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ASTM GROUP
Interim Financial Report
as at 30 June 2019

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Board of Directors and Board of Statutory Auditors

ASTM

Società per Azioni (Public Limited Company)
Share capital EUR 49,499,300 fully paid-up
Tax code and registration with the
Turin Register of Companies no: 00488270018
Registered Office in Turin – Corso Regina Margherita 165
Website: <http://www.astm.it>
e-mail: astm@astm.it
Direction and Coordination: Nuova Argo Finanziaria S.p.A.

MEMBERS OF THE BOARD OF DIRECTORS

Chairperson
Gian Maria Gros-Pietro

Deputy-Chairpersons
Daniela Gavio
Roberto Testore⁽³⁾

Managing Director
Alberto Rubegni⁽¹⁾

Directors
Juan Angoitia
Caterina Bima⁽⁴⁾
Arabella Caporello⁽²⁾
Giulio Gallazzi
Giuseppe Gatto⁽³⁾
Beniamino Gavio
Marcello Gavio
Venanzio Iacozzilli
Fabiola Mascardi⁽²⁾
Barbara Poggiali⁽²⁾
Luigi Roth⁽³⁾

Secretary
Luigi Bomarsi

BOARD OF STATUTORY AUDITORS

Chairperson
Marco Fazzini

Standing Auditors
Ernesto Ramojno
Piera Braja⁽⁴⁾

Substitute Auditors
Massimo Berni
Annalisa Donesana
Roberto Coda

- (1) Director responsible for the Internal Audit and Risk Management System
(2) Member of the "Appointments and Remuneration Committee"
(3) Member of the "Audit, Risk and Sustainability Committee"
(4) Member of the "Supervisory Body"

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

TERM OF OFFICE

The Board of Directors were appointed for three financial years by the Ordinary Shareholders' Meeting on 16 May 2019 and its term of office will expire with the Shareholders' Meeting that will be held for the approval of the 2021 Financial Statements.

The Board of Statutory Auditors were appointed for three financial years by the Ordinary Shareholders' Meeting on 28 April 2017 and its term of office will expire with the Shareholders' Meeting that will be held for the approval of the 2019 Financial Statements.

The Independent Auditors were appointed by the Ordinary Shareholders' Meeting on 28 April 2017 and are in office for nine financial years. Their term of office will expire with the Shareholders' Meeting that will be held for the approval of the 2025 Financial Statements.

POWERS OF COMPANY OFFICERS

The Chairperson, who was appointed on 16 May 2019 by the Ordinary Shareholders' Meeting, exercises the powers granted to him by the Board on 16 May 2019.

The Deputy-Chairpersons Daniela Gavio and Roberto Testore (appointed by the Board of Directors on 16 May 2019) were granted powers to be exercised in case of absence or impediment of the Chairperson. The Managing Director was appointed by means of a Board resolution dated 16 May 2019 and exercises the management powers granted to him by law and the Articles of Association.

Key highlights of consolidated economic and financial results

Below are the main consolidated income and financial data as at 30 June 2019:

(amounts in millions of EUR)	1HY 2019	1HY 2018
Turnover	986.5	764.2
Net toll revenue	540.5	523.7
Construction sector revenues	376.8	182.1
Gross operating margin (EBITDA)	362.2	351.2
"Normalised" gross operating margin (EBITDA) ¹	369.6	351.2
Income attributable to the Parent Company in the period	75.4	83.3
Operating cash flow	288.3	271.6
Motorway network investments	115.7	68.0
(amounts in millions of EUR)	30 June 2019	31 December 2018
Adjusted net financial indebtedness	1,269.6	1,268.8

In the half year, the **turnover** showed **significant growth (+29.1%)**, totalling an amount of **EUR 986.5 million** (EUR 764.2 million in the first half of 2018).

The increase in **net toll revenue** - equal to EUR 16.8 million (**+3.20%**) - is attributable (i) for EUR 9.6 million (**+1.83%**) to the higher revenues of the licensee Autovia Padana (whose concession took effect on 1 March 2018 and whose motorway revenues, therefore, in the first half of 2018 were limited to the March-June period), (ii) for EUR 5 million (**+0.96%**) to the growth in traffic volumes and (iii) for EUR 2.2 million to the recognition as from 1 January 2019 of toll adjustments (**+0.41%**).

The **significant increase** to production in the **construction sector (+106.9%)** is mainly due to the internationalisation process started in recent years and that continued during the half year, leading the Itinera Group to operate in various countries such as Denmark, Austria, Romania, the United Arab Emirates, Botswana, Brazil and the USA.

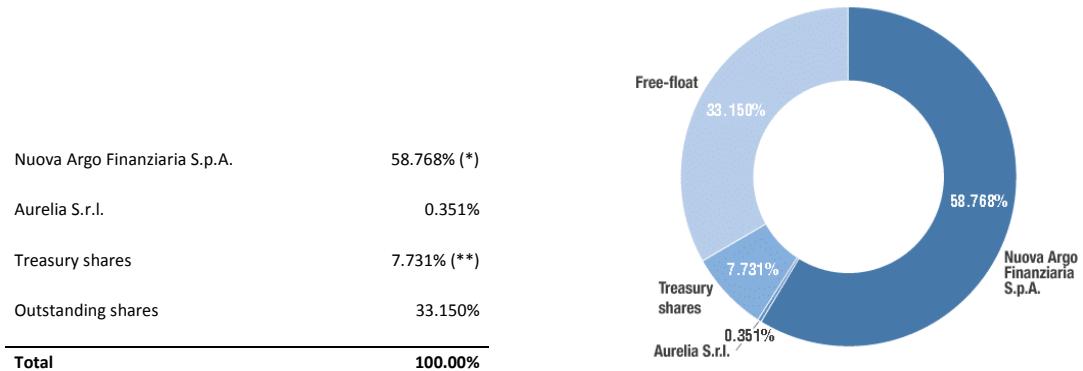
In the first half of 2019, the **gross operating margin increased** by **EUR 11 million (+3.14%)**, amounting to **EUR 362.2 million**. This increase reflects the growth of the "construction sector" (EUR +9.1 million), the "engineering sector" (EUR +5.4 million), the "technology sector" (EUR 2.3 million) and the "services sector" (EUR 0.8 million), which is offset by the decrease in the gross operating margin of the "motorway sector" (approximately EUR 6.6 million); the latter change is due for EUR 7.4 million to the advancement, to the first half, of the maintenance work programme planned for the entire year under way. The "**Normalised EBITDA**" resulting from this advancement has therefore **grown** by **EUR 18.4 million**, settling at an amount equal to **EUR 369.6 million**.

The growth in the "gross operating margin", in the presence of higher net amortisation and depreciation/provisions made in the period (EUR 5.1 million) and a decrease in the profit/(loss) of the "financial management" (EUR -23.4 million, attributable to a lower contribution of the companies accounted for by the "equity method"), was reflected - net of the related tax effect and of profit pertaining to minority interests - in "**income attributable to the Parent Company in the period**", which totalled a value equal to **EUR 75.4 million**.

¹ "Normalised" EBITDA - amounting to EUR 7.4 million - takes into account the effects of the advancement to the first half the maintenance work programme planned for the full period of 2019.

ASTM S.p.A. Shareholding

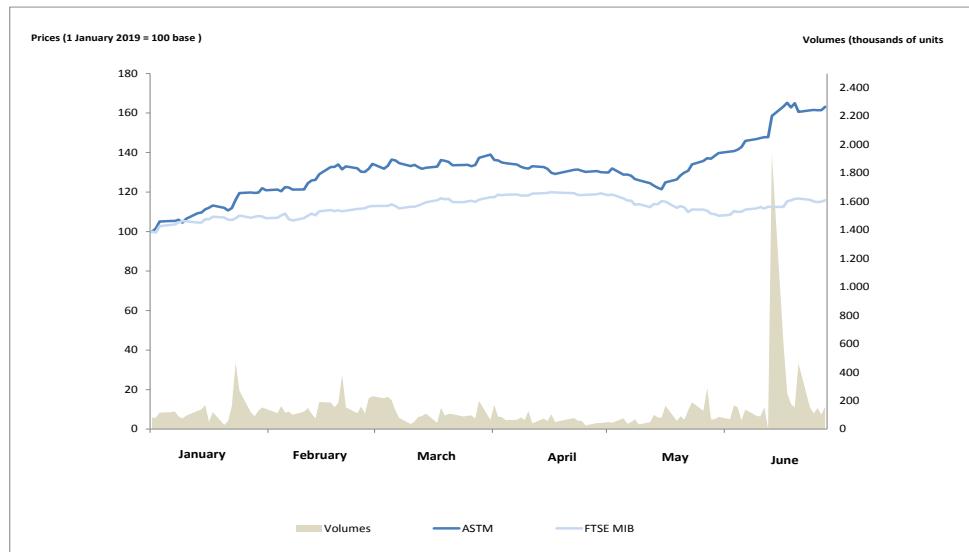
As at 30 June 2019, the number of ordinary shares was equal to 98,998,600. Based on available information, holders of ordinary shares amounting to more than 3% of the share capital are detailed below:



(*) of which 1.967% through Nuova Codelfa S.p.A.

(**) ASTM S.p.A. 7.709%, Ativa S.p.A. 0.022%

ASTM S.p.A. on the stock exchange - security performance in the first half of 2019



Information on the security

No. of shares as at 30 June 2019	98,998,600
Treasury shares as at 30 June 2019	(7,652,828)
Outstanding shares as at 30 June 2019	91,345,772
Market capitalisation as at 28 June 2019 (million EUR)	2,802
Market capitalisation as at 28 June 2019 – net treasury shares – (million EUR)	2,585
2018 balance dividend per share (May 2019, EUR)	0.302
2018 interim dividend per share (November 2018, EUR)	0.230
Listing as at 28 June 2019	28.30
Maximum price in the period 1 January - 28 June 2019 (18 June 2019)	28.66
Minimum price in the period 1 January - 28 June 2019 (2 January 2019)	17.34
Average daily volumes in the period 1 January – 28 June 2019 (thousands of shares)	137

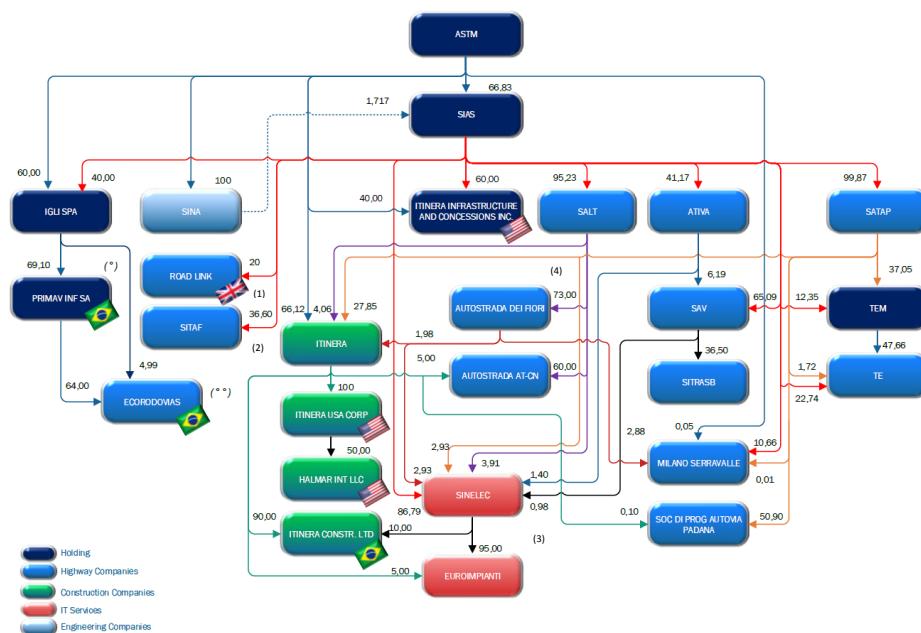
Group structure and business segments

ASTM is an industrial holding company working primarily in the management of motorway networks under concession and in the design and construction of major infrastructure (EPC Contractor).

Specifically, the Group is engaged in the management of motorway networks under concession through SIAS S.p.A. – the largest motorway operator in north-western Italy (a 66.83%-owned subsidiary) – listed on the Borsa Italiana Italian Electronic Stock Market (MTA), and Ecorodovias Infraestrutura e Logística S.A. – Brazil's third-largest motorway operator (jointly controlled through an effective holding of approximately 49.21% of the share capital) – a Brazilian holding company listed on the Novo Mercado BOVESPA.

The Group is also engaged in the field of major infrastructure works in Italy and overseas through its subsidiary Itinera S.p.A., a leading national player in the sector, which controls, among others, Halmar International LLC (operating in the USA) and Itinera Construções SA (operating in Brazil).

The current structure of the Group – only with regard to the main investee companies² – is detailed below:



(1) of which 0.07% by Albenga Garessio Ceva

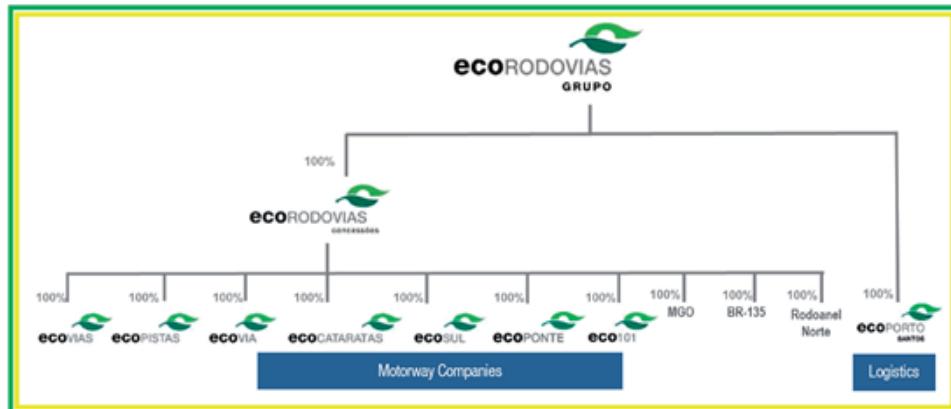
(2) 1.08% by ATIVA

(3) 1.08% by SITAF

(4) of which 1.86% by Albenga Garessio Ceva

(*) Based on the contractual agreements, this percentage corresponds to 50% of the voting rights.

(**) Brazilian holding company (listed on the Novo Mercado BOVESPA and jointly controlled), which holds companies operating in the motorway concession and logistics sectors, as detailed below.



¹ Includes the shares purchased during the Takeover.

² The entire list of investee companies is included in the "Explanatory notes – Scope of consolidation" in the condensed consolidated interim financial report.

**INTERIM FINANCIAL REPORT
AS AT 30 JUNE 2019**

Introduction

This interim financial report of the ASTM Group as at 30 June 2019 was prepared pursuant to the combined provisions of article 2428, paragraph 3 of the Italian Civil Code, and of article 154-ter of the Consolidated Law on Finance (TUF), paragraphs 2, 3 and 4. The report also implements the CONSOB provisions on financial statements and company information representation, with Resolution no. 15519 of 27 July 2006 and Communication no. DEM/6064293 of 28 July 2006.

Interim Management Report

ALTERNATIVE PERFORMANCE MEASURES - APM

Pursuant to Consob Communication of 3 December 2015 implementing in Italy the guidelines on Alternative Performance Measures (hereinafter also "APM") issued by the European Securities and Markets Authority (ESMA), which are mandatory when publishing regulated information or prospectuses after 3 July 2016, the criteria used to develop the main APMs published by the ASTM Group are described below.

The APMs presented in the "Management Report" are considered relevant for assessing the comprehensive income of the Group, the operating segments and the individual Group companies. In addition, the APMs are considered to provide better comparability over time of the same results, although they are not a replacement or an alternative to the results provided in the "Condensed Consolidated Interim Financial Report" according to the IAS/IFRS (official or reported data).

With reference to the APMs relating to the consolidated results, it should be noted that, in the "Economic, equity and financial data" section, the ASTM Group presents restated financial statements that differ from those envisaged by the IAS/IFRS included in the Condensed Consolidated Interim Financial Report; therefore the restated consolidated income statement, consolidated financial position and the net financial indebtedness contain, in addition to the economic-financial and equity data governed by the IAS/IFRS, certain indicators and items derived therefrom, although not required by said standards and therefore called "APMs".

The main APMs presented in the Management Report and a summary description of their composition, as well as a reconciliation with the corresponding official data, are provided below:

- a) "Turnover": differs from "Total revenues" in the Consolidated Financial Statements as it does not include (i) revenue for the planning and construction activity of non-compensated revertible assets, (ii) the fee/surcharge payable to ANAS and (iii) cost /revenues reversals for consortium companies.
- b) "Value of production": value of production in the construction sector refers to revenue for works and planning and changes in works to order.
- c) "Gross operating margin (EBITDA)": is the summary indicator of profitability deriving from operating activities and is determined by subtracting from the "Total revenue" all recurring operating costs, excluding amortisation and depreciation, provisions and write-downs of intangible and tangible assets.
- d) "Normalised Gross Operating Margin (EBITDA)": exposes the "Gross operating margin (EBITDA)" normalised to account for the effects of the advancement - to the first half - of the maintenance work programme planned for the full period 2019.
- e) "Operating income/EBITDA": measures the profitability of total capital invested in the company and is determined by subtracting the amortisation and depreciation, provisions and write-downs of intangible and tangible assets from the "gross operating margin".
- f) "Net invested capital": shows the total amount of non-financial assets, net of non-financial liabilities.
- g) Backlog: the orders acquired by the constructions sector, but not yet performed.
- h) "Adjusted net financial indebtedness": is the indicator of the net invested capital portion covered by net financial liabilities and is determined by "Current and non-current financial liabilities", net of "Current financial assets", "Insurance capitalisation policies", "Investment funds", "Receivables for the takeover value" and "Financial receivables from minimum guaranteed amounts (IFRIC 12)". Note that the "Adjusted net financial indebtedness" differs from the net financial position prepared in accordance with the ESMA recommendation of 20 March 2013, as it includes the "Discounted value of the payable due to ANAS – Central Insurance Fund (FCG)" and "Non-current financial receivables". The adjusted net financial indebtedness statement contains an indication of the value of the net financial position prepared in accordance with the aforementioned ESMA recommendation.
- i) "Operating cash flow": indicates the cash generated or absorbed by operating activities and was calculated by adding to the profit for the period the depreciation, amortisation, adjustment to the provision for restoration/replacement of non-compensated revertible assets, the adjustment of the provision for employee severance indemnities, the provisions for risks, the loss (profits) of companies accounted for by the equity method and the (revaluations) write-downs of financial assets, and by deducting the capitalisation of financial expenses.

OPERATING ACTIVITIES

TRAFFIC PERFORMANCE

The general traffic performance for the first half of 2019, as compared to the corresponding period in 2018, **grew by 3.74%** (+0.68% on like-for-like basis), as detailed below:

(millions vehicle/km)	1/1-30/6/2019			1/1-30/6/2018			Changes		
	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy	Total
Total Q1: 1/1 – 31/3	1,527	585	2,112	1,478	572	2,050	3.31%	2.21%	3.00%
April	614	206	820	622	197	819	-1.30%	4.40%	0.07%
May	567	224	791	612	225	837	-7.37%	-0.60%	-5.55%
June	696	214	910	680	215	895	2.47%	-0.42%	1.77%
Total Q2: 1/4 - 30/6	1,877	644	2,521	1,914	637	2,551	-1.91%	1.01%	-1.18%
Subtotal 1/1 – 30/6 on like-for-like basis	3,404	1,229	4,633	3,392	1,209	4,601	0.37%	1.57%	0.68%
Autovia Padana (*)	314	177	491	219	120	339	n/a	n/a	n/a
Total 1/1 – 30/6	3,718	1,406	5,124	3,611	1,329	4,940	2.98%	5.78%	3.74%

(*) The concession granted to the subsidiary Autovia Padana took effect as at 1 March 2018; as a result, the comparative data relating to the first half of 2018 includes the traffic as of 1 March 2018.

As shown by the table above, the traffic figures from the first half of 2019 benefited from the calculation for the entire half year of the traffic data relating to the licensee Autovia Padana, whose concession took effect as of 1 March 2018. The comparison on a like-for-like basis (excluding the data relating to Autovia Padana) nevertheless shows a growth in traffic equal to approximately 0.68% (+1.57% of “heavy vehicles” and +0.37% of “light vehicles”). The drop recorded in the second quarter is attributable to (i) adverse weather conditions during the second half of April and more intensely in May 2019 and (ii) the night-time closure of some motorway stretches due to works.

The traffic performance by single Licensee is shown below:

(millions vehicle/km)	1/1-30/6/2019			1/1-30/6/2018			Changes		
	Company	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy
SATAP S.p.A. – Stretch A4	849	299	1,148	835	295	1,130	1.75%	1.45%	1.67%
SATAP S.p.A. – Stretch A21	636	343	979	635	337	972	0.15%	1.16%	0.51%
SAV S.p.A.	127	40	167	123	39	162	2.95%	3.01%	2.97%
Autostrada dei Fiori S.p.A. – Stretch A10	415	156	571	424	154	578	-2.06%	1.16%	-1.20%
Autostrada dei Fiori S.p.A. – Stretch A6	352	85	437	356	86	442	-1.14%	-0.85%	-1.08%
SALT p.A. – Stretch A12	683	189	872	683	184	867	0.02%	2.47%	0.54%
SALT p.A. – Stretch A15	286	98	384	281	95	376	1.72%	3.63%	2.20%
Autostrada Asti-Cuneo S.p.A.	56	19	75	55	19	74	1.84%	3.43%	2.24%
Subtotal 1/1 – 30/6 on like-for-like basis	3,404	1,229	4,633	3,392	1,209	4,601	0.37%	1.57%	0.68%
Autovia Padana (*)	314	177	491	219	120	339	n/a	n/a	n/a
Total 1/1 – 30/6	3,718	1,406	5,124	3,611	1,329	4,940	2.98%	5.78%	3.74%

(*) The concession granted to the subsidiary Autovia Padana took effect as at 1 March 2018; as a result, the comparative data relating to the first half of 2018 includes the traffic as of 1 March 2018.

REGULATORY FRAMEWORK AND RELATIONS WITH THE GRANTING BODY

With Resolution 16/2019 of 18 February 2019, the **Transport Regulatory Authority** (hereinafter also referred to as the Authority or ART) had decided to initiate the consultation procedure intended to define the toll rate system, based on the price-cap method, with determination of the productivity X indicator every five years.

Upon conclusion of the preliminary investigation, on 19 June 2019 ART adopted specific resolutions for each licensee with the PEF being updated; as regards the Group, the specific resolutions related to the subsidiaries SATAP S.p.A. (Stretch A4), Asti-Cuneo S.p.A., SALT S.p.A. (Stretch A15 and Stretch A12), ADF (Stretch A10 and Stretch A6) and SAV S.p.A., in addition to the associated company SITAF S.p.A. in terms of the A32 motorway only (as the Fréjus T4 tunnel is regulated by a specific intergovernmental convention between Italy and France). Also subject to the ART resolution in the motorway sector were CAV S.p.A., Milano-Serravalle S.p.A., Autostrada Brescia-Padova S.p.A., Autostrade per l'Italia S.p.A. and Tangenziale di Napoli S.p.A.

