6**	**4,908**	**113.2**
Ebitda	**412**	**9.1**	**373**	**8.6**
Ebit	**201**	**4.5**	**152**	**3.5**
Net financial charges and impairment losses on financial assets	(31)	(0.7)	(39)	(0.9)
Income taxes	(55)	(1.2)	(35)	(0.8)
Profit/(loss) from continuing operations	**116**	**2.6**	**79**	**1.8**
Profit/(loss) from discontinued operations	(1)	-	-	-
Non-controlling interests	16	0.4	14	0.3
Net income, group	**98**	**2.2**	**64**	**1.5**

Cash flow from operating activities	318	293.9
Investments, net	227	211

	12.31.2016	12.31.2015
Capital employed	1,266	1,229
Shareholders' equity	688	600
Net financial indebtedness	578	629
Net financial indebtedness/Ebitda	1.40	1.68

Revenues

The Autogrill group earned consolidated revenues of Euro 4,519 million, up by 4.2% compared to the previous year (+4.6% on a like-for-like basis). Sales are broken down below by channel:

(Millions of Euro)	2016	%	2015	%	Change
Airports	2,537	56.1	2,347	54.2	190
Motorways	1,653	36.6	1,645	37.9	8
Other	329	7.3	344	7.9	(15)
Total	**4,519**	**100**	**4,336**	**100**	**183**

In the airport channel, sales rose by 8.1% (+8.5% on a like-for-like basis), sustained by positive trends in traffic in the airports where the group operates, the expansion of its business operations, and acquisitions in the United States.

In the motorway channel, revenues record a 0.5% growth (0.7% on a like-for-like basis), substantially in line with the previous year. Growth in the United States compensated for the reduction in revenues in Italy, as a result of selective renewals in the 2016 tender season.

Sales through other channels (-4.5%; -3.8% on a like-for-like basis) reflect the effects of the sale of the French stations business and the closure of some non-profitable points of sale in shopping centres in Italy and the United States.

Sales are broken down below by geographical area:

(Millions of Euro)	2016	%	2015	%	Change
Italy	1,042	23.0	1,057	24.4	(15)
Other European countries	682	15.1	700	16.1	(18)
North America	2,358	52.2	2,232	51.5	125
International	437	9.7	347	8.0	90
Total	**4,519**	**100**	**4,336**	**100**	**183**

Operating margins

In 2016, the group's EBITDA stood at Euro 412 million, up by 10.2% (+10.5% on a like-for-like basis) compared to 2015. 2016 EBITDA includes a capital gain of Euro 14.7 million arising from the sale of French stations: without this gain and the contribution from the sold business, the margin to revenues ratio goes from 8.6% to 8.8% as a result of the favourable evolution of the cost of sales, which offset the increase in the cost of labour.

EBIT amounted to Euro 201 million, up from 2015 (Euro 152 million). In addition to the growth in EBITDA, the improved EBIT was the result of lower amortisation and depreciation (due to the expiry of many contracts, particularly in Italy, whose investments have been fully depreciated) and lower write-downs.

In 2016, the Group's share of net income amounted to Euro 98 million, compared to Euro 64 million in 2015. In absolute terms, this change reflects an improvement in operating profitability in all business areas, and benefits from a capital gain of Euro 14.7 million resulting from the sale of the railway stations business in France.

Investments

In 2016 net investments were mainly targeted at the airport channel and amounted to Euro 227 million, compared to Euro 211 million in 2015.

Net financial indebtedness

Net financial indebtedness at December 31, 2016 stood at Euro 578 million, down from Euro 629 million at December 31, 2015. 74% of the group's financial debt is denominated in US dollars (compared to 70% at December 31, 2015); the remaining portion is denominated in Euro. At December 31, 2016, the average residual duration of existing loans is approximately 3 years and 6 months.

Performance of Autogrill shares in 2016

In 2016, Autogrill shares lost 1% and their performance was as follows:

TEXTILES AND CLOTHING

Benetton Group S.r.l. (controlling interest at 12.31.2016: 100%)

In 2016, Benetton Group was affected by the persisting economic stagnation in Europe, which caused a reduction in sales and profits and a consequent weakening of the financial position. This, however, did not slow down the group's ongoing transformation projects and investment plan, which are being implemented as planned without having recourse to loans.

In 2016, the group continued the process of transforming the company and updating the business model (from push to pull, from sell-in to sell-out), which was started in early 2015 and is set out in a multi-year road map that includes a consistent set of projects and investments aimed at: a stronger control of distribution channels, reduction of collection cycles, development of digital channels, product and brand repositioning, strengthening of the organisation and human resources, improvement of processes and systems, and divisionalisation of Sisley.

The entire company is committed in progressing in parallel in all these directions, through a deep-rooted and structured project culture which is increasingly changing its character and filling the gaps that have been created over the years with respect to key competitors.

In 2016, Benetton Group has accelerated investments (+39.2% compared to 2015), which greatly advanced the network's renovation. 330 stores have been opened or refurbished, of which 211 directly managed and shop-in-shop, of the new “On Canvas” store concept. In the meantime, we have worked to make the Benetton group more agile and ready for the challenges that lie ahead, through projects to simplify the corporate and organisational structure, the inclusion of new professional figures and the strengthening of training programs.

We still have a long way to go, and the level of maturity that has been reached varies from project to project; however, we can say with some degree of confidence that significant progress has been made in all dimensions of the business model and the organisational machine.

Key figures for the Benetton group in 2016 and 2015 are shown below.

(Millions of Euro)	2016	%	2015	%
Revenues	**1,376**	**100.0**	**1,504**	**100.0**
Cost of sales	(760)	(55.2)	(853)	(56.7)
Gross operating profit	**616**	**44.8**	**651**	**43.3**
Distribution, transport and commission costs	(115)	(8.4)	(122)	(8.1)
Contribution margin	**501**	**36.4**	**529**	**35.2**
Payroll costs	(189)	(13.7)	(198)	(13.2)
Rents	(132)	(9.6)	(144)	(9.6)
Provisions for risks and charges	(50)	(3.6)	(29)	(1.9)
Depreciation and amortisation	(42)	(3.1)	(43)	(2.9)
Sales and general expenses	(126)	(9.2)	(134)	(8.9)
Operating result	**(38)**	**(2.8)**	**(19)**	**(1.3)**
Income/(losses) from affiliates	1	0.1	4	0.3
Net financial income/(charges)	(10)	(0.7)	(7)	(0.5)
Net foreign currency hedging gains/(losses) and exchange differences	(1)	(0.1)	(5)	(0.3)
Income before taxes and non-controlling interests	**(48)**	**(3.5)**	**(27)**	**(1.8)**
Income taxes	(33)	(2.4)	(18)	(1.2)
Non-controlling interests	-	-	1	0.1
Net income, group	**(81)**	**(5.9)**	**(46)**	**(3.1)**
EBITDA before provisions	70		84	
Cash flow provided/(used) by operating activities	(1)		86	
Operating investments, gross	54		41	
	12.31.2016		12.31.2015	
Capital employed	616		631	
Shareholders’ equity	640		716	
Positive net financial position	(24)		(85)	

Revenues

The Benetton Group's 2016 net revenues stood at Euro 1,376 million, down by Euro 128 million compared to the previous year (-8.5%).

Revenues by geographical area were as follows:

(Millions of Euro)	2016	%	2015	%	Change
Italy	502	36.5	536	35.6	(34.0)
Rest of Europe	534	38.8	582	38.7	(48.0)
Rest of the world	340	24.7	386	25.7	(46.0)
Total	**1,376**	**100**	**1,504**	**100**	**(128)**

Revenues by channel are shown below:

(Millions of Euro)	2016	%	2015	%	Change
Indirect chanel	790	57.4	887	59.0	(97)
Direct chanel	586	42.6	617	41.0	(31)
Total	**1,376**	**100**	**1,504**	**100**	**(128)**

In detail, we note that revenue performance was mainly due to:

- a reduction in sales volumes of the 2016 Spring/Summer and Fall/Winter collections, particularly through the indirect channel;
- poor performance of directly managed stores, especially in Italy, France, Germany, Poland and Turkey;
- completion of the store closure plan.

Operating margins

In 2016, the gross operating profit came to Euro 616 million or 44.8% of revenues, compared with 43.3% the previous year.

EBITDA before provisions amounted to Euro 70 million, down by 16.7% compared to Euro 84 million in 2015.

The operating result was a negative Euro 38 million versus Euro 19 million in 2015, with a negative incidence of 2.8% (-1.3% in 2015).

In 2016, the Group's share of the net result was a Euro 81 million loss.

Operating cash flow and investments

The cash flow absorbed by operations, of Euro 1 million, was affected by the downturn in EBITDA and a negative cash flow generated by the change in working capital.
Total gross operating investments amounted to Euro 54 million (Euro 41 million in 2015).

Net financial position

The Benetton group's net financial position is positive by Euro 24 million, down from Euro 85 million at December 31, 2015.

Olimpias Group S.r.l. (controlling interest at 12.31.2016: 100%)

In 2016, the group completed a process to reorganise and integrate operations with the foreign subsidiaries in order to optimise available resources and implement planning and management of the entire supply chain. Activities have been completed to decentralise and assign roles and responsibilities with regard to product development, timing and methods, procurement and production planning at our foreign platforms.
The Olimpias groups has also continued the planned actions that will allow it to achieve the objective of full organisational and operational separation of the clothing business from Benetton Group, expected to be completed by the second half of 2017. Already starting in 2017, the Olimpias group will be able to offer its production capability in the clothing sector also to third-party customers other than Benetton.

Key figures for the Olimpias group in 2016 and 2015 are shown below:

(Millions of Euro)	2016	%	2015	%
Revenues	**360.1**	**100**	**392.3**	**100**
Cost of sales	(334.2)	(92.8)	(359.9)	(91.7)
Gross operating profit	**25.9**	**7.2**	**32.4**	**8.3**
Distribution and transportation costs, agent fees	(5.0)	(1.4)	(5.0)	(1.3)
Contribution margin	**20.9**	**5.8**	**27.4**	**7.0**
Payroll costs	(7.8)	(2.2)	(7.7)	(2.0)
Provisions for risks and charges	(1.4)	-	(2.7)	-
Depreciation and amortisation	(0.6)	-	(0.3)	-
Sales and general expenses	(10.0)	(2.8)	(9.4)	(2.4)
Operating result	**1.1**	**0.3**	**7.3**	**1.9**
Net financial income/(charges)	(0.3)	(0.1)	0.2	0.1
Net foreign currency hedging gains/(losses) and exchange differences	(0.1)	-	(0.1)	-
Income before taxes	**0.7**	**0.2**	**7.4**	**-**
Income taxes	0.1	-	(2.6)	(0.7)
Profit from discontinued operations	-	-	(0.6)	(0.2)
Non-controlling interests	0.8	0.2	0.6	0.2
Net income, group	**-**	**-**	**3.6**	**0.9**

EBITDA	17.2	22.3
Cash flow from operating activities	11.1	0.9
Investments for the year, gross	7.0	3.4

	12.31.2016	31.12.2015
Capital employed	188.0	194.9
Shareholders' equity	222.5	243.1
Positive net financial position	(34.4)	(48.2)

Revenues

Revenues stood at Euro 360.1 million compared to Euro 392.3 million in 2015, a decrease of Euro 32.2 million or approximately 8.2%. The decrease was mainly due to the Clothing segment.

Revenues by category are detailed below:

(Millions of Euro)	2016	%	2015	%	Change
Clothing	300.0	83.3	331.6	84.5	(31.6)
Yarns	14.7	4.1	16.6	4.2	(1.9)
Fabrics	40.5	11.2	39.6	10.1	0.9
Accessories	4.9	1.4	4.5	1.1	0.4
Total	**360.1**	**100.0**	**392.3**	**100.0**	**(32.2)**

While revenues of the Clothing business were primarily from the customer Benetton Group and for Euro 3.9 million from third-party customers, those of the other product categories originated entirely from third-party customers (Euro 60.1 million in 2016, compared to Euro 60.7 million in 2015). Overall, in 2016 sales revenues from third-party customers came to Euro 64.0 million.

Operating margins

The gross operating profit amounted to Euro 25.9 million compared to Euro 32.4 million in the previous year, with a decrease of Euro 6.4 million.

In 2016 EBITDA came to Euro 17.2 million, Euro 5.1 million less than in 2015. The net profit for the period came to Euro 1.1 million (Euro 7.3 million in 2015).

The Group's share of net profit is substantially zero.

Positive Net Financial Position

The net financial position of Olimpias at December 31, 2016 was a positive Euro 34.4 million.

REAL ESTATE

Edizione Property S.p.A. (controlling interest at 12.31.2016: 100%)

- January 1, 2016 was the effective date of the merger by absorption of the Luxembourg company Benetton Real Estate International S.A. into Edizione Property S.p.A. This transaction had been planned to further rationalize and simplify the legal and corporate structure of the real estate business.
- On February 18, 2016, Edizione Property S.p.A. won the bid for the acquisition of the prestigious real estate complex for commercial, office and residential use, located in Florence and covering a total of 5,800 square metres, commonly known as “Palazzo Borsa Merci”. Design and improvement activities are underway to renovate the entire complex.
- After a high-quality renovation project that took two and a half years to complete, October 1, 2016 saw the opening of the *department store* managed by the company DFS of the LVMH group in the building known as “Fondaco dei Tedeschi” in Venice.
- November 1, 2016 was the effective date of a proportional partial demerger of the real estate business of Edizione S.r.l. into Edizione Property S.p.A. The demerged portfolio also includes the property situated in Treviso in Piazza Duomo “Ex Tribunale”, the renovation of which was completed on December 31, 2016 which has become the new headquarters of both Edizione Property and Edizione S.r.l.

The 2015 income statement, presented below for comparative purposes, shows the effects of the real estate business alone, as consolidation of the companies acquired through the merger in 2015 of Compañìa de Tierras Sud Argentino S.A. (operating in the farming and livestock sector in Argentina) and Edizione Alberghi S.p.A. (operating in the catering and hotel management sector in Italy) only generated balance sheet effects at December 31, 2015.
Instead, 2016 results include, from January 1, 2016, the economic effects of all the sectors in which the group operates.

At December 31, 2016, the real estate assets owned by the Edizione Property group consist of a portfolio of 112 properties in 17 countries worldwide, including 55 in Italy.

Consolidated economic and financial highlights in 2016 and 2015 are as follows:

(Millions of Euro)	2016				2015
	Total	Real estate	Agriculture	Hotels	Total
Rents	30.1	30.1	-	-	30.4
Property management cost, net	(3.9)	(3.9)	-	-	(3.8)
Real estate gross margin	**26.2**	**26.2**	**-**	**-**	**26.6**
Amortisation and depreciation	(10.0)	(10.0)	-	-	(10.0)
Income from disposal of properties and impairment reversals	0.7	0.7	-	-	125.1
Losses and impairment of fixed assets	(0.5)	(0.5)	-	-	(35.6)
Linearisation of lease revenues and impairments	1.1	1.1	-	-	-
Real estate EBIT	**17.5**	**17.5**	**-**	**-**	**106.1**
Other revenues, farming and hotel business	49.5	3.8	28.3	17.4	4.1
Other costs, farming and hotel business	(27.7)	(2.8)	(15.9)	(9.0)	(5.7)
Payroll costs	(15.2)	(3.8)	(5.5)	(5.9)	(3.6)
Deprecaiatin/amortisation of other assets not directly relating to properties	(0.7)	-	(0.5)	(0.2)	-
Operating result	**23.4**	**14.7**	**6.4**	**2.3**	**100.9**
Net financial income/(charges) and exchange differences	(0.9)	1.1	(2.0)	-	(45.2)
Income taxes	(4.8)	(2.9)	(1.8)	(0.1)	(0.9)
Non-controlling interests	(0.1)	-	(0.1)	-	-
Net income, group	**17.6**	**12.9**	**2.5**	**2.2**	**54.8**

	12.31.2016	12.31.2015
Capital employed	723	467
Shareholders’ equity	533	344
Net financial indebtedness	190	124

Rents

In 2016, the Company earned rental income of Euro 30.1 million from the management of real properties mainly intended for commercial use. This figure is broadly in line with the previous year.

Operating margins

Real estate EBITDA stood at Euro 26.2 million, in line with the previous year (Euro 26.6).
Real estate EBIT amounted to Euro 17.5 million in 2016, compared to Euro 106.1 million in 2015. The previously year had been characterised, on the one hand, by the capital gain from the sale of the U.S. subsidiary (Euro 125 million) and, on the other hand, write-downs on some properties as a result of impairment testing (Euro 35.5 million).
The Group's share of net profit amounts to Euro 17.6 million (Euro 54.8 million in 2015).

Net financial indebtedness

The Edizione Property group's net financial indebtedness at the end of 2016 amounted to Euro 190.3 million, up by Euro 66.5 million compared to the situation at December 31, 2015 (Euro 123.8 million), mainly as a result of the purchase of a property in Florence and the demerger adjustment paid to Edizione S.r.l.

HOLDING COMPANIES

The Parent Company

- In the early months of 2016, Edizione increased its holdings in the French company Hermès and the US company LBrands - Victoria's Secret, and also acquired a new stake in the French company Vinci. In the second half of the year, the three investments were sold in their entirety.
- November 1, 2016 was the effective date of a proportional partial demerger of the real estate business of Edizione S.r.l. into Edizione Property S.p.A., with the assignment of 26 buildings, 3 land plots and 100% ownership of Edizione Realty Czech S.r.o. (owner of a property in Prague), valued a total of Euro 176 million, and the assignment of other net liabilities amounting to Euro 9 million. Consequently, the transferred equity has been determined (also in view of possible adjustments due to subsequent changes in the value of the assets or liabilities) to amount to Euro 167 million. At the effective date of the demerger, the net assets actually assigned to Edizione Property S.p.A. amounted to Euro 193 million, and consequently a monetary adjustment of Euro 26 million was paid by Edizione Property to Edizione.

Below are the economic and financial highlights of 2016 and 2015:

(Millions of Euro)	2016	2015
Dividends and other income from equity investments	321.4	546.9
Other revenues and income	9.2	9.7
Capital gains from disposal of equity investments, net of capital losses	1.5	44.9
Operating costs	(19.7)	(17.8)
Depreciation and amortisation	(4.3)	(6.6)
Net financial income/(charges)	(1.4)	2.8
Impairment of non-current financial assets, net of reversal	(0.1)	(57.3)
Income taxes	1.4	7.0
Net income	**308.0**	**529.6**

	12.31.2016	12.31.2015
Non-current financial assets	2,696.1	2,849.3
Property, plant and equipment and other assets, net	523.0	689.7
Capital employed	**3,219.1**	**3,539.0**
Shareholders' equity	3,589.0	3,517.7
(Cash) / Net financial indebtedness	(369.9)	21.3
Sources of funding	**3,219.1**	**3,539.0**

In 2016, Dividends and other income from equity investments amounted to Euro 321.4 million, a decrease of Euro 225.5 compared to the previous year's Euro 546.9 million. In the previous year, the company benefited from and extraordinary dividend of Euro 430 million distributed by the subsidiary Schematrentaquattro S.p.A., following the disposal of World Duty Free S.p.A.

Other revenues and income amount to Euro 9.2 million, including Euro 8.7 million from property rentals. The remaining amount refers mostly to services rendered to Group companies.

Net gains from disposal of equity investments relate to disposals of investments in Hermès International S.A., LBrands Inc. and Vinci S.A.

Operating costs showed a slight increase, from Euro 17.8 million in 2015 to Euro 19.7 million.

Net financial charges amounted to Euro 1.4 million (net financial charges of Euro 3 million in the previous year) and include foreign exchange losses amounting to Euro 1.8 million.

Positive income taxes of Euro 1.4 million are the estimated remuneration of the tax loss of Edizione S.r.l. used in the tax consolidation to offset the taxable income amounts contributed by other companies participating in the consolidation scheme.

Equity investments at the end of 2016 were worth Euro 2,696.1 million, a net decrease of Euro 153.2 million since the previous year, mainly as a result of the sale of Hermès International and LBrands Inc. shares and distribution of the capital of Eurostazioni S.p.A.

At the end of 2016, Edizione has net liquid assets of Euro 369.9 million, compared with a net indebtedness of Euro 21.3 million at the end of 2015.

Sintonia S.p.A. (controlling interest at 12.31.2016: 100%)

At December 31, 2016 the company held 30.25% of Atlantia S.p.A.

The results of Sintonia S.p.A. in 2016 and 2015 are summarised below:

(Millions of Euro)	2016	2015
Dividends and other income from equity investments	229.8	267.4
Operating costs	(0.2)	(1.6)
Depreciation, amortisation and impairments	-	(0.2)
Net financial charges	0.1	(0.5)
Non-recurring income/(charges)	-	0.1
Net income	**229.7**	**265.2**

	12.31.2016	12.31.2015
Shareholders’ equity	2,583.9	2,584.2
(Cash) / Net financial indebtedness	(7.8)	(8.0)

Dividends and other income from equity investments include the dividends received from the subsidiary Atlantia S.p.A. and consist of Euro 119.9 million as the balance on the 2015 dividend and Euro 109.9 million as the advance on the dividend for 2016. The reduction in dividend amount is due to the smaller number of Atlantia shares owned by the Company as a result of the June 2015 demerger.

Net cash at the end of the year stood at Euro 8 million, unchanged from 2015.

Schematrentaquattro S.p.A. (controlling interest at 12.31.2016: 100%)

At December 31, 2016 the company held 50.10% of Autogrill S.p.A.

In 2016 and 2015 Schematrentaquattro S.p.A. achieved the following results:

(Millions of Euro)	2016	2015
Dividends and other income from equity investments	15.3	3.2
Capital gains and income from disposal of equity investments	-	457.8
Operating costs	(0.1)	(1.5)
Financial income (charges), net	3.1	1.7
Income tax for the year	(1.2)	(4.2)
Income for the year	**17.1**	**457.0**

(Millions of Euro)	12.31.2016	12.31.2015
Shareholders' equity	1,865.2	1,863.4
(Cash) / Net financial indebtedness	(923.6)	(920.8)

Dividends and other income from equity investments include the dividends received from the subsidiary Autogrill S.p.A. (Euro 15.3 million). In the previous year, the item included dividends received from Pirelli & C. S.p.A.

In the previous year, the item Capital gains and income on disposal of equity investments included a gain from the disposal of World Duty Free shares (Euro 415.9 million), and the capital gain arising from the transfer by tender offer of Pirelli & C. shares (Euro 41.9 million), net of their respective costs associated with the sale.

The item Net financial income (charges) refers to interest income earned on the company's bank deposits and on the current account held with the holding company Edizione S.r.l.; in the previous year, these were shown net of interest expense on the convertible bond loan.

Income tax for the year were calculated on dividends received from the subsidiary Autogrill and financial income from cash and cash equivalents. In the previous year, income tax referred to tax expenses arising, in essence, from capital gains on the disposal of investments in World Duty Free S.p.A. and Pirelli & C. S.p.A.

At December 31, 2016 the company had net cash of Euro 924 million, broadly in line with the previous year. Net cash includes, for Euro 722 million, the balance of the current account held with the holding company Edizione S.r.l., remunerated at market rates.