Referring to the content of the specific resolutions shows that the new toll rate system, as of 1 January 2020, requires the distinction of the toll rate between two main components: (i) the management fee, used to recover operating costs and capital costs (amortisation and depreciation and remuneration) of the non-revertible assets and (ii) the construction fee, to recover capital costs (amortisation and depreciation and remuneration) pertaining to the revertible assets.

The resolutions in question also define (i) a safeguard mechanism intended to ensure that the licensees recover the capital costs relating to investments already made or yet to be made (if already agreed by contract/awarded at the date of publication of the resolutions) according to the level of profitability deriving from the application of the rate system previously in force and (ii) the fee principles and criteria relating to any extension of the management beyond the expiry of the concession.

In turn, the licensee companies of the Group filed an appeal through said ART resolution no. 16/2019. In addition, the Companies subject to the Resolutions of 19 June 2019 are assessing their contents in order to file an opposition, where applicable, in the relevant forums, including through these measures.

In this context, it is noted, however, that the validity of the amendments proposed by ART is subject to their recognition in specific additional acts to be signed jointly by the licensee and by the granting body, the MIT, and submitted for approval according to the administrative procedure in force, which requires - among other things - their registration by the Court of Auditors.

Lastly, it is noted that as of 1 January 2019, the licensees of the Group were authorised to apply the requested **toll adjustments**, broken down as follows:

- +1.86% SALT p.A. – Stretch A15
- +0.71% Autostrada dei Fiori S.p.A. – Stretch A10
- +2.22% Autostrada dei Fiori S.p.A. – Stretch A6
- +0.10% Autovia Padana

A33 Asti-Cuneo: CIPE gives the green light to the financing scheme for the completion of the motorway

On August 1st, the Italian Interministerial Committee for Economic Planning (CIPE, *Comitato Interministeriale per la Programmazione Economica*) approved a new financing scheme regulation the completion of the Asti-Cuneo motorway. According to said financing scheme, the investments already made and the additional investments required to complete the motorway shall be charged to SATAP A4 Torino-Milano. In exchange for said charges, SATAP A4 shall be awarded with a terminal value upon the expiry of its concession on 31 December 2026, likewise the company Asti-Cuneo upon expiry of its concession in 2031.

The Group has worked together with all the institutional stakeholders to achieve a common goal that will now allow the start of works on a project of great strategic importance for Piedmont and for the entire area of North-west Italy.

INVESTMENTS

As regards investments made, the amount carried out in the first half of 2019, in comparison with the figures from the same period of the previous year, is shown below:

<i>(amounts in millions of EUR)</i>	Stretch	1HY 2019	1HY 2018
SATAP S.p.A.	A4 Torino-Milano	2.6	4.3
SATAP S.p.A.	A21 Torino-Piacenza	3.5	1.7
SALT p.A.	A15 La Spezia-Parma	30.9	30.7
SALT p.A.	A12 Sestri Levante-Viareggio-Lucca and Fornola-La Spezia	22.8	4.9
Autostrada Asti-Cuneo S.p.A.	A33 Asti-Cuneo	4.2	0.9
Autostrada dei Fiori S.p.A.	A10 Savona-Ventimiglia	9.2	1.7
Autostrada dei Fiori S.p.A.	A6 Torino-Savona	30.3	7.8
SAV S.p.A.	A5 Quincinetto-Aosta	3.8	2.6
Autovia Padana S.p.A	A21 Piacenza-Cremona-Brescia	8.4	13.4
Total motorway network		115.7	68.0

In the half year in question, the works for the construction of the first lot of the “Tirreno-Brennero plurimodal corridor” (the so-called “Tibre”) continued on the A15 Stretch. The Group’s licensees also continue to invest constantly in their own motorway network, with particular attention to improving quality and safety standards, in compliance not only with conventional obligations but, above all, with the industrial approach to business that has always distinguished the Group.

MANAGEMENT OF EQUITY INVESTMENTS

The main changes in the equity investment portfolio are detailed below:

- on 22 January 2019, the subsidiaries SIAS and SATAP S.p.A. purchased a total of 10,289,788 shares (equal to 3.50% of the share capital) of Tangenziali Esterne Di Milano S.p.A. for EUR 7.7 million; as a result of said purchase, the stake held by the Group in this Company is now equal to 49.99% of the share capital;
- on 22 January 2019, the subsidiaries SIAS and SATAP S.p.A. purchased a total of 14,798,416 shares (equal to 3.18% of the share capital) of Tangenziale Esterna S.p.A. for EUR 14.8 million; as a result of said purchase, the stake held by the Group in this Company is now equal to 24.45% of the share capital¹;
- on 28 February 2019, the subsidiary Sinelec S.p.A. subscribed to the entire share capital of the newly incorporated company Sinelec USA INC for EUR 45 thousand;
- on 25 March 2019, the company Safe Road S.c.ar.l. was incorporated, of which Sinelec S.p.A. holds 51.67% of the share capital (for a nominal value of EUR 5,167) and Euroimpianti S.p.A. holds 14.17% of the share capital (for a nominal value of EUR 1,417);
- on 27 March 2019, the subsidiaries Sinelec S.p.A. and Euroimpianti S.p.A. sold a total of 3,600 stakes (36% of the share capital) held in the company Brescia Milano Manutenzioni S.c.ar.l.; following this sale, the stake held by the Group in this Company is now equal to 26.00% of the share capital;
- on 26 June 2019, the company Autostrada dei Fiori S.p.A. purchased 602,537.5 shares (equal to 2.29% of the share capital) of Rivalta Terminal Europa S.p.A. for EUR 0.2 million; as a result of said purchase, the stake held in this Company is now equal to 48.16% of the share capital;
- during the half year the company Albenga Garessio Ceva S.p.A. purchased 14,424 treasury shares for approximately EUR 0.2 million.
- during the half year the company ASTM S.p.A. purchased 303,000 shares in the company SIAS S.p.A. for EUR 4.8 million (equal to 0.1332% of the share capital); as a result of said purchase, the stake held in this Company is now equal to 61.826% of the share capital;
- on 20 March 2019, the company Itinera S.p.A. purchased 2,190 shares in Cornigliano 2009 S.c.ar.l. (equal to 21.9% of the share capital) for a total of EUR 2 million; as a result of said purchase, the stake held in this Company is now equal to 100% of the share capital;
- on 25 March 2019, the companies ASTM S.p.A. and SIAS S.p.A. subscribed to 1,000 shares and 1,500 shares respectively of the newly incorporated company Itinera Infrastructure and Concessions Inc, resulting in them holding 100% of the share capital;
- on 9 May 2019, the company ASTM S.p.A. purchased all the shares held in Baglietto S.p.A. (10,817,280 shares) for a total value of EUR 9.5 million;
- on 14 May 2019 the company Itinera S.p.A. purchased 15,750 shares of the company Asci Logistik GMBH for a value of EUR 15 thousand; as a result of said purchase, the stake held in this Company is now equal to 45% of the share capital;
- on 14 May 2019 the company Itinera S.p.A. purchased 15,750 shares of Cis Beton GMBH for EUR 15 thousand; as a result of said purchase, the stake held in this Company is now equal to 45% of the share capital;
- during the half year, the company IGLI S.p.A. sold 32,196 shares of Salini Impregilo S.p.A. savings shares equal to 0.652% of the share capital, for EUR 0.2 million.

¹ It is also noted that SIAS S.p.A. undertook to:

- purchase an additional 100 shares in Tangenziale Esterna S.p.A. (for EUR 105.6) from Itinera S.p.A.;
- purchase from Itinera S.p.A. all of the Tangenziale Esterna S.p.A. shares that will be purchased by Itinera S.p.A. as part of separate agreements regarding the purchase of (i) 100 shares of Tangenziale Esterna S.p.A. from Salini Impregilo S.p.A. (for EUR 105.60), (ii) 2,200,000 shares (0.47%) of Tangenziale Esterna S.p.A. from Consorzio Tangenziali Engineering (for EUR 2.3 million) and 4,649,450 shares (1.00%) of Tangenziale Esterna S.p.A. from CMC Soc. Cooperativa, CMB Soc. Cooperativa, Coopsette Soc. Cooperativa and Unieco Soc. Cooperativa (for EUR 4.9 million).

Treasury shares

- During the half year, the company ASTM S.p.A. purchased 40,625 treasury shares (equal to 0.041% of the share capital) for a total value of around EUR 0.7 million.

ECONOMIC, EQUITY AND FINANCIAL DATA

GROUP ECONOMIC DATA

The **revenue and expenditure items** of the first half of 2019 (compared with those of the corresponding period in 2018) are shown below:

(amounts in thousands of EUR)	1HY 2019	1H 2018 ⁽⁴⁾	Changes
Motorway sector revenue – operating activities ⁽¹⁾⁽²⁾	556,095	539,236	16,859
Construction sector revenue ⁽²⁾	376,783	182,076	194,707
Engineering sector revenue	3,561	3,096	465
Technology sector revenue	23,417	17,331	6,086
Other revenues ⁽³⁾	26,622	22,503	4,119
Total turnover	986,478	764,242	222,236
Operating costs ⁽¹⁾⁽²⁾⁽³⁾	(624,285)	(413,082)	(211,203)
Gross operating margin (EBITDA)	362,193	351,160	11,033
Net amortisation/depreciation and provisions	(151,410)	(146,280)	(5,130)
Operating income	210,783	204,880	5,903
Financial income	10,375	11,537	(1,162)
Financial expenses	(46,295)	(49,556)	3,261
Capitalised financial expenses	7,782	6,385	1,397
Profit (loss) of companies accounted for by the equity method	(5,494)	21,440	(26,934)
Net financial income (expense)	(33,632)	(10,194)	(23,438)
Profit before tax	177,151	194,686	(17,535)
Income taxes (current and deferred)	(43,413)	(52,651)	9,238
Profit (loss) for the period	133,738	142,035	(8,297)
• Profit assigned to Non-Controlling Interests	58,368	58,700	(332)
• Profit assigned to the owners of the parent company	75,370	83,335	(7,965)

⁽¹⁾ Amounts net of the fee/additional fee payable to ANAS (EUR 41.5 million in the first half of 2019 and EUR 39.7 million in the first half of 2018).

⁽²⁾ With regard to licensee companies, IFRIC 12 gives full recognition, in the inc. stat., to costs and revenues for "construction activity" concerning non-compensated reversible assets. In order to provide a clearer representation in the table above, these components – amounting to EUR 126.1 million in the first half of 2019 and EUR 98.8 in the first half of 2018 – of which EUR 115.7 million relating to the motorway sector and EUR 10.4 million relating to the construction sector (EUR 68 million referred to the motorway sector and EUR 30.8 million referred to the construction sector, in the half of 2018) – were reversed for the same amount from the corresponding revenue/cost items.

⁽³⁾ Amounts net of cost/revenues reversals were equal to EUR 2.8 million in the first half of 2019 (EUR 3.3 million in the first half of 2018).

⁽⁴⁾ With reference to the data relating to the first half of 2018, note that the concession granted to the subsidiary Società di Progetto Autovia Padana S.p.A. (Autovia Padana) took effect as of 1 March 2018; consequently, its management of the A21 Piacenza-Cremona-Brescia Stretch contributed to the profit/(loss) of the first half of 2018 for four months only.

The overall "turnover" was equal to EUR 986.5 million (EUR 764.2 million in the first half of 2018), with an overall growth of 29.1% compared to the same period in the previous year.

In particular, "Motorway sector revenue" totalled EUR 556 million (EUR 539.2 million in the first half of 2018) and breaks down as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	540,545	523,788	16,757
Rental income and other accessory revenue	15,550	15,448	102
Total motorway sector revenue	556,095	539,236	16,859

The increase in "net toll revenue" - equal to EUR 16.8 million (+3.20%) - is attributable (i) for EUR 9.6 million (+1.83%) to the higher revenues of the licensee Autovia Padana (whose concession took effect on 1 March 2018 and whose motorway revenues, therefore, in the first half of 2018 were limited to the March-June period), (ii) for EUR 5 million (+0.96%) to the growth in traffic volumes and (iii) for EUR 2.2 million to the recognition as from 1 January 2019 of toll adjustments (+0.41%).

The "rental income and other accessory revenues" were substantially in line with the same period of the previous year.

The change in the "construction" sector is mainly due to considerable growth in business volumes, as well as the consolidation of the production of SEA Segnaletica Stradale S.p.A. and Intertrade S.p.A. (the latter merged by incorporation into Itinera S.p.A.), control of which was acquired during the second half of 2018.

The “*technology*” and “*engineering*” sectors, compared to the same period of the previous year, both showed growth in production for third parties.

The increase in “*operating costs*” is substantially due to higher production achieved by the companies operating in the construction, engineering and technology sectors, and, as regards the motorway sector, to higher costs relating to both the licensee Autovia Padana S.p.A.¹ and the other licensee companies (in relation to the latter, the change – for around EUR 7.4 million – is due to an advancement in the first half of the year of the maintenance work programme planned for the entire current year).

With regard to the above, the “*gross operating margin (EBITDA)*” was equal to EUR 362.2 million and shows an **increase of EUR 11 million** that reflects the changes in the Group’s business segments, as follows:

(amounts in millions of EUR)	1H 2019	1HY 2018	Changes
· Motorway Sector	341.5	348.1	(6.6)
· Construction Sector	13.8	4.7	9.1
· Engineering Sector	5.9	0.5	5.4
· Technology Sector	9.2	6.9	2.3
· Services Sector (holding companies) ²	(8.2)	(9.0)	0.8
Total	362.2	351.2	11.0

The “*normalised gross operating margin (EBITDA)*”, which takes into account the effects of the above-mentioned advancement to the first half of the maintenance work programme, was therefore up by EUR 18.4 million, settling at an amount equal to EUR 369.6 million.

“*Net amortisation/depreciation and provisions*” is equal to EUR 151.4 million (EUR 146.3 million in the first half of 2018); the change compared to the first half of the previous year is due to: (i) higher amortisation and depreciation for EUR 20.3 million³, (ii) lower net provisions in the “provision for restoration and replacement” of non-compensated revertible assets for EUR 14.9 million and (iii) lower provisions for risks and charges for EUR 0.3 million.

The item “*financial income*” totalled EUR 10.4 million (EUR 11.5 million in the first half of 2018). The change compared to the corresponding period of the previous year is the result of lower dividends distributed by investees and higher income coming from liquidity investments.

The item “*financial expenses*” – including the expenses for Interest Rate Swap contracts – decreased by EUR 3.3 million due to the process to streamline financial resources and funding sources. The change in “*capitalised financial expenses*” is mainly related to the performance of the investments made.

The item “*profit (loss) of companies accounted for by the equity method*” included the share of profits from jointly controlled entities and associated companies. The change in the half year, compared to the same period in the previous year, is mainly attributable to the lower contribution of certain investee companies operating in the motorway sector (ATIVA S.p.A., SITAF S.p.A., Brazilian licensees) and to losses incurred by Federici Stirling Batco LLC and by the special-purpose vehicle Mill Basin Bridge Constructors LLC in the construction sector.

The amount of “*income taxes*” of the first half of FY 2019 benefited - for an amount equal to EUR 13.6 million - from the positive outcome of an “ACE” tax clearance application in the FYs 2013-2018.

In view of the above, the portion attributable to the Group of the “*profit for the period*” was EUR 75.4 million (EUR 83.3 million in the first half of 2018).

¹ The concession granted to Autovia Padana S.p.A. became effective as of 1 March 2018. Consequently in the first half of 2018 the costs pertaining to the management of the A21 Piacenza-Cremona-Brescia motorway stretch only related to four months (March-June period).

² Amounts include any intragroup eliminations that impact the EBITDA

³ In determining the depreciation and amortisation of non-compensated revertible assets, the “takeover values” in the PEFs approved by the Granting Body in September 2017 and the agreements signed with the body with reference to the A21 stretch, were also considered.

GROUP EQUITY AND FINANCIAL DATA

The main items of the consolidated balance sheet as at 30 June 2019, compared with the corresponding figures as at 31 December 2018, may be summarised as follows:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
Net fixed assets	3,347,807	3,313,179	34,628
Equity investments and other financial assets	1,273,339	1,276,670	(3,330)
Working capital	30,039	30,020	18
Invested capital	4,651,185	4,619,869	31,316
Provision for restoration or replacement of non-compensated revertible assets	(138,764)	(152,013)	13,249
Employee severance indemnity and other provisions	(59,412)	(62,384)	2,972
Invested capital less provisions for medium- and long-term risks and charges	4,453,009	4,405,472	47,537
Shareholders' equity and profit (loss) (including minority interests)	3,127,722	3,076,895	50,827
"Adjusted" net financial indebtedness	1,269,612	1,268,781	831
Other long-term payables – Deferred income of the payable due to Central Insurance Fund	55,675	59,796	(4,121)
Equity and minority interests	4,453,009	4,405,472	47,537

Net financial indebtedness

From 1 January 2019, the "IFRS 16 - Leases" international accounting standard has applied; the standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which calls for the leased asset, including operating assets, to be recognised as an asset but with a balancing entry under financial payables. When transitioning to the new standard, the Group choose to apply the "simplified retrospective method", recognising in equity the cumulative effect of applying the standard at 1 January 2019¹ and, therefore, not amending the comparative data relating to the previous year. The application of this standard resulted in the recognition in Adjusted net financial indebtedness as at 1 January 2019 (under "Other current financial liabilities" and "Other long-term payables") of financial debt increased by around EUR 22.8 million.

The item "adjusted" net financial indebtedness breaks down as follows:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
A) Cash and cash equivalents	1,029,703	1,087,633	(57,930)
B) Securities held for trading	-	-	-
C) Liquidity (A) + (B)	1,029,703	1,087,633	(57,930)
D) Financial receivables	553,249	510,362	42,887
E) Bank short-term borrowings	(140,071)	(100,191)	(39,880)
F) Current portion of medium/long-term borrowings	(324,537)	(338,735)	14,198
G) Other current financial liabilities	(77,337)	(62,761)	(14,576)
H) Short-term borrowings (E) + (F) + (G)	(541,945)	(501,687)	(40,258)
I) Current net cash (C) + (D) + (H)	1,041,007	1,096,308	(55,301)
J) Bank long-term borrowings	(718,353)	(793,691)	75,338
K) Hedging derivatives	(29,475)	(35,730)	6,255
L) Bonds issued	(1,538,306)	(1,537,183)	(1,123)
M) Other long-term payables	(29,004)	(2,607)	(26,397)
N) Long-term borrowings (J) + (K) + (L) + (M)	(2,315,138)	(2,369,211)	54,073
O) Net financial indebtedness^(*) (I) + (N)	(1,274,131)	(1,272,903)	(1,228)
P) Non-current financial receivables	141,470	136,952	4,518
Q) Discounted value of the payable due to ANAS – FCG	(136,951)	(132,830)	(4,121)
R) "Adjusted" net financial indebtedness (O) + (P) + (Q)	(1,269,612)	(1,268,781)	(831)

(*) Pursuant to ESMA Recommendation

¹ In accordance with paragraphs IFRS 16:C7-C13

“Adjusted net financial indebtedness” as at 30 June 2019 showed a balance equal to EUR **1269.6** million, which is substantially in line with the figure as at 31 December 2018, despite the significant investment programme carried out in the period, the payment of the balance of dividends for the year 2018 and the effects related to the accounting of lease contracts pursuant to IFRS 16.

The change in the half year to the “*net financial indebtedness*” (equal to EUR 1.2 million) was due to: (i) the payment of dividends by the Parent Company (EUR 27.6 million), (ii) the payment of dividends by subsidiaries to minority shareholders (EUR 68.4 million), (iii) the execution of enhancement works on the Group’s motorway infrastructure (EUR 115.7 million), (iv) the payment of advances with reference to revertible assets and investments in other works net of contributions received (EUR 45.5 million), (v) the acquisition of treasury shares (EUR 0.7 million), (vi) the acquisition of equity investments, the purchase of minorities and loans (EUR 47.1 million), (vii) the above-mentioned effect relating to the accounting of the lease contracts pursuant to IFRS 16 (EUR 22.8 million) and as the related increases for the period (EUR 14.4 million). These outflows were offset by: (i) “Operating Cash Flow” (EUR 288.3 million), (ii) the sale of equity investments and related loans (EUR 20.6 million) and (iii) the change in net working capital and other minor changes (EUR 25.8 million).

“Net financial indebtedness” as at 30 June 2019 also includes the positive difference accrued during the half year (EUR 6.3 million) for the fair value of IRS agreements (no cash item).

With reference to the “structure” of the item “net financial indebtedness”, the following is noted:

- the change in the item “*cash and cash equivalents*” - in addition to the above-mentioned changes - also refers to: (i) the payment of interest on bond loans for around EUR 25.8 million (corresponding to a reduction in “Other current financial liabilities”), (ii) the payment of instalments due with respect to the “current portion of medium/long-term borrowings” (EUR 242.8 million) and (iii) the subscription of insurance capitalisation policies (EUR 25 million). These outlays were offset by repayments/pay-offs of insurance capitalisation policies (EUR 59.7 million) taken out in prior periods, the granting of new loans net of early repayments (EUR 152.6 million) and by the utilisation of short-term credit lines (EUR 39.9 million);
- the increase in the item “*financial receivables*” (equal to EUR 42.9 million) is due to: (i) the increase in receivables from the interconnection system (EUR 47 million), (ii) income matured on insurance capitalisation policies (EUR 1.7 million), (iii) the subscription of insurance capitalisation policies (EUR 25 million), (iv) the investment of liquidity by the subsidiary IGLI S.p.A. in a Brazilian bank deposit certificate (EUR 9.1 million), (v) dividends approved by the investee company ATIVA S.p.A. (EUR 11.1 million), (vi) temporary investments of liquidity by the companies of the Halmar Group (EUR 17.1 million), partially offset by (i) repayments/redemptions of capitalisation insurance policies taken out in previous years (EUR 59.7 million) and (ii) the collection of previously approved dividends (EUR 8.4 million);
- the change to the item “*bank short-term borrowings*” (equal to EUR 39.9 million) is mainly due to the use, by Autostrada Asti Cuneo S.p.A., SAV S.p.A., Itinera S.p.A. and Halmar International LLC of the available credit lines;
- the change to the item “*current portion of medium/long-term borrowings*” is due to (i) the reimbursement of the instalments falling due in the first half of 2019 and associated interest (EUR -242.8 million), (ii) the reclassification to the item “current portion of short-term borrowings” of the loan granted by M&T Bank to Halmar International LLC following the recovery of compliance with a covenant (EUR -2.5 million), (iii) the reclassification - from the item “bank long-term borrowings” of the instalments due in the following 12 months (EUR +129 million) and (iv) the granting of new loans (EUR +102.1 million);
- the change in “*other current financial liabilities*” was mostly attributable to: (i) the aforementioned payment of interest on bond loans (EUR -25.8 million), (ii) interest accrued in the period (EUR +24 million), (iii) higher payables for the interconnection system (EUR +8 million) and (iv) higher other short-term financial liabilities following the adoption of IFRS 16 and other changes (EUR +8.4 million);

- the change in the “*bank long-term borrowings*” is due to: (i) the reclassification to the item “current portion of medium/long-term borrowings” of the instalments due in the following 12 months (EUR -129 million), (ii) the early reimbursements of some loan agreements (EUR -0.7 million), (iii) the granting of new loans (EUR +51.2 million), (iv) the reclassification of the item “current portion of short-term borrowings” of the loan granted by M&T Bank to Halmar International LLC as a result of the recovery of compliance with a covenant (EUR +2.5 million) and (v) the effects of the amortised cost (EUR +0.7 million);
- “*hedging derivatives*” amount to EUR 29.5 million, due to the recognition of the negative difference concerning the fair value of IRS agreements. As at 30 June 2019, approximately 77% of medium-long term consolidated debt was “*fixed rate/hedged*”;
- the change to the item “*bonds issued*” is attributable to the effects of the so-called amortised cost;
- the change to “*other non-current liabilities*” is attributable to higher non-current liabilities recognised following the adoption of the IFRS 16.

With respect to the “*adjusted net financial indebtedness*”, in addition to the above it is noted that:

- the item “*non-current financial receivables*” includes (i) receivables of EUR 120.7 million at the so-called “takeover value” for the A21 Torino-Piacenza stretch, the concession for which expired on 30 June 2017, (ii) EUR 18.5 million relative to “*investment funds*” subscribed as an investment of liquidity in previous financial years and (iii) EUR 2.3 million that represent – as provided for in IFRIC 12 – the discounted value of the medium/long term portion of cash flows related to the so-called “minimum amount guaranteed by the Granting Body”;
- the change in the “*discounted value of the payable due to ANAS - Central Insurance Fund*” is due to the charges for discounting the payable itself.

The **financial resources available** as at 30 June 2019 are broken down as follows:

(amounts in millions of EUR)

• Cash and financial receivables		1,583
• Investment funds ¹		19
• Loan from Cassa Depositi e Prestiti (in favour of SATAP S.p.A.)		290 ²
• Pool loan (in favour of SIAS S.p.A.)		127 ²
• Takeover Financing Agreement		300 ²
• “Uncommitted” credit lines (in favour of ASTM S.p.A. and its consolidated subsidiaries)		572 ²
• Back up committed facilities (pertaining to ASTM S.p.A.)		30 ²
• Back up committed facilities (pertaining to SIAS S.p.A.)		80 ²
• Committed cash credit lines (Itinera Group)		8 ²
	Subtotal	1,407
	Total financial resources as at 30 June 2019	<u><u>3,009</u></u>

¹ The amount relating to investment funds is included in the adjusted net financial position under the item “non-current financial receivables”.

² For the breakdown of the item refer to the note “Other information – (ii) Financial risk management”

RESULTS OF OPERATIONS - Motorway sector

As at **30 June 2019**, the Group was managing a motorway network of approx. 4,156 km; this network is located in Italy for 1,423 km, while 2,733 km are located abroad.

Motorway Sector – Italy

In Italy, the Group operates in the north-western area of the country.



The extension of the overall **motorway network** managed through subsidiaries, jointly controlled entities and associated companies in Italy was as follows:

Company	% Managed stretch	kilometres in operation	kilometres in construction	kilometres total
SATAP SOCIETÀ AUTOSTRADA TORINO ALESSANDRIA PIACENZA S.p.A.	99.87%	A4 TORINO-MILANO A21 TORINO-PIACENZA ¹	130.3 167.7	- - 130.3 167.7
SALT SOCIETÀ AUTOSTRADA LIGURE TOSCANA P.A.	95.23%	A12 SESTRI LEVANTE-LIVORNO, VIAREGGIO-LUCCA AND FORNOLA-LA SPEZIA ² A15 LA SPEZIA-PARMA	154.9 101.0	- 81.0 154.9 182.0
SAV SOCIETÀ AUTO TRADE VALDOSTANE S.p.A.	65.08%	A5 QUINCINETTO-AOSTA	59.5	- 59.5
ADF AUTOSTRADA DEI FIORI S.p.A.	73.00%	A10 SAVONA-VENTIMIGLIA A6 TORINO-SAVONA	113.2 130.9	- - 113.2 130.9
AT-CN SOCIETÀ AUTO STRADA ASTI-CUNEO S.p.A.	65.00%	A33 ASTI-CUNEO	55.0	23.0 78.0
AUTOVIA PADANA Società di Progetto Autovia Padana S.p.A.	50.90%	A21 Piacenza-Cremona-Brescia	100.1	11.5 111.6
TOTAL AMOUNT MANAGED BY SUBSIDIARIES (A)		1,012.6	115.5	1,128.1
ATIVA AUTOSTRADA TORINO-IVREA-VALLE D'AOSTA S.p.A. ³	41.17%	A55 TANGENZIALE DI TORINO (TURIN BYPASS), TORINO-QUINCINETTO, IVREA-SANTHIA AND TORINO-PINEROLE ⁴	155.8	- 155.8
SITAF SOCIETÀ ITALIANA TRAFORO AUTOSTRADALE DEL FREJUS S.p.A.	36.60%	A32 TORINO-BARDONECCHIA, T4 FREJUS TUNNEL	94.0	- 94.0
SITRASB SOCIETÀ ITALIANA TRAFORO DEL GRAN SAN BERNARDO S.p.A.	36.50%	T2 TRAFORO GRAN SAN BERNARDO (GREAT ST BERNARD TUNNEL)	12.8	- 12.8
TE TANGENZIALE ESTERNA S.p.A. ⁵	24.45%	A58 TANGENZIALE EST ESTERNA DI MILANO (MILAN OUTER RING ROAD)	32.0	- 32.0
TOTAL AMOUNT MANAGED BY JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES (B)		294.6	-	294.6
TOTAL (A+B)		1,307.2	115.5	1,422.7

¹ Concession expired 30 June 2017.

² Concession expired 31 July 2019.

³ Companies jointly controlled with another entity, by virtue of a specific agreement.

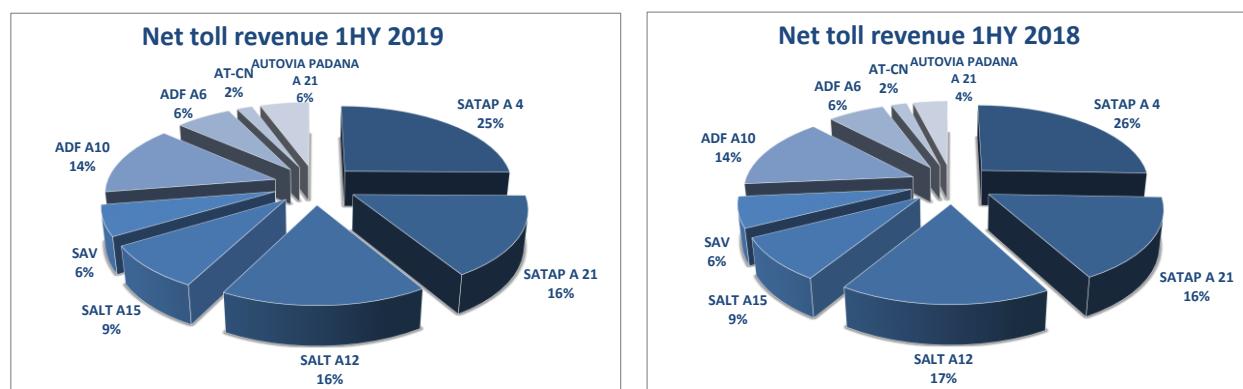
⁴ Concession expired 31 August 2016.

⁵ Investee company of TEM S.p.A. (47.7% of the share capital), in which the Group holds 49.99% of the share capital.

The **net toll revenue** figure of the individual subsidiary licensees for the first half of 2019 - compared with the same period of the previous year - is shown below:

	amounts in thousands of EUR	1HY 2019	1HY 2018	Changes
SATAP S.p.A.	A4 Torino-Milano Stretch	135,978	133,800	2,178
SATAP S.p.A.	A21 Torino-Piacenza Stretch	87,174	86,561	613
SALT p.A.	A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia Stretch	88,287	87,801	486
SALT p.A.	A15 La Spezia-Parma Stretch	47,320	45,312	2,008
SAV S.p.A.	A5 Quincinetto-Aosta Stretch	32,952	31,999	953
ADF S.p.A.	A10 Savona-Ventimiglia Stretch	75,388	75,083	304
ADF S.p.A.	A6 Torino-Savona Stretch	33,873	33,524	349
AT-CN S.p.A.	A33 Asti-Cuneo Stretch	9,526	9,260	266
AUTOVIA PADANA S.p.A.	A21 Piacenza-Cremona-Brescia Stretch (*)	30,047	20,448	9,599
TOTAL		540,545	523,788	16,757

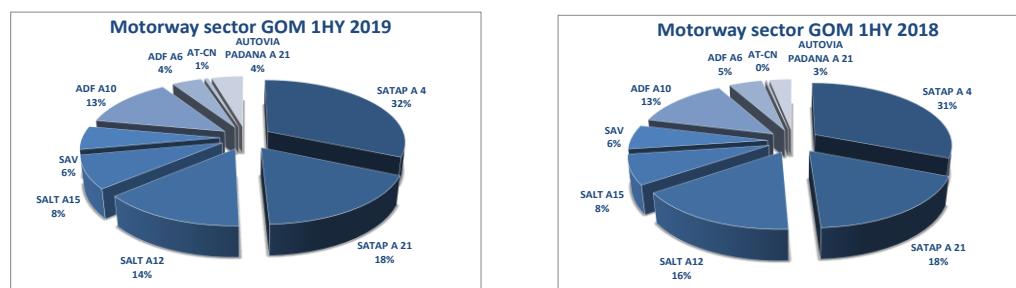
(*) The concession granted to the subsidiary Autovia Padana took effect as at 1 March 2018; as a result, the comparative data relating to the first half of 2018 include the revenues as of 1 March 2018.



The **gross operating margin** figure of the individual subsidiary concession holders for the first half of 2019 – compared with the same period of the previous year – is shown below:

	amounts in thousands of EUR	1HY 2019	1HY 2018	Changes
SATAP S.p.A.	A4 Torino-Milano Stretch	108,189	108,467	(278)
SATAP S.p.A.	A21 Torino-Piacenza Stretch	60,693	63,055	(2,362)
SALT p.A.	A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia Stretch	48,301	55,452	(7,151)
SALT p.A.	A15 La Spezia-Parma Stretch	28,702	26,304	2,398
SAV S.p.A.	A5 Quincinetto-Aosta Stretch	20,475	21,545	(1,070)
ADF S.p.A.	A10 Savona-Ventimiglia Stretch	44,412	45,629	(1,217)
ADF S.p.A.	A6 Torino-Savona Stretch	14,083	16,082	(1,999)
AT-CN S.p.A.	A33 Asti-Cuneo Stretch	1,888	1,009	879
AUTOVIA PADANA S.p.A.	A21 Piacenza-Cremona-Brescia Stretch (1)	14,786	10,539	4,247
TOTAL		341,529	348,082	(6,553)

(1) The gross operating margin of Società di Progetto Autovia Padana S.p.A. in the first half of 2018 benefited from the margins from the management of the motorway for the March-June period only, as the concession of the A21 Piacenza-Cremona-Brescia stretch took effect as of 1 March 2018.



Motorway Sector - Italy – Subsidiaries

SATAP – Società Autostrada Torino-Alessandria-Piacenza S.p.A.

The main *revenue and expenditure items* of the Company may be summarised as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue ¹	223,152	220,361	2,791
Other motorway sector revenues ²	7,427	7,428	(1)
Other revenue ³	6,026	6,265	(239)
Turnover (A)	236,605	234,054	2,551
Operating costs ^{1,2,3} (B)	(67,723)	(62,532)	(5,191)
Gross operating margin (A-B)	168,882	171,522	(2,640)

¹ Amounts net of the fee/additional fee payable to ANAS (EUR 17.8 million in the first half of 2019 and EUR 17.5 million in the first half of 2018)

² Amounts net of revenues and capitalised costs for construction activities of non-compensated revertible assets (EUR 6.1 million in the first half of 2019 and EUR 6 million in the first half of 2018, respectively).

³ Amounts net of the revenues and costs from reversals by consortium companies (EUR 2.8 million in the first half of 2019 and EUR 2.8 million in the first half of 2018 respectively).

In order to enable the analysis of the revenue and expenditure items related to the two managed stretches, the item “gross operating margin” for the “Torino – Piacenza” (A21) and “Torino – Milano” (A4) stretches may be broken down as follows.

Torino – Piacenza (A21 stretch)

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	87,174	86,561	613
Other motorway sector revenues	3,667	3,697	(30)
Other revenue	3,060	3,426	(366)
Turnover (A)	93,901	93,684	217
Operating costs (B)	(33,208)	(30,629)	(2,579)
Gross operating margin (A-B)	60,693	63,055	(2,362)

The increase in “net toll revenue” – equal to EUR 0.6 million (+0.71%) – was driven entirely by higher traffic volumes and by the traffic mix, as toll rates were not raised over the period.

The increase of EUR 2.6 million recorded in the “operating costs” is due to: (i) higher costs for “maintenance and other costs for revertible assets” (EUR +2.7 million) and (ii) lower “other operating costs” (EUR -0.1 million).

The “gross operating margin” (EBITDA) totalled EUR 60.7 million (EUR 63 million in the first half of 2018).

Torino – Milano (A4 stretch)

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	135,978	133,800	2,178
Other motorway sector revenues	3,760	3,731	29
Other revenue	2,966	2,839	127
Turnover (A)	142,704	140,370	2,334
Operating costs (B)	(34,515)	(31,903)	(2,612)
Gross operating margin (A-B)	108,189	108,467	(278)

The increase in “*net toll revenue*” – equal to around EUR 2.2 million (+1.63%) – was driven entirely by higher traffic volumes and by the traffic mix, as toll rates were not raised over the period.

The increase of EUR 2.6 million in “*operating costs*” is due to both higher costs for “maintenance and other costs for revertible assets” (EUR +2 million) - attributable to different maintenance programming - and to higher “other operating costs” (EUR +0.6 million).

The “*gross operating margin*” (EBITDA) totalled EUR 108.2 million (EUR 108.5 million in the first half of 2018).

As regards the *financial position*, a summary of its components is provided below:

<i>(amounts in thousands of EUR)</i>	30/06/2019	31/12/2018	Changes
A) Liquidity	620,764	604,365	16,399
B) Financial receivables	304,485	287,986	16,499
C) Short-term borrowings	(180,952)	(187,587)	6,635
D) Current net cash (A) + (B) + (C)	744,297	704,764	39,533
E) Long-term borrowings	(1,190,970)	(1,277,294)	86,324
F) Net financial indebtedness (D) + (E)	(446,673)	(572,530)	125,857
G) Non-current financial receivables - takeover	120,682	117,509	3,173
H) “Adjusted” net financial indebtedness (F) + (G) + (H)	(325,991)	(455,021)	129,030

In the half year in question, the company continued its investment programme in motorway assets (EUR 6.1 million), and paid the dividend for the year 2018 (EUR 57.8 million).

SALT - Società Autostrada Ligure Toscana p.A.

The main revenue and expenditure items of the Company may be summarised as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue ¹	135,607	133,113	2,494
Other motorway sector revenues ²	5,718	5,700	18
Other revenue	4,141	3,393	748
Turnover (A)	145,466	142,206	3,260
Operating costs ^{1,2} (B)	(68,463)	(60,450)	(8,013)
Gross operating margin (A-B)	77,003	81,756	(4,753)

¹ Amounts net of the fee/additional fee payable to ANAS (EUR 9.6 million in the first half of 2019 and EUR 9.5 million in the first half of 2018).

² Amounts net of revenues and capitalised costs for construction activities of non-compensated revertible assets (EUR 53.7 million in the first half of 2019 and EUR 35.6 million in the first half of 2018)

In order to enable the analysis of the revenue and expenditure items related to the two managed stretches, the item “gross operating margin” for the Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia” stretch (A12 Stretch) and “La Spezia-Parma” stretch (A15 Stretch) is shown below.

Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia (A12 Stretch)

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	88,287	87,801	486
Other motorway sector revenues	3,415	3,419	(4)
Other revenue	1,786	1,309	477
Turnover (A)	93,488	92,529	959
Operating costs (B)	(45,187)	(37,077)	(8,110)
Gross operating margin (A-B)	48,301	55,452	(7,151)

The increase in “net toll revenue” – equal to EUR 0.5 million (+0.55%) – was driven entirely by higher traffic volumes and by the traffic mix, as toll rates were not raised over the period.

The change to the item “other revenue” is mainly due to higher claims for damages.

The increase in “operating costs” (equal to EUR 8.1 million) is due both to higher payroll costs and other operating costs (EUR 2 million) and higher maintenance and other costs relating to non-compensated revertible assets (EUR +6.1 million). The latter change is partially attributable the advancement, to the first half, of the maintenance programme planned for the entire period under way.

The “gross operating margin” (EBITDA) totalled EUR 48.3 million (EUR 55.5 million in the first half of 2018).

La Spezia-Parma (A15 Stretch).

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	47,320	45,312	2,008
Other motorway sector revenues	2,303	2,281	22
Other revenue	2,355	2,084	271
Turnover (A)	51,978	49,677	2,301
Operating costs (B)	(23,276)	(23,373)	97
Gross operating margin (A-B)	28,702	26,304	2,398

The increase in “net toll revenue” equal to EUR 2 million (+4.43%) was due to (i) the increase in toll rates (+1.93%) and (ii) the increase in traffic volumes/mix (+2.50%).

In the presence of “operating costs” substantially in line with the previous year, the “gross operating margin” increased by EUR 2.4 million, totalling EUR 28.7 million (EUR 26.3 million in the first half of 2018).

* * *

As regards the *financial position*, a summary of its components is provided below:

<i>(amounts in thousands of EUR)</i>	30/06/2019	31/12/2018	Changes
A) Liquidity	172,524	176,435	(3,911)
B) Financial receivables	255,484	266,188	(10,704)
C) Short-term borrowings	(29,346)	(13,206)	(16,140)
D) Current net cash (A) + (B) + (C)	398,662	429,417	(30,755)
E) Long-term borrowings	(600,112)	(598,930)	(1,182)
F) Net financial indebtedness (D) + (E)	(201,450)	(169,513)	(31,937)
G) Non-current financial receivables	5,108	4,826	282
H) Discounted value of the payable due to ANAS – Central Insurance Fund	(52,672)	(51,093)	(1,579)
I) "Adjusted" net financial indebtedness (F) + (G) + (H)	(249,014)	(215,780)	(33,234)

It is noted that the said financial situation does not include the “mezzanine” loan granted to the subsidiary Autostrada Asti-Cuneo S.p.A. for an amount equal to EUR 60 million (fixed-rate loan granted at market conditions, having taken into account the duration and the “subordinated” repayment conditions).

In the half year in question the company continued its investment programme in motorway assets (EUR 53.7 million) and paid the dividend for the year 2018 (EUR 56.6 million).

SAV – Società Autostrade Valdostane S.p.A.

The main *revenue and expenditure items* of the Company may be summarised as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue ¹	32,952	31,999	953
Other motorway sector revenues ²	419	382	37
Other revenue	3,231	3,461	(230)
Turnover (A)	36,602	35,842	760
Operating costs ^{1,2} (B)	(16,127)	(14,297)	(1,830)
Gross operating margin (A-B)	20,475	21,545	(1,070)

1 Amounts net of the fee/additional fee payable to ANAS (EUR 1.3 million in the first half of 2019 and EUR 1.3 million in the first half of 2018).

2 Amounts net of revenues and capitalised costs for construction activities of non-compensated revertible assets (EUR 3.8 million in the first half of 2019 and EUR 2.6 million in the first half of 2018).

The increase in “*net toll revenue*” – equal to around EUR 1 million (+2.98%) – was driven entirely by higher traffic volumes and by the traffic mix, as toll rates were not raised over the period.

The increase in “*operating costs*” (equal to EUR 1.8 million) is due to both higher costs for “maintenance and other costs for revertible assets” (EUR +1.4 million) – attributable the advancement, to the first half, of the maintenance programme planned for the entire period under way – and to higher “other operating costs” (EUR +0.4 million).

The “*gross operating margin*” (EBITDA) totalled EUR 20.5 million (EUR 21.5 million in the first half of 2018).

* * *

As regards the *financial position*, a summary of its components is provided below:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
A) Liquidity	2,132	5,328	(3,196)
B) Financial receivables	16,674	15,157	1,517
C) Short-term borrowings	(13,522)	(12,211)	(1,311)
D) Current net cash (A) + (B) + (C)	5,284	8,274	(2,990)
E) Long-term borrowings	(43,423)	(46,628)	3,205
F) Net financial indebtedness (D) + (E)	(38,139)	(38,354)	215
G) Discounted value of the payable due to ANAS – Central Insurance Fund	(84,279)	(81,737)	(2,542)
H) “Adjusted” net financial indebtedness (F) + (G)	(122,418)	(120,091)	(2,327)

In the half year the company continued its investment programme in motorway assets (EUR 3.8 million) and paid the dividend for the year 2018 (EUR 13.9 million).

ADF - Autostrada dei Fiori S.p.A.

The main revenue and expenditure items of the Company may be summarised as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue ¹	109,261	108,607	654
Other motorway sector revenues ²	3,145	3,197	(52)
Other revenue	3,685	3,505	180
Turnover (A)	116,091	115,309	782
Operating costs ^{1,2} (B)	(57,596)	(53,598)	(3,998)
Gross operating margin (A-B)	58,495	61,711	(3,216)

¹ Amounts net of the fee/additional fee payable to ANAS (EUR 7.8 million in the first half of 2019 and EUR 7.8 million in the first half of 2018).

² Amounts net of revenues and capitalised costs for construction activities of non-compensated revertible assets (EUR 39.5 million in the first half of 2018 and EUR 9.5 million in the first half of 2018).

In order to enable the analysis of the revenue and expenditure items related to the two managed stretches, the item “gross operating margin” for the “Savona-Ventimiglia” (A10) and “Torino-Savona” (A6) stretches may be broken down as follows.

Savona-Ventimiglia (A10 Stretch)

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	75,388	75,083	305
Other motorway sector revenues	2,683	2,698	(15)
Other revenue	1,785	1,502	283
Turnover (A)	79,856	79,283	573
Operating costs (B)	(35,444)	(33,654)	(1,790)
Gross operating margin (A-B)	44,412	45,629	(1,217)

The increase in “net toll revenue” equal to EUR 0.3 million (+0.41%) was due to the increase in both toll rates (+0.71%) and the drop in traffic volumes/mix (-0.30%).

The increase in “operating costs” (EUR +1.8 million) is due to both higher costs for “maintenance and other costs for revertible assets” (EUR +1.3 million) – attributable the advancement, to the first half, of the maintenance programme planned for the entire period under way – and to higher “other operating costs” (EUR +0.5 million).

The “gross operating margin” (EBITDA) totalled EUR 44.4 million (EUR 45.6 million in the first half of 2018).

Torino-Savona (A6 Stretch)

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue	33,873	33,524	349
Other motorway sector revenues	462	499	(37)
Other revenue	1,900	2,003	(103)
Turnover (A)	36,235	36,026	209
Operating costs (B)	(22,152)	(19,944)	(2,208)
Gross operating margin (A-B)	14,083	16,082	(1,999)

The increase in “*net toll revenue*” equal to EUR 0.3 million (+1.04%) was due to the increase in both toll rates (+2.19%) and the drop in traffic volumes/mix (-1.15%).