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.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Atlantia

On April 27, 2017, the Board of Directors of Atlantia approved the sale of a 10% equity investment in Autostrade per l'Italia. The price agreed to by the buyers is based on a valuation for 100% of the equity of Autostrade per l'Italia of Euro 14,800 million and will generate a capital gain of Euro 736 million for Atlantia.
The transaction consists of the sale of a 5% interest in Autostrade per l'Italia to the consortium formed by Allianz Capital Partners on behalf of Allianz Group (74%), EDF Invest (20%) and DIF Infrastructure IV (6%) and of another 5% of the capital of Autostrade per l'Italia to Silk Road Fund.
Additionally, the consortium formed by Allianz Capital Partners on behalf of Allianz Group, EDF Invest and DIF will have a call option to purchase, under the same terms and conditions, of a further 2.5% of the share capital of Autostrade per l'Italia, to be exercised no later than October 31, 2017.

On May 15, 2017 the Board of Directors of Atlantia announced the decision to promote a takeover bid and/or voluntary exchange on all of the shares issued by Abertis Infraestructuras S.A.
The bid contemplates a consideration, entirely in cash, of Euro 16.50 per Abertis share included in the transaction, without prejudice for Abertis shareholders to opt, in whole or in part, for a consideration in newly issued Atlantia shares with special characteristics (the "Special Shares"), based on an exchange ratio of 0.697 Atlantia shares for each Abertis share, determined on the basis of an assumed value per Atlantia share of Euro 24.20, adjusted to take into account the coupon payment of May 22, 2017.
The value of the transaction is Euro 16,341 million for 100% of Abertis.
Payment of the consideration in shares is subject to a maximum acceptance threshold of approximately 23.2% of the total shares covered by the bid.
The effectiveness of the offer is subject, among others, to the following conditions precedent:

- minimum percentage of shares to accept the offer: at least 50%+1 shares out of the total Abertis shares involved in the offer;
- minimum amount of shares to accept the offer: at least 100 million Abertis shares (representing approximately 10.1% of the total shares covered by the offer).

Autogrill

On April 11, 2017, the Board of Directors of Autogrill approved the launch of a corporate reorganisation plan, aimed at separating Food and Beverage business operations in Italy and the coordination and service activities carried out in favour of direct European subsidiaries from group management and direction activities performed by the holding company.

Benetton Group

On February 23, 2017 negotiations were concluded for the taking over by the Benetton group from the business partner that has historically managed the Belgium and Holland area, through the direct management of the existing network which includes, in addition to stores in cities, also several corners in two department stores, in Holland and Belgium respectively. The agency agreement in place with the business partner was terminated.

OUTLOOK FOR 2017

INFRASTRUCTURE AND SERVICES FOR MOBILITY

Atlantia

Overall, according to forecasts for 2017 the Atlantia group is expected to improve profits and increase key business indicators. In particular:

- Italian motorways

Traffic on the group's Italian motorways is expected to grow. In 2017 works will continue to upgrade the network under concession, while approval is pending for the final project to start construction of the Genoa motorway link ("Passante di Genova").

- Overseas motorways

On the whole, foreign motorway business has shown a growth in traffic volumes, with the exception of Brazil because of poor performance of the local economy. The contributions of the group’s overseas motorway operators are subject to exchange rate fluctuations.

- Italian airports

For the current period, aviation revenues will be affected by the tariff evolution related to the beginning of the new 5-year regulatory period and the reformulation of the offer of some air carriers, including Alitalia, whose percentage of traffic volumes has already decreased to approximately 30% of the total. On the other hand, commercial revenues will benefit from the opening of the new shopping gallery in the non-Schengen area ("Area E") in Fiumicino.

Lastly, 2017 operating results will also include the contribution from the full consolidation of Aéroports de la Côte d’Azur, where traffic trends are positive.

FOOD AND BEVERAGE

Autogrill

In 2017, the Autogrill group expects to see a growth in revenues in North America, driven among other factors by the full impact of the two acquisitions carried out in 2016. The group will maintain a strong focus on profitability dynamics, given the persistent pressure on the cost of labour.
Revenues continue to grow steadily in the International area, also due to the openings that have been completed in connection with the contracts won by the group in the last two years, resulting in higher absolute margins.
With regard to Europe, the group will continue to pursue its selective renewals strategy and to focus on efficiency, in order to continue the profit margin recovery process started two years ago.

TEXTILES AND CLOTHING

Benetton Group

In the direct channel, growth of the store network is expected to continue, and a recovery is expected in revenues growth on a comparable basis. The goal is to improve the performance, quality and consistency of the store network.
As regards the indirect channel, revenues are expected to decline due to the impact on the entire period of the streamlining of the independent sales network implemented in recent years.

Efforts will be continued to optimise investments through constant control of working capital, while a further increase in investments is expected with the aim to upgrade both the direct and the indirect sales network.

Olimpias Group

The organisational changes started in 2015, following the demerger from Benetton, will be competed in 2017. A process is being completed to transfer technical and organisational skills to the foreign subsidiaries operating in the clothing sector.
2017 will again see a slight decline in revenues, related to the performance of the main customer, not entirely offset by new revenues from third-party customers.

HOLDING COMPANIES

Edizione S.r.l.

On the basis of resolutions approved by Edizione's associates, dividends are expected to increase in 2017, while operating costs are likely to decline.

CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

(Thousands of Euro)	12.31.2016	12.31.2015	Note
Non-current assets			
Property, plant and equipment			1
Land and buildings	685,042	722,027	
Investment property	227,375	112,832	
Plant, machinery and equipment	387,311	379,283	
Furniture, furnishings and electronic equipment	84,435	83,493	
Assets to be relinquished	63,525	74,886	
Leasehold improvements	465,689	411,922	
Other property, plant and equipment	61,301	52,145	
Assets under construction and advances	237,336	204,846	
Total property, plant and equipment	**2,212,014**	**2,041,434**	
Intangible assets			2
Goodwill and other intangible assets of indefinite useful life	5,914,232	5,909,370	
Intangible assets deriving from concession rights	23,538,156	19,990,230	
Intangible assets of finite useful life	569,537	558,700	
Total intangible assets	**30,021,925**	**26,458,300**	
Other non-current assets			
Equity investments in subsidiaries	947	677	3
Equity investments in associates and joint ventures	217,555	92,050	4
Equity investments in other companies	435,739	534,701	5
Investment securities	510,347	508,610	6
Other non-current financial assets	2,221,987	1,776,696	7
Other non-current receivables	106,366	98,098	8
Deferred tax assets	1,600,468	1,806,014	9
Total other non-current assets	**5,093,409**	**4,816,846**	
Total non-current assets	**37,327,348**	**33,316,580**	
Current assets			
Inventories	590,909	604,601	10
Trade receivables	1,912,256	1,710,948	11
Tax receivables	143,979	118,782	12
Other current receivables, accrued income and prepaid expenses	422,775	496,682	13
Other current financial assets	854,218	916,453	14
Other investments	14,806	15,779	15
Cash and cash equivalents	4,792,552	4,027,830	16
Total current assets	**8,731,495**	**7,891,075**	
Assets held for sale	12,769	44,985	17
TOTAL ASSETS	**46,071,612**	**41,252,640**	

SHAREHOLDERS' EQUITY AND LIABILITIES

(Thousands of Euro)	12.31.2016	12.31.2015	Note
Shareholders' equity			
Shareholders' equity attributable to the Parent Company			
Share capital	1,500,000	1,500,000	18
Fair value and hedging reserve	33,935	48,847	19
Other reserves and retained earnings	4,994,082	3,463,903	20
Translation reserve	(143,630)	(205,365)	21
Net income for the year	388,245	1,598,216	
Total	**6,772,632**	**6,405,601**	
Equity attributable to non-controlling interests	8,146,846	6,731,350	22
Total shareholders' equity	**14,919,478**	**13,136,951**	
Liabilities			
Non-current liabilities			
Bonds	10,506,767	10,762,271	23
Medium and long-term loans	4,184,371	3,531,144	24
Other non-current liabilities	150,700	137,808	25
Lease financing	7,955	11,531	26
Other non-current financial liabilities	654,331	487,403	27
Provisions for employee benefits	299,308	318,834	28
Deferred tax liabilities	2,490,628	1,760,121	29
Other non-current provisions and liabilities	1,496,070	1,418,885	30
Provisions for construction services required by contract	3,269,830	3,369,243	31
Total non-current liabilities	**23,059,960**	**21,797,240**	
Current liabilities			
Trade payables	2,283,831	2,282,988	32
Other payables, accrued expenses and deferred income	1,083,537	935,447	33
Current income tax liabilities	77,043	74,669	34
Other current provisions and liabilities	459,721	460,039	30
Current portion of provisions for construction services required by contract	531,455	441,499	31
Current portion of bonds	926,429	1,085,993	23
Current portion of medium and long-term loans	363,669	258,005	24
Current portion of lease financing	3,203	3,578	26
Other current financial liabilities	333,137	357,507	35
Bank loans and overdraft	2,023,763	412,545	36
Total current liabilities	**8,085,788**	**6,312,270**	
Liabilities held for sale	6,386	**6,179**	17
Total liabilities	**31,152,134**	**28,115,689**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**46,071,612**	**41,252,640**	

CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	2016	2015	Note
Revenues	**11,669,610**	**11,412,059**	**37**
Revenues from construction services	704,660	720,502	38
Other revenues and operating income	369,597	479,936	39
Change in inventories of finished products and work in progress	75,188	112,874	
Purchases and changes of raw materials and consumables	(2,712,511)	(2,855,951)	40
Payroll costs	(2,704,123)	(2,601,465)	41
Costs of services	(2,444,098)	(2,479,999)	42
Leases and rentals	(1,383,521)	(1,335,689)	43
Other operating expenses	(173,026)	(191,753)	44
Use of provisions for construction services required by contract	455,024	502,495	45
Depreciation of property, plant and equipment	(304,487)	(306,149)	46
Amortisation of intangible assets	(931,426)	(897,013)	47
Impairment of property, plan and equipment and intangible assets	(9,347)	(63,384)	48
Impairment of doubtful accounts	(61,701)	(48,648)	49
Provisions for risks	(54,667)	42,191	50
Operating result	**2,495,172**	**2,490,006**	
Share of income/(loss) of associated companies	48,508	(16,652)	51
Financial income	416,234	651,250	52
Impairment of financial assets	(13,937)	(94,277)	53
Financial charges	(969,841)	(1,172,347)	54
Foreign currency hedging gains/(losses) and exchange differences	8,973	(25,418)	55
Income before taxes	**1,985,109**	**1,832,562**	
Income taxes	(626,487)	(531,216)	56
Profit/(loss) from discontinued operations	(5,737)	1,053,364	57
Net income for the year (Group and non-controlling interests)	**1,352,885**	**2,354,710**	

Income/(Loss) attributable to:			
- Parent Company	388,245	1,598,216	
- Non-controlling interests	964,640	756,494	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)	2016	2015
Net income for the year (Group and non-controlling interests)	**1,352,885**	**2,354,710**
Fair value gains/(losses) on cash flow hedges	(47,018)	81,871
Fair value gains/(losses) of available for sale financial instruments	(5,583)	(180,825)
Gains/(losses) from translation of assets and liabilities of consolidated companies in functional currencies other than euro	367,902	(258,373)
Other gains/(losses)	(2,307)	6,124
Tax effect	17,412	(35,607)
Other comprehensive income for the year	**330,406**	**(386,810)**
- of which discontinued operations	-	11,661
Comprehensive income/(loss) for the year attributable to:	**1,683,291**	**1,967,900**
- Parent Company	434,554	1,421,550
- Non-controlling interests	1,248,737	546,350

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Thousands of Euro)	Share capital	Fair value and hedging reserve	Other reserves and retained earnings	Translation reserve	Net income/(loss) for the year	Equity attributable to the Parent Company	Equity attributable to non-controlling interests	Total
Balance at 12.31.2014	**1,500,000**	**221,564**	**3,381,416**	**(199,190)**	**136,059**	**5,039,849**	**7,044,578**	**12,084,427**
Carry forward of 2014 income			136,059		(136,059)			
Dividends distributed			(100,000)			(100,000)	(480,945)	(580,945)
Capital increases/(reimbursements)							18,379	18,379
Transactions with non-controlling interests			44,296			44,296	(404,248)	(359,952)
Change in scope of consolidation			2,571			2,571		2,571
Other movements			(2,665)			(2,665)	7,236	4,571
Comprehensive income for the year		(172,717)	2,226	(6,175)	1,598,216	1,421,550	546,350	1,967,900
Balance at 12.31.2015	**1,500,000**	**48,847**	**3,463,903**	**(205,365)**	**1,598,216**	**6,405,601**	**6,731,350**	**13,136,951**
Carry forward of 2015 income			1,598,216		(1,598,216)			
Dividends distributed			(70,000)			(70,000)	(594,569)	(664,569)
Capital increases/(reimbursements)			(1,801)			(1,801)	975	(826)
Transactions with non-controlling interests			19,416			19,416	(20,174)	(758)
Change in scope of consolidation							840,024	840,024
Other movements			(15,138)			(15,138)	(59,497)	(74,635)
Comprehensive income for the year		(14,912)	(514)	61,735	388,245	434,554	1,248,737	1,683,291
Balance at 12.31.2016	**1,500,000**	**33,935**	**4,994,082**	**(143,630)**	**388,245**	**6,772,632**	**8,146,846**	**14,919,478**
Notes	18	19	20	21			22	

CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)	2016	2015
Operating activities		
Net income for the year (Group and non-controlling interests)	1,352,885	2,354,710
Income taxes	626,487	531,160
Income before taxes	**1,979,372**	**2,885,870**
Adjustments:		
- depreciation and amortisation	1,235,913	1,205,902
- (capital gains)/capital losses/impairment of intangible assets and property, plant and equipment	(10,663)	(77,804)
- net provisions charged to statement of income	65,105	(3,452)
- share of (income)/losses of associates	(48,508)	16,652
- dividends from associated companies	54,823	1,680
- (capital gains)/capital losses/impairment of other equity investments	(11,648)	(1,269,399)
- net financial (income)/charges	579,192	794,556
Cash flow from operating activities before changes in working capital	**3,843,586**	**3,554,005**
Cash flow provided/(used) by changes in working capital	51,009	26,413
Cash flow provided/(used) by changes in non-current assets and liabilities	95,912	(1,227)
Payment of taxes	(505,949)	(538,433)
Payment of employee termination indemnities	(25,702)	(9,271)
Net interest received/(paid)	(735,380)	(784,650)
Cash flow provided/(used) by operating activities	**2,723,476**	**2,246,837**
Investing activities		
Operating investments	(1,654,095)	(1,521,066)
Operating divestments	34,137	167,057
Purchase of equity investments	(287,666)	(106,081)
Purchase of consolidated companies	(1,373,856)	(85,612)
Cash contributed by newly consolidated companies	37,693	12,588
Disposal of equity investments	286,556	1,661,693
Operations in non-current financial assets	(1,737)	(483,255)
Cash flow provided/(used) by investing activities	**(2,958,968)**	**(354,676)**
Financing activities		
Change in shareholders' equity	52,443	231,245
New medium and long-term loans	1,392,975	3,436,457
Repayment of medium and long-term loans	(1,498,137)	(3,134,729)
Net changes in other sources of finance	1,739,445	(99,614)
Dividend payments and distribution of capital reserves	(664,569)	(580,945)
Cash flow provided/(used) by financing activities	**1,022,157**	**(147,586)**
Increase/(decrease) in cash and cash equivalents	**786,665**	**1,744,575**
Cash and cash equivalents at the beginning of the period	**3,936,471**	**2,226,324**
Translation differences and other movements		(34,428)
Cash and cash equivalents at the beginning of the period of activities recognised as discontinued operations	-	-
Cash and cash equivalents at the end of the period	**4,755,670**	**3,936,471**
Cash and cash equivalents	4,792,552	4,027,830
Current account overdrafts	(36,882)	(91,359)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP ACTIVITIES

Set up in 1981, Edizione S.r.l. at December 31, 2016 held controlling and non-controlling interests in companies operating in the following business segments:

- Infrastructure and services for mobility;
- Food & Beverage;
- Textiles and Clothing; and
- Real estate.

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

January 1, 2015 was the effective date of the partial demerger of Schematrentanove S.p.A. (formerly Benetton Group S.p.A.) in favour of two beneficiary companies directly controlled by the Parent Company. In particular, through this transaction:

- the 100% interest in Benetton Group S.r.l., focused on the core business (brands, products, marketing, sales and retail), was assigned to Schematrentasette S.r.l.;
- the 100% interest in Olimpias Group S.r.l., in charge of manufacturing activities with industrial platforms in the Mediterranean region (weaving, knitting, spinning, dyeing and sewing), was assigned to Schematrentotto S.r.l.

As a result of the demerger, Schematrentanove S.p.A. now has equity investments in the real estate sector only. On December 1, 2015, following further corporate reorganisation transactions, Schematrentanove S.p.A. absorbed some real estate companies and changed its name to Edizione Property S.p.A.

FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

A list of the companies included in the scope of consolidation is annexed to these notes.
More in detail, Edizione Group's consolidated financial statements include the financial statements at December 31, 2016 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, 2016, the interim statements prepared as of the Group reporting date. Please note that HMSHost Corporation and its subsidiaries close their fiscal year on the Friday closest to December 31, and subdivide it into 13 periods of four weeks each, in turn grouped into 12-week quarters, except the last one which has 16 weeks. Consequently, the respective accounting situations included in the accounting statements refer to the period from January 2, 2016 to December 30, 2016, while the comparison figures refer to the period from January 3, 2015 to January 1, 2016. This practice has no significant effects on the statement of financial position at December 31, 2016 and the operating result.

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

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement as from the effective date of acquisition and until the effective date of disposal, with slight timing adjustments where these dates do not coincide with monthly reporting dates.
The scope of consolidation at December 31, 2016 is different from that at December 31, 2015 due to:

- disposal of the French railway stations business in June 2016, and of operations on Dutch motorways, in November 2016, by the Autogrill group. The amount of revenues realised in the first five months of 2016 by the sold French stations business was Euro 26.4 million, while in 2015 it had been Euro 62 million; the operating result achieved in the first five months of 2016 amounts to Euro 1.1 million (Euro 2.1 million in 2015); the economic contribution of the Dutch business operations is detailed in Note 57, Profit/(loss) from assets held for sale and discontinued operations;
- consolidation of the companies acquired by the Autogrill group, Concession Management Service Inc. and Stellar Partners, Inc., which contributed to the consolidated results for four months and three months respectively (see Note 62 Business combinations);
- consolidation at December 31, 2016 of the Aéroports de la Côte d’Azur group companies by Atlantia (see Note 62 Business combinations).

In accordance with the provisions of IFRS 5, balances relating to operations in the Dutch motorway segment, sold by the Autogrill group in November 2016, were reclassified in a single line of the 2016 and 2015 “Profit/(loss) from assets held for sale and discontinued operations”. Conversely, with regard to the sale of the French railway stations business, as these do not constitute a separate major line of business or geographical area under IFRS 8, the provisions of IFRS 5 were not applied.
In 2015, the line "Profit/(loss) from assets held for sale and discontinued operations" also represented the effects of the sale to third parties of the World Duty Free group and of a clothing brand.

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

Some items in the statement of financial position published in FY 2015 have been reclassified in order to provide a more accurate representation.

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

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

Currency	Exchange rate on 12.31.2016	Average ex-change rate in 2016
Euro/Usd	1.054	1.107
Euro/Pln	4.410	4.362
Euro/Clp	704.945	748.477
Euro/Ars	16.749	16.342
Euro/Brl	3.431	3.856
Euro/Inr	71.594	74.372
Euro/Czk	27.021	27.034
Euro/Gbp	0.856	0.819
Euro/Jpy	123.400	120.197
Euro/Hkd	8.175	8.592
Euro/Rub	64.300	74.145
Euro/Krw	1,269.360	1,284.180
Euro/Cad	1.419	1.466
Euro/Chf	1.074	1.090

ACCOUNTING STANDARDS AND POLICIES

International Accounting Standards

For preparation of the consolidated financial statements, in accordance with EU Regulation 1606 of July 19, 2002, since January 1, 2005 the Group has used the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS) published by the International Accounting Standards Board (IASB) and approved by the European Union and the interpretations issued thereby (IFRIC and SIC). IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).
The 2016 consolidated financial statements were prepared in accordance with such 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, 2016:

IFRS 11 – Joint arrangements

It has been clarified that an entity acquiring an interest in a joint operation, in which the activity of the joint operation constitutes a business as defined by IFRS 3 is required to apply the provisions of IFRS 3.

IFRS 19 – Employee benefits

The amendments clarify that the rate used to discount post-employment benefit obligations (financed or not financed) should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds, identified in the same currency as the benefits are to be paid.

IAS 16 – Property, plant and equipment and IAS 38 – Intangible assets

It has been clarified that an amortisation or depreciation method based on the revenues generated by an activity or group of activities is presumed to be inappropriate, as revenue generated by an activity or a group of activities that includes the use of a tangible or intangible asset generally reflects factors not directly connected to the consumption of the economic benefits generated by the tangible or intangible asset. This presumption can be overcome only in the limited circumstances, i.e. when it can be demonstrated that revenue and the consumption of the economic benefits of the tangible or intangible asset are "highly correlated", or in cases where the tangible or intangible asset is directly determined as a measure of revenue (e.g. in the case of concession rights that end upon achievement of a certain amount of revenue).

IFRS 7 – Financial instruments: Disclosure

The amendments clarify that when a financial asset is transferred and at the same time “service arrangements” are signed, showing an interest in its future performances, the additional disclosures required by IFRS 7 must be provided.

IAS 1 – Presentation of Financial Statements

The amendments provides clarifications on the concepts of materiality and aggregation or disaggregation applicable to the financial statements and notes, on specific IFRS disclosure requirements, and on the presentation of other comprehensive income (OCI) relating to associated companies and joint ventures measured using the equity method.

IFRS 10, IFRS 12 and IAS 28 – Investment entities

The amendments specify the requirements for the accounting of investment entities and provide for exemptions in particular situations.

Annual Improvements to IFRSs - 2010-2012 Cycle and Annual Improvements to IFRSs - 2012-2014 Cycle

These improvements contain amendments, mostly of a technical and editorial nature, to the following international accounting standards. IFRS 2, IFRS 3, IFRS 8, IFRS 13 IAS 16, IAS 38, IAS 24 e IFRS 5, IFRS 7, IAS 19, IAS 34.

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

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

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

Details	IASB adoption	EU adoption
IFRS 16 - Leases	January 1, 2019	Not adopted
Amendments to IAS 7 - Statement of cash flow	January 1, 2017-2018	Not adopted
Amendments to IAS 12 - Income taxes	January 1, 2017-2018	Not adopted
Amendments to IFRS 2 - Share-based payment	January 1, 2018	Not adopted
Annual cycle amendments to IFRS 2014-2016	January 1, 2017-2018	Not adopted

With regard to the standards and newly issued interpretations, as well as the revision or amendments to existing standards, the Group is evaluating the impact of future application.

Accounting policies

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

Business combinations

The Group accounts for all business combinations by applying the purchase method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree. The costs relating to the acquisition are recognised in the income statement in the period in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.
The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognised under IFRS 3 (2008) - Business Combinations are posted at their fair value on the date of acquisition.
Goodwill is determined as the amount by which the aggregate of the consideration transferred in a business combination, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree exceeds the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceed the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree, this excess is immediately recognised in the income statement as a gain on a bargain purchase.
In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognised in the income statement.