The increase of EUR 2.2 million in “*operating costs*” is due to the increase in “maintenance and other costs related to non-compensated revertible assets” (EUR +1.1 million), payroll costs (EUR +0.4 million), and other operating expenses (EUR +0.7 million).

With regard to the above, the “*gross operating margin*” totalled EUR 14.1 million (EUR 16.1 million in the first half of 2018).

* * *

As regards the *financial position*, a summary of its components is provided below:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
A) Liquidity	39,225	84,613	(45,388)
B) Financial receivables	115,476	105,822	9,654
C) Short-term borrowings	(20,392)	(22,525)	2,133
D) Current net cash (A) + (B) + (C)	134,309	167,910	(33,601)
E) Long-term borrowings	(189,761)	(189,462)	(299)
F) Net financial indebtedness (D) + (E)	(55,452)	(21,552)	(33,900)

In the half year the company continued its investment programme in motorway assets (EUR +39.5 million) and paid the dividend for the year 2018 (EUR 45.6 million).

AT-CN - Autostrada Asti-Cuneo S.p.A.

The main revenue and expenditure items of the Company may be summarised as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue ⁽¹⁾	9,526	9,260	266
Other motorway sector revenues ⁽²⁾	26	20	6
Other revenue	564	541	23
Turnover (A)	10,116	9,821	295
Operating costs ⁽¹⁾⁽²⁾ (B)	(8,228)	(8,812)	584
Gross operating margin (A-B)	1,888	1,009	879

1 Amounts net of the fee/additional fee payable to ANAS (EUR 0.6 million in the first half of 2019 and EUR 0.6 million in the first half of 2018).

2 Amounts net of revenues and capitalised costs for construction activities of non-compensated revertible assets (EUR 4.2 million in the first half of 2019 and EUR 0.9 million in the first half of 2018).

The increase in "*net toll revenue*" – equal to EUR 0.3 million (+2.87%) – was driven entirely by higher traffic volumes and by the traffic mix, as toll rates were not raised over the period.

In the presence of contained "*operating costs*", the "*gross operating margin*" increased by EUR 0.9 million, totalling EUR 1.9 million (equal to EUR 1 million in the first half of 2018).

* * *

As regards the *financial position*, a summary of its components is provided below:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
A) Liquidity	1,210	957	253
B) Financial receivables	5,093	6,742	(1,649)
C) Short-term borrowings	(138,794)	(182,049)	43,255
D) Current net cash (A) + (B) + (C)	(132,491)	(174,350)	41,859
E) Long-term borrowings	(99,961)	(50,000)	(49,961)
F) Net financial indebtedness (D) + (E)	(232,452)	(224,350)	(8,102)

It is noted that the said financial situation does not include an amount of EUR 60 million concerning the partial use of the "mezzanine" loan (subordinated Shareholders' loan equal to EUR 95 million) granted to the Company by SALT p.A.

In the first half of 2019, the company continued its investment programme in motorway assets (EUR 4.2 million).

Società di Progetto Autovia Padana S.p.A.

The data relating to the first half of 2018 reflect the validity - as of 1 March 2018 - of the concession of the A21 Piacenza-Cremona-Brescia stretch; consequently, the data from the first half of 2019 are not directly comparable with those of the first half of 2018.

The main revenue and expenditure items of the Company may be summarised as follows:

(amounts in thousands of EUR)	1HY 2019	1HY 2018	Changes
Net toll revenue ¹	30,047	20,448	9,599
Other motorway sector revenues ²	374	311	63
Other revenue	3,069	514	2,555
Turnover (A)	33,490	21,273	12,217
Operating costs ^{1,2} (B)	(18,704)	(10,734)	(7,970)
Gross operating margin (A-B)	14,786	10,539	4,247

1 Amounts net of the fee/additional fee payable to ANAS (EUR 4.5 million in the first half of 2019 and EUR 3 million in the first half of 2018).

2 Amounts net of revenues and capitalised costs for construction activities of non-compensated revertible assets (EUR 8.4 million in the first half of 2019 and EUR 13.4 million in the first half of 2018).

The “net toll revenue” was equal to EUR 30 million (EUR 20.4 million in the first half of 2018 relating to the period as of 1 March 2018).

“Operating costs” related mainly to payroll costs (EUR 8.5 million), “maintenance and other costs related to non-compensated revertible assets” (EUR 5.7 million) and other operating costs (EUR 4.5 million).

With regard to the above, the “gross operating margin” totalled EUR 14.8 million (equal to EUR 10.5 million in the first half of 2018).

As regards the *financial position*, a summary of its components is provided below:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
A) Liquidity	5,590	8,453	(2,863)
B) Financial receivables	19,809	17,333	2,476
C) Short-term borrowings	(11,279)	(11,288)	9
D) Current net cash (A) + (B) + (C)	14,120	14,498	(378)
E) Long-term borrowings	(141,745)	(141,423)	(322)
F) Net financial indebtedness (D) + (E)	(127,625)	(126,925)	(700)

In the half year the company continued its investment programme in motorway assets (EUR 8.4 million) and paid a dividend for the year 2018 for an amount equal to EUR 4.9 million.

Motorway Sector – Jointly controlled entities and associated companies

ATIVA – Autostrada Torino – Ivrea – Valle d’Aosta S.p.A.

During the first half of 2019, the Company recorded “net toll revenue” amounting to EUR 63.6 million, up by approximately EUR 0.1 million (+0.15%) compared to the same period in the previous financial year. The change is exclusively attributable to the increase in traffic volumes/mix, as toll rates were not raised over the period. The “gross operating margin” totalled EUR 38.9 million (EUR 37.1 million in the first half of 2018).

The profit/(loss) for the half year, net of amortisation and depreciation/provisions and taxes, amounted to EUR 3.8 million (EUR 28.5 million in the first half of 2018).

TANGENZIALE ESTERNA S.p.A.

The accounting records as at 30 June 2019 revealed a loss of EUR 10.1 million (EUR 13.8 million at 30 June 2018). This amount - though improved compared to the same period of the previous year - is still affected by the start-up phase of the infrastructure and by the non-completion of the adjustments of the ordinary road network necessary to allow access the infrastructure. Traffic volumes and, consequently, revenues – though in constant growth – are not yet sufficient to offset the financial expenses and the amortisation and depreciation of the non-compensated revertible assets.

SITAF – Società Italiana per il Traforo Autostradale del Frejus S.p.A.

During the first half of 2019, the Company recorded “net toll revenue” amounting to EUR 72.4 million, up by approximately EUR 0.6 million (+0.89%) compared to the same period in the previous financial year. This change is due to (i) the combined effect of the change in traffic on the T4 Tunnel (heavy traffic -4.12% and light traffic -4.99%) and the toll increase of +2.73% as from 1 January 2019, and (ii) the combined effect of the change in traffic on the A32 motorway (heavy traffic -3.58% and light traffic -0.74%) and the toll increase of +6.71% as from 1 January 2019.

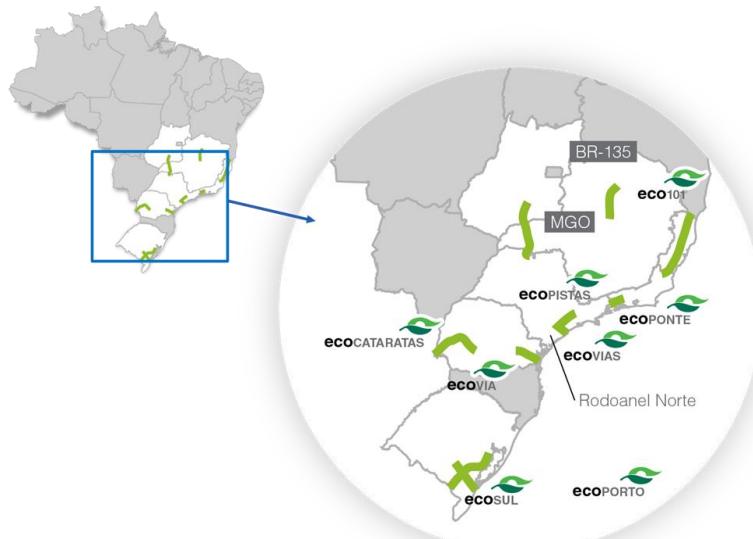
The “gross operating margin” totalled EUR 44.5 million (EUR 48.2 million in the first half of 2018). The figure from the first half of 2018 benefited - among other things - from higher amounts paid to the company pursuant to the concession granted to Terna S.p.A. and Piemonte Savoia S.r.l. for the construction of a HVDC interconnection between Italy and France.

The profit/(loss) for the half year, net of amortisation and depreciation, financial expenses and taxes, amounted to EUR 15 million (EUR 18.9 million in the first half of 2018).

Motorway Sector – Outside Italy

Brazil

The Group operates in one of the wealthiest areas of Brazil through the jointly controlled company Primav Infraestrutura S.A.¹, a Brazilian company that controls the listed sub-holding company EcoRodovias Infraestrutura e Logística S.A. (“Ecorodovias”).



The extension of the **motorway network** as at 30 June 2019, managed in Brazil through the subsidiaries EcoRodovias Infraestrutura e Logística S.A. (“Ecorodovias”) was as follows:

Company	% Managed stretch	km
Concessionária Ecovia CaMinho Do Mar S.A.	100%	Curitiba metropolitan area – Port of Paranagua
Rodovia das Cataratas S.A. – Ecocataratas	100%	Paraná – “triple border” (Brazil, Argentina and Paraguay)
Concessionária Ecovias dos Imigrantes S.A.	100%	Metropolitan São Paulo – Port of Santos
Concessionária das Rodovias Ayrton Senna e Carvalho Pinto S.A. - Ecopistas	100%	Metropolitan São Paulo – Vale do Rio Paraíba industrial area
Concessionária Ponte Rio-Niterói S.A. – Ecoponte	100%	Rio de Janeiro Niterói – State of Rio de Janeiro
Empresa Concessionaria de Rodovias do Sul S.A. – Ecosul	100%	Pelotas – Porto Alegre and Rio Grande Port
Eco 101 Concessionaria de Rodovias S.A.	100%	Macuri/BA Rio de Janeiro border
Concessionária do Rodoanel Norte S.A. – Ecorodoanel (*)	100%	Sao Paulo Northern Ring Road
Concessionaria de Rodovias Minas Gerais Golas S.A. (MGO) (**)	100%	Cristalina (Goiás) - Delta (Minas Gerais)
Eco135 Concessionária de Rodovias S.A.(***)	100%	Montes Claros (Minas Gerais)
Total amount managed by subsidiaries		2,649.3

(*) Company not yet operational as it is awaiting the signing of the concession agreement. On 6 June 2019, the Granting Body announced the suspension of the bidding procedure until 31 December 2019.

(**) On 30 May 2019 the transfer of the “Eco 050 (MGO)” concession to the Ecorodovias Group was completed; the figures of said licensee were therefore consolidated as of 1 June 2019.

(***) On 1 April 2019, the Licensee “Eco135” officially opened all six toll stations.

¹ Primav Infraestrutura S.A. is an investee company via the jointly held subsidiary IGLI S.p.A. - consolidated with the “equity method” as a company subject to joint control and, therefore, not subject to reporting in these financial statements. Nevertheless, given the importance of the investment, below is some information on income performance, as well as data related to traffic and revenue in the first half of 2019, compared with the corresponding figure of the first half of 2018.

On 1 April 2019, the Licensee “Eco135” officially opened all six toll stations.

On 30 May 2019 the transfer of the “Eco 050 (MGO)” concession to the Ecorodovias Group was completed; the figures of the licensee were therefore consolidated as of 1 June 2019.

As regards the financial performance of the Ecorodovias Infraestrutura e Logistica Group, in the first half of 2019 the Company recorded:

- traffic volume growth of 8.9%¹
- 6.9% growth in revenue from motorway management totalling 1,391.9 million Reais (EUR 319.9 million²);
- a pro-forma EBITDA equal to 922.6 million Reais (EUR 212 million²), up by 2.6%;
- a net profit equal to 142.7 million Reais (EUR 32.8 million²), down by around 37% mainly following higher amortisation and depreciation/provisions and financial expenses, which increased as a result of the significant plan for investments in infrastructure.

Traffic volumes for each Brazilian licensee in the first half of 2019, as compared to the corresponding period of 2018, are detailed below:

(thousands of equivalent paying vehicles)	1/1-30/6/2019			1/1-30/6/2018			Changes		
Company	Light	Heavy	Total	Light	Heavy	Total	Light	Heavy	Total
Ecovia Caminho Do Mar	2,367	5,538	7,905	2,325	6,593	8,918	1.8%	-16.0%	-11.4%
Ecocataratas	5,213	7,989	13,202	5,134	8,194	13,328	1.5%	-2.5%	-0.9%
Ecovias dos Imigrantes S.A.	17,751	12,267	30,017	17,394	13,614	31,008	2.1%	-9.9%	-3.2%
Ecopistas	30,337	12,777	43,114	28,211	12,321	40,533	7.5%	3.7%	6.4%
Ecoponte	12,368	2,082	14,450	12,311	2,056	14,367	0.5%	1.3%	0.6%
Ecosul	3,508	9,256	12,763	3,411	9,540	12,951	2.8%	-3.0%	-1.4%
Eco 101	8,058	15,515	23,573	7,710	14,828	22,537	4.5%	4.6%	4.6%
Eco135 ¹	1,544	6,379	7,923	-	-	-	n/a	n/a	n/a
Eco050 (MGO) ²	1,035	2,431	3,467	-	-	-	n/a	n/a	n/a
Total	82,181	74,234	156,415	76,496	67,146	143,642	7.4%	10.6%	8.9%
Adjusted total ³	74,247	60,176	134,423	72,494	62,174	134,668	2.4%	-3.2%	-0.2%

⁽¹⁾ 1 April – 30 June

⁽²⁾ 1 June – 30 June

⁽³⁾ Percentage calculated with the exception of (i) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively, and (ii) the effects of “suspended axles”, including - for the first half of 2018 - the effects of the truck drivers’ strikes that affected the period between 21 May and 3 June 2018.

In the first half of 2019 the traffic showed a 8.9% increase compared to the same period of the previous year; if the effects relating to the exemptions for “suspended axles” with reference to the licensees Ecovia Caminho do Mar and Ecocataratas (as of 29 May 2018) and Ecovias dos Imigrantes and Ecopistas (as of 31 May 2018) are excluded, as well as the traffic of Eco135 and Eco050 (MGO), subject to tolls since 1 April 2019 and 1 June 2019 respectively, the traffic decreased by 0.2% in the first half of 2019 compared to the same period in the previous year.

With reference to heavy vehicles, the traffic increased by 10.6% compared to the same period of the previous year; if the above-mentioned effects are excluded, the traffic decreased by 3.2%. In particular, the licensees Ecovias dos Imigrantes and Ecovia Caminho do Mar recorded a decrease in the traffic due to the drop in shipments of soy and corn. Ecopistas recorded a growth in traffic mainly following the partial block in access to the competitor’s motorway. Lastly, the traffic of Eco101 was affected by the increased industrial production in the region.

¹ -0.2% on a like-for-like basis - with the exception of (i) the traffic of the licensees Eco135 and Eco050 (MGO), subject to tolls since 1 April and 1 June 2019 respectively, and (ii) the effects of “suspended axles”, including - for the first half of 2018 - the effects of the truck drivers’ strikes that affected the period between 21 May and 3 June 2018.

² Based on the Euro/Reais exchange rate of 4.3511 as at 28 June 2019.

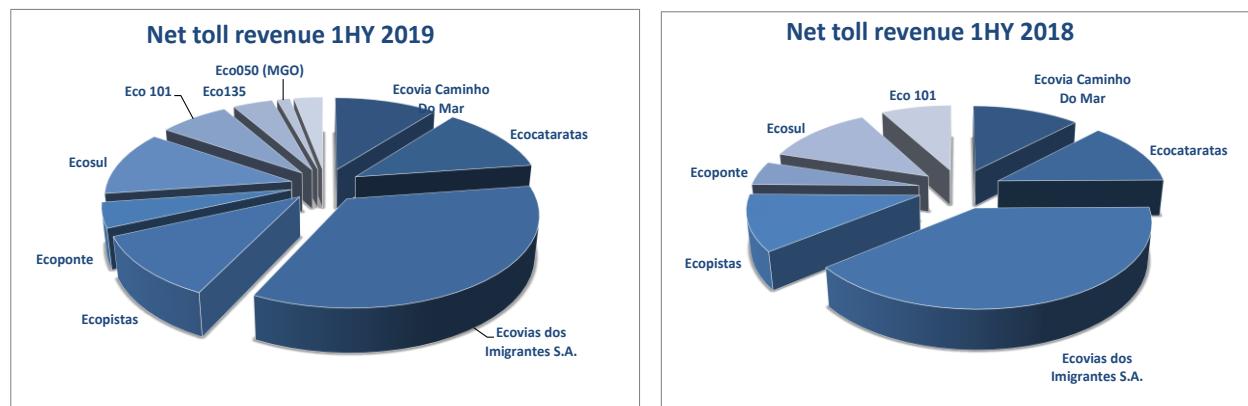
With reference to light vehicles, the traffic increased by 7.4% compared to the same period in the previous year; excluding the effects relating to the truck drivers' strike* and to the traffic of the licensees Eco135 and ECO050 (MGO), the traffic increased by 2.4%.

* In the first half of 2018, the truck drivers' strike took place during the feast of Corpus Christi.

The *motorway sector revenue* relating to the first half of 2019 - compared with the corresponding values of 2018 - broken down by licensee is as follows:

(amounts in millions of Reais)	Toll revenues		
	1HY 2019	1HY 2018	changes
Ecovia Caminho Do Mar	147.1	152.7	-3.7%
Ecocataratas	169.6	159.1	6.6%
Ecovias dos Imigrantes S.A.	479.2	495.0	-3.2%
Ecopistas	155.1	138.5	12.0%
Ecoponte	62.1	59.3	4.7%
Ecosul	162.8	152.3	6.9%
Eco 101	99.2	99.8	-0.6%
Eco 135	57.0	-	n/a
Eco 050 (MGO)	18.4	-	n/a
Other motorway sector revenue	41.3	44.8	-7.7%
TOTAL	1,391.9	1,301.5	6.9%
Total in EUR (*)	319.9	299.1	6.9%

* Based on the Euro/Reais exchange rate of 4.3511 as at 28 June 2019



Motorway Sector – Outside Italy

Great Britain

Through the investee company Road Link Holdings Ltd (20% of the share capital), the Group holds a stake in Road Link (A69) Ltd., which manages the 84 km-long Newcastle-Carlisle motorway stretch in the United Kingdom.

The concession is due to expire in 2026.

During the half year, it contributed EUR 0.6 million to the Group's profit.



RESULTS OF OPERATIONS – Construction Sector

The Group operates in the construction sector through Itinera S.p.A. and its respective subsidiaries.

The main companies operating in the construction sector are as follows:

- Itinera S.p.A. (investee company with 100% of the share capital);
- SEA Segnaletica Stradale S.p.A. (investee with 100% of the share capital held);
- Argo Costruzioni Infrastrutture S.c.p.A. (investee with 100% of the share capital held);
- Itinera USA Corp (investee with 100% of the share capital held);
- Halmar International LLC (investee with 50% of the share capital held) and its subsidiaries.

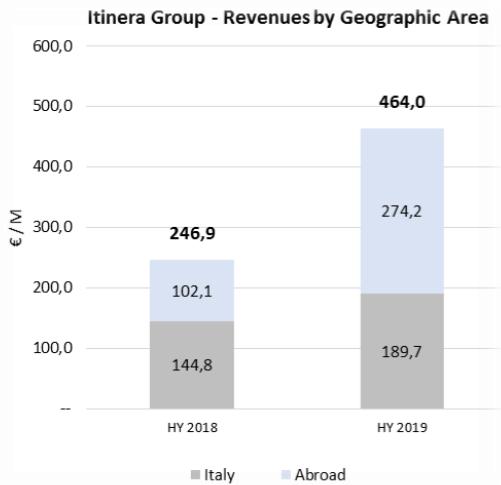
Itinera Group

The companies in the Itinera Group operate in the construction sector and their main activities are the construction and maintenance of road, motorway and railway infrastructures, building works, maritime works, as well as works for the construction of tunnels and underground railways.

Thanks to the internalisation process started in recent years, the Itinera Group is now a world player in the construction of major infrastructure works. The foreign business development plan continued in terms of participation in tenders, the establishment of new initiatives and direct investments in companies already active in the construction sector.

The Group's main operating areas, besides Italy, cover central and northern Europe (Denmark, Romania, Austria and Sweden), the USA, Brazil, Gulf nations (UAE, Kuwait, Oman and Saudi Arabia), and Southern Africa (Kenya and Botswana).

In the first half of 2019, the Itinera Group posted a “**value of production**” of EUR 464 million (EUR 247 million in the first half of 2018); foreign production amounted to EUR 274.2 million, while EUR 189.7 million was produced in Italy.



The change in the value of production compared to the previous year is due to considerable growth in business volumes. In particular, the volumes in foreign markets increased significantly in line with the strategic plan. The Parent Company has therefore continued to pursue growth abroad, with the aim of achieving – in contrast to the contraction of the domestic market – a “conversion” to international markets, the complexity of which in operational terms is significant.

In order to achieve this important objective, the Group has invested in the commercial area, in the employment of staff dedicated to monitoring possible initiatives in the various geographical areas of interest, in the structures dedicated to the development and presentation of bids, and in the subsequent monitoring of activities carried out abroad; of course, this has been accompanied

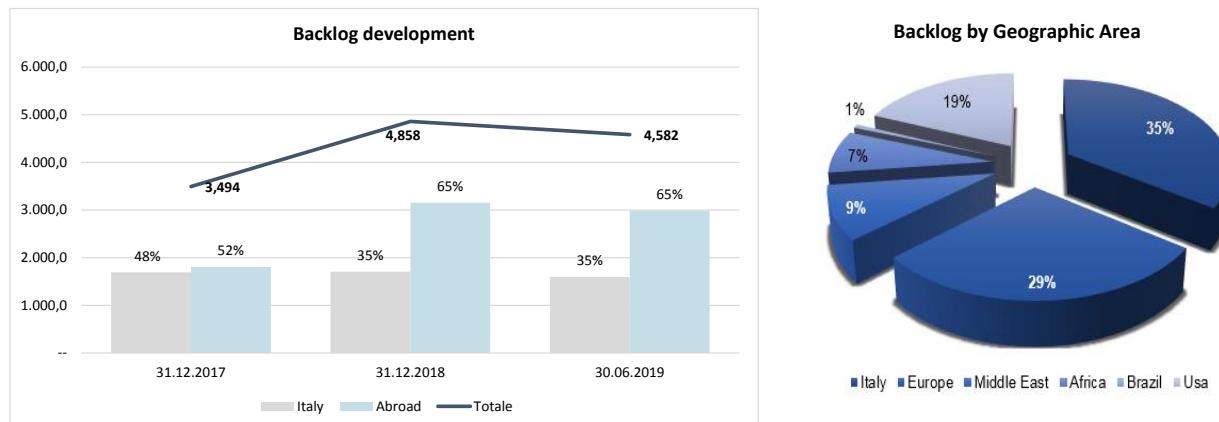
by the necessary commitment to identifying quality individuals in the operational area (area managers, project managers, site managers) and administrative-financial (administrative managers, cost controllers) fields.

As regards the *financial position*, a summary of its components is provided below:

(amounts in thousands of EUR)	30/06/2019	31/12/2018	Changes
A) Liquidity	85,293	110,184	(24,891)
B) Financial receivables	33,551	16,449	17,102
C) Short-term borrowings	(144,422)	(89,008)	(55,414)
D) Current net cash (A) + (B) + (C)	(25,203)	37,625	(63,203)
E) Long-term borrowings	(52,900)	(39,040)	(13,860)
F) Net financial indebtedness (D) + (E)	(78,478)	(1,415)	(77,063)

The net financial indebtedness totalled EUR 78.5 million (EUR 1.4 million as at 31 December 2018); the change is essentially due to the resources absorbed by operating activity and investment activity.

The “backlog” of the Group as at 30 June 2019, resulting from the update of investment plans which individual works refer to, amounted to approximately EUR 4.6 billion¹. The breakdown of the current total amount of the backlog among the main companies of the Group shows that Itinera S.p.A. is responsible for EUR 3.7 billion, Halmar International LLC for EUR 0.8 billion and Itinera Construcoes Ltda for EUR 0.1 billion. As regards the breakdown of the backlog by geographical area, Italy's share represents 35% of the total, for a total value of EUR 1.6 billion, while its share abroad, equal to 65% of the total, is equal to EUR 3 billion. After 30 June 2019, Itinera was awarded work orders totalling EUR 68 million and additional contracts worth EUR 347 million are being defined.



The main economic and financial ratios of the HALMAR Group for the first half of 2019 (compared with first half of 2018) and included in consolidated data of the Group are reported below:

- Value of production: EUR 148.1 million (EUR 72 million in the first half of 2018);
- Gross operating margin (EBITDA) EUR 10 million (EUR 1.8 million in the first half of 2018);
- Profit/loss for the period of the group: EUR 3.3 million (EUR 0 million in the first half of 2018);
- Financial position: cash of EUR 6 million (EUR 23 million at 31 December 2018).

¹ Data resulting from the conversion exchange rates as at 28 June 2019 for contracts in currencies other than the euro.

RESULTS OF OPERATIONS – Engineering Sector

The Group operates in the Engineering Sector mainly through the following subsidiaries:

- SINA S.p.A. (investee company with 100% of the share capital).
- Siteco Informatica S.r.l. (investee company with 100% of the share capital).

SINA S.p.A.

This Company operates in the study, planning and works management areas for railway and motorway works.

The main *revenue and expenditure items* of the Company may be summarised as follows:

	1HY 2019	1HY 2018	Changes
Engineering sector revenue	26,196	16,282	9,914
Other revenue	-	147	(147)
Turnover (A)	26,196	16,429	9,767
Operating costs (B)	(20,168)	(15,621)	(4,547)
Gross operating margin (A-B)	6,028	808	5,220

In the period in question, the Company increased production for both third parties and for companies of the Group; the “turnover” showed a growth of around EUR 9.8 million, totalling an amount equal to EUR 26.2 million (EUR 16.4 million in the first half of 2018).

Following the growth in turnover, the “operating costs” showed an increase of around EUR 4.5 million, totalling an amount equal to EUR 20.2 million. The “gross operating margin” totalled EUR 6 million (EUR 0.8 million in the first half of 2018).

The “net financial position” as at 30 June 2019 showed net cash of around EUR 9.2 million (EUR 12.8 million as at 31 December 2018). The change in the period reflects both the payment of the dividend relating to the 2018 financial year (EUR 2.2 million) and the recognition of the effects relating to the first-time application of IFRS 16.

SITECO Informatica S.r.l.

The company operates in the development of technological software – in particular application software for the management of road databases – and in the engineering and integration of technologies and instruments to carry out high-performance tools for photographic, geometric and topographic surveys of infrastructures.

In the first half of 2019, revenue totalled EUR 0.5 million (EUR 0.3 million in the first half of 2018), compared with operating costs of EUR 0.6 million (EUR 0.6 million in the first half of 2018); the gross operating margin was negative by EUR 0.1 million (negative for EUR 0.3 million in the first half of 2018).

The “financial position” as at 30 June 2019 showed net debt equal to EUR 0.2 million (cash equal to EUR 0.1 million as at 31 December 2018).

RESULTS OF OPERATIONS – Technology Sector

The Group operates in the Technology Sector through the following subsidiaries:

- Sinelec S.p.A. (investee company with 97.514% of the share capital).
- Euroimpianti S.p.A. (investee company with 100% of the share capital).

SINELEC S.p.A.

The Company is active in the field of Information & Communication Technology: it designs, implements and manages advanced systems for the processing of data relating to mobility, transport and toll collection, as well as the development and implementation of new technologies in the service of safety and assisted driving of vehicles. It also operates in the lease sector of both fibre optics and sites for the positioning of transmission devices for companies operating in the mobile telephony sector.

The main *revenue and expenditure items* of the Company may be summarised as follows:

	1HY 2019	1HY 2018	Changes
Technology sector revenue ¹	33,940	25,813	8,127
Other revenue	448	1	447
Turnover (A)	34,388	25,814	8,574
Operating costs (B) ¹	(27,126)	(19,916)	(7,210)
Gross operating margin (A-B)	7,262	5,898	1,364

1 Amounts net of the revenues and costs from reversals by consortium companies (EUR 3.7 million in the first half of 2019 and EUR 0.3 million in the first half of 2018 respectively).

In the period in question, the Company increased production for both third parties and for companies of the Group; the “turnover” showed a growth of around EUR 8.6 million, totalling an amount equal to EUR 34.4 million (EUR 25.8 million in the first half of 2018).

Following the growth in turnover, the “operating costs” showed an increase of around EUR 7.2 million, totalling an amount equal to EUR 27.1 million. The “gross operating margin” totalled EUR 7.3 million (EUR 5.9 million in the first half of 2018).

The “financial position” as at 30 June 2019 showed “net liquid funds” for EUR 9.1 million, which consisted of the liquid funds available on the Company’s current accounts (EUR 29.9 million as at 31 December 2018). During the half year, the company distributed dividends and reserves for an overall amount equal to EUR 18 million.

Euroimpianti S.p.A.

The company operates in the area of planning and production of electrical, telephone and electronic systems for motorway companies.

The main *revenue and expenditure items* of the Company may be summarised as follows:

	1HY 2019	1HY 2018	Changes
Technology sector revenue	29,779	15,100	14,679
Other revenue ¹	174	239	(65)
Turnover (A)	29,953	15,339	14,614
Operating costs (B) ¹	(28,041)	(14,387)	(13,654)
Gross operating margin (A-B)	1,912	952	960

¹ Amounts net of the revenues and costs from reversals by consortium companies (EUR 5.4 million in the first half of 2019 and EUR 0.3 million in the first half of 2018 respectively).

In the period in question, the Company increased production for both third parties and for companies of the Group; the “*turnover*” showed a growth of around EUR 14.6 million, totalling an amount of EUR 30 million approximately (EUR 15.3 million in the first half of 2018).

Following the growth in turnover, the “*operating costs*” showed an increase of EUR 13.7 million, totalling an amount equal to EUR 28 million. The “*gross operating margin*” totalled EUR 1.9 million (EUR 1 million in the first half of 2018).

The “*financial position*” as at 30 June 2019 showed net cash equal to EUR 2.2 million (net cash equal to EUR 2.8 million as at 31 December 2018). During the half year, the company paid dividends for approximately EUR 1 million.

RISK FACTORS AND UNCERTAINTIES

The main risks¹ and uncertainties to which the Company is exposed are detailed below:

Renewal and approval of the economic and financial plans of motorway companies and new toll regime proposed by the Transport Regulatory Authority

With regard to issues concerning the renewal and approval of economic-financial plans for motorway licensees and related consequences on the tariff trend, reference is made to the information included in the section “*Regulatory framework and toll rates*”.

Lapsed motorway concessions

With reference to motorway concessions which had expired as at 30 June 2019, there is a possible risk connected with any disputes that may arise with the Granting Body in relation to the management of the motorway stretch between the expiry of the Concession and 30 June 2019. For further details, reference is made to the section “*Other information*” in the Explanatory Notes to the Condensed Consolidated Interim Financial Report.

EcoRodovias Infraestrutura e Logística S.A.

With reference to the potential risks associated with the investigation conducted by the Federal Prosecutor’s Office of the State of Paraná against two former managers of Ecovia Caminho do Mar and Rodovia das Cataratas - Ecocataratas, subsidiaries of Ecorodovias, for the possible offences committed by them in the past and described in the 2018 financial statements and the interim financial report as at 30 June 2019 of Ecorodovias, please refer to the section “*Other information*” of the Explanatory Notes to the Condensed Consolidated Interim Financial Report.

Claims

Specific disputes are pending for several companies operating in the “construction sector” with buyers which have given rise to claims by such buyers and, in some cases, lawsuits initiated by said buyers to protect their interests. However, specific adjusting provisions have been recognised in the financial statements for the portion of the amounts posted deemed “at risk”.

Disputes with the Revenue Office

As at 30 June 2019, some Group Companies were subject to tax investigations by the Italian Revenue Office and the Tax Authorities Police. If observations were made with regard to different interpretations of tax provisions compared to those adopted by the Companies, the Companies confirmed they had acted in compliance with reference accounting standards. In cases where these observations resulted in a subsequent tax assessment by the Revenue Office, the Companies lodged an appeal and reaffirmed the correctness of the procedures adopted.

In some cases, if these were to the advantage of the Company, outstanding disputes were settled by adhering to the proposals made by the Office with regard to the instruments and procedures set out by the tax regulations.

¹ With regard to “financial risk” management, reference should be made to the “*Other information*” section included in the Explanatory Notes of the “condensed interim financial report”

Sintesi S.p.A. lawsuit

With reference to the lawsuit initiated by Sintesi S.p.A. in 2006 against the (i) Ministry of Infrastructures and Transport and (ii) Itinera, managing partner (40%) of the temporary association of companies of which Impresa Pizzarotti & Co. S.p.A. (40%), CO.GE. Costruzioni Generali S.r.l. (19.99%) and Impresa Gelfi Costruzioni S.p.A. in receivership (0.01%), as concessionary for the building of the Bollate jail, belonged, having the claim for compensation due to illegal occupation of properties belonging to it as it objects - based on the reference accounting principles- decided not to make any provisions for the current financial statements.

For a discussion of this issue, reference is made to the section "*Other information*" in the Explanatory Notes.

* * *

To date, the main assets held by ASTM S.p.A. consists of the equity investments in SIAS S.p.A. and Itinera S.p.A.: therefore, the operating results of ASTM S.p.A. mainly depend on said investee companies and reflect the economic and financial performance, as well as investment and distribution policies of its dividends.

SEGMENT INFORMATION

Pursuant to CONSOB Communication no. 98084143 of 27 October 1998, it should be underlined that – as already pointed out in the previous section “Business segments and Group composition” – the main areas of activity of the Group are the management of motorway networks under concession, and the planning and development of major infrastructures. As a consequence, the economic-financial components of the consolidated financial statements are mainly attributable to this type of activity.

In the Explanatory Notes, an analysis of the results by business segment is included in the related section “Operating segments”, pursuant to IFRS 8.

OTHER INFORMATION REQUIRED BY CURRENT LEGISLATION

Treasury shares

On 16 May 2019, the Ordinary Shareholders’ Meeting approved the request to authorise the purchase and disposal of treasury shares; it will be possible to purchase shares, up to a maximum of 19,799,720 ordinary shares, up until the approval date of the 2019 financial statements and, in any case, for no more than 18 months from the resolution date.

As of today, the Parent Company holds 7,652,828 treasury shares (corresponding to approximately 7.73% of the share capital), of which 7,631,328 treasury shares held directly and 21,500 shares held through the jointly held subsidiary ATIVA S.p.A.

Relationships with subsidiaries, associated companies, parent companies and with companies subject to control of these latter companies

In regard to the relationships with subsidiaries, associated companies, parent companies and with companies subject to control of these latter companies, reference is made to the Explanatory Notes.

Financial risk management

Regarding the policies adopted on financial risk management, please see the related note reported in the Explanatory Notes to the attached Condensed Consolidated Interim Financial Report.

Compliance with the regulatory simplification process adopted by CONSOB Resolution no. 18079 of 20 January 2012

Pursuant to art. 3 of CONSOB Resolution no. 18079 of 20 January 2012, on 6 December 2012 the Board of Directors of ASTM S.p.A. – with reference to the provisions set out in article 70, paragraph 8, and article 71, paragraph 1-bis of CONSOB Regulation no. 11971/99 – approved to make use of the power to derogate from the obligations concerning publication of the information documents set out in the said CONSOB Regulation in case of significant merger, split-off, share capital increase through contribution in kind, acquisition and disposal transactions.

MERGER BY INCORPORATION of SIAS S.p.A. into ASTM S.p.A.

On 13 June 2019 the Board of Directors of ASTM and the Board of Directors of the subsidiary SIAS S.p.A. approved a merger operation to be carried out through the merger by incorporation of SIAS into ASTM. In the context of the operation, ASTM launched a voluntary partial public tender offer for SIAS, regarding a maximum of 11,377,108 ordinary SIAS shares, equal to 5.00% of the share capital of SIAS, for a cash consideration of EUR 17.50 for each share tendered to the offer.

With the aim of regulating the undertaking of the Transaction, the Companies signed a framework agreement regarding the preliminary activities intended for the implementation of the merger project.

The Board of Directors of ASTM and the Board of Directors of SIAS also convened the respective shareholders' meetings, for 16 October this year, to deliberate on the approval of the merger project and the adoption of the resolutions related to it.

Aims of the merger

The aim of the merger is to pursue the following main objectives:

- establish a single listed industrial holding company that, acting as "one company", is able to express specific knowledge in the sectors of motorway concessions, construction, engineering and technological innovation;
- shorten the chain of control as regards the operating companies, in line with national and international practice and with market expectations, in order to simplify the group's corporate structure, with positive effects on access to cash flows and consequently to the capital market;
- create a new industrial firm that can grow efficiently and competitively on national and international markets, including with recourse to the market through capital increase operations, in light of the new strategic plan that will be presented to the Board of Directors following the merger;
- promote the creation of a listed issuer whose size and liquidity allow it to become one of the most important companies on Italian stock market;
- streamline the corporate structure with the consequent reduction of holding costs and further strengthening of industrial synergies and improvement of operating income.

Voluntary partial public tender offer by ASTM of SIAS shares

On 5 July 2019, CONSOB approved the offer document relating to the voluntary partial public tender offer submitted by ASTM, pursuant to art. 102 of the TUF, regarding a maximum number of 11,377,108 SIAS shares, equal to 5% of the share capital subscribed and paid in of SIAS. The consideration for each SIAS share tendered to the offer and purchased by ASTM is equal to EUR 17.50.

The offer acceptance period, agreed with Borsa Italiana S.p.A., began on 8 July and ended on 26 July 2019. During the offer period, 24,356,361 shares were tendered, amounting to about 214.082% of the shares subject to the offer and approximately 10.704% of the share capital. Since the number of SIAS shares tendered was greater than the maximum number of shares subject to the offer, the tendered shares were allocated according to the "pro-rata" method described in the offer document (the applicable allocation coefficient was equal to 46.711%). On 2 August 2019 - taking into account the rounding effect of the allocation coefficient - ASTM withdrew a total of 11,376,796 SIAS shares (amounting to approximately EUR 199.1 million) and arranged for the renewed availability to their respective owners (without the charging of fees or costs to them) of 12,979,565 shares that were not acquired under the offer.

Merger

Since ASTM controls SIAS and since both Companies are directly and indirectly subject to the control of Nuova Argo, the merger is classed as a "significant transaction with related parties" pursuant to art. 3 of the Rules on Transactions with Related Parties adopted by CONSOB with resolution no. 17221 of 12 March 2010, as well as pursuant to the "procedures for transactions with related parties" adopted by the Companies. Therefore, the approval of the merger by the Board of Directors of ASTM and the Board of Directors of SIAS took place following the favourable opinion issued by the respective committees for transactions with related parties.

The merger will be deliberated on using as benchmark balance sheets, pursuant to and in accordance with art. 2501-*quater*, paragraph 2 of the Italian Civil Code, the yearly financial statements as at 31 December 2018, approved, respectively, by the Shareholders' Meeting of ASTM on 16 May 2019 and of SIAS on 15 May 2019. These documents were made publicly available in the terms and with the methods required pursuant to the applicable legal and regulatory provisions.

It is also noted that the Boards of Directors of the Companies, on the basis of the above documentation, determined the share exchange ratio to be 0.55 ASTM shares, without indication of the nominal value, for every SIAS share of the nominal value of EUR 0.50. This share exchange ratio was not subject to adjustments in cash.

Upon completion of the merger, the following actions will be completed: (i) the cancellation without share swap of the ordinary SIAS shares that will be held by ASTM at the date the merger takes effect and (ii) the cancellation of the ordinary SIAS shares that will be held by different SIAS shareholders than ASTM at the date the merger takes effect and the simultaneous allocation to these, on the basis of the above share exchange ratio, of new ordinary ASTM shares on the basis of the above-mentioned share swap.

It is noted that at the date the merger, new ASTM articles of association will enter into force, annexed to the merger project, which will include, among other things: (i) an amendment to the corporate purpose, through the adoption of the current corporate purpose of SIAS, and (ii) a transitional clause by virtue of which the merger will lead to the early expiry of the Board of Directors of ASTM in office at the date the merger takes effect, thus allowing the new shareholding structure to make a decision on the composition of the administrative body of the company resulting from the Merger. The cessation of the Directors shall take effect when the Board of Directors is reconstituted by the Shareholders' Meeting, which will make a decision by the means of list voting and in accordance with the principle of the required representation of minority shareholders.

Withdrawal

The holders of ordinary ASTM shares that did not concurred to the approval of the merger project, and, therefore, the aforementioned amendment to the ASTM articles of association, will have withdrawal right to pursuant to art. 2437, paragraph 1, letter a) of the Italian Civil Code. The withdrawal right to must be exercised within 15 (fifteen) days from the registration at the competent Register of Companies of the resolution that triggered the withdrawal, for a payment of the liquidation value equal to EUR 21.76 per ASTM share, as determined on 13 July 2019 by the Board of Directors of ASTM in accordance with the provisions of

art. 2437-ter of the Italian Civil Code, making exclusive reference to the arithmetic mean of the closing prices listed on the stock exchange in the six months prior to the date of publication of the call to meeting of the extraordinary shareholders' meeting of ASTM convened to approve the merger project.

Terms and Conditions of the Operation

The completion of the Merger is subject to the non-fulfilment (or, where allowed, the waiver) of the following conditions precedent:

- (i) the jointly appointed expert pursuant to art. 2501-sexies of the Italian Civil Code issues an unfavourable opinion regarding the suitability of the Exchange Ratio; or
- (ii) the Merger Project is not approved, even by only one of the shareholders' meetings of ASTM and SIAS by 28 February 2020; or
- (iii) the overall outlay that ASTM must spend for the exercise of any Right to Withdrawal is greater than EUR 50 million; or
- (iv) ASTM does not hold, as a result of the offer or of purchases made outside of the takeover in accordance with the applicable legislation, the equity investment by the day prior to the date of signing the Merger deed; or
- (v) one of the merging companies withdraws from the framework agreement due to the occurrence of a Significant Event of Default (as herein defined); or
- (vi) the signing of the merger deed does not take place by 31 May 2020.

It is also envisaged that the signing of the Merger deed be subject to the condition precedent to meet (or, where allowed, to waiver) the following conditions:

- (a) where required pursuant to existing legislation *pro tempore*, the issue of the equivalence finding or similar provision by CONSOB with reference to the information document relating to the Merger as per art. 1, paragraph 5, lett. f) of Regulation (EU) 2017/1129;
- (b) the issue by Borsa Italiana S.p.A. of the admission to trading on the Italian Electronic Stock Market (MTA, *Mercato Telematico Azionario*) of the ASTM shares issued as part of the Merger;
- (c) the issue of the consent to the Merger by the counterparties of a number of contracts relating to bank loans and hedging derivatives, to which the Companies are party.

Financing of the operation

On 28 June 2019, ASTM S.p.A. signed a **loan** agreement with **UniCredit S.p.A.** for a total **EUR 300 million** for - among other things - the financing of the Public Purchase Offer. In particular, the loan involves two medium- and long-term credit lines: the first, of a maximum amount no greater than EUR 265 million, to be used by the Company to meet the payment obligations related to the takeover and to finance the payment of shares for the shareholders that decided to exercise their right to withdrawal. The second credit line, of a maximum amount no greater than EUR 35 million, is intended for the refinancing of some credit lines previously granted to the Company by UniCredit S.p.A.

It is also noted that today, ASTM S.p.A. subscribed to a **loan** with **Mediobanca S.p.A. and SoGen S.p.A.** for a total **EUR 100 million**, this too intended to meet the payment of shares for the shareholders that decided to exercise their right to withdrawal.

As the case may be, subject to meeting or failing to meet (or, where allowed, the waiver) of the afore-mentioned conditions, and assuming the absence of events beyond the control of the Companies that could lead to a delay in the activities, ASTM and SIAS seek to complete the operation by the end of 2019.

SIGNIFICANT SUBSEQUENT EVENTS

In addition to the above, no significant events occurred after 30 June 2019.

BUSINESS OUTLOOK

As previously reported, on 13 June 2019 the Board of Directors of ASTM S.p.A. and the Board of Directors of SIAS S.p.A. convened their respective Shareholders' Meetings for 16 October of this year to deliberate on the merger by incorporation of SIAS S.p.A. into ASTM S.p.A., which in the absence of events beyond the control of the Companies, should be completed by the end of 2019. This operation, in addition to streamlining the corporate structure and further strengthening the industrial and financial synergies, will establish a Group characterised as one company capable of expressing specific knowledge of the sectors of motorway concessions, construction, engineering and technological innovation.

With reference to the evolving management of its activities, the ASTM Group, in line with its identified strategic objectives, intends to continue to strengthen its leadership in the area of motorway concessions both in the domestic market – where it seeks to become a benchmark in terms of management expertise – and in international markets, particularly in Brazil, where it shall participate in significant envisaged tenders, through its jointly held subsidiary Ecorodovias. It is also aiming at the USA and North America, areas where the group is tracking the development of important concessions in green field projects.

As regards the other sectors of activity, the group intends to continue its path of growth and development in the EPC sector, expanding its backlog in Italy and especially abroad, while also maintaining balance in its financial structure. The group shall also target the technology sector, where it is pursuing its own market diversification goals, and the US market. Development of innovative projects ("Smart road") and new technologies (Artificial intelligence and Edge Computing) continues apace.

As regards the management of its own infrastructures, the Group intends to continue to invest in improving the service offered to its customers, raising the technological standards of its network to help improve safety. In this context, the subsidiary SINA plays a fundamental role in the field of engineering, where it is developing monitoring technologies to implement and further improve the useful life cycle of the infrastructures.