The acquirer can measure non-controlling interests at the acquisition date either at fair value or in proportion to their share in the acquiree's recognised identifiable net assets. The choice of measurement method is made for each business combination.
On acquiring control, further acquisitions/disposals of non-controlling interests that do not result in a loss of control are accounted for as equity transactions. This means that any differences between the change in equity attributable to non-controlling interests and the cash and cash equivalents exchanged are recognised directly as movements in equity attributable to owners of the parent.
The sale of shares to non-controlling interests, resulting in the Group's loss of control over an entity, produces gains or losses that are recognised in the income statement. The purchase of shares from non-controlling interests, resulting in the acquisition of control, produces goodwill which is calculated as described above.
On first-time adoption of IFRS, the Group decided not to apply IFRS 3 retroactively to the acquisitions made prior to the date of transition to IFRS (January 1, 2004). Consequently, goodwill arising on acquisitions made prior to that date has been maintained at the value determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

Property, plant and equipment

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

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

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

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

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

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

The depreciation rates applied in 2016 are within the ranges shown below by category of asset:

	2016
Commercial and industrial buildings and investment property	2% – 33.3%
Plant and machinery	5% – 33.3%
Industrial and commercial equipment	4.4% – 40%
Furniture, furnishing, electronic equipment and store furniture	10% – 25%
Vehicles	20% – 25%
Other assets	3% – 50%

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

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

Intangible assets

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

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

The cost of concession rights may include one or more of the following:
a. the fair value of construction services and/or improvements made by the grantor (measured as explained in the note on the accounting policy on "Construction contracts and services work in progress") less any grants,

the amount that shall be paid by the replacement operator on termination of the concession (the so-called "takeover rights") and/or the minimum guaranteed by the grantor. Such cost will be recovered through the tolls paid by users of the infrastructure. Specifically, the following are identified:

1. rights obtained as consideration for specific obligations to provide construction services for the expansion and modernisation of the infrastructure and for which the operator does not receive additional economic benefits. These rights are initially recognised at the present fair value of the construction services to be provided in future (excluding any financial charges to be incurred by the operator during the construction period), less any grants, with a contra entry of an equal amount in “provisions for construction services required by contract”; in addition to the impact of amortisation, the initial value of the rights changes over time as a result of periodic reassessment of the present fair value of the part of the construction services still to be rendered at the end of the reporting period;
2. rights accrued in return for construction services rendered for which the operator receives additional economic benefits, represented by specific tariff increases and/or extensions of the infrastructure expected to result in significant increases in the number of users;
3. rights accruing from construction work carried out and paid for by service area operators, handed over free of charge to the company;

b. rights obtained from third parties, if costs have been incurred to acquire concessions from the grantor from third parties (the latter relating to the acquisition of companies that hold a concession).

After initial recognition, intangible assets are carried at cost, less accumulated amortisation and any accumulated impairment losses calculated in accordance with IAS 36.
Intangible assets are amortised unless they have indefinite useful lives.
Goodwill is not amortised, but is submitted to an impairment test annually to identify any reductions in value, or more often whenever there is evidence of impairment (see Impairment losses of non-financial assets, below).
Amortisation is charged systematically over the intangible asset’s useful life, which reflects the period it is expected to benefit. Concession rights are amortised throughout the effective period of the relevant concession, with a policy that reflects the estimated pattern of consumption of the economic benefits incorporated in the right; for this purpose, the amortisation rates are calculated taking into account, where relevant, any changes in traffic expected over the concession's effective period.
The residual value at the end of the useful life is assumed to be zero, unless there is a commitment by third parties to buy the asset at the end of its useful life or there is an active market for the asset. Management reviews the estimated useful lives of intangible assets at every financial year end.

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

Impairment losses of non-financial assets

The carrying amounts of the Group’s property, plant and equipment and intangible assets are submitted for impairment testing whenever there are obvious internal or external signs indicating that the asset or group of assets (defined as cash generating units, or CGUs) may be impaired. In the case of goodwill, other intangible assets of indefinite useful life and intangible assets not in use, the impairment test must be carried out at least annually, and in any case whenever there are signs of possible impairment.
The impairment test is carried out by comparing the carrying amount of the asset or CGU with its recoverable value, defined as the higher of fair value (net of any costs to sell) and value in use. Value in use is determined by calculating the present value of future net cash flows expected to be generated by the asset or CGU. In determining value in use, the estimated future cash flows are discounted to their present value using a rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount is higher than the recoverable amount, the asset or CGU is written down by the difference and the impairment loss is charged to the income statement.

The conditions and methods applied by the Group for reversing impairment losses, excluding in any case those relating to goodwill that may not be reversed, are as set out in IAS 36. Under no circumstances may the carrying value of an asset be restored to a value higher than the net book value it would have had if the impairment loss had not occurred. Restoration of value is taken immediately to the income statement.

Equity investments

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

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

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

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

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

Financial assets

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

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

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

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

Inventories

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

Construction contracts and services work in progress

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

Trade receivables

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

Accruals and deferrals

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

Cash and cash equivalents

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

Provisions for contingent liabilities

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

Trade payables

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

Financial liabilities

Financial liabilities are divided into three categories:

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

Foreign currency transactions and net investments in foreign operations

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

Derivative financial instruments and hedging transactions

The Group uses derivative financial instruments only with the intent of managing and hedging its exposure to the risk of fluctuations in exchange rates of currencies other than the Euro and in interest rates. As established by IFRS, derivative financial instruments qualify as hedging instruments only when at the inception of the hedge there is formal designation and documentation of the hedging relationship and of the risk management objective and strategy for undertaking the hedge. In addition, the Group checks at the inception of the hedge and throughout its duration that the hedging instrument used in the relationship is highly effective in offsetting changes in the fair value of cash flows attributable to the hedged risk.
After initial recognition, derivative financial instruments are reported at their fair value. The method of accounting for gains and losses relating to such instruments depends on the type and sustainability of the hedge.
The objective of hedging transactions is to offset the impact on income statement of exposures relating to hedged items. Fair value hedges for specific assets and liabilities are recorded in assets and liabilities; the hedging instrument and the underlying item are measured at fair value, and the respective changes in value (which generally offset each other) are recognised to the income statement.
Cash flow hedges are recorded in assets and liabilities; the hedging instrument is measured at fair value and the effective portion of changes in value is recognised directly in the statement of comprehensive income and accumulated in an equity reserve, which is released to income in the financial periods in which the cash flows of the underlying item occur. The ineffective portion of the changes in value is recognised in the income statement.
If a hedged transaction is no longer thought probable, the unrealised gains or losses, recognised through comprehensive income and accumulated in an equity reserve, are immediately recognised in the income statement.
The shareholders' equity of foreign subsidiaries may be subject to hedging, in order to protect investments in foreign companies from fluctuations in exchange rates (foreign exchange translation risk). Exchange differences resulting from these capital hedging transactions are debited or credited directly to the statement of comprehensive income and accumulated in equity as an adjustment to the translation differences reserve, and are reversed to income at the time of disposal or settlement.
Derivative instruments for managing financial risks, which do not meet the formal requirements to qualify for IFRS hedge accounting, are recorded under financial assets/liabilities with changes in value reported through the income statement.

Share-based payments

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

Government grants

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

Employee benefits

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

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

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

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

Assets and liabilities held for sale and discontinued operations

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

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

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

Revenues

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

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

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

Financial income and expenses

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

Dividends

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

Expense recognition

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

Income and costs relating to leasing contracts

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

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 balance sheet values and the corresponding values recognised for tax purposes, on consolidation adjustments, and in relation to the fiscal deferral or deductibility of revenues and costs.
Deferred tax assets are recorded for all temporary differences to the extent it is probable that taxable income will be available against which the deductible temporary difference can be recovered. The same principle is applied to the recognition of deferred tax assets on the carry forward of unused tax losses. The carrying value of deferred tax assets is reviewed at every balance sheet date and, if necessary, reduced to the extent that it is no longer probable that sufficient taxable income will be available to recover all or part of the asset.
Deferred tax liabilities, save for specific exceptions, are always recognised.
Deferred tax assets and liabilities are not recognised if the temporary differences arise from initial recognition of goodwill (different from business combination transactions) or of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.
Deferred tax assets and liabilities are calculated using tax rates which are expected to apply in the period when the asset is realised or the liability settled, using the tax rates and tax regulations which are in force at the balance sheet date.

It is possible to offset deferred tax assets and liabilities only if there is a legal right to offset the current tax balances, if the deferred balances refer to taxes levied by the same tax authorities, and if the Group intends to settle current tax balances on a net basis.
Tax assets and liabilities for current taxes are only offset if there is a legally enforceable right to set off the recognised amounts and if it is intended to settle or pay on a net basis or to realise the asset and settle the liability simultaneously.

Cash flow statement

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

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

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

- financing cash flow: financing activities consist of the cash flows which determine a change in the size and composition of shareholders’ equity and loans granted.

Use of estimates

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

COMMENTS ON ASSETS ITEMS

(All figures in thousands of Euro)

Comments on items of the consolidated statement of financial position at December 31, 2016 are provided below. Changes in scope in the year 2016 relate to Aéroports de la Côte d’Azur companies, consolidated by the Atlantia group, and to the net balance between companies acquired and sold by the Autogrill group.

NON-CURRENT ASSETS

1 Property, plant and equipment

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

	12.31.2016			12.31.2015		
(Thousands of Euro)	Gross value	Accumulated depreciation and impairment	Net value	Gross value	Accumulated depreciation and impairment	Net value
Land and buildings	1,152,099	(467,057)	685,042	1,174,335	(452,308)	722,027
Investment property	264,668	(37,293)	227,375	145,997	(33,165)	112,832
Plant, machinery and equipment	1,815,099	(1,427,788)	387,311	1,759,110	(1,379,827)	379,283
Furniture, furnishings and electronic equipment	474,302	(389,867)	84,435	470,066	(386,573)	83,493
Assets to be relinquished	343,581	(280,056)	63,525	398,207	(323,321)	74,886
Leasehold improvements	1,330,882	(865,193)	465,689	1,229,296	(817,374)	411,922
Other property, plant and equipment	169,823	(108,522)	61,301	152,955	(100,810)	52,145
Assets under construction and advances	237,336	-	237,336	204,846	-	204,846
Total	**5,787,790**	**(3,575,776)**	**2,212,014**	**5,534,812**	**(3,493,378)**	**2,041,434**

The following table reports changes in 2016 and in 2015 in property, plant and equipment, stated net of accumulated depreciation.

(Thousands of Euro)	Land and buildings	Invest-ment property	Property, plant, mac hinery and equipment	Furniture, furnishings and elec-tronic equipment	Asset to be relinqui-shed	Leasehold improve-ments	Other prop-erty, plant and equip-ment	Assets under construc-tion and advances	Total
Balance at 01.01.2015	**786,651**	**114,462**	**381,180**	**81,897**	**83,057**	**358,309**	**47,052**	**160,470**	**2,013,078**
Additions	16,149	10	42,192	32,840	7,435	25,924	17,905	243,472	385,927
Disposals	(3,836)	(8)	(13,133)	(2,735)	(20)	(847)	(576)	(415)	(21,570)
Depreciation	(23,797)	(1,785)	(130,108)	(28,681)	(23,171)	(89,138)	(12,206)	(3)	(308,889)
Impairments	(35,326)	(500)	(4,174)	(2,885)	(3,133)	(7,607)	(1,254)	(1,609)	(56,488)
Impairment reversals	131	-	28	-	-	-	-	-	159
Changes in scope of consolidation	(10,816)	-	(1,552)	39	-	(5,583)	-	(590)	(18,502)
Translation differences	(6,984)	-	11,715	(270)	-	26,565	(6,353)	8,487	33,160
Other movements	(145)	653	93,135	3,288	10,718	104,299	7,577	(204,966)	14,559
Balance at 12.31.2015	**722,027**	**112,832**	**379,283**	**83,493**	**74,886**	**411,922**	**52,145**	**204,846**	**2,041,434**
Additions	5,720	77,187	65,090	27,886	11,057	30,909	24,581	257,318	499,748
Disposals	(5,513)	-	(2,629)	(772)	(2)	(550)	(675)	(775)	(10,916)
Depreciation	(22,627)	(3,323)	(128,510)	(28,114)	(17,448)	(93,572)	(13,102)	-	(306,696)
Impairments	(400)	-	(1,725)	(819)	(1,423)	(2,375)	(770)	-	(7,512)
Changes in scope of consolidation	(17,561)	-	(4,715)	(5)	(11,739)	15,352	1,181	(1,233)	(18,720)
Reclassification to discontinued opera-tions	(291)	-	(154)	-	-	-	-	-	(445)
Translation differences	2,175	(33)	2,016	492	-	11,744	(2,350)	3,032	17,076
Other movements	1,512	40,712	78,655	2,274	8,194	92,259	291	(225,852)	(1,955)
Balance at 12.31.2016	**685,042**	**227,375**	**387,311**	**84,435**	**63,525**	**465,689**	**61,301**	**237,336**	**2,212,014**

Investments in property, plant and equipment in 2016 amounted to Euro 499,748: Euro 220,522 by the Autogrill group, Euro 113,104 by the Atlantia group, Euro 117,647 by the real estate companies, and Euro 40,520 by the Benetton group.
The Autogrill Group's investments were mainly concentrated in North America and Europe.
Real estate investments concerned the acquisition of a property for commercial use in Florence and the expansion and renovation of a property for office use in Treviso.
The Benetton Group's investments focused on the sales network (directly operated stores) in Italy, Spain and Mexico.

Impairment losses totalling Euro 7,512, of which Euro 5,716 by the Autogrill group, were recognised in the period under review.

Translation differences, positive for Euro 17,076, mostly concern the Autogrill group.
Changes in scope refer to the net balance between consolidation of assets acquired by the Atlantia and Autogrill groups, and the disposal of French railway stations operations and the Dutch motorway business, by 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 leasing or concession agreements.

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

(Thousands of Euro)	12.31.2016	12.31.2015
Land and buildings	7,575	7,365
Plant, machinery and equipment	660	688
Assets to be relinquished	5,108	5,108
Other assets	4,262	4,268
Accumulated depreciation	(9,902)	(8,650)
Total	**7,703**	**8,779**

The long-term portion of the residual amount of lease repayments at December 31, 2016 is recognised as Lease financing under non-current liabilities (Euro 7,955); the short-term portion is reported as Current portion of lease financing (Euro 3,203). See Note 26 for details.

The fair value of investment property is greater than the stated balance sheet value.
Additionally, some properties of the Edizione Property group have been identified as Relevant Properties to guarantee a credit line underwritten by Edizione Property S.p.A. In case of disposal of these properties, if compliance with the covenant so require, a partial repayment of the credit line will have to be made, unless the Relevant Properties have been replaced with other properties and subject to the prior consent of the majority of the lender banks. At December 31, 2016, this credit line is used for Euro 52.8 million.

2 Intangible assets

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

(Thousands of Euro)	Goodwill and other intangible assets of indefinite useful life	Intangible assets deriving from concession rights	Patent rights	Concessions, licenses, trade-marks and similar rights	Deferred charges	Other intangible assets	Total
Balance at 01.01.2015	**6,188,058**	**20,311,687**	**3,264**	**70,239**	**64,292**	**459,584**	**27,097,124**
Additions	-	3,690	694	15,511	667	41,331	61,893
Additions due to execution of construction services	-	570,751	-	-	-	-	570,751
Changes due to update of concession plans	-	9,018	-	-	-	-	9,018
Disposals	(335,947)	-	(2)	(67)	(3,825)	(564)	(340,405)
Depreciation	(38)	(798,584)	(1,884)	(22,878)	(6,369)	(67,338)	(897,091)
Impairments	(2,802)	-	(1)	(166)	(3,922)	(5)	(6,896)
Impairment reversals	-	-	-	-	-	-	-
Change in scope of consol-idation	(2,810)	346,022	-	84	-	62	343,358
Translation differences	62,909	(418,053)	(15)	248	262	(4,662)	(359,311)
Other movements	-	(34,301)	(5)	1,431	17	12,717	(20,141)
Balance at 12.31.2015	**5,909,370**	**19,990,230**	**2,051**	**64,402**	**51,122**	**441,125**	**26,458,300**
Additions	-	-	555	18,874	603	56,064	76,096
Additions due to execution of construction services	-	623,227	-	-	-	-	623,227
Changes due to update of concession plans	-	391,851	-	-	-	-	391,851
Disposals	(12,660)	-	-	(38)	(2,989)	(185)	(15,872)
Depreciation	-	(833,409)	(738)	(25,706)	(5,787)	(66,714)	(932,354)
Impairments	-	-	-	(430)	(1,408)	-	(1,838)
Impairment reversals	-	-	-	-	2	-	2
Changes in scope of consolidation	-	2,964,921	-	28,257	-	-	2,993,178
Translation differences	17,524	406,920	(129)	3,153	(341)	8,247	435,374
Other movements	(2)	(5,584)	(2)	45	(825)	329	(6,039)
Balance at 12.31.2016	**5,914,232**	**23,538,156**	**1,737**	**88,557**	**40,377**	**438,866**	**30,021,925**

The balance of Goodwill and other intangible assets of indefinite useful life at December 31, 2016 consists essentially of goodwill pertaining to the Atlantia group (Euro 5,046,033) and the Autogrill group (Euro 823,270).
The decrease in this item refers entirely to the goodwill portion allocated to the France Cash Generating Unit as a result of the sale of the Food and Beverage business in some French railway stations.
Goodwill and other intangible assets of indefinite useful life are subject to impairment testing once a year.
Translation differences pertain to the Autogrill group for Euro 17,509.

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

(Thousands of Euro)	12.31.2016	12.31.2015
Acquired concession rights	8,616,255	6,087,169
Concession rights deriving from construction services for which no additional economic benefits are received	8,501,861	8,438,603
Concession rights deriving from construction services for which additional economic benefits are received	6,365,342	5,415,985
Concession rights deriving from construction services carried on by service area operators	54,698	48,473
Total	**23,538,156**	**19,990,230**

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

The principal changes in this item are:

- an increase of Euro 614,518 in the amount of investments carried out in 2016 relating to construction and/or upgrade services for which additional economic benefits are received;
- depreciation of Euro 833,409;
- update of the current value of planned investments in construction services without additional economic benefits (with balancing entry to the Provisions for construction services required by contract), Euro 391,851;
- and the negative balance of exchange losses amounting to Euro 406,920, mainly attributable to depreciation of the Brazilian real and the Chilean peso.
- changes in the scope of consolidation of Euro 2,964,921 resulting from recognition of concession rights brought to the group by Aéroports de la Côte d'Azur group companies, including the relevant capital gain resulting from the acquisition of control finalised during 2016, amounting to Euro 2,474,648. See Note 62 for additional information.

Concessions, licenses, trademarks and similar rights at December 31, 2016 refer to the Autogrill group for Euro 61,742: the change from the previous year (Euro 38,504) is attributable to new investments and amortisation and to the temporary allocation of capital gains arising from the acquisition carried out during the period, i.e. Concession Management Service (Euro 21,306) and Stellar Partners (Euro 5,817), recorded under Changes in scope.
The remainder consists primarily of licenses and trademarks owned by the Atlantia group (Euro 21,433) and the trademarks owned by the Benetton group (Euro 5,293).

Deferred charges consist of key money for the acquisition of retail operations by the Benetton group, which is amortised over the term of the related lease contracts.
Impairment losses with respect to key money came to Euro 1,408.

Other intangible assets include Euro 295,369 for the commercial contractual relationships quantified during the fair value measurement of the assets and liabilities acquired with the Aeroporti di Roma group in 2013.

Other intangible assets also include the cost of purchasing and developing software, of which Euro 19,536 pertains to the Benetton group, Euro 10,339 to the Autogrill group and Euro 11,256 to the Atlantia group.
In addition, this item includes assets under construction and advances (Euro 62,202).

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 motorway 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.
Almost all goodwill is allocated to a single concession holder (Autostrade per l'Italia S.p.A.); impairment testing confirms that it is fully recoverable.

Except for goodwill, impairment testing of the Autogrill group is performed on the individual contract or store considering future cash flows (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk attributable to each country.
When testing goodwill for impairment, the CGUs are identified on the basis of business segment, following a geographical/operational logic, consistently with the minimum level at which goodwill is monitored for internal management purposes. The recoverability of the goodwill allocated to each CGU is verified by estimating its value in use, defined as the present value of estimated cash flows based on the 2017 budget and forecasts for 2018-2021, 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 2016 the goodwill allocated to each CGU was found to be fully recoverable.

The main write-downs recognised in 2016 by the Benetton group are as follows:

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

  Each is treated as a separate CGU, for which the net present value of future cash flows (value in use) is calculated. If value in use is found to be lower than the carrying amount of the CGU, the latter's assets have been impaired. In 2016 the classes of property for which impairment losses were recognised included furniture and furnishings, deferred charges ("key money") and leasehold improvements mainly in Italy and Spain;
- if there are indications of a possible write-down, 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 2016, some "fonds de commerce" in France and Belgium were written down;
- 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 (DCF) method to determine the value in use of the Cash Generating Units (CGUs), with the related estimate of the discount rate (Weighted Average Cost of Capital, WACC) and the perpetual growth rate (g), in continuity with the method used in the previous year, i.e. by performing separate valuations of the Textiles CGU and the Clothing CGU.
The value of the Textiles and Clothing CGUs was found reasonable in relation to the relevant invested capital.

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.
Impairment losses recognised during the year under review amounted to Euro 72.

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

The results of impairment testing in 2016 are summarised in the following table which reports, by business segment and type of asset, the impairment losses recognised for the year:

(Thousands of Euro)	Infrastructure and services for mobility	Food & Beverage	Textiles & Clothing	Real estate	Total
Property, plant and equipment					
Buildings	-	350	-	50	400
Plant, machinery and equipment	-	1,692	11	22	1,725
Furniture, furnishings and electronic equipment	-	-	777	-	777
Leasehold improvements	-	2,209	166	-	2,375
Other	770	1,465	-	-	2,235
Total property, plant and equipment	**770**	**5,716**	**954**	**72**	**7,512**
Intangible assets					
Intangible assets of indefinite useful life	-	-	-	-	-
Intangible assets of finite useful life	-	430	1,408	-	1,838
Total intangible assets	**-**	**430**	**1,408**	**-**	**1,838**
Total	**770**	**6,146**	**2,362**	**72**	**9,350**

3 Investments in subsidiaries

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

4 Equity investments in associates and joint-ventures

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

	12.31.2016		12.31.2015	
(Thousands of Euro)	% held	Carrying amount	% held	Carrying amount
Save S.p.A.	22.09%	180,541	-	-
Rodovias do Tietê S.A.	50.00%	16,484	50.00%	17,698
Pune-Solapur Expressway Private Ltd.	50.00%	4,935	50.00%	6,786
Eurostazioni S.p.A.	32.71%	3,690	32.71%	49,220
Società Infrastrutture Toscane S.p.A. (in liquidation)	46.60%	3,011	46.60%	6,808
Other investments	-	8,894	-	11,538
Total		**217,555**		**92,050**

In 2016, the subsidiary Atlantia S.p.A. acquired a total of 22.09% of the share capital of Save S.p.A., operator of the Venice and Treviso airport. The equity purchase agreements provide for a partial price integration mechanism if, within three years, a takeover bid or exchange offer is promoted on Save shares at a higher price than that paid by Atlantia to the previous shareholders.

The value of the equity investment in Eurostazioni S.p.A. decreased as a result of the share capital reimbursement approved by the Shareholders' Meeting in December 2016. In 2016, following the demerger of Grandi Stazioni S.p.A., the only equity investment held by Eurostazioni, into three companies (Grandi Stazioni Retail, Grandi Stazioni Immobiliare and Grandi Stazioni Rail), and the sale to third parties of the demerged company that was the beneficiary of Grandi Stazioni operations, Eurostazioni collected the sale price and distributed it pro rata to its shareholders, in part as a dividend on the capital gain realised on the sale (Euro 54.8 million) and in part as excess share capital (Euro 45.5 million) .

The change in value of the other equity investments is due to their measurement using the equity method or to capital contributions.

5 Equity investments in other companies

Because these investments are “available for sale” in accordance with IAS 39, they are recognised at fair value, and gains and losses from the valuation (except impairment losses, which are recognised in the income statement) are charged to a shareholders' equity reserve. If the fair value of these assets cannot be determined reliably, they are measured at cost, and adjusted for any impairment. For equity investments in listed companies, fair value is taken as the average stock market price in December 2016.

Equity investments in other companies are as follows:

	12.31.2016		12.31.2015	
(Thousands of Euro)	% held	Carrying amount	% held	Carrying amount
Assicurazioni Generali S.p.A.	0.94%	202,385	0.94%	192,030
Mediobanca S.p.A.	2.16%	140,070	2.16%	163,702
Lusoponte	17.21%	39,852	17.21%	15,339
Tangenziali Esterne di Milano S.p.A.	13.67%	32,022	13.67%	34,544
Tangenziale Esterna S.p.A.	1.25%	5,811	1.25%	5,811
Gruppo Banca Leonardo S.p.A.	1.83%	5,671	1.83%	6,606
Caltagirone Editore S.p.A.	2.24%	1,954	2.24%	2,772
Il Sole 24 Ore S.p.A.	2.00%	928	2.00%	1,708
Hermès International SCA	-	-	0.21%	69,864
LBrands Inc.	-	-	0.13%	34,196
Compagnia Aerea Italiana S.p.A.	8.03%	-	7.02%	-
Other minor equity investments	-	7,046	-	8,129
Total		**435,739**		**534,701**

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

(Thousands of Euro)	Fair value at 12.31.2015	Additions/ Disposals	Impaiment losses	Fair value adjustments	Fair value at 12.31.2016
Assicurazioni Generali S.p.A.	192,030	-	-	10,355	202,385
Mediobanca S.p.A.	163,702	-	-	(23,632)	140,070
Lusoponte	15,339	-	24,513	-	39,852
Tangenziali Esterne di Milano S.p.A.	34,544	-	(2,522)	-	32,022
Tangenziale Esterna S.p.A.	5,811	-	-	-	5,811
Gruppo Banca Leonardo S.p.A.	6,606	(935)	-	-	5,671
Caltagirone Editore S.p.A.	2,772	-	-	(818)	1,954
Il Sole 24 Ore S.p.A.	1,708	-	-	(780)	928
Hermès International SCA	69,864	(69,864)	-	-	-
LBrands Inc.	34,196	(34,196)	-	-	-
Compagnia Aerea Italiana S.p.A.	-	9,622	(9,622)	-	-
Vinci S.A.	-	-	-	-	-
Other minor	8,129	(1,083)	-	-	7,046
Total	**534,701**	**(96,456)**	**12,369**	**(14,875)**	**435,739**

The equity investment in the Portuguese motorway operator Lusoponte was revalued by Euro 24,514 as a result of a new estimate of the recoverable value, carried out by an independent expert, as part of the process to redomicile in Italy the headquarters of its parent company Autostrade Portugal.
During 2016, the Parent Company sold the shares held in Hermès International and in LBrands Inc., realising a capital gain of Euro 14.4 million and a capital loss of Euro 20.4 million, respectively. In the early months of 2016, the Parent Company acquired on the market 0.12% of the share capital of Vinci S.A., which was sold in September 2016 with a capital gain of Euro 6.6 million.
The value of the investment in Compagnia Aerea Italiana S.p.A. at December 31, 2016 was zero (write-off of Euro 9.6 million).

6 Investment securities

The balance refers almost exclusively to the fair value of the shares held by the Parent company in the Luxembourg-based Quaestio Opportunity Fund, of a nominal value of Euro 500 million.

7 Other non-current financial assets

The balance at the end of 2016 includes the following amounts:

(Thousands of Euro)	12.31.2016	12.31.2015
Non-current portion of financial assets deriving from concession rights	931,414	766,499
Convertible term deposits	321,726	324,894
Financial assets deriving from government grants related to construction services	264,936	255,662
Financial receivables from Group companies	562,305	385,183
Derivatives: cash flow hedges	83,397	-
Other financial receivables and assets	58,209	44,458
Total	**2,221,987**	**1,776,696**

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

- the present value of the minimum tolls guaranteed by the grantor of the concessions held by certain of the group's Chilean motorways operators in accordance with the concession agreements (Euro 614,726);
- the financial assets attributable to the investments of the Chilean motorway operator Costanera Norte (Euro 316,688).

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. The balance at December 31, 2016 is broadly in line with that of the comparison period.

Financial receivables from associates 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 compared to the previous year is due for Euro 107,573 to negative foreign exchange differences realised during the year, and for Euro 69,549 to the capitalisation of interest income.

The increase in Derivatives: cash flow hedges item, of Euro 78,882, is attributable to the Atlantia group and refers to derivative contracts entered into by Azzurra Aeroporti – a vehicle company holder of the equity investment in the Aéroports de la Côte d'Azur group – (Euro 33,256) and to the increase in fair value (as a result of the depreciation of the British pound to the euro), in relation to Cross Currency Swap contracts entered into by the subsidiary Atlantia (Euro 41,766), within the framework of the acquisition of the Romolus Finance bond loan finalised in 2015.

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

(Thousands of Euro)	12.31.2016	12.31.2015
From 1 to 5 years	1,848,832	1,371,028
Beyond 5 years	373,155	405,668
Total	**2,221,987**	**1,776,696**

8 Other non-current receivables

This item, with a balance of Euro 106,366, pertains mostly to:

- the Benetton group for trade receivables (Euro 4,523), security deposits (Euro 23,091), VAT receivables (Euro 2,081);
- the Autogrill group for concession fees paid in advance (Euro 10,411) and security deposits (Euro 7,811);
- the Atlantia group for receivables from concession grantors (Euro 11,460), security deposits (Euro 23,297) and VAT refunds due (Euro 7,889).

9 Deferred tax assets

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

(Thousands of Euro)	12.31.2016	12.31.2015
Tax effect on deductible intercompany goodwill	398,786	509,726
Tax effect on the adoption of IFRIC 12	423,095	445,524
Tax effect on provisions and costs relating to future periods for fiscal purposes	630,681	702,275
Tax effect on different basis for amortisation, depreciation and impairment	241,092	228,293
Benefit on carried forward tax losses	104,013	144,482
Tax effect on intercompany profits elimination	823	2,521
Other deferred tax assets	442,255	431,106
Total deferred tax assets	**2,240,746**	**2,463,927**
Total offsettable deferred tax liabilities	(640,278)	(657,913)
Total deferred tax assets, net	**1,600,468**	**1,806,014**

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

Atlantia group

The balance of Euro 1,402,785 at December 31, 2016 is comprised mainly of residual deferred tax assets (Euro 398,786) arising from the transfer of motorway assets to Autostrade per l'Italia and that company's recognition of deductible goodwill, as well as deferred tax assets of Euro 423,095 originating from Autostrade per l'Italia's adoption of IFRIC 12, to be released throughout the life of the concession.

Autogrill group

The deferred tax assets of the Autogrill group amount to Euro 41,644.
At December 31, 2016, tax losses for which deferred tax assets have not been recognised amount to Euro 221,231. The corresponding unrecognised tax benefit comes to Euro 61,168.

Benetton group

The item, amounting to Euro 128,063, mainly refers to tax benefits related to the release of the values involved in the 2003 corporate reorganisation, as well as to the temporary differences on allocations to taxed provisions (the

most significant of which are the bad debt provision, the inventory write-down provision and the provisions for risks and charges).
Additional tax benefits of Euro 94.2 million were not recognised at the reporting date.

CURRENT ASSETS

10 Inventories

Inventories are broken down below:

(Thousands of Euro)	12.31.2016	12.31.2015
Raw materials, other materials and consumables	218,612	243,333
Work in progress and semi-manufactured products	48,823	40,359
Finished goods	323,367	320,892
Advances	107	17
Total	**590,909**	**604,601**

Inventories are stated net of the write-down provision of Euro 50,848 (Euro 58,787 at December 31, 2015), of which Euro 33,033 pertains to the Benetton group and Euro 10,489 to the Olimpias group.

11 Trade receivables

At December 31, 2016, trade receivables, net of the provision for doubtful accounts, were as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Trade receivables	2,326,927	2,115,710
Provision for doubtful accounts	(414,671)	(404,762)
Total	**1,912,256**	**1,710,948**

Trade receivables, net of the relevant write-down provision, mainly include Euro 314,922 contribution from the Benetton group and Euro 1,512,704 pertaining to the Atlantia group.
Overall, the amount of receivables increased as a result of two opposite factors: compared to the previous year, the Benetton group recorded a reduction in the amount of trade receivables due to higher allocations to the bed debt provision during the reporting period, because of a downward trend in collections from customers compared to the previous year; whereas the Atlantia group saw an increase in receivables from customers in the motorway segment, in the airport segment (which benefits from receivables brought by Aéroports de la Côte d'Azur group companies, as a result of consolidation), and in the other segments in which it operates.

Changes in the Provision for doubtful accounts are summarised below:

(Thousands of Euro)	01.01.2016	Additions	Uses	Releases to statement of income	Reclassification IFRS 5	Other movements and translation differences	12.31.2016
Provision for doubtful accounts	404,762	54,090	(55,483)	(35,269)	11,861	34,710	414,671

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

12 Tax receivables

This item includes:
- tax refunds due in the amount of Euro 79,483 (Euro 59,231 at December 31, 2015),
- other tax receivables relating to tax refunds for Euro 64,496 (Euro 59,551 at December 31, 2015): in particular, the item includes receivables referring to refund of IRAP deduction from IRES.

13 Other current receivables, accrued income and prepaid expenses

Other current receivables are detailed in the table below:

(Thousands of Euro)	12.31.2016	12.31.2015
Other receivables		
Advances paid to suppliers	70,931	79,682
VAT credits	57,824	82,271
Receivables due from motorway end-users and insurance companies for damages	20,072	24,469
Advances to employees and agents	4,878	5,245
Receivables due from social security institutions	6,638	6,808
Receivables from public entities	32,614	23,196
Other receivables from tax authorities	25,312	32,990
Other receivables	126,839	175,208
Total	**345,108**	**429,869**
Accrued income and prepaid expenses		
Concession and leasing fees paid in advance	15,784	16,497
Rents and leases	9,109	10,878
Other accrued income and prepaid expenses	52,774	39,438
Total accrued icome and prepaid expenses	**77,667**	**66,813**
Total other receivables, accrued income and prepaid expenses	**422,775**	**496,682**

Advances paid to suppliers concern the Autogrill group for Euro 32,702, comprised of promotional contributions and bonuses awaiting settlement as well as amounts paid in advance for services; the Atlantia group for Euro 32,867, consisting of advances paid to awarders of contracts in the motorway and airport channels; and the Benetton group for Euro 6,319.

The decrease in VAT credits is attributable to the Atlantia group for about Euro 19 million.

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

Receivables from Public Administrations are recognised by the Atlantia group.

The reduction in Other tax receivables is attributable to the Edizione Property group, which at December 31, 2015 recognised a Euro 15 million receivable from the US tax authorities, relating to a tax withholding incurred in connection with the sale of the US real estate company. This receivable was collected in March 2016.

Other receivables were contributed mainly by:

- the Autogrill group, Euro 22,640 (Euro 25,241 at December 31, 2015);
- the Benetton group, Euro 5,850 (Euro 6,207 at December 31, 2015);
- the Olimpias group, Euro 5,384 (Euro 10,205 at December 31, 2015), which includes a Euro 1.4 million receivable due from a production company in Serbia to external laboratories, for State grants paid by said company to the laboratories in advance, as opposed to the accrual principle according to which they should have been paid. In the previous period, the item also included a Euro 4.5 million receivable from the Serbian government as contribution for the investments planned by the aforesaid company, which was collected in June 2016; the portion of the contribution not pertaining to the period under review, which will be paid to the

external laboratories, has been recorded under short-term liabilities, Note 33, and Other payables, accrued expenses and deferred income, and amounted to Euro 6.6 million;

- the remaining part, mostly pertaining to the Atlantia group, of Euro 91,428 (Euro 131,014 at December 31, 2015) decreased compared to the previous period mainly due to receivables from suppliers for work executed in previous years in some motorway sections that have been put into operation.

This item is shown net of provisions for doubtful accounts (Euro 30,898), of which Euro 27,478 pertains to the Atlantia group. The provision relates chiefly to amounts pertained to Stalexport Autostrady by its associates, which are currently insolvent, and whose loans from the local authorities have therefore been repaid by the Polish company in its capacity as guarantor.

Other accrued income and prepaid expenses refers to maintenance fees, insurance policies, advertising and sponsorship costs. The increase in this item is attributable to a subsidiary of the Autogrill group: this company recognised a receivable from a lessor who, at the time of renewing the lease, agreed to a rent reduction of the entire duration of the contract, which will be paid in full in 2017.

14 Other current financial assets

This item is summarised as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Current financial assets deriving from concession rights	440,539	435,511
Convertible term deposits	194,283	221,834
Financial assets deriving from government grants related to construction services	67,962	74,627
Financial receivables from third parties	51,843	67,208
Derivatives: fair value hedges	7,354	24,074
Derivatives: cash flow hedges	23,451	21,473
Accrued income on derivative transactions	58,047	63,146
Other financial accrued income and prepaid expenses	10,739	8,580
Total	**854,218**	**916,453**

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

Current financial assets deriving from concession rights consist mostly of the value of the takeover rights of Autostrade Meridionali S.p.A. (Euro 398,270), due by the motorway operators that will take over the concession when it expires to compensate for investments carried out during the final years of the concession that have not yet depreciated.
This heading also includes the current portion of the present value of the minimum guaranteed revenues that various Chilean motorway concession holders in the Atlantia group will receive from the grantor in accordance with the concession agreements (Euro 42,269).

Financial assets deriving from government grants related to construction services are grants accrued from concession grantors or other public entities on investments and maintenance work associated with businesses under concession.

The amount of current financial receivables from third parties is related, for Euro 22 million, to amounts paid to minority shareholders of certain North American subsidiaries of the Autogrill group.

Fair value hedge derivatives and cash flow hedge derivatives principally refer to differentials on currency risk hedging transactions carried out by the Benetton group.

Accrued income on derivative transactions pertains to the Atlantia group (Euro 55,731).

15 Other investments

This item covers the fair value of investments classified as "available for sale" according to the rules of IAS 39, whose carrying value has been adjusted to the average stock market price in December 2016.

16 Cash and cash equivalents

This item can be broken down as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Time deposits	602,432	714,464
Bank accounts	4,097,106	3,216,373
Cash in hand	82,343	80,737
Checks	10,671	16,256
Total	**4,792,552**	**4,027,830**

Time deposits refer mainly to the Atlantia group for Euro 595 million (euro 706 million at December 31, 2015).

Bank accounts are liquid funds held at major banks. Average interest rates reflect market returns for the various currencies concerned. The balance mostly consists of amounts pertaining to Atlantia group companies (Euro 2,757 million), the Parent Company (Euro 940 million) and Schematrentaquattro S.p.A. (Euro 201 million).

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

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

The total change compared to the previous year is mainly due to an increase in net operating cash flows of the Atlantia group.

17 Assets and liabilities held for sale

At December 31, 2016 and 2015 this item was made up as follows:

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

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

(Thousands of Euro)	Atlantia group (Ecomouv' and other)	12.31.2015
Assets held for sale		
Property, plant and equipment	-	-
Equity investments	4,271	4,271
Financial assets	39,034	39,034
Deferred tax assets	-	-
Trading assets	7	7
Other assets	1,673	1,673
Total assets held for sale	**44,985**	**44,985**

(Thousands of Euro)	Atlantia group (Ecomouv' and other)	12.31.2015
Liabilities held for sale		
Financial liabilities	411	411
Trading liabilities	1,260	1,260
Other liabilities	4,508	4,508
Total liabilities held for sale	**6,179**	**6,179**

With reference to the Atlantia group, net non-current assets held for sale or related to discontinued operations at December 31, 2016 mainly include:

- the remaining net assets of the French companies involved in the “Eco-Taxe” project, for Euro 8,053;
- the remaining 2% equity investment in Strada dei Parchi for Euro 4,271, subject to a put and call option with the company Toto Costruzioni Generali, in accordance with the agreement for the sale of a controlling interest in the company, signed in 2011.

At December 31, 2015 the balance consisted mainly of the residual net assets of the French companies involved in the Eco-Taxe project (Euro 34,535) and the residual 2% interest in Strada dei Parchi (Euro 4,271).

COMMENTS ON SHAREHOLDERS' EQUITY ITEMS

(All figures in thousands of Euro)

SHAREHOLDERS' EQUITY

Shareholders' equity attributable to the Parent Company

On June 28, 2016, the annual general meeting of Edizione S.r.l. approved a dividend totalling Euro 70 million, paid during the course of the year.

18 Share capital

At December 31, 2016 the share capital of Edizione S.r.l. amounted to Euro 1,500 million, fully subscribed and paid in and divided into quotas.

19 Fair value and hedging reserve

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

20 Other reserves and retained earnings

Amounting to Euro 4,994,082 at the close of the year (Euro 3,463,903 at December 31, 2015), this item includes:

- Euro 70,282 for the Parent Company's legal reserve;
- Euro 1,710,710 for the Parent Company's other reserves;
- Euro 3,213,090 representing the shareholders' equity of consolidated companies in excess of their carrying value, together with other consolidation entries.

21 Translation reserve

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

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

(Thousands of Euro)	Gross	Financial gains/ (losses)	Net
Fair value gains/(losses) on cash flow hedges	(44,135)	17,195	(26,940)
Reclassification to the income statement of gains/(losses) from fair value measurement of cash flow hedges	(2,883)	(168)	(3,051)
Fair value gains/(losses) of available for sale financial instruments	(5,583)	-	(5,583)
Gains/(losses) from translation of assets and liabilities of consolidated companies in functional currencies other than euro	367,902	-	367,902
Reclassification to the income statement of gains/(losses) from translation of assets and liabilities of consolidated companies in functional currencies other than euro	-	-	-
Other gains/(losses)	(2,307)	385	(1,922)
Other comprehensive income for the year	**312,994**	**17,412**	**330,406**

Below is the reconciliation between the shareholders' equity and net income of Edizione S.r.l. at December 31, 2016 and the corresponding consolidated amounts, net of non-controlling interests:

(Thousands of Euro)	Shareholders' equity	Net income
As shown in the separate financial statements of Edizione S.r.l. prepared according to Italian GAAP	**3,588,977**	**307,985**
IFRS adjustments to separate financial statements of Edizione S.r.l.	21,692	110
As shown in the separate financial statements of Edizione S.r.l. prepared according to IFRS	**3,610,669**	**308,095**
Group share of net income and shareholders' equity of consolidated subsidiaries, net of their carrying amount	2,566,181	594,245
Elimination of dividends paid to the Parent Company by consolidated subsidiaries	-	(512,027)
Allocation to non-current assets of the difference between the purchase price and the equity of new subsidiaries at the date of acquisition and related depreciation and amortisation	661,065	-
Elimination of capital gains from the intercompany transactions	(1,102)	-
Adjustment to reflect the equity value of associated companies	(19,844)	(1,630)
Net effect of other consolidation adjustments	(44,337)	(438)
As shown in the Group's consolidated financial statements	**6,772,632**	**388,245**

22 Non-controlling interests

At December 31, 2016 and 2015, non-controlling interests in the net equity of consolidated companies were as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Atlantia group	7,808,588	6,419,641
Autogrill group	363,031	318,834
Benetton group	-	19,100
Olimpias group	3,030	2,356
Schemaquattordici S.p.A.	727	906
Other companies and consolidation adjustments	(28,530)	(29,487)
Total	**8,146,846**	**6,731,350**

The change in minority interests is due to an increase in the interests of third-party shareholders of the Atlantia and Autogrill group as a result of improved operating results. Additionally, with regard to the Atlantia group, at December 31, 2016, the interest held by third-party shareholders of the Aéroports de la Côte d'Azur group and of the Azzurra Aeroporti vehicle company, totalling Euro 863, was also recognised.

COMMENTS ON LIABILITIES ITEMS

(All figures in thousands of Euro)

Changes in scope in the year 2016 relate to Aéroports de la Côte d'Azur companies, consolidated by the Atlantia group, and to the net balance between companies acquired and sold by the Autogrill group.

NON-CURRENT LIABILITIES

23 Bonds

Bonds amount to Euro 10,506,767 for the non-current portion (Euro 10,762,271 at December 31, 2015) and Euro 926,429 for the current portion (Euro 1,085,993 at December 31, 2015).

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

	12.31.2016		12.31.2015	
	Current portion	Non-current portion	Current portion	Non-current portion
Atlantia group	783,252	10,176,386	1,085,993	10,300,558
Autogrill group	143,177	330,381	-	461,713
Total	**926,429**	**10,506,767**	**1,085,993**	**10,762,271**

The reduction in this item in 2016, attributable to the Atlantia group (Euro 427 million) is mainly due to repayments during the period (Euro 1,191 million), net of new issues (Euro 654 million) and exchange rate fluctuations on bond loans denominated in currencies other than the euro (Euro 87 million).
The change in the balance relating to the Autogrill group essentially reflects the effect of the appreciation of the US dollar against the euro (Euro 15 million).

24 Loans

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

	12.31.2016		12.31.2015	
	Current portion	Non-current portion	Current portion	Non-current portion
Atlantia group	300,851	3,999,054	253,158	3,250,740
Autogrill group	60,000	184,356	-	276,612
Edizione Property group	-	82	62	162
Other companies	2,818	879	4,785	3,630
Total	**363,669**	**4,184,371**	**258,005**	**3,531,144**

Medium and long-term loans from credit institutions amount to Euro 3,968,060 for the non-current portion (Euro 3,395,821 at December 31, 2015) and Euro 310,668 for the current portion (Euro 195,739 at December 31, 2015). The amount of the non-current portion increased compared to the previous period, mainly as a result of the recognition by the Atlantia group of a new loan from credit institutions, in connection with the acquisition of the Aéroports de la Côte d'Azur group (Euro 645 million).

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

Year	12.31.2016
2018	194,857
2019	204,196
2020	219,338
2021	1,101,817
2022 and beyond	2,247,852
Total	**3,968,060**

Loans from other lenders amount to Euro 216,311 for the non-current portion (Euro 135,323 at December 31, 2015) and Euro 53,001 for the current portion (Euro 62,266 at December 31, 2016). The change compared to the previous year is mainly due to an increase in the Atlantia group's payables to the grantor by Euro 56,882.

25 Other non-current payables

This item can be broken down as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Long-term deferred income	74,539	65,724
Payables to social security institutions	10,715	12,717
Payables to personnel	27,981	27,619
Payables to concession grantors	9,974	13,681
Other payables	27,491	18,067
Total	**150,700**	**137,808**

The item Accrued expenses and deferred income concerns investments to be carried out for contractual obligations (Euro 35,609) and other non-commercial deferred income (Euro 38,930) of the Atlantia group.