Tortona, 2 August 2019

for the Board of Directors
The Chairperson
(Prof Gian Maria Gros-Pietro)

**Condensed consolidated
interim financial report**

Financial statements

Consolidated balance sheet

(amounts in thousands of EUR)	Note	30 June 2019	31 December 2018
Assets			
Non-current assets			
Intangible assets	1		
goodwill		86,273	86,026
other intangible assets		17,036	16,853
concessions – non-compensated revertible assets		3,067,159	3,080,281
Total intangible assets		3,170,468	3,183,160
Tangible assets	2		
property, plant, machinery and other assets		138,660	124,094
rights of use		38,679	5,925
Total tangible assets		177,339	130,019
Non-current financial assets	3		
equity accounted investments		977,630	973,323
other equity investments		119,879	112,800
other non-current financial assets		500,724	543,989
Total non-current financial assets		1,598,233	1,630,112
Deferred tax credits	4	141,378	146,504
Total non-current assets		5,087,418	5,089,795
Current assets			
Inventories and contract assets	5	293,408	234,225
Trade receivables	6	320,353	244,765
Current tax assets	7	46,377	36,170
Other receivables	8	101,767	189,695
Current financial assets	9	369,825	293,871
Total		1,131,730	998,726
Cash and cash equivalents	10	1,029,703	1,087,633
Total current assets		2,161,433	2,086,359
Total assets		7,248,851	7,176,154
Shareholders' equity and liabilities			
Shareholders' equity	11		
Shareholders' equity attributed to owners of the parent company			
share capital		45,684	45,704
retained reserves and earnings		1,940,320	1,880,051
Total		1,986,004	1,925,755
Shareholders' equity attributed to minority interests		1,141,718	1,151,140
Total shareholders' equity		3,127,722	3,076,895
Liabilities			
Non-current liabilities			
Provisions for risks and charges and employee benefits	12	198,176	214,397
Trade payables		-	-
Other payables and contract liabilities	13	194,211	205,212
Bank debt	14	718,353	793,691
Hedging derivatives	15	29,475	35,730
Other financial liabilities	16	1,567,310	1,539,790
Deferred tax liabilities	17	54,463	54,209
Total non-current liabilities		2,761,988	2,843,029
Current liabilities			
Trade payables	18	399,773	350,500
Other payables and contract liabilities	19	337,388	388,817
Bank debt	20	464,608	438,926
Other financial liabilities	21	77,337	62,761
Current tax liabilities	22	80,035	15,226
Total current liabilities		1,359,141	1,256,230
Total liabilities		4,121,129	4,099,259
Total shareholders' equity and liabilities		7,248,851	7,176,154

Consolidated income statement

(amounts in thousands of EUR)	Note	1HY 2019	1HY 2018
Revenue	23		
motorway sector – operating activities	23.1	597,563	578,925
motorway sector – planning and construction activities	23.2	115,692	67,988
construction sector - planning and construction activities	23.3	10,453	30,781
construction sector	23.4	376,783	182,076
engineering sector	23.5	3,561	3,096
technology sector	23.6	23,417	17,331
Other	23.7	29,406	25,861
Total revenues		1,156,875	906,058
Payroll costs	24	(187,190)	(146,128)
Costs for services	25	(429,703)	(287,364)
Costs for raw materials	26	(101,829)	(48,606)
Other Costs	27	(76,156)	(73,440)
Capitalised costs on fixed assets	28	196	640
Amortisation, depreciation and write-downs	29	(164,631)	(144,609)
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	30	13,249	(1,609)
Other provisions for risks and charges	31	(28)	(62)
Financial income:			
from unconsolidated investments		1,482	3,969
other		8,893	7,568
Financial expenses:	33		
interest expense		(37,192)	(40,906)
other		(1,321)	(2,265)
Profit (loss) of companies accounted for by the equity method	34	(5,494)	21,440
Profit (loss) before taxes		177,151	194,686
Taxes	35		
Current taxes		(38,840)	(50,149)
Deferred taxes		(4,573)	(2,502)
Profit (loss) for the period		133,738	142,035
• share attributed to minority interests		58,368	58,700
• share attributed to owners of the parent company		75,370	83,335
Earnings (euro per share)	37	0.819	0.901

Statement of comprehensive income

(amounts in thousands of EUR)	1HY 2019	1HY 2018
Profit (loss) for the period (a)	133,738	142,035
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity)		
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity) – companies accounted for by the equity method		
Profit (loss) allocated to “Reserves for revaluation at fair value”	7,254	554
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement when certain conditions are met	(163)	54
Profit (loss) that will not be subsequently reclassified in the Income Statement (b)	7,091	608
Profit (loss) posted to “cash flow hedge reserve” (interest rate swaps)	508	10,937
Profit (loss) allocated to “cash flow hedge reserve” (foreign exchange hedge)	292	1,448
Share of other profit/(loss) of companies accounted for by the equity method (reserve for foreign exchange translations)	12,379	(70,772)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	(1,646)	(1,490)
Profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met (c)	11,533	(59,877)
Comprehensive income (a) + (b) + (c)	152,362	82,766
• share attributed to minority interests	61,944	52,995
• share attributed to owners of the parent company	90,418	29,771

Consolidated cash flow statement

(amounts in thousands of EUR)	Note	1HY 2019	1HY 2018
Cash and cash equivalents – opening balance		1,087,633	554,936
Change in the scope of consolidation		(226)	-
Cash and cash equivalents, adjusted – opening balance (a)		1,087,407	554,936
Profit (loss)		133,738	142,035
Adjustments			
Amortisation and depreciation		164,631	143,014
Adjustment to the provision for restoration/replacement of non-compensated revertible assets		(13,249)	1,609
Adjustment to the provision for employee benefits		589	571
Provisions for risks		28	62
Profit (loss) of companies accounted for by the equity method (net of dividends collected)		17,187	(3,003)
Other capitalised financial expenses (income)		(6,814)	(6,274)
Capitalisation of financial expenses		(7,782)	(6,385)
	<i>Operating Cash Flow (I)</i>	<u>288,328</u>	<u>271,629</u>
Net change in deferred tax credits and liabilities		3,569	2,093
Change in net working capital	38.1	39,767	30,690
Other changes from operating activities	38.2	(3,448)	(1,444)
	<i>Change in net working capital and other changes (II)</i>	<u>39,888</u>	<u>31,339</u>
Cash generated (absorbed) by operating activities (I+II) (b)		328,216	302,968
Investments in revertible assets and related advances		(143,383)	(398,532)
Divestiture of revertible assets		-	-
Grants related to revertible assets		9,933	18,549
	<i>Net investments in revertible assets (III)</i>	<u>(133,450)</u>	<u>(379,983)</u>
Net investments in property, plant, machinery and other assets		(21,889)	(2,571)
Net investments in intangible assets		(2,132)	(4,312)
	<i>Net investments in intangible and tangible assets (IV)</i>	<u>(24,021)</u>	<u>(6,883)</u>
(Investments)/Divestiture in non-current financial assets - equity investments		8,388	5,564
(Investments)/Divestiture in non-current financial assets		(4,235)	(8,923)
	<i>Loans purchased TE</i>	<u>(11,277)</u>	<u>-</u>
	<i>Shares purchased TE/TEM</i>	<u>(22,779)</u>	<u>-</u>
Purchase of Primav Infraestrutura SA and Ecorodovias Infraestrutura e Logistica SA shares		-	(30,150)
	<i>Net investments in non-current financial assets (V)</i>	<u>(29,903)</u>	<u>(33,509)</u>
Cash generated (absorbed) by investment activity (III+IV+V) (c)		(187,374)	(420,375)
Net change in bank debt		(49,659)	68,785
Issue/(Reimbursement) of bond loans		-	541,023
Change in financial assets		(66,830)	(51,950)
(Investments)/Divestiture of capitalisation insurance policies		34,708	38,454
(Investments)/Divestiture in other financial assets		(9,124)	5,915
Change in other financial liabilities (including Central Insurance Fund)		(6,123)	26,234
Changes in shareholders' equity attributed to minority interests		(4,816)	74,952
(Purchase)/sale of treasury shares		(746)	(3,591)
Changes in shareholders' equity attributed to the owners of the parent company		-	-
Dividends (and interim dividends) distributed by the Parent Company		(27,593)	(23,589)
Dividends (and interim dividends) distributed by Subsidiaries to minority interests		(68,363)	(36,637)
Cash generated (absorbed) by financial activity (d)		(198,546)	639,596
Cash and cash equivalents – closing balance (a+b+c+d)		1,029,703	1,077,125

Additional information:

• Taxes paid during the period	1,702	4,951
• Financial expenses paid during the period	40,842	40,335
• Free Operating Cash Flow		
	<i>Operating cash flow</i>	<u>288,328</u>
	<i>Change in net working capital and other changes</i>	<u>39,888</u>
	<i>Net investments in revertible assets</i>	<u>(133,450)</u>
	<i>A21 Piacenza-Cremona-Brescia concession-takeover</i>	<u>-</u>
	<i>Operating Free Cash Flow</i>	<u>(301,000)</u>
		<u>194,766</u>
		<u>(77,015)</u>

The Group's "net financial indebtedness" is described in the related paragraph in the Management Report.

Statement of changes in consolidated shareholders' equity

(amounts in thousands of EUR)	Share capital	Share premium reserve	Revaluat. Reserves	Legal reserve	Reserve for the purchase of treasury shares	Purchased treasury shares	Reserve for revaluation at fair value	Cash flow hedge reserve	Exch. rate diff. reserve	Reserve for discounting Employee Severance Indemnity	Retained earnings (losses)	Profit (loss) for the period	Total shareholders' equity attributed to owners of the parent company	Shareholders' equity attributed to minority interests	Total shareholders' equity
1 January 2018	46,221	147,361	9,325	10,538	70,240	(66,991)	5,347	(13,262)	3,479	(1,390)	1,518,086	130,133	1,859,086	1,006,954	2,866,040
Allocation of 2017 profits															
Adoption of IFRS 15											106,544	(106,544)		-	-
Distribution of 2017 final dividend (EUR 0.255 per share)											(2,196)		(2,196)	(326)	(2,522)
Purchase/sale of treasury shares	(102)				4,999	(4,868)						(23,589)	(23,589)	(36,637)	(60,226)
Acquisition of minorities and other changes							(3,255)					(698)		74,978	71,025
Comprehensive income							(568)	5,432	(58,428)			83,335	29,771	52,995	82,766
30 June 2018	46,119	147,361	9,325	10,538	75,239	(71,859)	1,524	(7,830)	(54,949)	(1,390)	1,616,790	83,335	1,854,202	1,098,105	2,952,307
(amounts in thousands of EUR)	Share capital	Share premium reserve	Revaluat. Reserves	Legal reserve	Reserve for the purchase of treasury shares	Purchased treasury shares	Reserve for revaluation at fair value	Cash flow hedge reserve	Exch. rate diff. reserve	Reserve for discounting Employee Severance Indemnity	Retained earnings (losses)	Profit (loss) for the period	Total shareholders' equity attributed to owners of the parent company	Shareholders' equity attributed to minority interests	Total shareholders' equity
1 January 2019	45,704	147,361	9,325	10,538	91,076	(87,281)	(1,295)	10,493	(49,019)	(1,267)	1,604,622	145,499	1,925,755	1,151,140	3,076,895
Allocation of 2018 profits															
Distribution of 2018 final dividend (EUR 0.302 per share)											117,906	(117,906)		-	-
Purchase/sale of treasury shares	(20)				745	(725)						(27,593)	(27,593)	(68,363)	(95,956)
Acquisition of minorities and other changes											(1,831)		(1,831)	(3,003)	(4,834)
Comprehensive income ⁽¹⁾							5,072	(641)	10,618			75,370	90,418	61,944 ⁽²⁾	152,362
30 June 2019	45,684	147,361	9,325	10,538	91,821	(88,006)	3,777	9,852	(38,401)	(1,267)	1,719,951	75,370	1,986,004	1,141,718	3,127,722

(1) The breakdown of this item is included in the related "statement of comprehensive income" (at the bottom of the "consolidated income statement")

(2) Comprehensive income assigned to minority interests

Minority interests' profit	58,368
cash flow hedge – IRS, pro-rata share	(350)
Provisions for foreign exchange differences - Primav Infraestrutura and Ecorodovias Infraestrutura e Logistica SA	1,770
Provisions for foreign exchange differences - other companies	137
Adjustment to fair value, pro-rata share	2,019
"Comprehensive" income attributable to minority interests	61,944

Principles of consolidation,
valuation criteria and explanatory notes

General information

ASTM S.p.A. is organised according to the laws of the Italian Republic.

ASTM S.p.A. operates in Italy as an industrial holding company and through its subsidiaries, mainly in the management of motorway networks under concession and in the construction of major infrastructure.

The Company's registered office is at Corso Regina Margherita 165 - Turin, Italy.

The ordinary shares are listed on the MTA [electronic stock market] operated by Borsa Italiana S.p.A. and are included in the FTSE Italia Mid Cap index.

The "interim financial report" is drawn up in Euro, which is the current currency in the economy in which the Group mainly operates.

The "interim financial report" of the ASTM Group was favourably examined, by the Board of Directors of ASTM S.p.A., on 2 August 2019.

Preparation criteria and contents of the condensed interim financial report

Based on the provisions of article 3, paragraph 1 of Legislative Decree no. 38 of 28/2/2005, this condensed interim financial report was prepared in accordance with the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and approved by the European Commission, with particular reference to the provisions of the IAS 34 international accounting standard. IFRS means all revised international accounting standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC"). Consequently, the comparative data referring to the corresponding period of the previous financial year also comply with the cited accounting standards.

The condensed interim financial report comprises the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity and these explanatory notes and apply the provisions contained in IAS 1 "Presentation of Financial Statements", as well as the general cost method. The balance sheet has been prepared by distinguishing between current and non-current assets and liabilities, while in the income statement costs have been presented and classified based on their nature. The cash flow statement has been prepared using the "indirect method".

Principles of consolidation and valuation criteria

Principles and procedures of consolidation

In addition to the condensed interim financial report of the Parent Company – ASTM S.p.A. – these consolidated financial statements include the financial statements of the companies over which it exercises control (these financial statements were adjusted/restated to make them compatible with the Parent Company's regulations and the IAS/IFRS international accounting standards for preparing financial statements). Control occurs when the Parent Company has the power to direct the relevant activities of the company and is exposed to the variability of its profit/loss. The financial statements of subsidiaries are included in the consolidated financial statements starting from the date upon which control is assumed until the moment control ceases to exist.

Joint arrangements can be classified as (i) "interests in joint ventures" if the Group holds the rights to net assets under the arrangement, e.g. for a company with its own legal status, or (ii) "jointly controlled entities" if the Group holds the right to assets and obligations on liabilities underlying the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The classification of ASTM Group agreements is based on analysis of the contractual rights and obligations. In particular, based on current agreements, the ASTM Group holds rights to net assets of the agreement classified as "investments in joint ventures" (accounted for using the "equity method") or in "joint operations" (recognising the portion of rights and obligations of the holder in the condensed interim financial report).

Companies over which "significant influence" is exercised are assessed according to the "equity method". Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control of those policies. Significant influence is presumed when the Group holds at least 20% of the voting rights.

In the paragraph "Scope of consolidation" below, consolidated investments and changes to them are shown in detail.

* * *

Consolidation by the "line-by-line method"

In brief, consolidation by the line-by-line method involves taking the assets and liabilities, costs and revenue of the consolidated companies, regardless of the amount of investment held, and attributing to minority shareholders the share of profits and provisions applicable to them in a dedicated heading of Shareholders' Equity called "Shareholders' equity attributed to minority interests".

The main consolidation adjustments made were the following:

1. Elimination of the carrying amount of equity investments consolidated on line-by-line basis and the corresponding fractions of shareholders' equity attributing the current value as at the date of acquiring control to the individual elements of the statement of financial position; if the requirements are met, any positive difference is posted to the asset item "Goodwill"; a negative difference is recognised in the income statement.

The premium/lower price paid for a corresponding fraction of shareholders' equity, from the acquisition of additional shares of subsidiaries, increased/decreased the shareholders' equity by the same amount.

The acquisitions of controlling shareholdings as part of the same Group (i.e. "business combinations under common control") are accounted for according to ongoing value.

2. Elimination of receivables and payables between businesses included in the scope of consolidation, as well as income and expenses related to transactions between the businesses themselves. Significant profit and loss from transactions between these companies and related to amounts included in the balance sheet and the income statement were eliminated, except

only for those related to the planning and construction of non-compensated revertible assets which are entered at fair value pursuant to IFRIC 12, as described later on. Intercompany losses are not eliminated if they reflect an impairment in value of the underlying asset.

3. Reversal of dividends approved by the consolidated companies.

Valuation of investments with the "equity method"

The equity investments are initially entered at cost and the book value is increased or decreased to record the share of profits and losses of the investee company accruing to the holding company, which are realised after the acquisition date. Any goodwill included in the value of the investment is subject to an impairment test, at least annually. The acquisition cost is attributed to the pro-rata amount of the fair value of the identifiable assets and liabilities of the associated companies or joint ventures, and the difference as goodwill. The portion of operating profits of the investee company accruing to the holding company is posted to the income statement of the holding company, except for the effects relating to other changes to shareholders' equity of the investee other than transactions with shareholders, which are entered directly in the statement of comprehensive income of the Group. For any losses exceeding the book value of the investments, the excess is recognised to a special provision under liabilities to the extent to which the investor is committed to legal or implicit obligations to the investee or in any event to cover its losses. Dividends received from an investee company reduce the book value of the investment.

Valuation criteria

The valuation criteria applied to the preparation of the condensed interim financial report as at 30 June 2019 are the same as those used to draw up the consolidated financial statements as at 31 December 2018, with the exception of the application from 1 January 2018 of the new IFRS 16 international accounting standard.

Published in January 2016 and endorsed by Regulation (EU) No. 1986/2017, the **IFRS 16 - Leases** replaced IAS 17 - *Leasing*, as well as IFRIC 4 - *Determining Whether an Arrangement Contains a Lease*, SIC-15 - *Operating Leases - Incentives* and SIC-27 - *Evaluating the Substance of Transactions in the Legal Form of a Lease*. The new standard provides a new definition of lease and introduces a criterion based on the right of use of an asset to distinguish leases from service agreements, stating the following as discriminating factors: identification of the asset, the right to replace it, the right to essentially obtain all economic benefits deriving from use of the asset and, lastly, the right to direct the use of the asset underlying the contract.

The standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which calls for the leased asset, including operating assets, to be recognised as an asset but with a balancing entry under financial liabilities. However, the standard does not include significant amendments for lessors.

The Group has chosen to apply the standard retrospectively, recognising in equity the cumulative effect of applying the standard at 1 January 2019, in accordance with paragraphs IFRS 16:C7-C13 (Simplified Retrospective Method). In particular, with regard to the lease contracts previously classified as operating leases, the Group recorded:

- a) a financial liability, equal to the present value of future payments remaining at the transition date, discounted using the incremental borrowing rate applicable at the transition date for each contract;
- b) a right of use equal to the value of the financial liability at the transition date, net of any accruals and deferrals relating to the lease.

When adopting IFRS 16, the Group made use of the exemption provided by paragraph IFRS 16:5(a) in relation to short-term leases for asset classes.

Similarly, the Group made use of the exemption granted by IFRS 16:5(b) with regard to lease contracts in which the underlying asset is a low-value asset (i.e. the assets underlying the lease contract do not exceed EUR 5 thousand when new). The contracts for which the exemption has been applied fall mainly within the following categories:

- Computers, telephones and tablets;
- Printers;
- Other electronic devices.

For these contracts, the introduction of IFRS 16 does not result in the recognition of the financial liability of the lease and the related right of use, but the lease payments are recognised in the income statement on a straight-line basis for the duration of the respective contracts.

In addition, with reference to the transition rules, the Group made use of the following practical expedients available in the event of the choice of the modified retrospective transition method:

- Classification of contracts that expire within 12 months of the transition date, such as short-term leases. For these contracts the lease payments will be recognised in the income statement on a straight-line basis.
- Exclusion of initial direct costs from the measurement of the right of use on 1 January 2019.
- Use of information available at the transition date to determine the lease term, with particular reference to exercising extension and early termination options.

The transition to IFRS 16 introduced some elements of professional judgement that involved drawing up a number of accounting policies and the use of assumptions and estimates in relation to the lease term and the definition of the incremental borrowing rate. The main ones are summarised below:

- The Group has decided not to apply IFRS 16 for contracts containing a lease that has an intangible asset as the underlying asset.
- The Group has analysed all its lease contracts, calculating the lease-term for each, given by the “non-cancellable” term plus the effects of any extension or early termination clauses whose exercise was considered reasonably certain. Specifically, for real estate, this assessment took into account the specific facts and circumstances pertaining to each asset. Regarding the other categories of assets, mainly company cars, the Group generally considered it unlikely that any extension or early termination clauses would be exercised in view of the Group’s usual practice.
- Since most of the contracts entered into by the Group do not include an implicit interest rate, the discount rate to be applied to future lease payments was determined as the risk-free rate, with maturities commensurate with the duration of the specific lease contract, plus the Group’s credit spread.

The effects of the first-time adoption of IFRS 16, also taking into account the practical expedients listed above, resulted in an increase at 1 January 2019 in *Financial Liabilities* of about EUR 23 million and the recording of a *Right of Use* of the same amount. The impact on the Group’s shareholders’ equity, net of the related tax effect, is therefore null.

The following table contains the impact deriving from the adoption of IFRS 16 on the consolidated balance sheet:

(amounts in thousands of EUR)	31 December 2018	IMPACT OF ADOPTION OF IFRS 16	1 January 2019
NON-CURRENT ASSETS			
Intangible assets	3,183,160		3,183,160
Tangible assets			
<i>property, plant, machinery and other assets</i>	124,094		124,094
<i>financial lease assets/rights of use</i>	5,925	22,768	28,693
Total tangible assets	130,019	22,768	152,787
Non-current financial assets	1,630,112		1,630,112
Deferred tax credits	146,504		146,504
Total non-current assets	5,089,795	22,768	5,112,563
Total current assets	2,086,359		2,086,359
TOTAL ASSETS	7,176,154	22,768	7,198,922
SHAREHOLDERS' EQUITY AND LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY	3,076,895		3,076,895
LIABILITIES			
Non-current liabilities			
Other non-current liabilities	1,303,239		1,303,239
Other financial liabilities	1,539,790	16,838	1,556,628
Total non-current liabilities	2,843,029	16,838	2,859,867
Current liabilities			
Other current liabilities	1,193,469		1,193,469
Other financial liabilities	62,761	5,930	68,691
Total current liabilities	1,256,230	5,930	1,262,160
TOTAL LIABILITIES	4,099,259	22,768	4,122,027
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,176,154	22,768	7,198,922

Intangible assets

Goodwill

As an intangible asset, this is not subject to amortisation. An impairment test is conducted at least annually, and in any case when events arise that may indicate a reduction in value. This check is carried out at the level of the individual cash generating unit to which goodwill has been allocated and based on which Management evaluates the yield of the investment. Write-downs are not subject to reversal.

Concessions – introduction

Based on contractual agreements (Concessions) included in the scope of application of IFRIC 12, the licensee operates as service provider with regard to (i) the construction and/or improvement of the infrastructure used to provide public service and (ii) its management and maintenance for a specific time-frame. As a result, the construction and improvement activities of the infrastructure can be compared to those of a construction company. Therefore, in the period during which these services are provided, construction revenue and costs are recorded in the income statement, pursuant to IFRS 15.