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

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

Payables to concession grantors pertain to the Atlantia group.

Other payables to third parties include security deposits (Euro 4,670) mostly pertaining to the Benetton group.

26 Lease financing

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

Lease financing is broken down below by maturity:

(Thousands of Euro)	12.31.2016	12.31.2015
Within 1 year	3,203	3,578
From 1 to 5 years	3,305	5,426
Beyond 5 years	4,650	6,105
Total	**11,158**	**15,109**

The portion due beyond one year amounts to Euro 7,955, while payments due within one year come to Euro 3,203 and are shown under current liabilities.

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

(Thousands of Euro)	12.31.2016	12.31.2015
Minimum payments due	14,516	19,340
Outstanding financial expenses	(3,358)	(4,231)
Present value of lease financing	**11,158**	**15,109**

27 Other non-current financial liabilities

The balance at December 31, 2016 refers to the Atlantia group and represents the negative market value of derivatives outstanding at the close of the year, classified as cash flow hedges or fair value hedges depending on the hedged risk:

a. Euro 420,423 refers to the fair value of the Cross Currency Interest Rate Swaps to hedge the foreign currency and interest rate risks on medium/long-term bonds, subscribed by Atlantia for a nominal GBP 500 million and a nominal JPY 20 billion, as well as to derivatives entered into by Aeroporti di Roma on a bond of the nominal amount of GBP 215 million, 99.87% of which was repurchased by Atlantia. For the latter derivatives, the requirements qualifying them as cash flow hedge instruments no longer exist. The balance decreased by approximately Euro 111.8 million, as a result of the Euro's exchange rate trend against the pound;
b. Euro 202,152 refers to the fair value of interest rate swaps entered into by certain Atlantia group companies to hedge interest rate risk on existing and highly probable future non-current financial liabilities. The increase by approximately Euro 62.2 million from the previous year is due primarily to a reduction in the interest rate market curve used at December 31, 2016 compared to that used at December 31, 2015.

28 Provisions for employee benefits

This item covers the provisions for post-employment benefits for all Group employees, such as employee termination indemnities (TFR) payable by the Italian companies (Euro 257,911).
Since December 31, 2007, the actuarial valuations for TFR reflect the changes introduced by Law 296 of December 27, 2006 and by the decrees and regulations issued in early 2007 (the "social security reform"). As a result of those changes:

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

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

(Thousands of Euro)	
Present value of obligation at 01.01.2016	**318,834**
Service cost	6,636
Financial charges/(income)	3,769
Actuarial losses/(gains)	2,400
Contributions paid by the Group and by employees	(3,508)
Indemnities paid	(25,702)
Translation differences	635
Other movements	(3,756)
Present value of obligation at 12.31.2016	**299,308**

Of the total, Euro 166,909 refers to employee termination indemnities (TFR) for the Italian companies in the Atlantia group. The Autogrill group accounts for Euro 90,835, with Euro 56,508 pertaining to termination indemnities of Italian companies. The amount for the Benetton group is Euro 26,847, including Euro 20,306 in TFR for Italian personnel.

Certain companies in the Autogrill group also recognise the fair value of financial assets held to service defined benefit plans, consisting of equity instruments, bonds, real estate, other securities and debt instruments issued by third parties. These plan assets, shown net of the amount of the obligation, at December 31, 2016 amounted to Euro 70,457.

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

	12.31.2016
Discounting rate	0.2% - 2.9%
Inflation rate	0.7% - 2%
Expected rate of salary increases	0.65% - 2.6%

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

29 Provision for deferred taxes

This item refers chiefly to the Atlantia group (Euro 2,439,442) and the Autogrill group (Euro 34,342) and covers deferred tax liabilities that cannot be offset by deferred tax assets. The Provision for deferred taxes consist mainly of temporary differences arising from acquisitions by Group companies. The increase from the previous period is essentially due to the recognition of deferred taxes arising from the acquisition of the Aéroports de la Côte d’Azur group and relating for Euro 706,460 to the temporary allocation of capital gains emerged from the business combination.

30 Other non-current provisions and liabilities

The table below summarises movements during the year:

(Thousands of Euro)	Provisions for risk	Provision for sales agent indemnities	Provision for other expenses	Provisions for repair and replacement of motorway infrastructure assets	Provisions for refurbishment of airport infrastructure	Total non-current portion	Provisions for risk	Provision for other expenses	Provisions for the repair and replacement of motorway infrastructure assets	Provisions for the refurbishment of airport infrastructure	Total current portion
	Non-current portion						Current portion				
Balance at 01.01.2016	**87,937**	**14,596**	**40,180**	**1,114,906**	**161,266**	**1,418,885**	**104,296**	**37,473**	**217,101**	**101,169**	**460,039**
Provisions	10,127	1,813	4,717	432,761	54,515	**503,933**	21,546	7,389	-	-	**28,935**
Uses	(4,675)	(3,518)	(1,373)	-	-	**(9,566)**	(18,650)	(18,624)	-	-	**(37,274)**
Released to statement of income	(2,036)	-	(9,238)	-	-	**(11,274)**	(5,938)	(5,293)	(365,963)	(112,238)	**(489,432)**
Reclassification to discontinued operations (IFRS5)	3,517	-	50	-	24,695	**28,262**	-	-	-	-	**-**
Other movements and translation differences	(17,898)	(11)	10,821	(321,048)	(106,034)	**(434,170)**	12,086	7,214	368,472	109,681	**497,453**
Balance at 12.31.2016	**76,972**	**12,880**	**45,157**	**1,226,619**	**134,442**	**1,496,070**	**113,340**	**28,159**	**219,610**	**98,612**	**459,721**

For a better understanding of the changes in these provisions, details of their overall composition, including the current portion, are provided below.

At December 31, 2016, Provisions for risk totalled Euro 190,312.
The Atlantia group contributed Euro 135,050 to this item (current portion: Euro 94,850), representing the estimated charges to be incurred in connection with pending litigation, including those with maintenance contractors regarding contract reserves.
Euro 46,191 pertains to the Autogrill group (current portion: Euro 13,474) and is detailed as follows:

- a self-insurance provision (Euro 36,911) to cover the excess on third-party liability provided for in insurance plans;
- provisions for legal disputes (Euro 6,080) involving the Autogrill group, which take account of the opinions of its legal advisors.

The Benetton group's contribution of Euro 7,031 (current portion: Euro 4,808) relates to provisions made for legal disputes.

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

The Provision for other expenses, totalling Euro 73,316, pertains to the Autogrill group for Euro 13,499 (current portion: Euro 3,294), the Benetton group for Euro 18,828 (current portion: Euro 17,309) and the Atlantia group for Euro 26,418 (current portion: Euro 6,229).
The balance at December 31, 2016 for the Autogrill group includes:

- a provision for the refurbishment of third party assets (Euro 7,348), representing estimated liabilities for ensuring that leased assets are returned in the contractually agreed condition;
- provisions for onerous contracts (Euro 2,858), relating to loss-making contracts for commercial units whose earnings are not sufficient to cover the amount of the lease;
- a tax risk provision (Euro 3,294), referring mostly to disputes over the US subsidiaries' direct and indirect taxation.

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

Provisions for the repair and replacement of motorway infrastructure assets (Euro 1,446,229) refer entirely to the Atlantia group and cover the current value of the estimated cost to be incurred in order to fulfil the contractual obligation of repairing or replacing motorway infrastructure, in accordance with the concession arrangements entered into by the group's motorway operators. The amount of the provision increased compared to the previous year (Euro 1,332,007) by Euro 114,222, due to the combined effect of:

- operating allocations of Euro 432,761, also negatively impacted by the reduction of the rate used at December 31, 2016 to time discount it with respect to the rate adopted at December 31, 2015;
- uses for restoration and replacement works performed during the period, totalling Euro 365,963.

The Provisions for the refurbishment of airport infrastructure (Euro 233,054) covers the present value of estimated future expenses for extraordinary maintenance, repairs and replacements in accordance with the terms and conditions of the Aeroporti di Roma concession arrangement. Compared to December 31, 2015, the provision decreased by Euro 29,381, as a result of uses for works carried out during the period, totalling Euro 112,238, partly offset by operating allocations and a contribution of Euro 24,695, from the company Aéroports de la Côte d'Azur following its consolidation.

31 Provisions for construction services required by contract

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

The table below presents balances at the beginning and end of 2016 and movements during the year, broken down by current/non-current portion.

(Thousands of Euro)	Balance at 01.01.2016	Non-current	Current	Changes due to revised present value obligations	Financial provisions	Reduction for completed works	Grants accrued on completed works	Translation differences	Balance at 12.31.2016	Current	Non-current
Provisions for construction services required by contract	3,810,742	3,369,243	441,499	391,851	27,811	(455,356)	332	25,905	3,801,285	3,269,830	531,455

CURRENT LIABILITIES

32 Trade payables

These represent the Group's liabilities for the purchase of goods and services, including the Atlantia group's tolls in the process of settlement (Euro 90,649) and payables to operators of interconnecting motorways (Euro 623,179).

33 Other payables, accrued expenses and deferred income

This item is summarised as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Other payables		
Payables to personnel	265,938	218,162
Other tax payables	132,806	117,595
Payables for the purchase of non-current assets	108,351	93,207
Payables to social security institutions	112,867	98,840
Payables to grantors	117,752	101,849
Guarantee deposits and deposits of users who pay by direct debit	54,960	55,589
Payable to expropriated companies	11,747	16,514
VAT payables	56,828	31,622
Payable to public entities	11,031	14,629
Other payables	151,675	122,994
Total other payables	**1,023,955**	**871,001**
Accrued expenses and deferred income		
Leases and rentals	11,095	11,168
Other	48,487	53,278
Total accrued expenses and deferred income	**59,582**	**64,446**
Total other payables, accrued expenses and deferred income	**1,083,537**	**935,447**

Payables to personnel concern amounts accrued and not paid at December 31, 2016 and also include the current portion of liabilities for long-term personnel incentive plans. The change from the previous period is due to the payable pertaining to the Aéroports de la Côte d'Azur group and higher payables to personnel of the Atlantia group arising from incentive plans.

The change in Other tax payables is attributable for the most part to an increase in the payable for additional passenger fees due by Aeroporti di Roma (Euro 12,497).

Payables for the purchase of non-current assets refer to the retail network, manufacturing division and information technology of the Benetton group (Euro 15,685 vs. Euro 13,066 at December 31, 2015) and to amounts payable in connection with investments by the Autogrill group (Euro 91,644 vs. Euro 78,517 at December 31, 2015).

Payables to social security institutions consist of contributions due from Group companies and employees.
Payables to grantors, Payables to expropriated companies, Guarantee deposits and deposits of users who pay by direct debit, and Payables to public entities are due by companies in the Atlantia group.

The change in VAT payables is attributable to the higher VAT payable of Euro 19 million, settled by the subsidiary Autostrade per l'Italia in January 2017.

Other payables to third parties include amounts due to Directors and Statutory Auditors, amounts due to insurance companies, and other non-trade payables. The change compared to the previous year is due to the payable for the portion pertaining to 2016 in relation to the extraordinary tariff increase applied by the operator Traforo Monte Bianco, still to be allocated, and the contribution from Aéroports de la Côte d'Azur group companies.

Accrued expenses and deferred income refer mainly to insurance premiums, lease instalments and utilities pertaining to the subsequent year and include Euro 6,580 in deferred income relating to the grant received from the Serbian government for the construction by the Olimpias group of the new manufacturing complex in Niš, Serbia.

34 Tax payables

Current income tax liabilities represent the amount payable by the Group for current year income tax, stated net of taxes paid in advance, tax credits and withholding taxes.

35 Other current financial liabilities

Details are as follows:

(Thousands of Euro)	12.31.2016	12.31.2015
Financial accrued expenses and deferred income	277,529	319,220
Derivatives: cash flow hedges	22,966	9,116
Derivatives: fair value hedges	10,059	2,737
Financial payables to Group companies	-	515
Financial payables due to other companies	22,583	25,919
Total	**333,137**	**357,507**

Financial accrued expenses and deferred income are made up mostly of accrued expenses and deferred income on bonds and loans (Euro 228,683) and of accrued expenses on derivative transactions (Euro 48,846).

Derivatives: cash flow hedges refer to the fair value recognition of derivatives involved in interest rate and exchange rate hedging transactions. The balance refers almost entirely to the Atlantia group.

Derivatives: fair value hedges represent the differentials on forward exchange contracts arising from the fair value measurement of hedges outstanding at December 31, 2016 in relation to exchange rate risk. The balance at December 31, 2016 refers almost entirely to the Benetton group (Euro 3,641) and the Atlantia group (Euro 4,493).

At December 31, 2016, Financial payables due to other companies refer to the Atlantia group (Euro 19,043).

At December 31, 2015 Financial payables due to other companies included, for Euro 18,044, amounts due to minority shareholders of a Korean company of the Benetton group for the put option on their shares, which has been exercised by the Benetton group.

36 Bank loans and overdrafts

In detail:

(Thousands of Euro)	12.31.2016	12.31.2015
Short-term bank loans from credit institutions	1,977,323	310,268
Current account overdrafts	46,440	102,277
Total	**2,023,763**	**412,545**

The contributions from the Atlantia group (Euro 1,862.8 million) and from the Benetton group (Euro 50.2 million) refer to uses of uncommitted credit lines.
Contribution from the Edizione Property group amounts to Euro 58 million.
The amount pertaining to the Autogrill group, Euro 48 million, consists of current account overdrafts (Euro 30 million) and other unsecured bank debt (Euro 18 million).
The change compared to the previous year is principally due to the use of the Atlantia group's credit lines.

COMMENTS ON INCOME STATEMENT ITEMS

(All figures in thousands of Euro)

In accordance with IFRS 5 the contribution of the Autogrill group companies sold during the reporting period, was recognised in a single line of the income statement, Profit/(loss) from assets held for sale and discontinued operations, Note 57, in both 2016 and the comparison period.

37 Revenues

Revenues are broken down by type as follows:

(Thousands of Euro)	2016	2015
Net sales	6,443,722	6,429,984
Tolls	4,008,757	3,835,954
Aviation revenues	635,701	565,312
Royalties	239,719	243,821
Other revenues	341,711	336,988
Total	**11,669,610**	**11,412,059**

Net sales increased from the previous period.

Toll revenues amounted to Euro 4,009 million with a total increase of Euro 173 million compared to 2015, principally due to:

- application of annual tariff increases from January 1, 2016 for the Group's Italian operators (Euro 30 million);
- increase in traffic on the Italian network (3.2% or Euro 97 million);
- higher toll revenues from the Group's foreign operators (Euro 33 million); and
- contribution for the entire reporting period from Società Autostrada Tirrenica (Euro 30 million), consolidated in 2016 for the entire reporting period and for three months in the comparison period.

Aviation revenues include contributions from the Aeroporti di Roma group companies and increased compared to the previous year as a result of tariff adjustments from March 1, 2015 and March 1, 2016, as well as a rise in passenger traffic (1.8%).

Most Royalties pertain to the Atlantia group and include fees paid by the sub-concession holders that operate motorway and airport service areas.

Other revenues consist of the Telepass and Viacard income of the Atlantia group (Euro 140,902), sundry airport management revenues, and income from various services such as subcontracting and other services.

Revenues by business segment are shown below:

(Thousands of Euro)	2016	2015
Infrastructure and services for mobility	5,212,858	4,968,102
Food and Beverage	4,940,511	4,805,346
Textiles and Clothing	1,460,118	1,593,739
Other sectors	56,123	44,872
Total	**11,669,610**	**11,412,059**

The following table shows revenues by geographical area:

(Thousands of Euro)	2016	2015
Italy	6,647,306	6,514,939
Rest of Europe	1,661,898	1,678,801
Americas	2,939,123	2,807,101
Rest of the world	421,283	411,218
Total	**11,669,610**	**11,412,059**

See the Directors' Report for further information.

38 Revenues from construction services

In detail:

(Thousands of Euro)	2016	2015
Concession rights accruing from construction services for which additional economic benefits are received	614,519	588,560
Government grants for services for which additional economic benefits are not received	332	39,957
Revenue from investment in financial assets deriving from concession rights	81,101	87,895
Services provided by sub-operators	8,708	4,090
Total	**704,660**	**720,502**

This item presents the value of construction services for which additional economic benefits are received, provided during the year by Atlantia group companies. With reference to this type of revenues, it should be noted that, in keeping with IFRIC 12, the Atlantia group recognises as revenues from construction services the consideration due for services rendered, which it measures at fair value based on total costs incurred, comprised of operating costs and financial charges.

In particular, compared to 2015, revenues from construction services with additional economic benefits increased as a result of the works carried out by Autostrade per l'Italia, while the decrease in Grants for construction services without additional economic benefits is essentially due to the fact that the maximum amount of grants paid by Autostrade per l'Italia's Grantor had been reached at the time of certifying the actual execution of the works, in relation to some lots of the Variante di Valico and upgrading of the Florence junction.
In 2016 the Atlantia group performed additional construction services for which no additional economic benefits are received, amounting to Euro 455,356, for which the group made use of a portion of the Provisions for construction services required by contract (Note 31). For this kind of activity, in accordance with IFRIC 12, Atlantia recognises as Revenues from construction services only the government grants accrued on these works (Euro 332), while the amount of investments realised, net of those grants, is recognised in Note 45 (Use of provisions for construction services required by contract) and comes to Euro 455,024.

39 Other revenues and operating income

This item is detailed in the following table:

(Thousands of Euro)	2016	2015
Capital gains from disposal of operating activities	14,669	-
Capital gains from disposal of non-current assets	9,058	145,070
Reimbursement of costs by third parties	74,919	69,645
Rents	54,706	63,039
Promotional contributions by suppliers	43,587	45,651
Commissions on premium product sales	20,882	20,898
Release of provisions	57,899	16,593
Affiliation fees	2,585	2,607
Impairment reversals	2	159
Other operating income	91,290	116,274
Total	**369,597**	**479,936**

The Capital gains from disposal of operating activities arose from the sale to the Elior group of the Autogrill group's Food and Beverage business in French railway stations, for a price of Euro 27.5 million. It should be noted that the French railway stations business does not represent for the group a major line of business or geographical area of operation as defined in IFRS 8. Consequently, it is not subject to the requirements of IFRS 5 – Non-current assets held for sale and discontinued operations.

In the comparison period, capital gains on disposal of non-current assets pertained, for Euro 134 million, to the sale of two high-end properties of a US subsidiary.

Reimbursement of costs by third parties includes Euro 65,626 for the Atlantia group and refers to refunds and indemnities received. The item also includes the insurance compensation relating to coverage of extra costs and recovery and restoration costs incurred following the fire in Terminal 3 of the Fiumicino airport (approx. Euro 12 million).

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

Release of provisions increased compared to the previous year due to the impairment reversal (Euro 24 million) of trade receivables of the company Electronic Transaction Consultants, written down in previous years, following an update of the estimated recoverable amount.

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

40 Purchases of raw materials and consumables

The decrease in this item is mainly attributable to a reduction in construction volumes of the Atlantia group companies, with respect to both third-party customers and other group companies.

41 Personnel expense

Details are as follows:

(Thousands of Euro)	2016	2015
Wages and salaries	2,020,407	1,938,160
Social security charges	466,677	454,250
Directors' emoluments	16,182	18,267
Provision for employee termination indemnities and similar	6,636	6,385
Other payroll costs	194,221	184,403
Total	**2,704,123**	**2,601,465**

Other payroll costs concern the Autogrill group for Euro 138,210, in connection with long-term incentives, health insurance and other benefits, and the Atlantia group for Euro 48,555, and include bonuses, leaving incentives and the cost of seconded personnel.
The following table shows the average number of employees by business segment in terms of equivalent full-time employees:

FTE	2016	2015
Food and Beverage	39,423	40,560
Infrastructure and services for mobility	14,997	14,600
Textiles and Clothing	9,115	9,164
Other sectors	657	673
Total	**64,192**	**64,997**

42 Cost of services

Details are as follows:

(Thousands of Euro)	2016	2015
Construction and similar	821,792	886,389
Maintenance costs	339,705	323,603
Utilities	157,614	158,158
Subcontracted work	139,055	160,775
Consultants' fees (Tax & Legal)	126,367	116,869
Transport and distribution	98,884	106,646
Cleaning and disinfestation	77,096	72,156
Advertising and promotion	71,977	70,681
Sales commissions	55,940	58,801
Banking services	58,874	55,526
Professional and technical services	90,340	71,474
Insurance	40,473	42,820
Travel expenses and accommodation	37,603	36,986
Telephone and postal charges	32,296	31,340
Surveillance	28,327	25,977
Statutory auditors' emoluments	2,298	2,214
Other services	265,457	259,584
Total	**2,444,098**	**2,479,999**

The items Construction and similar and Professional and technical services pertain to the Atlantia group and include construction and professional services relating to infrastructure under concession. The item amount decreased compared to the previous period as a result of smaller business volumes carried out by the construction companies of the Atlantia group.

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

Professional and technical services rose due to an increase in design activities carried out by Atlantia group companies during the reporting period.

Subcontracted work increased as a result of the costs incurred to acquire Aéroports de la Côte d'Azur group companies.

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

43 Leases and rentals

This item consists primarily of concession fees paid by the Autogrill group to third parties and by the Atlantia group to the grantors. The change in this item (Euro 1,383,521 from Euro 1,335,689 in 2015), essentially reflects the business expansion of the Autogrill group.

44 Other operating expenses

In detail:

(Thousands of Euro)	2016	2015
Indirect taxes and duties	63,620	64,965
Donations	24,898	36,548
Damages, compensation and penalties	15,140	29,778
Capital losses from disposal of non-current assets	3,718	4,041
Differences in cash deposits	1,808	1,711
Other expenses	63,842	54,710
Total	**173,026**	**191,753**

Indirect taxes and duties include contribution from the Autogrill group of Euro 26,029, the Atlantia group of Euro 22,305, the Edizione Property group of Euro 4,474 and the Benetton group of Euro 6,962.

Expenses for donations concern the Atlantia group for Euro 22,782, for the upgrading of infrastructures operated by other entities located near the motorways. The decrease is due to lower expenses incurred in 2016.

Damages, compensation and penalties decreased due to lower contribution from the Atlantia group.

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

45 Use of provisions for construction services required by contract

The use of provisions for construction services required by contract in relation to works for which no additional economic benefits are received equals the value of the relative construction services provided during year. It is recognised as an indirect adjustment of the costs, classified by nature, incurred in 2016 for the construction services provided by operators of the Atlantia group.

The amount is shown net of Euro 332 in grants accrued on construction services without additional economic benefits, as mentioned in Note 42 (Revenues from construction services).

46 Amortisation of intangible assets

As follows:

(Thousands of Euro)	2016	2015
Depreciation of buildings	21,910	22,929
Depreciation of investment property	3,323	1,785
Depreciation of plant, machinery and equipment	127,542	128,903
Depreciation of furniture, furnishings and electronic equipment	28,078	28,601
Depreciation of assets to be relinquished	16,960	22,590
Depreciation of leasehold improvements	93,572	89,138
Depreciation of other property, plant and equipment	13,102	12,203
Total	**304,487**	**306,149**

47 Amortisation of intangible assets

As follows:

(Thousands of Euro)	2016	2015
Amortisation of intangible assets deriving from concession rights	833,409	798,584
Amortisation of industrial patents and intellectual property rights	738	1,884
Amortisation of concessions, licenses, trademarks and similar rights	25,678	22,836
Amortisation of deferred rights	5,787	6,369
Amortisation of other intangible assets	65,814	67,340
Total	**931,426**	**897,013**

48 Impairment of property, plant and equipment and intangible assets

Impairments carried out in 2016 amounted to Euro 9,347, of which Euro 7,512 on property, plant and equipment and the rest on intangible assets.
In the comparison period this item, amounting to Euro 63,384, was made up of Euro 6,896 in impairment of intangible assets and Euro 56,488 in impairment of property, plant and equipment. Details can be found in the impairment testing section of Note 2.

49 Impairment of doubtful accounts

This item, totalling Euro 61,701, pertains to trade receivables for Euro 54,090 and to other receivables for Euro 7,611.
In the comparison period this item, totalling Euro 48,947, pertained to trade receivables for Euro 39,141 and to other receivables for Euro 9,806.
The change compared to the past period is due to higher allocations to provisions made by the Benetton group.
Changes in the provision for doubtful accounts are shown in Note 11 (Trade receivables).

50 Provisions for risks

These include provisions for general risks (Euro 31,673), provisions for sales agent indemnities (Euro 1,813), and other provisions (Euro 12,106) made in 2016.
The item also includes the net provision for the repair of assets operated under concession, pertaining to the motorway operators of the Atlantia group (a negative Euro 66,798), and the net provision for the renovation of airport infrastructure of the Aeroporti di Roma group (a positive Euro 57,723).
The net change in allocations compared to the previous year is mainly due to the effect of discounting the Atlantia group's provision for the repair of assets operated under concession, as the reduction of the discount rate used at December 31, 2016, compared to that used at December 31, 2015, entailed an increase in the current value of the provisions, and therefore the need to make higher provisions in the income statement.

51 Share of income/(loss) of associated companies

This item primarily reflects the effect of the valuation on an equity basis of some associates and joint ventures of the Atlantia group (negative effect of Euro 7,174) and of the Autogrill group (positive effect of Euro 859).
It also includes the dividends distributed by the associated company Eurostazioni S.p.A. (Euro 54,823).
For further information, see Note 4 (Equity investments in associates and joint ventures).

52 Financial income

This item comprises:

(Thousands of Euro)	2016	2015
Interest income from other non-financial receivables	46,127	34,327
Interest income from banks	35,164	35,063
Financial income from discounting	67,435	63,578
Financial income on derivatives	102,777	107,242
Financial income accounted for as an increase in financial assets	74,142	61,722
Dividends from other companies	28,861	22,914
Capital gains from disposal of equity investments	21,017	273,123
Income from measurement of financial instruments at amortised cost	2,047	11,717
Impairment reversals of equity investments	24,965	-
Interest income from non-current securities	1,097	4,399
Other financial income	12,602	37,165
Total	**416,234**	**651,250**

Interest income from banks compared to the previous year are mainly attributable to the Atlantia group.

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

Financial income on derivatives concerns the interest rate hedging transactions of the Atlantia group for Euro 100,358 and the exchange rate hedging transactions of the Benetton group for Euro 2,383.

Financial income accounted for as an increase in financial assets refers to the Atlantia group and relates to the sum lent to Infra Bertin Empreendimentos (the company in charge of constructing and managing the ring road southeast of São Paulo) to finance the investment plan, as discussed in Note 8.

Dividends from other companies were collected in 2016 from Assicurazioni Generali S.p.A. (Euro 10.6 million), Mediobanca S.p.A. (Euro 5 million), LBrands Inc. (Euro 3.6 million) and some Atlantia group companies (Euro 7.8 million).

Capital gains from the disposal of equity investments refer to the sale of the stake held by the Parent Company in Vinci S.A. (Euro 6.6 million) and Hermès International (Euro 14.4 million).
In 2015, capital gains from disposal of equity investments referred for Euro 260.8 million, to the sale of the investment in Pirelli & C. S.p.A. following acceptance of the takeover bid, and for Euro 12.3 million to the capital gain from assignment to the takeover bid of shares held in Club Méditerranée.

Financial income from non-current securities consists mainly of investment fund distributions received by the subsidiary Schemaquattordici S.p.A. and the Parent Company.

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

53 Impairment of financial assets

In 2016, this item referred to impairment losses on equity investments classified under IAS 39 as "available for sale," as mentioned in Note 5 (Equity investments in other companies). In particular, the impairments involve the

Atlantia group's equity investment in Compagnia Aerea Italiana (Euro 9.6 million) and in Tangenziali Esterne (Euro 2.5 million).
The write-downs carried out in 2015 related to equity investments held in Alitalia-Compagnia Aerea Italiana S.p.A., for Euro 36.2 million and in Assicurazioni Generali S.p.A., for Euro 57.1 million.

54 Financial charges

As follows:

(Thousands of Euro)	2016	2015
Interest on bonds	499,345	507,679
Interest on bank loans	134,398	153,130
Financial charges from derivatives	139,953	139,492
Financial charges from discounting	65,017	57,277
Capital losses on disposal of equity investments	20,397	579
Financial charges accounted as an increase of financial liabilities	17,785	25,350
Write-downs for overdue interest on current payables	32,693	22,751
Non-recurring financial charges	-	233,509
Interest on loans from third parties	2,568	1,698
Bank expenses and commissions	7,168	13,394
Other financial charges	50,517	17,488
Total	**969,841**	**1,172,347**

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

Financial charges from derivatives include interest rate hedges (Euro 132,314 pertaining almost entirely to the Atlantia group).

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

Capital losses from the sale of equity investments refer to the sale of shares held in LBrands Inc. by the Parent Company.

In the comparison period, Non-recurring financial charges related to the Atlantia group and reflected the impact of extraordinary transactions aimed at optimising the debt structure, carried out in 2015.

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

This item states the balance of foreign exchange gains and losses over the year and the result of currency hedges, attributable mainly to the Atlantia group.

56 Taxes

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

(Thousands of Euro)	2016	2015
Current taxes	485,022	501,646
Deferred taxes	141,465	29,570
Total	**626,487**	**531,216**

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

(Thousands of Euro)	2016	2015
Atlantia group	532,916	470,962
Autogrill group	54,975	39,264
Other Group companies and consolidation adjustments	38,596	20,990
Total	**626,487**	**531,216**

Current taxes are allocated below by Group:

(Thousands of Euro)	2016	2015
Atlantia group	421,573	450,052
Autogrill group	56,770	47,626
Other Group companies and consolidation adjustments	6,679	3,968
Total	**485,022**	**501,646**

Deferred taxes can be broken down as follows:

(Thousands of Euro)	2016	2015
Atlantia group	111,343	20,910
Autogrill group	(1,795)	(8,362)
Benetton Group	30,959	15,490
Other Group companies and consolidation adjustments	958	1,532
Total	**141,465**	**29,570**

The increase in taxes compared to the previous year is mainly attributable to the Atlantia group and is due to greater impact of deferred taxes.

57 Profit/(loss) from discontinued operations

The following table breaks down the Profit from discontinued operations in 2016 and 2015:

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

With regard to the Autogrill group, the result refers to the sum of income from Dutch operations in the first ten months of 2016, net of a capital loss from the sale of these operations and disposal costs.
The Atlantia group's contribution is attributable to the company Tec Solutions Integrators.

(Thousands of Euro)	Atlantia group (Ecomouv')	World Duty Free group	Other	2015
Operating revenues	-	1,603,393	42,998	1,646,391
Operating expenses	(5,251)	(1,611,198)	(45,206)	(1,661,655)
Financial income	10,730	6,360	-	17,090
Financial charges	(11,541)	(16,913)	(336)	(28,790)
Fiscal charges	13,045	(20,132)	341	(6,746)
Contribution to profit of discontinued operations	**6,983**	**(38,490)**	**(2,203)**	**(33,710)**
Capital gain/(loss) on disposal of discontinued operations, net of tax effect	-	1,059,660	1,319	1,060,979
Other income/(charges) relating to discontinued operations	-	26,095	-	26,095
Profit/(loss) of discontinued operations	**6,983**	**1,047,265**	**(884)**	**1,053,364**

In the previous period the item mainly included a capital loss from the sale of the World Duty Free group.

OTHER INFORMATION

58 Consolidated net financial position

The items making up net financial indebtedness are as follows:

(Millions of Euro)	12.31.2016	12.31.2015
Cash and cash equivalents	**4,801**	**4,067**
Current financial assets from concessions	441	436
Current term deposits	196	222
Other current financial assets	234	277
Current financial assets, total	**871**	**935**
Non-current financial assets from concession rights	931	766
Non-current term deposits	322	325
Other non-current financial assets	992	696
Non-current financial assets, total	**2,245**	**1,787**
Payables to banks	(2,024)	(413)
Current portion of medium/long-term loans	(364)	(258)
Current portion of bond issues	(926)	(1,086)
Other current financial liabilities	(336)	(362)
Other current financial liabilities	**(3,650)**	**(2,119)**
Long-term loans	(4,184)	(3,531)
Bond issues	(10,507)	(10,762)
Other non-current financial liabilities	(662)	(499)
Non-current financial liabilities, total	**(15,353)**	**(14,792)**
Net financial indebtedness	**(11,086)**	**(10,122)**

59 Financial risk management

Introduction

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

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

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

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

MARKET RISK

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

The Group is exposed to various financial market risks, such as currency fluctuations, as it operates in an international context where transactions are conducted in different currencies and at different interest rates. It is also exposed to market risks in terms of the price of commodities used in running its business and the trading price of certain financial assets.
The Group's exposure to currency risk stems from the geographical distribution of its industrial activities with respect to the geographical distribution of the markets where it sells its products, and from the borrowing of funds in foreign currency.
Exposure to interest rate risk derives from the need to finance operating activities, both industrial and financial, and to invest liquid funds. A change in market interest rates may have an adverse or a positive impact on the Group's performance, by influencing the cost of borrowing and the return on investments.
The Group's exposure to commodity risk concerns the possibility of price fluctuations for some of the raw materials employed.

Edizione S.r.l.

Price risk

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

Sensitivity analysis of price risk

Concerning the risk of share price movements in investments "available for sale", we have assumed a 500 bps shock in the price of the shares.
Based on the analyses, the outcome is that a change of ±5% in the stock market price at December 31, 2016 would have affected shareholders' equity by ± Euro 17,267 (± Euro 24,419 in 2015).

Atlantia group

Interest rate risk

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

a. cash flow risk: related to financial assets or liabilities with financial flows that are indexed to a market interest rate. In order to reduce floating rate debt, the Group has entered into interest rate swaps (IRS), classified as cash flow hedges. The hedging instruments and the underlying financial liabilities have matching terms to maturity and notional amounts. Following tests of effectiveness, changes in fair value are essentially recognised in the other comprehensive income components. A minimal amount of negative ineffectiveness (Euro 201), posted to the income statement, is essentially ascribable to the effects of IFRS 13 at 12.31.2016;
b. fair value risk: the risk of losses deriving from an unexpected change in the value of fixed rate financial assets and liabilities following an unfavourable shift in the market yield curve. At December 31, 2016 the Group reports transactions classifiable as fair value hedges in accordance with IAS 39, regarding the IPCA x CDI Swaps entered into by the Brazilian companies, Triangulo do Sol and Colinas, with the aim of converting the real IPCA

rate bonds issued in 2013 to a floating CDI rate. Changes in the fair value of these instruments are recognised in profit or loss and are offset by matching changes in the fair value of the underlying liabilities.

With reference to the type of interest rate, as a result of cash flow hedges, 82% of interest bearing debt is fixed rate.

A hypothetical unfavourable change of 0.10% in interest rates would have had a negative impact on the income statement at December 31, 2016 of Euro 3,402 and on the comprehensive income statement of Euro 44,198, net of the tax effects.

Currency risk

The Group's prime objective of currency risk is to minimise transaction exposure through the assumption of liabilities in currencies other than the group's functional currency. Cross currency swaps (CCIRS) with notional amounts and maturities matching those of the underlying financial liabilities have been entered into specifically to eliminate the currency risk to which the sterling and yen-denominated bonds are exposed. These swaps also qualify as cash flow hedges and tests have shown no ineffective portion.

It should be noted that following the acquisition by Atlantia of 99.87% of a bond for a nominal amount of GBP 215 million issued by Romulus Finance (a vehicle controlled by Aeroporti di Roma), the Cross Currency swap derivatives entered into by Atlantia and Aeroporti di Roma, covering the interest and exchange rate risk arising from the underlying currency assets, are classified as non-hedge accounting in the consolidated financial statements.

16% of the Group’s debt is denominated in currencies other than the Euro. Taking account of foreign exchange hedges and the proportion of debt denominated in the local currency of the country in which the relevant Group company operates (around 10%), the Group is effectively not exposed to currency risk on translation.

At December 31, 2016 the fair value of currency hedges reached a negative Euro 573,143, Euro 6,012 of which relating to fair value hedges (Euro 467,485 at December 31, 2015).

A hypothetical unfavourable change of 10% in exchange rates would have had a negative impact on the income statement of Euro 16,129 and on the comprehensive income statement of Euro 270,029 as a result of the change in the net profit of the group’s foreign subsidiaries and the change in the translation reserve.

Autogrill group

Interest rate risk

The aim of interest rate risk management is to control financial charges and its volatility. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial charges out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure charges future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer. The derivatives used are mainly Interest Rate Swaps (IRS).
Hedging instruments are allocated to companies with significant exposure to interest rate risk where there are borrowings paying a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower interest rates would result in increased/reduced value of the debt).

When applying the policy described above, interest rate risk management instruments were accounted for as cash flow hedges in Autogrill group companies' financial statements where they were subject to this risk, and thus recognised as financial assets or liabilities with a balancing entry in specific comprehensive income. These instruments are recognised as financial assets or liabilities, under a specific heading of comprehensive income and in the "Derivative hedging instruments valuation reserve" equity item.

At December 31, 2016, the percentage of fixed rate debt, or debt converted to fixed rate through Interest Rate Swaps, is 62% of the total (up from 55% at December 31, 2015).

At December 31, 2016, gross debt denominated in US Dollars amounted to USD 534.1 million at the end of the year, including USD 499.2 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.,

A hypothetical unfavourable change of 1% in the interest rates applicable to financial assets and liabilities and to interest rate hedges outstanding at December 31, 2016 would increase net financial charges by Euro 3,072 thousand.

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, 2016, a negative change impact of Euro 42,586 and a positive impact of Euro 52,049, respectively, on equity and a negative impact of Euro 8,203 and a positive impact of Euro 10,025, respectively, on profit.

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. The fair value of these instruments reached a negative Euro 1,247 at December 31, 2016 (versus a negative Euro 144 at December 31, 2015).

Benetton group

Interest rate risk

Under its financial policy, the Benetton group can use derivative financial instruments to hedge or reduce its exposure to interest rate risk.
There are no interest rate hedges in place at December 31, 2016.
Almost all of the interest-bearing debt consists of floating-rate loans and/or deposits and so their fair value is close to the value recognised in the statement of financial position.

At December 31, 2016 the potential pre-tax impact on the income statement of a hypothetical 10% increase in interest rates, applied to the Benetton Group's average interest-bearing debtor or creditor positions, would increase financial charges by approximately Euro 300 thousand. A similar change but of opposite sign would occur if rates were to fall by 10%.

Currency risk

It is the Benetton group's policy to manage currency risk through derivative financial instruments such as currency forwards, currency swaps, currency spot transactions and currency options to reduce or hedge the exposure to such risk. According to the type of risk, the maximum duration of hedging transactions may vary from a minimum of two years to a maximum of five years. The financial policy does not allow the undertaking of any transactions for the purposes of realising gains from exchange rate fluctuations, or any transactions in currencies to which there is not an underlying exposure or transactions in currencies designed to increase the underlying exposure. Financial instruments are designated as part of a hedging relationship at the inception of the hedge. Fluctuations in the market value of hedging instruments are therefore related to changes in the market value of the underlying asset covered for the entire effective period of the contract.
At December 31, 2016 the fair value of hedging instruments on currency risk is positive for Euro 21,919 (positive for Euro 40,476 at December 31, 2015).

At December 31, 2016 the potential (pre-tax) impact on the income statement of an assumed 10% increase in exchange rates against the Euro, assuming that all other variables remain equal is negative by approximately Euro 1 million. The potential (pre-tax) impact on the income statement of a hypothetical 10% decrease in exchange rates would be a positive Euro 1 million. The analysis includes, in addition to financial instruments and currency translation risk, also the shareholders' equity of the subsidiaries.
The potential (pre-tax) impact on Shareholders' equity would be negative for Euro 33 million and positive for Euro 47 million, respectively.

Price risk

The Benetton group is exposed to fluctuations in commodity prices, particularly wool and cotton, which can adversely affect its margins. The risk exposure is represented by the quantity of commodities present in purchased products (yarns, fabrics, finished products). The Benetton group's financial policy allows it to use derivative financial instruments to hedge or reduce its exposure to commodity risk.
There are no interest rate hedges in place at December 31, 2016.

Olimpias Group

Interest rate risk

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

Currency risk

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

Edizione Property Group

Price risk

The Edizione Property group is exposed to finished product price fluctuations (particularly for wool and cattle), which may negatively affect profit margins of the agricultural sector. Risk exposure is represented by the prices of food products and wool, which are strongly affected by the global market crisis and climate conditions.
There were no interest rate hedges in place on these commodities at December 31, 2016.

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, 2016.
Almost all of the interest-bearing debt consists of floating-rate loans and/or deposits and so their fair value is close to the value recognised in the statement of financial position.

Currency risk

Transactional currency risk subject to exchange rate fluctuations may entail effects on the equivalent value in euro of revenues, costs and profits, or effects on the equivalent value of assets and liabilities.
Following the group's decision to convert intercompany loans from USD to Euro, this risk is not borne and managed by the Parent Company Edizione Property S.p.A., but by the individual group companies that operate in a different currency. There were no currency risk hedges in place at December 31, 2016.

LIQUIDITY RISK

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

Edizione S.r.l.

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

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

(Thousands of Euro)

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

The table below shows financial liabilities outstanding at December 31, 2015 by maturity:

(Thousands of Euro)

Non-derivative financial liabilities	Total contractual amount	Within 1 year	1-5 years	Beyond 5 years
Revolving MB, ISP, UCI (Euro 100 million)	-	-	-	-
Bank accounts and intercompany accounts	(218,105)	(218,105)	-	-
Total	**(218,105)**	**(218,105)**	**-**	**-**

Sintonia S.p.A.

According to Sintonia S.p.A.'s management, the company is not exposed to significant liquidity risks because, due to its high capitalisation and its ability to generate steady cash flows, it has access to funds whose amounts and maturities are in line with its investment plans.
At December 31, 2016 Sintonia had demand bank deposits of Euro 11.1 million, of which Euro 3.4 million relating to deposits in current accounts pertaining to the company's former shareholders.

Schematrentaquattro S.p.A.

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

At December 31, 2016 Schematrentaquattro had demand deposits totalling Euro 201.4 million, as well as financial receivables from the parent company of Euro 722.2 million.

Atlantia group

Liquidity risk relates to the risk that cash resources may be insufficient to fund the payment of liabilities as they fall due. The Group believes that its ability to generate cash, the ample diversification of its sources of funding and the availability of committed and uncommitted lines of credit provides access to sufficient sources of finance to meet its projected financial needs.

At December 31, 2016, project debt allocated to specific overseas companies amounts to Euro 1,864 million. At the same date the Group had cash reserves of Euro 4,831 million, consisting of:

a. Euro 1,772 million relating to investments in financial assets and net cash, with a time horizon not exceeding the short term;
b. Euro 516 million in term deposits allocated primarily to part finance the execution of specific construction services and to service the debt of certain Chilean companies;
c. Euro 2,543 million in undrawn committed lines of credit. In particular, the Group has credit lines with a weighted duration of approximately 7 years and a weighted average remaining period of use of approximately 3 years.

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

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

(1) Future cash flows relating to floating rate loans have been projected on the basis of the latest established rate and applied and held constant to final maturity.
(2) At December 31, 2016, expected contractual flows are linked to highly probable present and future hedged financial liabilities covering requirements from the present to 2019.
(3) Expected future cash flows from differentials on derivatives have been projected on the basis of the exchange rate fixed at the measurement date.
(4) Future cash flows relating to differentials on interest rate swaps (IRS) and IPCA x CDI Swaps have been projected on the basis of the latest interest rate fixed and held constant to the maturity of the contract.

The following table shows the distribution of loan maturities outstanding at December 31, 2015:

(Thousands of Euro)	Financial liabilities					
12.31.2015	Carrying amount	Total contractual flows	Within 12 months	Between 1 and 2 years	Between 3 and 5 years	After 5 years
Non-derivative financial liabilities [1]						
Total bond issues (A)	**11,386,551**	**(14,716,589)**	**(1,542,245)**	**(1,097,359)**	**(3,687,641)**	**(8,389,344)**
Medium/long-term loans [2]						
Bank borrowings	3,308,211	(4,230,486)	(249,397)	(299,687)	(877,141)	(2,804,261)
Other borrowings	202,149	(52,280)	-	-	(52,280)	-
Total medium/long-term borrowings (B)	**3,510,360**	**(4,282,766)**	**(249,397)**	**(299,687)**	**(929,421)**	**(2,804,261)**
Total non-derivative financial liabilities (C = A + B)	**14,896,911**	**(18,999,355)**	**(1,791,642)**	**(1,397,046)**	**(4,617,062)**	**(11,193,605)**
Derivatives [2] [3]						
Interest Rate Swap [4]	146,997	(379,025)	(22,379)	(35,340)	(133,789)	(187,517)
IPCA x CDI Swap [4]	12,461	52,020	(7,833)	(3,779)	15,760	47,872
Cross Currency Swap	308,625	(244,355)	(12,241)	(11,971)	(36,163)	(183,980)
Total derivatives	**468,083**	**(571,360)**	**(42,453)**	**(51,090)**	**(154,192)**	**(323,625)**

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

(2) At December 31, 2015, expected contractual flows are linked to highly probable present and future hedged financial liabilities covering requirements from the present to 2017.

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

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

Autogrill group

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

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

	12.31.2016							
(Thousands of Euro)		Contractual cash flows						
Non-derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current accounts overdrafts	30,046	30,046	30,046	-	-	-	-	-
Unsecured bank loans	263,000	263,000	18,000	30,000	30,000	60,000	125,000	-
Lease payments due to others	5,035	5,035	411	46	93	285	728	3,472
Other financial liabilities	2,367	2,367	2,043	-	-	-	324	-
Bonds	475,152	475,152	-	143,252	-	-	61,664	270,236
Trade payables	359,832	359,832	357,825	1,780	216	7	4	-
Due to suppliers for investments	91,644	91,644	91,507	131	-	-	-	6
Total	**1,227,076**	**1,227,076**	**499,832**	**175,209**	**30,309**	**60,292**	**187,720**	**273,714**

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

Exposure and maturity data at December 31, 2015 were as follows:

	12.31.2015							
(Thousands of Euro)	Contractual cash flows							
Non-derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current accounts overdrafts	52,989	52,989	52,989	-	-	-	-	-
Unsecured bank loans	315,000	315,000	35,000	-	-	-	280,000	-
Lease payments due to others	5,675	5,675	230	135	275	477	851	3,707
Other financial liabilities	321	321	-	-	-	-	-	321
Bonds	463,738	463,738	-	-	-	141,139	-	322,599
Trade payables	398,802	398,802	392,193	6,480	91	27	11	-
Due to suppliers for investments	78,517	78,517	78,511	-	-	-	-	6
Total	**1,315,042**	**1,315,042**	**558,923**	**6,615**	**366**	**141,643**	**280,862**	**326,633**

	12.31.2015							
(Thousands of Euro)	Contractual cash flows							
Derivative financial liabilities	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	340	340	340	-	-	-	-	-
Total	**340**	**340**	**340**	**-**	**-**	**-**	**-**	**-**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 22% of the total and the leading supplier, Autostrade per l'Italia S.p.A., for 7.97%.