As provided for in IFRIC 12, for construction and/or improvement services rendered by the licensee, the granting body pays an amount to the licensee, to be recorded at its fair value, which can consist of rights to:

- a) a financial asset (the so-called financial asset model); or
- b) an intangible asset (the so-called intangible asset model).

The financial asset model is applied when the licensee has an unconditional right to receive contractually guaranteed cash flows (so-called “guaranteed minimum amount”) for construction services, regardless of the actual use of the infrastructure.

On the other hand, in the intangible asset model the licensee acquires the right to charge users with a fee for the use of the infrastructure, in return for construction and improvements services on the infrastructure. Therefore, the licensee's cash flows are not guaranteed by the granting body, but are related to the actual use of the infrastructure by users, thus implying a demand risk for the licensee. This risk implies that revenue from the exploitation of the right to charge users for the use of the infrastructure is not enough to ensure an adequate remuneration margin for the investments made.

We talk about a mixed accounting model if the licensee is paid for construction and improvement services on the infrastructure partly by means of a financial asset and partly through an intangible asset. In this case, it is necessary to separate the parts of the agreement referring to the financial asset and those referring to the intangible asset. In this event, IFRIC 12 sets out that the licensee firstly calculates the part concerning the financial asset and then the amount referring to the intangible asset in a residual way (as compared to the value of the construction and/or improvement services rendered).

With regard to the concession agreements held by **motorway licensee companies** and the **construction companies**, the intangible asset model applies, while the agreements held by the other companies are subject to the financial asset model.

Concessions – non-compensated revertible assets

"Non-compensated revertible assets" represent the right of the Licensee to use the asset under concession, given the costs incurred for planning and construction activities of the asset. The value corresponds to the fair value of the planning and construction activities plus financial expenses capitalised during the construction phase, in adherence with the requirements set forth in IAS 23; the book value of these assets is represented net of "capital grants" (the receivable related to these capital grants is posted – in compliance with the financial model of the Interpretation IFRIC 12 – among "financial receivables"); capital grants, as interpreted by IFRIC 12, are deemed as the right to obtain a prearranged amount (financial asset) against the costs incurred to carry out the works.

These assets are amortised on the basis of the expected traffic (kilometres) over the term of the individual concessions, a method that reflects the way in which the future economic benefits deriving from the asset are expected to be used by the Licensee. In determining the amortisation and depreciation of revertible assets of some investee companies, the "takeover values" set out in current agreements, or in the financial plans that are currently being examined by the Granting Body, have been taken into account for these investments.

Concerning non-compensated revertible assets, the amortisation and depreciation reserve and the provisions for restoration and replacement, considered overall, provide adequate coverage of the following expenses:

- free alienation to the Granting Body, at the end of the concession, of revertible assets with a useful life greater than the duration of the concession;
- recovery and replacement of components of revertible assets, which are subject to wear;
- recovery of the investment also in relation to new works scheduled in the financial plans.

When events arise that indicate a reduction in value of intangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

The cost of "non-compensated revertible motorway fixed assets" includes the value of the stretches in operation built by third parties and given to the Group to operate. The "provision for capital grants" was increased by an equivalent amount.

Other intangible assets

"Other intangible assets" are posted at cost. They are systematically amortised over the period in which the assets are expected to be used by the business.

Costs associated with development activities are posted to the balance sheet assets when: (i) the expense related to the intangible asset can be reliably determined; (ii) there is the intention, the availability of financial resources and the technical

ability to make the asset available for use or sale; (iii) it can be proved that the asset can produce future economic benefits. These intangible assets are amortised over a period not to exceed five financial years.

When events arise that indicate a reduction in value of intangible assets, the difference between the book value and the associated recovery value is imputed to the income statement.

Expenses for research activities are posted to the income statement of the period in which they are incurred.

Tangible assets

Property, plant, machinery and other assets

These assets are posted at purchase cost or production cost (including directly imputable auxiliary costs) and include the related directly imputable financial expenses needed to make the assets available for use.

Depreciation rates used to distribute systematically the value of tangible assets based on their useful life are as follows:

<u>Category</u>	<u>Rate</u>
Land	not depreciated
Non-industrial and industrial buildings	3% - 4%
Plant, machinery and vehicles	4% - 5% - 8% - 10% -15%- 20%
Light constructions	12.5%
Technical equipment	12% - 15% - 25%
Facilities and light structures	10% - 12% - 25% - 40%
Metal formwork	25%
Excavators and mechanical diggers	20%
Radio and alarm equipment	25%
Automobiles and motor vehicles	20% - 25%
Office furniture and machines	12% - 20% - 40%

Rights of use

On the basis of the provisions of IFRS 16, the lease contracts payable (which do not constitute the provision of services) are accounted for by posted a financial liability to the equity-financial position, represented by the present value of future lease payments, against the posting of the right of use of the leased asset to the assets.

IFRS 16 introduces the “right of use” concept, which determines - independently of the contractual form - the obligation to post the right of use to the balance sheet assets and the corresponding payable at the present value of future lease payments.

The assets and liabilities are posted at the current value of the contractually due lease payments, taking account both of any renewal and the final option to purchase the asset.

In the lessee's income statement, the amortisation and depreciation quota of the right of use must always be posted to the assets, with the right of use on the basis of the duration of the contract. The interest expense corresponding to the payable posted to the liabilities must also always be posted to the income statement using the amortised cost method.

For contracts expiring within 12 months (short-term leases) and the contracts for which the underlying assets are configured as low-value assets (i.e. the assets underlying lease contracts no greater than EUR 5 thousand when new/USD 5 thousand), the introduction of IFRS 16 did not result in the recognition of the financial liability of the lease and the related right of use, but the lease payments are recognised in the income statement on a straight-line basis for the duration of the respective contracts.

Inventories

Raw materials, ancillary materials, consumables, semi-finished goods, finished goods and merchandise

These are valued at the lesser of the cost – determined with the “average weighted cost” method – and the “net realisable value”.

Contract work in progress/Contract assets

Construction contracts in progress are measured on the basis of the contractual consideration accrued with reasonable certainty in view of the progress of the work by using the percentage of completion approach, determined as the ratio between costs incurred and total estimated costs, so as to allocate the revenue and profit/loss deriving from the contract to the individual financial years pertaining to individual years in proportion to the progress made with the work. The positive or negative difference between the amount of the consideration accrued and the amount of the advance payments is entered respectively under assets or liabilities in the statement of financial position, also taking into account any write-downs made for risks connected with non-recognition of work carried out on behalf of customers.

In addition to the contractual consideration, contract revenue includes claims, price revisions and any requests for additional payments provided that it is highly probable that there will be no significant adjustment to them in the future.

If the performance of the contract activities is expected to generate a loss, this is immediately recognised in the income statement regardless of the progress of the contract.

Revenue for construction and/or improvement services in favour of the Granting Body and relating to concession contracts held by certain Group companies are recognised in the income statement based on the progress of the work. In particular, these revenue represent the consideration due for the activities performed and are measured at fair value, based on the total costs incurred (mainly consisting of costs for materials and external services, costs of benefits for employees dedicated to these activities, relevant financial expenses in the case of construction and/or improvement services relating to works expected to yield additional economic benefits), as well as any margin on services carried out with structures within the Group (as this represents the fair value of these services). The balancing entry to these revenue for construction and/or improvement services is financial assets (concession rights) or concession rights under intangible assets, as described in this paragraph.

Financial assets:

In accordance with IFRS 9, financial assets are classified in the following three categories:

- Financial assets measured at amortised cost (AC) using the effective interest method: these assets fall under a hold to collect business model and generate contractual cash flows of a principal and interest nature. This category includes financial assets other than derivatives such as loans and receivables with payments that are fixed or can be determined, and that are not listed in an active market. Discounting is omitted when the effect is insignificant. This category includes cash, trade receivables and receivables from connected companies for tolls collected on behalf of Group licensee companies, which had not yet been allocated by the end of the period, and interest-bearing loans granted.
- Financial assets measured at fair value with changes in fair value recognised in the statement of comprehensive income (“FVOCI”): these assets fall under a hold to collect and sell business model and generate contractual cash flows of a principal and interest nature. This category also includes minority interests, irrevocably designated as such under IFRS 9, other than equity instruments not held for trading and not a potential consideration arising from a business combination. For the latter, contrary to what generally happens with financial assets at FVOCI, the gains and losses recognised in the statement of comprehensive income are not subsequently transferred to the income statement,

although the cumulative profit or loss may be transferred to shareholders' equity; in addition, such minority interests are not subject to impairment accounting. The dividends arising from these are still recognised in the income statement, unless they clearly represent a recovery of part of the investment cost.

- Financial assets measured at fair value with changes in fair value recognised in profit and loss ("FVPL"): this category covers the remainder and includes all financial assets other than those measured at amortised cost and at fair value with changes in fair value recognised in the statement of comprehensive income ("FVOCI"). This category includes financial assets without an interest component, including investments in investment funds.

Non-current assets held for sale/discontinued operations

Non-current assets held for sale or disposal groups whose book value will be mainly recovered through sale rather than through continuous use, are classified as held for sale and presented separately from the other consolidated balance sheet assets and liabilities. The corresponding statement of financial position values of the previous period were not reclassified in the consolidated balance sheet, but are indicated in the comment of the individual items of the explanatory notes when these are significant.

A "discontinued operation" is a component of an entity that either has been disposed of or classified as held for sale and that meets any of the following criteria:

- it represents a major line of business or geographical area of operations;
- it is part of a coordinated disposal plan of a major line of business or geographical area of operations;
- it is a subsidiary acquired solely for the purpose of being sold.

The results of discontinued operations—whether disposed of or classified as held for sale—are entered separately in the consolidated income statement net of fiscal effects. The corresponding values for the previous period, where present, are reclassified and entered separately in the consolidated income statement, net of fiscal effects, for the purposes of comparison. Non-current assets held for sale or disposal groups classified as held for sale are initially recognised in compliance with the specific IFRS of reference applicable to each asset and liability and then are recognised at the lesser of the carrying amount and related fair value, net of the sale costs.

Any following impairment losses are recognised directly to adjust the non-current assets or disposal groups classified as held for sale with contra-entry in the consolidated income statement.

A reversal is recognised for each subsequent increment of the fair value of an asset net of the sale costs, but only up to the loss for the overall impairment previously recognised.

Cash and cash equivalents

Cash includes cash on hand, including cheques, and bank demand deposits. Cash equivalents are represented by financial investments with a maturity of three months or less (from the date of purchase), readily convertible into cash and with an insignificant risk of change in value.

Cash and cash equivalents are recognised at nominal value or amortised cost depending on their nature.

Financial liabilities

Group financial liabilities include loans, bond loans, trade payables, other liabilities and financial derivatives.

These are recorded at fair value when opened, net of any costs that can be ascribed to them. Subsequently, financial liabilities are measured at amortised cost using the effective interest method with the exception of derivative financial instruments (other than

derivative financial instruments designated as effective hedging instruments) and financial liabilities designated at FVPL, which are accounted for at fair value through profit or loss.

Payables to ANAS – Central Insurance Fund

These payables refer to operations undertaken by the parties in question during earlier accounting periods on behalf of a number of motorway licensees for the payment of loan instalments and trade payables. To facilitate the economic and financial equilibrium of the respective concessions, the financial plans attached to them require repayment of these liabilities based on the duration of the concession, in the absence of related interest payments.

Therefore, these payables have been discounted based on a specific interest rate for each licensee. In compliance with IFRS, this interest rate is established using as a reference financial instruments with essentially the same conditions and features (the discounting rates that have been used vary between 6.18% and 6.22%). The difference between the original amount of the debt and its current value is posted among liabilities to “deferred income”.

The charge from the discounting process is imputed to the income statement among “financial expenses”. At the same time, the amount previously deferred (and included in “deferred income”) is posted to the item “other income”.

Provisions for risks and charges

Provisions for risks and charges concern costs and charges of known type and of certain and probable existence, the amount and date of occurrence of which was not known at the closing date of the accounting period. Provisions are recorded when: (i) a current, legal or implied obligation probably exists from a past event; (ii) it is probable that meeting the obligation will be burdensome; (iii) the amount of the obligation can be reliably estimated.

The provisions to reserves represent our best estimate of the amount needed to extinguish the obligation or to transfer it to third parties as at the closing date of the financial statements. When the financial impact of time is significant and the dates for paying off the obligations can be reliably estimated, the provisions are discounted.

The explanatory notes also explain any contingent liabilities represented by: (i) possible (but not probable) obligations from past events, the existence of which will be confirmed only upon the occurrence of one or more uncertain future events not completely under the control of the Group; (ii) current obligations from past events, the total of which cannot be reliably estimated or the fulfilment of which is probably not costly.

Provision for restoration, replacement or maintenance of non-compensated revertible assets

Consistent with the contractual obligations in the financial plans attached to current agreements, as at the reporting date, the “Provision for restoration, replacement or maintenance of non-compensated revertible assets” receives the provisions needed to carry out maintenance to ensure the due functionality and safety of the non-compensated revertible assets during later accounting periods.

Employee benefits

The Employee Severance Indemnity (“TFR”) takes the form of a defined benefit plan, measured with actuarial techniques using the Projected Unit Credit Method. It should be noted that from 1 January 2007 this liability refers exclusively to the portion of severance indemnities accrued up to 31 December 2006, which following the reform of the supplementary pension scheme (Legislative Decree no. 252 of 5 December 2005) continues to constitute an obligation for the company. Following the entry into force of the above reform by operation of Law 296 of 27 December 2006 (2007 Finance Act), as the liability refers to a benefit now fully accrued, has been recalculated without application of the pro-rata of the service provided and without considering the component relating to future salary increases in the actuarial calculation. The recognition of changes in actuarial gains/losses is recognised in other components of the statement of comprehensive income. The cost of labour for Group companies with less than 50 employees, as well as the interest expense relating to the “time value” component in actuarial calculations, continue to

be recognised in the income statement. The portion of employee severance indemnities paid to supplementary pension funds and the INPS treasury fund is considered a defined-contribution fund because the company's obligation to the employee ceases with the payment of the accrued contributions to the pension funds.

In the case of multi-employer pension plans the Group recognises them as defined benefit plans or defined benefit plans under the terms of the plan. In this case, when sufficient information is not available to use defined benefit accounting for a multi-employer defined benefit plan, these plans are recognised as defined contribution plans.

Treasury shares

Treasury shares are posted at purchase cost, as a reduction in shareholders' equity. The nominal value of the treasury shares held is deducted directly from share capital. The value resulting from their transfer is posted with a contra-item in shareholders' equity and no entry in the income statement.

Revenue

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity.

Revenue is recognised at a specific point in time or over time, when the Group meets its performance obligations by transferring the goods and services to its customers; the process underlying the recognition of revenue follows the five steps required by IFRS 15: (i) identification of the contract with the customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the price to the various performance obligations and (v) recognition of revenue as each performance obligation is satisfied. In particular:

Proceeds from tolls

These are posted based on the related transits. In particular, the net toll revenue was calculated by multiplying the kilometres travelled by users on the relevant sections by the tariff in force and approved by the Granting Body for each motorway stretch.

Rental income and royalties

Rental income and royalties are valued based on the payment indicated in the underlying contracts with the respective counterparties. In particular, royalties relating to the service areas on the motorway networks managed are quantified on the basis of a (fixed) percentage of revenues from the economic use of sub-concession areas (normally the sale of food and oil products).

Revenue from product sales

The Group recognises the revenue from product sales when it transfers control of the asset to its customers; this moment generally coincides with the Group obtaining the right to payment and the transfer of material possession of the asset, which incorporates the transfer of the significant risks and rewards of ownership.

Revenue for services

Revenue for services are recognised based on the accrued payment, calculated by reference to the stage of completion of the service.

Contract revenue

Revenue from construction contracts in progress are recognised using the percentage of completion method. The percentage of completion is determined using the cost-to-cost method, calculated by applying the percentage of completion to the total

expected revenue, as calculated by the ratio between the contractual costs incurred and the total expected costs.

Financial income

Interest income is calculated on the value of the related financial assets at the effective interest rate.

Dividends

Dividends paid by unconsolidated companies are posted when the right to receive them is established, which corresponds to the date that the Shareholders' Meeting of the investee companies approves the distribution.

Any interim dividends are recorded when the distribution is approved by the Board of Directors of the investee company.

Grants

Grants are recognised when there exists a reasonable certainty that they will be received and that all the conditions for their disbursement will be met. Capital grants are posted to the balance sheet as an adjustment entry to the book value of the asset to which they refer. Operating grants are imputed as income and systematically allocated to the cost related to them using the matching principle.

Financial expenses

Financial expenses are recorded, on an accrual basis, as a cost in the accounting period in which they are incurred except for those which are directly imputable to the construction of non-compensated revertible assets and other assets, which are capitalised as an additional part of the cost of production of the asset. Capitalisation of financial expenses begins when activities are under way to prepare the asset for use, and it ends when these activities are essentially completed.

Income taxes

Current and deferred taxes are posted to the income statement when they do not relate to transactions directly posted to shareholders' equity.

Income taxes are posted based on an estimate of the taxable income for the period, in compliance with current regulations.

In accordance with IAS 12, "deferred tax liabilities" and "advance tax payments" are calculated based on the temporal differences between the recognised value for tax purposes of an asset or a liability and its value in the balance sheet, when it is probable that these differences will cancel themselves out in the foreseeable future. The amount of the "deferred tax liabilities" or "advance tax payments" is determined based on tax rates that are expected to apply to the period in which the tax credit is realized or the tax liability is extinguished. The tax rates are those established in current fiscal legislation as at the reference date of the individual accounting entries.

Deferred tax credits are posted when their recovery is likely.

Advance tax payments and deferred tax liabilities are offset when it is legally allowed.

Furthermore, tax effects have been considered, deriving from the adjustments made to the financial statements of consolidated businesses while applying uniform Group valuation criteria.

Derivatives

Derivatives are assets and liabilities recognised at fair value. The fair value of derivatives is determined by discounting the expected net cash, using the market interest rate curves for the date of reference and the listed credit default swap curve of the counterparty and the group companies, to include the risk of non-performance explicitly envisaged in IFRS 13.

Derivatives are classified as hedging instruments when the relationship between the derivative and the subject of the coverage is

formally documented and the coverage is highly effective, which is verified periodically. When hedging derivatives cover the risk of changes to the fair value of the instruments being covered (a “fair value hedge”, for example, covering the variability of the fair value of assets/liabilities at a fixed rate), the derivatives are recognised at fair value and their effects are recognised to the income statement. At the same time, the instruments hedged are updated to reflect the changes to their fair value associated with the underlying risk. When derivatives cover the risk of changes in net cash from the instruments being covered (cash flow hedge, (e.g. hedging the variability of cash flows from assets/liabilities at variable rates), changes in the fair value of derivatives are recognised in the statement of comprehensive income and included in the cash flow hedge reserve in shareholders’ equity and subsequently charged to the income statement in line with the economic effects produced by the hedged transaction or in the event of total or partial ineffectiveness of the hedge. Changes to the fair value of derivatives that do not satisfy the conditions to be classified as hedges are posted to the income statement.

Impairment test

When impairment is detected, an impairment test is carried out to estimate the recoverable value of the asset. Impairment is accounted for in the income statement when the book value of an asset or of a cash generating unit exceeds the recoverable value.

The book values of the Company’s assets are still assessed at the end of each annual reporting period.

Intangible assets with indefinite useful life are assessed every year and whenever there is an indication of potential impairment, in order to ascertain if such impairment effectively exists.

The *recoverable value of non-financial assets* corresponds to the highest between their fair value net of sale costs and their useful life. In order to establish their useful life, the estimated future financial flows are discounted at a rate that reflects the current market valuation of the money value and the risk related to that type of asset. If the assets do not generate incoming cash flows deemed as widely independent, the recoverable value of the cash generating unit to which the asset belongs is calculated.

The losses posted in the income statement are written back in case of changes in the valuation criteria used to determine the recoverable value. A value write-back is recorded in the income statement by aligning the book value of the assets to its recoverable value. The latter cannot exceed the value that would have been determined, net of amortisation and depreciation expense, if impairment had not been posted in the previous years.

Earnings per share

The basic earnings per share are calculated by dividing the Group share of profit by the weighted average of outstanding Parent Company shares during the year.

Estimates and valuations

The preparation of this condensed interim financial report and the related notes required estimates and assumptions that had an effect on the values of the assets and liabilities in the report and on the information related to potential assets and liabilities as at the reporting date. Actual results achieved may differ from these estimates. Among other things, the valuation used the fair value to appraise financial assets and liabilities, to perform the impairment test, for the actuarial appraisals and to record the amortisation/depreciation, the write-downs of assets and the provisions for risks. The outcomes of assessments by independent experts were also used to calculate the estimates. The estimates and assumptions are reviewed periodically and the effects of any changes are reflected immediately in the income statement or statement of comprehensive income.

Generally, some valuation processes – in particular the most complex ones, such as the assessment of any loss in value of long-term assets – are completely carried out only upon drawing up of the financial statements, when all necessary information is available. However, in case there is evidence of potential losses in value, an impairment test is carried out and the potential loss is reflected in each single book value.

Translation of foreign currency items

The statement of financial position and income statement of each consolidated company are prepared using the functional currency of the economy in which each company carries out its operations. Transactions in foreign currencies other than the functional currency are recorded at the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in a currency other than the functional currency are subsequently adjusted at the exchange rate prevailing as at the reporting date with any exchange rate differences recognised through profit or loss. Non-monetary assets and liabilities denominated in foreign currencies and recorded at historical cost are translated using the exchange rate prevailing at the time the transaction was first recognised.

For the purpose of consolidation in the Group accounts, the income statement and statement of financial position of consolidated companies with functional currencies other than the Euro are translated by applying the exchange rate prevailing as at the reporting date to assets and liabilities, including goodwill and adjustments made upon consolidation, and the average exchange rates for the year or for the consolidation period, whichever is less, to income statement items. The resulting foreign exchange differences are recognised directly in the statement of comprehensive income and reclassified to the income statement upon loss of control over the investee and, therefore, upon de-consolidation.