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, 2016 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.

The weighted average term of bank loans and bonds at December 31, 2016, including unutilised credit lines, is approximately three years and six months (four years and four months at the end of 2015).

Benetton group

Liquidity requirements are monitored by the Benetton group's in order to guarantee effective access to financial resources and/or adequate investment of liquidity.
Credit facility management was coordinated by the parent company, which performed this function according to efficiency standards on the basis of Group company needs.
At December 31, 2016, the Group had unused uncommitted credit lines of Euro 385 million.
Management feels that currently available funds and credit facilities, apart from those which will be generated by operating and financing activities, will allow the group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

The Benetton group's financial liabilities at December 31, 2016 are analysed by due date in the following tables; note that these amounts include cash flows arising from future financial charges.

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

Exposure and maturity data at December 31, 2015 were as follows:

(Thousands of Euro)	12.31.2015	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	872	-	580	292	-	-	-
Other medium/long-term payables	5,967	295	2,761	76	40	656	2,139
Lease financing	82	-	47	35	-	-	-
Current liabilities							
Trade payables	359,579	359,563	16	-	-	-	-
Other payables, accrued expenses and deferred income	50,320	47,037	687	623	405	367	1,201
Current portion of lease financing	47	47	-	-	-	-	-
Current portion of medium/long-term loans	626	626	-	-	-	-	-
Financial payables and bank loans	62,321	62,320	1	-	-	-	-

Olimpias Group

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

Edizione Property Group

At December 31, 2016 Edizione Property S.p.A. had committed credit lines of Euro 100 million, of which Euro 43.5 million had been used, and uncommitted credit lines of Euro 10 million, of which Euro 9.3 million had been used.
Liquidity requirements are monitored by the Parent Company's head office functions in order to guarantee effective access to financial resources and/or adequate investment of liquidity.
Management feels that currently available funds and credit facilities, apart from those which will be generated by operating and financing activities, will allow the Group to satisfy its requirements as far as investment, working capital management, and debt repayment at natural maturity are concerned.

CREDIT RISK

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

Atlantia group

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

Autogrill group

Exposure to credit risk depends on the specific characteristics of each customer. The Autogrill group's business model, centred on the relationship with the end consumer, means that trade receivables and thus the relative degree of risk is of limited significance in relation to total financial assets, since most sales are paid for in cash.
In most cases, the Autogrill group's trade receivables stem from catering service agreements and commercial affiliations.
Other receivables consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.
Financial assets are recognised net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to local procedures, which may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or collective impairment calculated on the basis of historical and statistical data.
Lastly, there is no significant credit risk concentration: the top 10 customers account for 23.75% of the total trade receivables, and the No. 1 customer, Beijing Capital Airport Food Management Company Limited, for 5.07%.

Benetton group

The Benetton group has different concentrations of credit risk depending on the nature of the activities which have generated the receivables.

Commercial credit risk is essentially related to the indirect channel (IOS/FOS).
Sales to direct channel customers are settled in cash or using credit cards and other debit cards.
Individually significant positions can be subject to individual write-down if they are objectively considered to be partially or totally unrecoverable. The amount of the write-down takes into account a forecast of recoverable cash flows and their relevant collection date, as well as the fair value of warranties. Collective provisions are made for receivables which are not subject to individual write-down, taking into account bad debt history and statistical data.

Financial credit risk lies in the counterpart's or the issuer's inability to settle its financial obligations.
The company uses financial instruments to invest liquidity and hedge financial risks, with the following rating and concentration limits per individual issuer:

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

Cash and cash equivalents are stated at their fair value; furthermore, at December 31, 2016 the Group does not have any positions with sovereign debtors carrying significant repayment risks.

Olimpias Group

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

60 Related party transactions

The following table shows balance sheet figures at December 31, 2016 and income statement figures for 2016 regarding related party transactions. Related party transactions are conducted at arm's length and with the utmost transparency.

(Thousands of Euro)	Receivables	Payables	Operating costs and leases and rentals	Revenues from sales and services	Other r evenues and income	Financial income	Financial charges
Non-consolidated subsidiaries	816	726	2,012	28	235	-	100
Associated companies and joint ventures	25,000	100	700	1,700	-	3,500	-
Total	**25,816**	**826**	**2,712**	**1,728**	**235**	**3,500**	**100**

61 Non-controlling interests in subsidiaries

The consolidated companies with material non-controlling interests for the purposes of IFRS 12 disclosures are as follows:

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

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

	Atlantia group		Autogrill group	
(Millions of Euro)	2016	2015	2016	2015
Revenues	5,484	5,304	5,042	4,908
Income (loss) for the year	1,238	975	114	78
Income (loss) for the year, minority interests	**116**	**122**	**16**	**14**
Non-current assets	32,635	28,543	1,923	1,876
Current assets	6,146	5,578	497	525
Non-current liabilities	22,216	20,714	727	953
Current liabilities	6,557	4,924	1,005	848
Net assets	10,008	8,483	688	600
Net assets, minority interests	**2,785**	**1,683**	**44**	**40**
Cash flow from operating activities	2,362	2,211	321	297
Cash flow from investing activities	(2,898)	(1,341)	(212)	(193)
Cash flow from financing activities	929	173	(87)	(139)
Translation impact on cash and cash equivalent	34	(36)	(3)	1
Increase / (Decrease) of cash and cash equivalents	427	1,007	19	(34)
Dividends paid to minority interests	**(27)**	**(29)**	**(24)**	**(21)**

62 Business combinations

Main business combinations occurring in 2016 are detailed below.

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

On November 9, 2016, having obtained the required authorisations subsequent to the temporary award dated July 28, 2016, the Atlantia group, through the vehicle company Azzurra Aeroporti, acquired 64% of Aéroports de la Côte d’Azur, the company that operates (directly or indirectly) the airports of Nice, Cannes-Mandelieu and Saint-Tropez and the international service provider network Sky Valet.
Azzurra Aeroporti S.r.l. (formerly Mizard), 65.01% owned by Atlantia, 10% by Aeroporti di Roma and 24.99% by the French group EDF, incurred a total cost of Euro 1,303 million for the acquisition, of which Euro 1,222 million for the acquisition of a 60% interest held by the French state and the rest to acquire the 4% interest held by the French Department of Alpes-Maritimes.
As part of the definition of the capital contributions to Azzurra Aeroporti for this transaction, Atlantia also made a contribution of Euro 150 million which entitles it to receive on this amount, on a priority and preferred basis compared to ordinary shares, a remuneration of 5.2% per year, if the following circumstances occur: distribution by Azzurra Aeroporti of dividends and available reserves, or allocation of assets due to dissolution by liquidation or insolvency proceedings; in the latter cases, in addition to the aforesaid remuneration, Atlantia also has a right to reimbursement of the value of said contribution, as well as to postpone the effects of any loss of capital.
The Nice airport is the third largest airport in France, after Paris Charles de Gaulle and Orly, in terms of passenger traffic (roughly 12 million in 2016); the concession expires on December 31, 2044.

As a result of this transaction, the group has also acquired control of the following subsidiaries of the Aéroports de la Côte d'Azur group:

a) Aéroport Golfe de Saint-Tropez, 99.92% owned by Aéroports de la Côte d'Azur, owner and operator of the airport by the same name;
b) SCI La Ratonnière, 100% owned, a real estate service provider;
c) ACA C1 and Aéroports de la Côte d'Azur Holding, wholly owned by Aéroports de la Côte d'Azur, which act as subholding companies;
d) Sky Valet France and Sky Valet Spain, 100% owned, which provide land support services for general aviation in their respective countries.

For the purpose of preparing these consolidated financial statements, the transaction was accounted for in accordance with IFRS 3, using the acquisition method which resulted in the provisional estimate and recognition of the fair value of the assets acquired and the liabilities assumed of Aéroports de la Côte d'Azur and its subsidiaries. Specifically, the accounting values of assets and liabilities as recognised in the financial statements of the acquired companies have been maintained, except for concession contracts owned by the aforesaid companies (the highest value of which has been estimated to be Euro 2,475 million), as well as the related deferred tax effects.

The table below shows the total carrying amounts of the assets and liabilities acquired, as well as the provisional values of the relevant fair values identified.

(Millions of Euro)	Carrying amount	Fair value adjustments	Fair value
Net assets acquired:			
Property, plant and equipment	490.5	2,474.6	2,965.1
Intangible assets	2.5		2.5
Non-current financial liabilities	3.8		3.8
Cash and cash equivalents	37.7		37.7
Other current assets	0.2		0.2
Trading and other current assets	31.6		31.6
Non-current financial liabilities	(114.4)		(114.4)
Deferred tax assets	(24.0)		(730.5)
Provisions	(63.0)	(706.5)	(63.0)
Other non-current financial liabilities	(2.4)		(2.4)
Provisions	(20.0)		(20.0)
Trading and other current liabilities	(74.7)		(74.7)
Total net assets acquired	**267.8**	**1,768.1**	**2,035.9**
Minority interest			(732.9)
Cost of acquisition			**1,303.0**
Total consideration			1,030.0
Cash and cash equivalents acquired			(37.7)
Net effective cash outflow for the acquisition			**1,265.3**

As allowed under IFRS 3, the final measurement of the fair value of acquired companies' assets and liabilities will be completed within 12 months of the acquisition date, in relation to ongoing valuation activities which may have effects on the following main items: intangible assets, financial assets and liabilities, deferred tax assets and liabilities, and related economic effects.

If the companies had been fully consolidated from January 1, 2016, the Atlantia group's 2016 consolidated revenues and consolidated net profit would have amounted to Euro 6,466 million (of which Euro 734 million relating to revenues from construction services) and Euro 1,216 million, respectively, taking into account the depreciation and amortisation for the period, net of the related tax effects, of the concession rights of Aéroports de la Côte d’Azur recognised as described above.

Lastly, it should be noted that on November 22, 2016 Atlantia, with the consent of the other Azzurra Aeroporti shareholders, granted to the Principality of Monaco, subject to authorisation from the French government, the option to purchase (within 15 days of the issue of said authorisation) 12.5% of the share capital of Azzurra Aeroporti, as well as part of the privileged contribution made by (as described above) equal to 70 million (which will entitle to the same rights as granted to Atlantia), for a total consideration of Euro 135 million.

Acquisition of control of Concession Management Services, Inc.

As part of its strategy for the constant strengthening of the group's presence in the airport Food and Beverage business in North America, the Autogrill group, through the US subsidiary HMSHost Corporation, completed a transaction to acquire the airport Food and Beverage business of the company Concession Management Services, Inc. (“CMS”). Effective on August 20, 2016, the transfer involved 16 points of sale (12 at Los Angeles International Airport and 4 at Las Vegas McCarran International Airport, for a price of USD 37.9 million. Annual revenues from these businesses is estimated around USD 50 million in 2016.

The transaction was carried out through the acquisition of CSM assets and liabilities, the fair value of which was determined by applying the valuation methods generally used in acquisitions. The transaction entailed an increase in concessions, recognised under “Other intangible assets”, of Euro 21,306 thousand (USD 24,131 thousand). 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.

Acquisition of control of Stellar Partners, Inc.

As part of the expansion of its North American business, on October 10, 2016 the Autogrill group, through the US subsidiary HMSHost Corporation, completed a transaction to acquire Stellar Partners, Inc., specialised in airport convenience retail. The acquired company currently operates 38 points of sales in 10 US airports, with estimated annual sales of USD 38 million. The acquisition price was USD 16.2 million, of which USD 2.3 million for extended payment.
The transaction involved the acquisition of the assets and liabilities of Stellar Partners, Inc., the fair value of which was determined by applying the valuation methods generally used in acquisitions; this resulted in an increase in concessions, recognised under “Other intangible assets”, of Euro 5,817 thousand (Euro 6,492 thousand). 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.

63 Significant events following the end of the financial year

Atlantia

On April 27, 2017, the Board of Directors of Atlantia approved the sale of a 10% equity investment in Autostrade per l'Italia. The price agreed to by the buyers is based on a valuation for 100% of the equity of Autostrade per l'Italia of Euro 14,800 million and will generate a capital gain of Euro 736 million for Atlantia.
The transaction consists of the sale of a 5% interest in Autostrade per l'Italia to the consortium formed by Allianz Capital Partners on behalf of Allianz Group (74%), EDF Invest (20%) and DIF Infrastructure IV (6%) and of another 5% of the capital of Autostrade per l'Italia to Silk Road Fund.
Additionally, the consortium formed by Allianz Capital Partners on behalf of Allianz Group, EDF Invest and DIF will have a call option to purchase, under the same terms and conditions, of a further 2.5% of the share capital of Autostrade per l'Italia, to be exercised no later than October 31, 2017.

On May 15, 2017 the Board of Directors of Atlantia announced the decision to promote a takeover bid and/or voluntary exchange on all of the shares issued by Abertis Infraestructuras S.A.
The bid contemplates a consideration, entirely in cash, of Euro 16.50 per Abertis share included in the transaction, without prejudice for Abertis shareholders to opt, in whole or in part, for a consideration in newly issued Atlantia shares with special characteristics (the "Special Shares"), based on an exchange ratio of 0.697 Atlantia shares for each Abertis share, determined on the basis of an assumed value per Atlantia share of Euro 24.20, adjusted to take into account the coupon payment of May 22, 2017.
The value of the transaction is Euro 16,341 million for 100% of Abertis.
Payment of the consideration in shares is subject to a maximum acceptance threshold of approximately 23.2% of the total shares covered by the bid.
The effectiveness of the offer is subject, among others, to the following conditions precedent:
- minimum percentage of shares to accept the offer: at least 50%+1 shares out of the total Abertis shares involved in the offer;
- minimum amount of shares to accept the offer: at least 100 million Abertis shares (representing approximately 10.1% of the total shares covered by the offer).

Autogrill

On April 11, 2017, the Board of Directors of Autogrill approved the launch of a corporate reorganisation plan, aimed at separating Food and Beverage business operations in Italy and the coordination and service activities carried out in favour of direct European subsidiaries from group management and direction activities performed by the holding company.

Benetton Group

On February 23, 2017 negotiations were concluded for the taking over by the Benetton group from the business partner that has historically managed the Belgium and Holland area, through the direct management of the existing network which includes, in addition to stores in cities, also several corners in two department stores, in Holland and Belgium respectively. The agency agreement in place with the business partner was terminated.

64 Atypical and/or unusual transactions

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

65 Guarantees given, commitments and other contingent liabilities

(Thousands of Euro)	12.31.2016	12.31.2015
Unsecured guarantees given		
Sureties and guarantees	605,822	565,414
Commitments		
Purchase commitments	13,919	16,670
Sale commitments	5,138	4,889
Other commitments	13,910	14,126
Total	**638,789**	**601,099**

Guarantees are made up as follows:

- guarantees given by the parent company to the Italian tax authorities for Euro 48,030, to guarantee VAT credits offset as part of the VAT settlement procedure for some Italian Group companies;
- guarantees given by the Autogrill group in the amount of Euro 341,554 in the form of performance bonds and other personal guarantees issued in favour of grantors and business counterparties;
- guarantees given to third parties by the Atlantia group, including the following of particular importance:

a. the guarantee issued in favour of Strada dei Parchi's creditor banks and on this company's behalf, to cover the interest rate risk on cash flow hedging derivatives. The value of the guarantee is determined based on the fair value of these derivatives, for a maximum amount guaranteed of Euro 40,000, corresponding to the amount at December 31, 2016. This guarantee, renewed in February 2017 for an additional 12 months, is enforceable only if Strada dei Parchi's concession is terminated; Atlantia holds a counter guarantee from Toto Holding (Strada dei Parchi's majority shareholder), which has committed to take over from Atlantia by October 31, 2017;

b. bank guarantees on behalf of Tangenziale di Napoli (Euro 27,322) in favour of the Ministry of Infrastructure and Transport, as provided for in the commitments assumed in the agreement;

c. the counter guarantees issued by Atlantia on behalf of its subsidiary Electronic Transaction Consultants, in favour of insurance companies that have issued performance bonds totalling Euro 106,323, to guarantee free flow tolling projects in course;

d. bank guarantees given by Telepass (Euro 25,789) in favour of certain French companies in relation to the business of the company in France.

Purchase commitments chiefly relate to payments to be made to investment funds held by the Parent Company (Euro 11,578) and preliminary agreements for the purchase of commercial properties by the Autogrill group (Euro 2,272).

Sale commitments consist of the value of sale-or-return products held at the premises of Autogrill group companies (Euro 5,138).

Also at December 31, 2016 the shares of certain of the Atlantia group's overseas motorway operators have been pledged to providers of project financing to those companies, as have shares in Pune-Solapur Expressways, Lusoponte, Tangenziale Esterna and Bologna & Fiera Parking, and Aéroports de la Côte d'Azur.

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

(Thousands of Euro)	12.31.2016	12.31.2015
Within 1 year	508,727	494,671
From 1 to 5 years	1,561,030	1,499,362
Beyond 5 years	1,167,598	1,155,416
Total	**3,237,355**	**3,149,449**

66 Other commitments and rights

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

67 Contingent liabilities

Benetton group

The Group has not recognised any provisions against an estimated amount of around Euro 64.6 million in liabilities associated with unsettled litigation, insofar as it considers that the risk of a related financial outlay is only "possible", in compliance with IAS 37.
Contingent liabilities for the parent company include the tax disputes (IRES/IRAP) for tax years 2004 to 2008 concerning the claimed disallowance of certain costs for commissions paid to agents resident in low-tax jurisdictions.

68 Fees paid to the external auditors

The following table presents the fees paid to the Parent Company's external auditors (Deloitte & Touche S.p.A.) for all services provided to Edizione Group companies in 2016.

(Thousands of Euro)	2016
Type of service:	
Audit	3,644
Certification	368
Other services	904
Total	**4,916**

ANNEXES

LIST OF CONSOLIDATED COMPANIES AT DECEMBER 31, 2016

Company name	Registered office	Currency	Share capital	Percentage held
Companies consolidated on a line-by-line basis				
Parent Company and holding companies				
Edizione S.r.l.	Italy	Euro	1,500,000,000	
Schemaquattordici S.p.A. (in liquidation)	Italy	Euro	50,000	58.99%
Sintonia S.p.A.	Italy	Euro	930,000	100.00%
Schematrentaquattro S.p.A.	Italy	Euro	100,000,000	100.00%
Schematrentasette S.r.l.	Italy	Euro	225,708,580	100.00%
Schematrentotto S.r.l.	Italy	Euro	8,411,895	100.00%
Food and Beverage				
Autogrill S.p.A.	Italy	Euro	68,688,000	50.10%
Ac Restaurants & Hotels Beheer NV	Belgium	Euro	3,250,000	100.00%
Anton Airfood Inc.	USA	Usd	1,000	100.00%
Anton Airfood JFK Inc.	USA	Usd	-	100.00%
Anton Airfood of Cincinnati Inc.	USA	Usd	-	100.00%
Anton Airfood of Minnesota Inc.	USA	Usd	-	100.00%
Anton Airfood of Newark Inc.	USA	Usd	-	100.00%
Anton Airfood of Seattle Inc.	USA	Usd	-	100.00%
Anton Airfood of Texas Inc.	USA	Usd	-	100.00%
Anton Airfood of Tulsa Inc.	USA	Usd	-	100.00%
Autogrill Aéroports Sas	France	Euro	2,207,344	100.00%
Autogrill Austria AG	Austria	Euro	7,500,000	100.00%
Autogrill Belgie NV	Belgium	Euro	6,700,000	100.00%
Autogrill Catering UK Ltd	United Kingdom	Gbp	217,063	100.00%
Autogrill Coté France Sas	France	Euro	31,579,526	100.00%
Autogrill Czech Sro	Czech Republic	Czk	154,463,000	100.00%
Autogrill Deutschland GmbH	Germany	Euro	205,000	100.00%
Autogrill Doo	Slovenia	Euro	1,342,670	100.00%
Autogrill FFH Autoroutes Sàrl	France	Euro	375,000	100.00%
Autogrill FFH Centres Villes Sàrl	France	Euro	375,000	100.00%
Autogrill Restauration Loisirs Sasu	France	Euro	3,000,000	100.00%
Autogrill Hellas Epe	Greece	Euro	3,696,330	100.00%
Autogrill Iberia Slu	Spain	Euro	7,000,000	100.00%
Autogrill Polska Sp Zoo	Poland	Pln	14,050,000	100.00%
Autogrill Restauration Carrousel Sas	France	Euro	2,337,000	100.00%
Limited Liability Company Autogrill Rus	Russia	Rub	10,000	100.00%
Autogrill Schweiz AG	Switzerland	Chf	23,183,000	100.00%
Autogrill VFS F&B Co Ltd	Vietnam	Usd	5,000,000	70.00%
Fresno AAI Inc.	USA	Usd	-	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
HK Travel Centres GP Inc.	Canada	Cad	-	51.00%
HK Travel Centres Lp	Canada	Cad	-	51.00%
HMSHost Family Restaurants Inc.	USA	Usd	2,000	100.00%
HMSHost Finland Oy	Finland	Euro	2,500	100.00%
HMSHost Huazhuo (Bejing) Catering Management Co. Ltd	China	Cny	26,000,000	60.00%
HMSHost Hospitality Services Bharath Pte Ltd	India	Inr	500,000	100.00%
HMSHost Motorways Inc.	Canada	Cad	-	100.00%
HMSHost New Zealand Ltd	New Zealand	Nzd	1,520,048	100.00%
HMSHost Shanghai Enterprise Management Consulting Co Ltd (in liquidation)	China	Cny	-	100.00%
HMSHost Yiyeecek ve Icecek Hizmetleri AS	Turkey	Trl	10,271,734	100.00%
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Turkey	Trl	2,140,000	51.00%
HMS - Airport Terminal Services Inc.	USA	Usd	1,000	100.00%
HMSHost Corporation	USA	Usd	10	100.00%
HMSHost International Inc.	USA	Usd	-	100.00%
HMSHost Ireland Ltd	Ireland	Euro	13,600,000	100.00%
HMSHost Services India Private Ltd	India	Inr	668,441,680	100.00%
HMSHost Singapore Pte Ltd	Singapore	Sgd	9,053,750	100.00%
HMSHost Sweden AB	Sweden	Sek	2,500,000	100.00%
HMSHost Tollroads Inc.	USA	Usd	-	100.00%
HMSHost USA Inc.	USA	Usd	-	100.00%
HMSHost USA Llc	USA	Usd	-	100.00%
Holding de Participations Autogrill Sas	France	Euro	84,581,920	100.00%
Horeca Exploitatie Maatschappij Schiphol BV	The Netherlands	Euro	45,400	100.00%
Host (Malaysia) Sdn Bhd	Malaysia	Myr	2	100.00%
Host International (Poland) Spzoo	Poland	Usd	-	100.00%
Host International Inc.	USA	Usd	-	100.00%
Host International of Canada Ltd	Canada	Cad	75,351,237	100.00%
Host International of Maryland Inc.	USA	Usd	1,000	100.00%
HMSHost International BV	The Netherlands	Euro	18,090	100.00%
Host Services Inc.	USA	Usd	-	100.00%
Host Services of New York Inc.	USA	Usd	1,000	100.00%
Host Services Pty Ltd	Australia	Aud	6,252,872	100.00%
Islip AAI Inc.	USA	Usd	-	100.00%
Marriott Airport Concessions Pty Ltd	Australia	Aud	3,910,102	100.00%
Michigan Host Inc.	USA	Usd	1,000	100.00%
NAG BV	The Netherlands	Euro	100	60.00%
Nuova Sidap S.r.l.	Italy	Euro	100,000	100.00%
GTA S.r.l.	Italy	euro	50,000	100.00%
Palm Springs AAI Inc.	USA	Usd	-	100.00%
Restair Uk Ltd	United Kingdom	Gbp	1	100.00%
Restoroute de Bavois S.A.	Switzerland	Chf	2,000,000	73.00%
Restoroute de la Gruyère S.A.	Switzerland	Chf	1,500,000	54.33%
Shenzen Host Catering Company Ltd	China	Usd	-	100.00%
Société Berrichonne de Restauration Sas (Soberest)	France	Euro	288,000	50.01%
Societé de Gestion Pétrolière Autogrill Sàrl (SGPA)	France	Euro	8,000	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
SMSI Travel Centres Inc.	Canada	Cad	10,800,100	100.00%
Société de Restauration de Bourgogne Sas (Sorebo)	France	Euro	144,000	50.00%
Volcarest Sas	France	Euro	1,050,144	50.00%
PT Autogrill Taurus Gemilang Indonesia	Indonesia	Usd	1,000,000	70.00%
Host International of Kansas Inc.	USA	Usd	1,000	100.00%
HMSHost Nederland B.V.	The Netherlands	Euro	100	100.00%
Host Bush Lubbock Airport Joint Venture	USA	Usd	-	90.00%
Host-Chelsea Joint Venture #1	USA	Usd	-	65.00%
Host-Tinsley Joint Venture	USA	Usd	-	84.00%
Host/ Howell - Mickens Joint Venture	USA	Usd	-	65.00%
Airside C F&B Joint Venture	USA	Usd	-	70.00%
Bay Area Restaurant Group	USA	Usd	-	49.00%
HMS - D/FW Airport Joint Venture	USA	Usd	-	65.00%
HMSHost Coffee Partners Joint Venture	USA	Usd	-	50.01%
Host & Garrett Joint Venture	USA	Usd	-	75.00%
Host CTI Denver Airport Joint Venture	USA	Usd	-	90.00%
Host D&D STL FB Llc	USA	Usd	-	75.00%
Host DEI Jacksonville Joint Venture	USA	Usd	-	51.00%
Host/Java Star Joint Venture	USA	Usd	-	50.01%
Host/Coffee Star Joint Venture	USA	Usd	-	50.01%
Host/Diversified Joint Venture	USA	Usd	-	90.00%
Host/Forum Joint Venture	USA	Usd	-	70.00%
Host/JQ RDU Joint Venture	USA	Usd	-	75.00%
Host/JV Ventures McCarran Joint Venture	USA	Usd	-	60.00%
Host/LJA Joint Venture	USA	Usd	-	85.00%
Host/Tarra Enterprises Joint Venture	USA	Usd	-	75.00%
Host-Chelsea Joint Venture #3	USA	Usd	-	63.80%
Host-Chelsea Joint Venture #4	USA	Usd	-	63.00%
Seattle Restaurant Associates	USA	Usd	-	70.00%
Southwest Florida Airport Joint Venture	USA	Usd	-	78.00%
Tinsley/Host - Tampa Joint Venture	USA	Usd	-	49.00%
HMS/Blue Ginger Joint Venture	USA	Usd	-	55.00%
HMSHost Family Restaurants Llc	USA	Usd	-	100.00%
HMSHost Motorways Lp	Canada	Cad	-	100.00%
Host/DFW AF, LLC	USA	Usd	-	50.01%
Host MCA TEI FLL FB, LLC	USA	Usd	-	76.00%
Host CTI DEN F&B STA, LLC	USA	Usd	-	80.00%
HOST MCA SRQ FB, LLC	USA	Usd	-	90.00%
HHL Cole's LAX F&B Llc	USA	Usd	-	80.00%
Host-CTI DEN F&B II Llc	USA	Usd	-	80.00%
Host FDY ORF F&B Llc	USA	Usd	-	90.00%
Host Fox PHX F&B Llc	USA	Usd	-	75.00%
Host GRL LIH F&B Llc	USA	Usd	-	85.00%
Host H8 Terminal E F&B Llc	USA	Usd	-	60.00%

Company name	Registered office	Currency	Share capital	Percentage held
Host Havana LAX F&B Llc	USA	Usd	-	90.00%
Host Havana LAX TBIT FB, LLC	USA	Usd	-	70.00%
Host Howell Terminal A F&B Llc	USA	Usd	-	65.00%
Host JQE RDU Prime Llc	USA	Usd	-	85.00%
Host Lee JAX FB Llc	USA	Usd	-	80.00%
Host LGO PHX F&B Llc	USA	Usd	-	80.00%
Host WAB SAN FB Llc	USA	Usd	-	95.00%
Host-CMS SAN F&B Llc	USA	Usd	-	65.00%
Host CMS LAX TBIT F&B Llc	USA	Usd	-	70.00%
Host-Love Field Partners I Llc	USA	Usd	-	51.00%
LTL ATL JV Llc	USA	Usd	-	70.00%
Host ATL Chefs JV 3 Llc	USA	Usd	-	95.00%
Host ATL Chefs JV 5 Llc	USA	Usd	-	85.00%
Host Honolulu Joint Venture Company	USA	Usd	-	90.00%
Host of Kahului Joint Venture Company	USA	Usd	-	90.00%
Host Houston 8 IAH Terminal B Llc	USA	Usd	-	60.00%
Host-True Flavors SAT Terminal A FB	USA	Usd	-	65.00%
Host MGV DCA FB Llc	USA	Usd	-	70.00%
Host MGV IAD FB Llc	USA	Usd	-	65.00%
Host ECI ORD FB Llc	USA	Usd	-	51.00%
Host Aranza Howell DFB B&E FB Llc	USA	Usd	-	55.00%
Host MCA ATL FB Llc	USA	Usd	-	64.00%
Miami Airport FB Partners JV	USA	Usd	-	70.00%
Host MGV DCA KT Llc	USA	Usd	-	51.00%
Host BGV IAH FB, Llc	USA	Usd	-	55.00%
Host H8 IAH FB I, Llc	USA	Usd	-	60.00%
Host MBA LAX SB, Llc	USA	Usd	-	70.00%
Host TBL TPA FB Llc	USA	Usd	-	71.00%
Host VDV CMH FB Llc	USA	Usd	-	85.00%
Host JVI PDX FB Llc	USA	Usd	-	84.00%
HMSHost-UMOE F&B Company AS	Norway	Nok	60,000	51.00%
Host OHM GSO FB Llc	USA	Usd	-	80.00%
Host JQE LIT FB Llc	USA	Usd	-	70.00%
Host TFC SDF FB Llc	USA	Usd	-	60.00%
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Indonesia	Idr	5,000,000,000	65.00%
Host JQE RDU Conc D, Llc	USA	Usd	-	70.00%
Host Ayala LAS FB Llc	USA	Usd	-	55.00%
Host BGI MHT FB Llc	USA	Usd	-	90.00%
Host CEI KSL MSY, Llc	USA	Usd	-	63.00%
Host Chen ANC FB Llc	USA	Usd	-	88.00%
Host LBL LAX T2 FB, Llc	USA	Usd	-	80.00%
Host SMI SFO FB, Llc	USA	Usd	-	90.00%
Host Java DFW MGO, Llc	USA	Usd	-	50.01%
Stellar Partners, Inc.	USA	Usd	25,500	100.00%
Stellar Partners Tampa Llc	USA	Usd	-	90.00%

Company name	Registered office	Currency	Share capital	Percentage held
Host SQE CVG FB Llc	USA	Usd	-	90.00%
Host MBA CMS LAX Lc	USA	Usd	-	60.00%
Infrastructure and services for mobility				
Atlantia S.p.A.	Italy	Euro	825,783,990	30.25%
AD Moving S.p.A.	Italy	Euro	1,000,000	100.00%
ACA C1	France	Euro	1	51.42%
ACA HOLDING SAS	France	Euro	17,000,000	51.42%
Aéroports de la Côte d'Azur	France	Euro	148,000	51.42%
Aéroports du Golfe de Saint Tropez	France	Euro	3,500,000	51.38%
Azzurra Aeroporti S.r.l.	Italy	Euro	2,500,000	80.34%
Autostrade Concessoes e Partecipaçoes Brasil Ltda	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 Pvt Ltd	India	Inr	500,000	100.00%
Autostrade Meridionali S.p.A.	Italy	Euro	9,056,250	58.98%
Autostrade per l'Italia S.p.A.	Italy	Euro	622,027,000	100.00%
Autostrade Portugal S.r.l.	Italy	Euro	30,000,000	100.00%
Autostrade Tech S.p.A.	Italy	Euro	1,120,000	100.00%
Concessionaria da Rodovia MG 050 S.A.	Brazil	Brl	233,525,350	50.00%
Dannii Holding GmbH	Austria	Euro	10,000	100.00%
Electronic Transactions Consultants Co	USA	Usd	16,264	64,46%
Ecomouv Sas	France	Euro	6,000,000	70.00%
Essediesse Società di Servizi S.p.A.	Italy	Euro	500,000	100.00%
Giove Clear S.r.l.	Italy	Euro	10,000	100.00%
Grupo Costanera S.p.A.	Chile	Clp	465,298,430,418	50.01%
Infoblu S.p.A.	Italy	Euro	5,160,000	75.00%
Jetbase	Portugal	Euro	50,000	51.42%
Pavimental Polska Sp Zoo	Poland	Pln	3,000,000	98.75%
Pavimental S.p.A.	Italy	Euro	10,116,452	98.75%
Raccordo Autostradale Valle d'Aosta S.p.A.	Italy	Euro	343,805,000	24.46%
Rodovias das Colinas S.A.	Brazil	Brl	226,145,401	50.00%
SCI La Ratonnière	France	Euro	243,918	51.42%
Sky Valet France Sas	France	Euro	1,151,584	51.42%
Sky Valet Spain Sl	Spain	Euro	231,956	51.42%
Sociedad Concesionaria AMB S.A.	Chile	Clp	5,875,178,700	50.01%
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 de los Lagos S.A.	Chile	Clp	53,602,284,061	100.00%
Sociedad Concesionaria Costanera Norte S.A.	Chile	Clp	58,859,765,519	50.01%
Sociedad Concesionaria Litoral Central S.A.	Chile	Clp	18,368,224,675	50.01%
Sociedad Gestion Vial S.A.	Chile	Clp	397,237,788	50.01%
Sociedad Operacion y Logistica de Infraestructuras S.A.	Chile	Clp	11,736,819	50.01%
Società Italiana per Azioni per il Traforo del Monte Bianco	Italy	Euro	198,749,200	51.00%
Spea Engineering S.p.A.	Italy	Euro	6,966,000	99.35%

Company name	Registered office	Currency	Share capital	Percentage held
Spea do Brasil Projectos e Infraestrutura Ldta	Brazil	Brl	1,000,000	99.35%
Stalexport Autoroute Sàrl	Luxembourg	Euro	56,149,500	61.20%
Stalexport Autostrada Malopolska 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	100.00%
Tech Solutions Integrators Sas	France	Euro	2,000,000	100.00%
Telepass Pay S.p.A.	Italy	Euro	350	100.00%
Telepass S.p.A.	Italy	Euro	26,000,000	100.00%
Triangulo do sol Auto-Estradas S.A.	Brazil	Brl	71,000,000	50.00%
VIA4 S.A.	Poland	Pln	500,000	33.66%
Aeroporti di Roma S.p.A.	Italy	Euro	62,224,743	96.73%
ADR Tel S.p.A.	Italy	Euro	600,000	96.73%
ADR Sviluppo S.r.l.	Italy	Euro	100,000	96.73%
ADR Assistance S.r.l.	Italy	Euro	4,000,000	96.73%
ADR Mobility S.r.l.	Italy	Euro	1,500,000	96.73%
ADR Security S.r.l.	Italy	Euro	400,000	96.73%
Airport Cleaning S.r.l.	Italy	Euro	1,500,000	96.73%
Fiumicino Energia S.r.l.	Italy	Euro	741,795	87.14%
Soluciona Conservaçao Rodoviaria Ltda	Brazil	Brl	500,000	50.00%
Leonardo Energia S.c.ar.l.	Italy	Euro	10,000	88.10%
Romulus Finance S.r.l. (in liquidation)	Italy	Euro	10,000	100.00%
Società Autostrada Tirrenica p.A.	Italy	Euro	24,460,800	99.99%
AB Concessoes SA	Brazil	Brl	738,652,989	50.00%
Consorzio Anhanguera Norte	Brazil	Brl	-	13.13%
Consorzio Autostrade Italiane Energia	Italy	Euro	113,949	35.50%
Consorzio ETL - European Transport Law (in liquidation)	Italy	Euro	82,633	25.00%
Consorzio Galileo S.c.ar.l. (in liquidation)	Italy	Euro	10,000	40.00%
Consorzio Italtecnasud (in liquidation)	Italy	Euro	51,646	20.00%
Consorzio Midra	Italy	Euro	73,989	33.33%
Consorzio Nuova Romea Engineering	Italy	Euro	60,000	16.67%
Consorzio Pedemontana Engineering	Italy	Euro	20,000	23.54%
Consorzio Ramonti S.c.ar.l. (in liquidation)	Italy	Euro	10,000	49.00%
Consorzio RFCC (in liquidation)	Italy	Euro	510,000	30.00%
Consorzio Tangenziale Engineering	Italy	Euro	20,000	30.00%
Costruzioni Impianti Autostradali S.c.ar.l.	Italy	Euro	10,000	100.00%
Elmas S.c.ar.l. (in liquidation)	Italy	Euro	10,000	60.00%
Consorzio Spea-Garibello	Brazil	Brl	-	50.00%
Textiles and Clothing				
Benetton Group S.r.l.	Italy	Euro	200,000,000	100.00%
Ben Mode AG	Switzerland	Chf	500,000	100.00%
Benetton 2 Retail Comércio de Produtos Texteis S.A.	Portugal	Euro	500,000	100.00%
Benetton Agency Ireland Ltd	Ireland	Euro	260,000	100.00%
Benetton Asia Pacific Ltd	Hong Kong	Hdk	41,400,000	100.00%
Benetton Commerciale Tunisie Sàrl	Tunisia	Tnd	2,429,000	100.00%
Benetton de Commerce International Tunisie Sàrl	Tunisia	Tnd	150,000	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
Benetton Denmark Aps	Denmark	Dkk	125,000	100.00%
Benetton France Commercial Sas	France	Euro	10,000,000	100.00%
Benetton Giyim Sanayi ve Ticaret As	Turkey	Try	40,168,682	100.00%
Benetton Hellas Agency of Clothing Single Partner Epe	Greece	Euro	50,010	100.00%
Benetton India Pvt Ltd	India	Inr	2,900,000,000	100.00%
Benetton Japan Co Ltd	Japan	Jpy	400,000,000	100.00%
Benetton Korea Inc.	South Korea	Krw	2,500,000,000	100.00%
Benetton Mexicana SA de CV	Mexico	Mxn	255,979,520	100.00%
Benetton Pars Pjsc	Iran	Irr	6,831,400,000	100.00%
Benetton Retail Deutschland GmbH (dormant)	Germany	Euro	2,000,000	100.00%
Benetton Servizi S.r.l.	Italy	Euro	5,100,000	100.00%
Benetton Retail Poland Sp Zoo	Poland	Pln	18,000,000	100.00%
Benetton Retail Spain SL	Spain	Euro	10,180,300	100.00%
Benetton Russia Ooo	Russia	Rub	223,518,999	100.00%
Benetton Services SA de CV	Mexico	Mxn	50,000	100.00%
Benetton Services II SA de CV	Mexico	Mxn	50,000	100.00%
Benetton Trading Taiwan Ltd	Taiwan	Twd	115,000,000	100.00%
Benetton Trading USA Inc. (dormant)	USA	Usd	207,847,833	100.00%
Fabrica S.p.A.	Italy	Euro	4,128,000	100.00%
Kazan Real Estate OOO	Russia	Rub	117,010,000	100.00%
Ponzano Children S.r.l.	Italy	Euro	110,000	100.00%
Retail Italia Network S.r.l.	Italy	Euro	1,000,000	100.00%
Shanghai Benetton Trading Company Ltd (dormant)	China	Usd	37,821,056	100.00%
Villa Minelli Società agricola a r.l.	Italy	Euro	110,000	100.00%
Olimpias Group S.r.l.	Italy	Euro	50,000,000	100.00%
Aerre S.r.l.	Italy	Euro	25,000	60.00%
Olimpias Industrielle Tunisie Sàrl	Tunisia	Tnd	2,000,000	100.00%
Olimpias Manufacturing Tunisia Sàrl	Tunisia	Tnd	700,000	100.00%
Benetton Serbia Doo	Serbia	Rsd	1,138,444,166	100.00%
Olimpias Tekstil Doo	Croatia	Hrk	155,750,000	100.00%
Olimpias Ungheria Kft	Hungary	Huf	89,190	100.00%
Filatura di Vittorio Veneto S.r.l.	Italy	Euro	220,576	50.00%
Olimpias Knitting Serbia Doo	Serbia	Rsd	10,000	60.00%
Olimpias Tunisia Sàrl	Tunisia	Tnd	100,000	100.00%
Sc Anton Industries S.r.l.	Romania	Ron	1,162,460	60.00%
Olimpias MFG Romania S.r.l.	Romania	Ron	1,416,880	100.00%
Real estate				
Edizione Property S.p.A.	Italy	Euro	4,000,000	100.00%
Edizione Alberghi S.r.l.	Italy	Euro	5,000,000	100.00%
Edizione Realty Czech Sro	Czech Republic	Czk	100,000,000	100.00%
Compania de Tierras Sud Argentino S.A.	Argentina	Ars	253,000,000	95.00%
Frigorifico Faimali S.A.	Argentina	Ars	13,500,000	61.00%
Benetton Istanbul Real Ltd	Turkey	Try	34,325,000	100.00%
Edizione Property Latvia Sia	Latvia	Euro	896,304	100.00%

Company name	Registered office	Currency	Share capital	Percentage held
Edizione Property Doo Sarajevo	Bosnia-Herzegovina	Bam	20,000	100.00%
Edizione Property Austria GmbH	Austria	Euro	2,500,000	100.00%
Edizione Property Belgique S.A.	Belgium	Euro	14,500,000	100.00%
Benetton Real Estate Kazakhstan Llp	Kazakhstan	Kzt	62,920,000	100.00%
Edizione Property France S.A.	France	Euro	25,009,197	100.00%
Edizione Property Portugal Imobiliaria S.A.	Portugal	Euro	100,000	100.00%
Edizione Property Spain Sl	Spain	Euro	15,270,450	100.00%
Edizione Property Mongolia Llc	Mongolia	Mnt	115,000,000	100.00%
Hotel Union Shpk	Kosovo	Euro	3,200,000	100.00%
Kaliningrad Real Estate Ooo	Russia	Rub	10,000	100.00%
Property Russia Ooo	Russia	Rub	10,000	100.00%
Real Estate Russia Ooo	Russia	Rub	120,010,000	100.00%
Real Estate Ukraine Llc	Ukraina	Usd	7,921	100.00%
Real Estate Management Ooo	Russia	Rub	250,000,000	100.00%
Benetton International Kish Pjsc	Iran	Irr	100,000,000	100.00%
Other companies				
Maccarese società agricola p.A.	Italy	Euro	34,485,805	100.00%
San Giorgio S.r.l.	Italy	Euro	100,000	100.00%
Verde Sport S.p.A.	Italy	Euro	8,000,000	100.00%
Asolo Golf Club S.r.l.	Italy	Euro	100,000	100.00%
Schemaquaranta S.r.l.	Italy	Euro	10,000	100.00%
Schemaquarantuno S.r.l.	Italy	Euro	10,000	100.00%
Subsidiaries and associates carried on at cost or fair value				
Schematrentatre S.p.A.	Italy	Euro	120,000	100.00%
Schematrentasei S.r.l.	Italy	Euro	15,000	100.00%
Benetton Rugby Treviso S.r.l.	Italy	Euro	52,000	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%
Pavimental Est Ao (in liquidation)	Russia	Rub	4,200,000	100.00%
Petrostal S.A. (in liquidation)	Poland	Pln	2,050,500	100.00%
Domino S.r.l.	Italy	Euro	10,000	100.00%
Gemina Fiduciary Services S.A.	Luxembourg	Euro	150,000	99.99%
Bensec S.c.ar.l.	Italy	Euro	110,000	78.00%
Associates and joint control				
Caresquick NV	Belgium	Eur	3,300,000	50.00%
Dewina Host Sdn Bhd	Malaysia	Myr	350,000	49.00%
HKSC Developments Lp	Canada	Cad	-	49.00%
HKSC Opco Lp	Canada	Cad	-	49.00%
Autogrill Middle East LLC	United Arabian Emirates	Aed	100,000	50.00%
Arab Host Services LLC	Qatar	Qar	200,000	49.00%
HMSHost and Lite Bite Private Ltd	India	Inr	100,000	51.00%
A&T Road Construction Management and Operation Pvt Ltd	India	Inr	100,000	50.00%
Concesionaria Rodovias do Tieté S.A.	Brazil	Brl	303,578,476	50.00%
Pune Solapur Expressways Pvt Ltd	India	Inr	100,000,000	50.00%
Bologna & Fiera Parking S.p.A.	Italy	Euro	2,715,200	36.81%

Company name	Registered office	Currency	Share capital	Percentage held
Biuro Centrum Sp Zoo	Poland	Pln	80,000	40.63%
GEIE del Traforo del Monte Bianco	Italy	Euro	2,000,000	50.00%
Pedemontana Veneta S.p.A. (in liquidation)	Italy	Euro	6,000,000	29.77%
Società Infrastrutture Toscane S.p.A. (in liquidation)	Italy	Euro	15,000,000	46.60%
SAVE S.p.A.	Italy	Euro	35,971,000	22.09%

REPORT OF THE INDEPENDENT AUDITORS

Deloitte.

Deloitte & Touche S.p.A.
Via Fratelli Bandiera, 3
31100 Treviso
Italia

Tel: +39 0422 587.5
Fax: +39 0422 587812
www.deloitte.it

**INDEPENDENT AUDITORS' REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ART. 165-BIS OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

**To the Quotaholders of
Edizione S.r.l.**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Edizione S.r.l. and its subsidiaries (the "Edizione Group"), which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11 of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Edizione Group as at December 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Deloitte.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the Directors' Report with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the Directors' Report, which is the responsibility of the Directors of Edizione S.r.l., with the consolidated financial statements of Edizione Group as at December 31, 2016. In our opinion, the Directors' Report is consistent with the consolidated financial statements of Edizione Group as at December 31, 2016.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto
Partner

Treviso, Italy
June 9, 2017

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

CONTACTS

Edizione S.r.l.
Piazza del Duomo, 19
31100 Treviso – Italy

Tel. +39 0422 5995
Fax +39 0422 412176
mailbox@edizione.it
www.edizione.it

Tax ID, VAT and registration
with the Register of Companies
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