The main exchange rates applied during the period to translate the income statements and statements of financial position with functional currency other than the Euro, are those published by the Bank of Italy and presented in the following table:

Foreign currency	Spot exchange rate as at 30 June (*)	2019		2018	
		Average interim exchange rate	Spot exchange rate as at 31 December	Average interim exchange rate	Spot exchange rate as at 31 December
EUR/GBP Great Britain	0.89655	0.87363	0.89453	0.87977	
EUR/BRL	4.3511	4.3417	4.444	4.1415	
EUR/USD	1.1380	1.1298	1.145	1.2104	
EUR/Kuwaiti Dinar	0.3454	0.3433	0.3476	0.3641	
Euro/Omani Rial	0.4376	0.4344	0.4403	0.4654	
Euro/Angola - Reajustado Kwanza	387.2670	361.777	353.021	263.079	
Euro/Botswana - Pula	12.0935	12.0366	12.2591	11.8288	
Euro/South Africa - Rand	16.1218	16.0434	16.4594	14.8913	
Euro/Romania - Ron	4.7343	4.7418	4.6635	4.6543	
Euro/Saudi Arabia - Saudi Ryal	4.2675	4.2367	4.2938	4.5388	
Euro/United Arab Emirates - Arab Emirates					
Dirham	4.1793	4.1491	4.205	4.445	
Euro/Zambia - Zambian Kwacha	14.6588	14.0149	13.6313	11.9028	
Euro/Kenya - Kenyan Shilling	116.4115	114.1377	116.6284	122.6375	
Euro/Algeria - Algerian Dinar	135.1447	134.4534	135.4881	139.0348	
Euro/Denmark - Danish Krone	7.4636	7.4651	7.4673	7.4476	
Euro/Svizzera - Swiss Franc	1.1105	1.1295	1.1269	1.1697	
Euro/Sweden- Swedish Krona	10.5633	10.5181	10.2548	10.1508	

(*) exchange rate as at 28 June 2019

New accounting standards and interpretation adopted by the EU and effective from 1 January 2019

In addition to the above with reference to IFRS 16, please note the following:

- **IFRIC 23 - Uncertainty over income tax treatments.** The document addresses the issue of uncertainties over the treatment of income taxes. The interpretation states that uncertainties in the calculation of tax liabilities or assets are reflected in the financial statements only when it is probable that the entity will pay or recover the amount in question. In addition, the document does not contain any new disclosure requirements but underlines that the entity will have to determine whether it will be necessary to provide information on the considerations made by management and relating to the uncertainty inherent in accounting for taxes, in accordance with the provisions of IAS 1.

- **Amendments to IFRS 9 - Repayment features with negative compensation.** Regulation (EU) No. 498/2018 on repayment features with negative compensation was published on 26 March 2018. The amendments introduced are intended to provide clarification on the treatment of contractual terms that could change the timing or amount of contractual cash flows, for example, if the asset can be prepaid before maturity or its term can be extended.
- **Amendments to IAS 28 - Investments In Associates And Joint Ventures,** with Regulation (EU) No. 237/2019, issued on 8 February 2019, the document “Investments In Associates And Joint Ventures” was approved. This document clarifies the need to apply IFRS 9, including impairment requirements, to other long-term interests in associated companies and joint ventures to which the equity method is not applied.
- **Improvements to IFRS (2015-2017 cycle),** with Regulation EU No. 412/2019, issued on 14 March 2019, the document “annual cycle of improvements to IFRS 2015-2017” was approved; the amendments contained therein are as follows: i) *IFRS 3 - Business Combinations*, an entity remeasures the interest previously held in a joint operation when it obtains control of the business; ii) *IFRS 11 - Joint Arrangements - Remeasurement of previously held interest in a joint operation*, an entity does not remeasure the interest previously held in a joint operation when it obtains joint control of the business; iii) *IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity*, an entity must report the tax effects of the dividends for income tax purposes when it reports the liability relating to the dividend; the entity must report the related tax effects in the profit/loss for the year, in the other components of the statement of comprehensive income or within the shareholders’ equity, according to where the entity previously reported these transactions; iv) *IAS 23 - Borrowing costs - Disclosure of Interests in Other Entities - Borrowing costs eligible for capitalisation*, provided an entity borrows generically and uses the loans obtained to purchase a good to be recorded as an asset in the balance sheet, the entity must determine the amount of the capitalised financial expenses by applying a capitalisation rate to the costs incurred for that good equal to the weighted average of the financial expenses applicable to all loans of the entity existing during the financial year.
- **Amendments to IAS 19 - Plan amendment, curtailment or settlement,** with Regulation (EU) No. 402/2019, issued on 13 March 2019, the document “plan amendment, curtailment or settlement” was approved as part of IAS 19 - Employee benefits. The document clarifies how an entity should recognise a change (i.e. a curtailment or settlement) of a defined benefit plan. The amendments require an entity to update its assumptions and remeasure the net liability or asset resulting from the plan. The amendments clarify that after the occurrence of such an event, an entity must use updated assumptions to measure the current service cost and interest for the remainder of the reporting period following the event.

The above had no effect on the consolidated financial statements of the Group.

New accounting standards and interpretations issued by the IASB and not adopted yet by the EU

- **Amendments to IAS 1 and IAS 8 - Definition of materiality.** The document, published by the IASB on 1 October 2018 and applicable as of 1 January 2020, introduced a change in the definition of “material” contained in IAS 1 and IAS 8. This amendment aims to make the definition of “material” more specific and introduces the concept of “obscured information” alongside the concepts of omitted or incorrect information already present in the two amended standards. The amendment clarifies that information is “obscured” if it has been described in such a way as to have an effect on primary readers of financial statements similar to that which would have occurred if such information had been omitted or incorrect.

- **Amendments to IFRS 3 - Business Combinations**, with reference to the definition of the business, applicable from 1 January 2020. The objective is to resolve the difficulties that arise in practice when it is necessary to assess whether a business or a group of assets has been purchased.
- **IFRS 17** - Insurance contracts, applicable from 1 January 2021, it governs the accounting of insurance contracts issued and reinsurance contracts held.
- Changes to references to the “**conceptual framework**” in IFRS, applicable as of 1 January 2020.
- **Amendments to IAS 10 and IAS 28 - Sale or contribution of an asset by an investor to its associate/joint venture**, published on 11 September 2014. The document was published in order to resolve the current conflict between IAS 28 and IFRS 10 relating to the measurement of the profit or loss resulting from the sale or contribution of a non-monetary asset to a joint venture or associate in exchange for an interest in the latter’s capital. At present, the IASB has suspended the application of this amendment.

The Group is currently evaluating the possible effects of the introduction of these changes on its consolidated financial statements.

Explanatory notes – Scope of consolidation

The list of subsidiary companies included in the scope of consolidation is shown below.

Parent Company

Name	Registered office
ASTM S.p.A.	Turin - Corso Regina Margherita 165

Subsidiaries – consolidated with the “line-by-line method”

Name	Registered office	Share capital	% of the group ¹	Directly-held %
Argo Costruzioni Infrastrutture S.c.p.a.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	130,000	100.000	
CORNIGLIANO 2009 S.c.a r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	100.000	
Crispi S.c.a.r.l. con socio unico in liquidazione	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	100.000	
Euroimpianti S.p.A.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	120,000	100.000	
Finanziaria di Partecipazioni e Investimenti S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	22,680,725	100.000	
Halmar International Trucking Inc	421 East Route 59 Nanuet, NY 10954-2908	-	100.000	
Halmar Transportation System Llc	421 East Route 59 Nanuet, NY 10954-2908	-	100.000	
HIC Insurance Company Inc.	421 East Route 59 Nanuet, NY 10954-2908	200,000	100.000	
IGLI S.p.A.	Milan - Viale Isonzo 14/1	37,130,000	100.000	60.000
ITINERA CONSTRUOES LTDA	Cidade de São Paulo, Estado de São Paulo, na Rua Eduardo Souza Aranha n. 387 - Brazil	Reais 1,000,000	100.000	
ITINERA S.p.A.	Tortona (AL) – Via Balustra 15	86,836,594	100.000	66.117
ITINERA INFRAESTRUCTURA AND CONCESSIONS INC	New York, 1 Blue Hill Plaza 16th Floor	-	100.000	40.000
Itinera USA CORP	2140 S Dupont Highway Street, Camden Delaware	USD 55,100,000	100.000	
Logistica Tirrenica S.p.A.	Lido di Camaiore (LU) – Via Don Tazzoli 9	12,000,000	100.000	
Marcallo S.c.a r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50,000	100.000	
SEA Segnaletica Stradale S.p.A.	REGIONE RAVENNA 15057-TORTONA (AL)	500,000	100.000	
SIAS Parking S.r.l. unipersonale in liquidazione	Turin – Via Bonzanigo 22	5,000,000	100.000	
SINA S.p.A.	Milan - Viale Isonzo 14/1	10,140,625	100.000	100.000
SINELEC USA INC	New Castle, 251 Little Falls Drive - Wilmington	USD 50,000	100.000	
SINERGIE S.c.a.r.l. in liquidazione	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	100.000	
Siteco Informatica S.r.l. unipersonale	Milan - Viale Isonzo 14/1	13,784	100.000	
Società Attività Marittime (SAM) S.p.A.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	500,000	100.000	
Urbantech S.p.A.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	130,907	100.000	
Storstroem Bridge JV	4760 Vordingborg (Denmark) - Faergesgardsvej 15 L	-	99.980	
Torre di Isola S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	99.900	
SATAP S.p.A.	Turin – Via Bonzanigo 22	158,400,000	99.874	
Albenga Garessio Ceva S.p.A.	Cuneo - Corso Giolitti 17	600,000	99.460 ⁽²⁾	
SINELEC S.p.A.	Tortona (AL) – S.S. 211 Loc. San Guglielmo 3/13	7,383,435	97.514	
Lambrò S.c.a r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	200,000	97.210	
AGOGNATE S.c.a r.l. in liquidazione	15057 Tortona (AL), Str.Priv.Analdi 8	10,000	96.900	
BIANDRATE S.c.a r.l. in liquidazione	15057 Tortona (AL), Str.Priv.Analdi 8	10,000	96.900	
Carisio S.c.a r.l. in liquidazione	15057 Tortona (AL), Via Balustra 15	10,000	96.000	
Taranto Logistica S.p.A.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	13,000,000	96.000	
Società Autostrada Ligure Toscana p.a.	Lido di Camaiore (LU) – Via Don Tazzoli 9	160,300,938	95.229	
Impresa Costruzioni Milano Scarl - I.CO.M. in liquidazione	Tortona (AL) - Strada per Alessandria 6/a	10,000	93.000	
Diga Alto Cedrino S.c.a r.l.	15057 Tortona (AL), Via Balustra 15	50,000	80.000	
Mazze' S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	80.000	
Sistemi e Servizi S.c.a.r.l.	Tortona (AL) S.S. 211 Loc. San Guglielmo 3/13	100,000	80.000	14.000
Autostrada dei Fiori S.p.A.	Imperia – Via della Repubblica 46	325,000,000	73.003	
Atlantic Coast Foundations Llc	421 East Route 59 Nanuet, NY 10954-2908	-	70.000	
Safe Road S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	65.840	
SAV S.p.A.	Châtillon (AO) – Strada Barat 13	24,000,000	65.085	
Autostrada Asti-Cuneo S.p.A.	Rome – Via XX Settembre 98/E	200,000,000	65.000	
Pedemontana Lombarda Manutenzioni S.c.a.r.l. (P.L.M) in liquidazione	Strada Statale per Alessandria 6/A	10,000	64.600	
SIAS S.p.A.	Turin – Via Bonzanigo 22	113,771,078	63.544	61.826
Halmar International - LB Electric LLC	421 East Route 59 Nanuet, NY 10954-2908	-	60.000	
Consorzio Sintec	Milan - Viale Isonzo 14/1	20,000	60.000	
Halmar-A Servidone - B Anthony LLC	421 East Route 59 Nanuet, NY 10954-2908	1,600,000	60.000	
Potomac Yard Constructors	421 East Route 59 Nanuet, NY 10954-2908	-	60.000	
S.G.C. S.c.a.r.l. in liquidazione	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	60.000	
CERVIT IMPIANTI TECNOLOGICI CONSORTILE A RESPONSABILITA' LIMITATA (C.I.T. S.C. A.R.L.)	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	58.790	
Società di Progetto Autovia Padana S.p.A.	Tortona (AL) S.S. 211 Loc. San Guglielmo 3/13	163,700,00	51.000	
A 7 barriere S.c.a r.l. in liquidazione	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	51.000	
Ponte Meier S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	51.000	
Ramonti S.c.a r.l. in liquidazione	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	51.000	
CRZ01 S.c.a.r.l. in liquidazione	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	50.750	
Halmar International LLC	421 East Route 59 Nanuet, NY 10954-2908	27,080,000	50.000	

¹ The percentage indicates the sum of percentages of equity investments held by individual companies of the Group.

² Net of treasury shares held by the company.

List of Joint Operations

Name	Registered office	% of the group ¹	Directly-held %
Koge Hospital Project Team I/S	2900 Hellerup (Denmark) - Tuborg Havnvej 18	80.00%	
Itinera/Cimolai JV	Gaborone/Republic of Botswana	72.23%	
Consortium Baixada Santista	Sao Paulo (Brazil) - Via Nova Conceicao	50.00%	
Cons. Binario Porto de Santos	2900 Hellerup (Denmark) - Tuborg Havnvej 18	50.00%	
MG-135 Consortium	Sao Paulo (Brazil) - Via Nova Conceicao	50.00%	
Alcas da Ponte Consortium	Sao Paulo (Brazil) - Via Nova Conceicao	50.00%	
CONSORCIO BR-050	Sao Paulo (Brazil) - Via Nova Conceicao	50.00%	
ITINERA - GHANTOOT JV	Emirate of Abu Dhabi, UAE	50.00%	
Odense Hospital Project Team I/S	2900 Hellerup (Denmark) - Tuborg Havnvej 18	49.00%	
Arge H 51	A110 Vienna, Absbergasse 47, Austria	44.99%	
MEP JV	Emirate of Abu Dhabi, UAE	33.33%	
3RD Track Constructors	Sao Paulo (Brazil) - Via Nova Conceicao	23.00%	

List of equity investments in subsidiaries, jointly controlled entities and associated companies accounted for by the "equity method"

Name	Registered office	Share capital	% of the group ¹	Directly-held %
<u>Jointly controlled entities</u>				
Primav Infraestrutura S.A. (*)	Sao Paulo, Rua Doutor Eduardo de Souza Aranha, 387	BRL 2,224,010,500	69.100	
A.T.I.V.A. S.p.A.	Turin – Strada Cebrosa 86	44,931,250	41.170	
FEDERICI STIRLING BATCO LLC (**)	Muscat (Oman) - P.O. BOX 1179 AL ATHAIBA, 130	RIA 300,000	34.300	
Ecorodovias Infraestrutura e Logistica S.A.	Sao Paulo, Rua Gomes de Carvalho, 1510 3 andar cj 31/32 Vila Olímpia	BRL 360,900,000	4.990	
(*) of which 30.9% ordinary shares and 38.2% preferred shares – equal to 50% of the voting rights				
(**) of which 34.3% ordinary shares – equal to 49% of the voting rights				
<u>Associated companies</u>				
Aurea S.c.a.r.l.	Milan, Via Fabio Filzi 25	10,000	99.000	
CONSORZIO SICILIANO LAVORI FERROVIARI - CON.SI.L.FER.	Rome - Via Indonesia 100	5,164	50.000	
Europa S.c.a.r.l.	43121 Parma - Via Anna Maria Adorni 1	10,000	50.000	
Lissone S.c.a.r.l.	20147 Milan, Via Marcello Nizzoli 4	10,000	50.000	
Malco S.c.a.r.l.	36100 Vicenza - Viale dell'Industria 42	10,000	50.000	
Mill Basin Bridge Contractors LLC	421 East Route 59 Nanuet, NY 10954-2908	USD 12,755	50.000	
Nichelino Village S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	50.000	
Ponte Nord S.p.A.	43121 Parma - Via Anna Maria Adorni 1	1,667,000	50.000	
SERRAVALLE VILLAGE S.C.A.R.L.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	50.000	
Tunnel Frejus S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	50,000	50.000	
Tangenziali Esterne di Milano S.p.A.	Milan - Via Fabio Filzi 25	220,344,608	49.999	
ATIVA Immobiliare S.p.A.	Turin – Strada Cebrosa 86	1,100,000	49.995 ⁽²⁾	
Interconnessione S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	49.900	
ASTA S.p.A.	Turin - Via Bonzanigo 22	6,000,000	49.002	
CMC Itinera JV S.c.p.A.	Ravenna, Via Trieste 76	100,000	49.000	
Letimbro S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	100,000	49.000	
Rivalta Terminal Europa S.p.A.	Tortona (AL) - Fraz. Rivalta Scrivia – Strada Savonesa 12/16	14,013,412	48.160	
Smart Mobility Systems s.c.a.r.l. (SMS S.C. A R.L.)	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	45.500	
ASCI LOGISTIK GMBH	Thalerhofstrasse 88 8141 Premstatten	35,000	45.000	
CIS BETON GMBH	Thalerhofstrasse 88 8141 Premstatten	35,000	45.000	
Mose Bocca Di Chioggia Scarl	35127 Padua, Via Belgio 26	10,000	42.500	
VETIVARIA s.r.l.	Milan – Via Spallanzani Lazzaro 6	72,000	40.326	
MOSE OPERAEE S.c.a.r.l.	35127 Padua, Via Belgio 26	10,000	40.220	
COVA S.c.a.r.l.	Bologna - Viale Antonio Silvani 6	10,000	40.000	
Edilrovaccio 2 S.r.l. in liquidazione	Turin – Via M. Schina 5	45,900	40.000	20.000
C.T.E. Consorzio Tangenziale Engineering	Milan – Via Girolamo Vida 11	20,000	39.999	
Fondo Valle S.c.a.r.l. in liquidazione	Tortona (AL) - Strada privata Ansaldi 8	10,000	39.330	
Tessera S.c.a.r.l.	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	39.240	
Marchetti S.c.a.r.l.	Tortona (AL) - Strada Statale Alessandria 6/A	10,000	36.770	
S.I.T.A.F. S.p.A.	Susa (TO) - Fraz. S. Giuliano, 2	65,016,000	36.600	
SITRASB S.p.A.	Aosta – Saint Rhémy En Bosses Località Praz-Gentor	11,000,000	36.500	
S.A.C. S.r.l. Consortile in liquidazione	Carini (PA)-S.S. 113 Zona Industriale	10,329	35.000	
Consorzio Costruttori TEEM	15057 Tortona (AL), Strada Statale per Alessandria 6/a	10,000	34.999	
GSG TUNNELING SRL in liquidazione	Rome - Piazza Ferrando De Lucia 65	10,000	33.000	
Consorzio Cancello Frasso Telesino	Parma, Via Madre Anna Maria Adorni 1	15,000	33.330	
Autostrada Nogare Mare Adriatico S.c.p.A. in liquidazione	37135 Verona, Via Flavio Gioia 71	120,000	29.000	
Interporto di Vado Intermodal Operator S.c.p.A.	Vado Ligure (SV) – Via Trieste 25	3,000,000	28.000	
S.A.BRO.M. S.p.A. - Società Autostrada Broni-Mortara	Milan - Via dei Missaglia 97	28,902,600	26.841	
Brescia Milano Manutenzioni S.c.a.r.l.	Cuorgnè (TO) - Località Bandone 1/G	10,000	26.000	
D.N.C. S.c.a.r.l	00139 Rome, Piazza Fernando De Lucia, 65	20,000	25.000	
Tangenziale Esterna S.p.A.	Milan - Via Fabio Filzi 25	464,945,000	24.455	
C.I.M. S.p.A. Novara - Centro Interportuale Merci	Novara - Via Carlo Panseri 118	24,604,255	24.313	
Mose TREPORTI S.c.a.r.l.	35127 Padua, Via Belgio 26	10,000	22.540	
Igea Romagna S.c.a.r.l.	Ravenna - Via Pier Traversari, 63	20,000	20.330	
Formazza S.c.a.r.l. in liquidazione	15057 Tortona (AL), Str.Priv.Ansaldo, 8	10,200	20.000	
ROAD LINK Holdings Ltd.	Northumberland - Stocksfield NE43 7TN	GBP 1,000	20.000	

¹ The percentage indicates the sum of percentages of equity investments held by individual companies of the Group

² Net of treasury shares held by the company.

List of other equity investments

Name	Registered office	Share capital	% of the group ⁽¹⁾	Directly-held %
DAITA S.c.a.r.l.	Caltanissetta - Via N. Colajanni 314/E	10,328	80.000	
Siteco BGOOD	Sofi Kniaz Boris I 55, Bulgaria	5,215	48.993	
ABESCA EUROPA S.r.l.	23017 Morbegno (SO), Via Vanoni 24	100,000	19.523	
iOne Solutions S.r.l.	Tortona - Corso Romita 10	10,200	19.000	
CE.S.IF. (Celer Surveyctio Incrementa Firmata) S.c.p.A. in liquidazione	80122 Naples, Riviera di Chiaia, 72	250,000	18.805	
Tubosider S.p.A.	Turin - Via Palmieri 29	9,331,017	18.597	
Confederazione Autostrade S.p.A.	Verona - Via Flavio Gioia, 71	6,000,000	16.667	
Consorzio Autostrade Italiane Energia	Rome - Via A. Bergamini 50	113,949	16.640	
CODELFA S.p.A.	Tortona - Località Passalacqua	2,500,000	16.423	
NUOVA CODELFA S.p.A.	Tortona - Corso Romita 10	2,500,000	16.423	
MILANO SERRAVALLE - MILANO TANGENZIALI S.p.A.	Assago (MI) - Via del Bosco Rinnovato, 4/A	93,600,000	13.595	0.048
Società per azioni Autostrade Centropadane	Cremona - Via Colletta 1	30,000,000	11.095	
C.R.S. – Centro Ricerche Stradali S.p.A.	Mestre (Venice) Piazzale Leonardo da Vinci, 8/A	26,850	11.081	
CSI – Consorzio Servizi Ingegneria	Verona - Via Cattaneo 20	10,000	11.000	
Pedelombarda S.c.p.A.	Milan - Via dei Missaglia 97	5,000,000	11.000	
Passante Dorico S.p.A.	20142 Milan, Via dei Missaglia n.97	24,000,000	11.000	
Cons. Costr. Veneti San Marco	Via Trieste 32, Padua	51,646	10.000	
Cons. Pedelombarda 2 S.c.p.A.	20142 Milan, Via dei Missaglia n.97	10,000	10.000	
SPEDIA S.p.A. in liquidazione	La Spezia-Via delle Pianazze 74	2,413,762	7.971	
Form Consult S.p.A. (former IRI Management)	Rome, Via Piemonte, 60	1,560	6.045	
AGENZIA di POLLENZO S.p.A.	Bra - Fraz. Pollenzo (CN) - Piazza Vittorio Emanuele 13	24,319,920	5.746	
Restart SIIQ (former AEDES S.p.A.)	Milan, Via Tortona 37	5,000,167	5.300	
AEDES SIIQ S.p.A.	Milan, Via Tortona 37	212,945,601	5.300	
TUNNEL GEST S.p.A.	Arcugnano (VI) - Via dell'Industria n. 2	8,500,000	5.000	
INTERPORTO RIVALTA SCRIVIA S.p.A.	Rivalta Scrivia (AL) - Strada Savonese 12/16	11,848,200	4.340	4.340
Eurolink S.c.p.A.	Rome - Via dei Crociferi 44	150,000,000	2.000	
Parco Scientifico e Tecnologico in Valle Scrivia S.p.A. - P.S.T. S.p.A.	Rivalta Scrivia (AL) - Strada Comunale Savonese 9	5,271,936	1.957	
SEVESO SCARL in liquidazione	VIA VALTELLINA 17 - MILAN	10,000	1.500	
MN 6 S.c.a.r.l.	80142 Naples Via Galileo Ferraris 101	51,000	1.000	
Alitalia - Compagnia Aerea Italiana S.p.A.	Fiumicino, Rome - Piazza Almerico da Schio Pal RPU	3,526,846	0.404	
Interporto Toscano A. Vespucci S.p.A.	Guasticce (Collesalvetti - LI) - Via delle Colline 100	22,458,263	0.345	
PLC S.p.A. (former Industria e Innovazione S.p.A.)	Milan - Via Lanzone 31	37,136,263	0.228	
C.e.P.I.M. S.p.A. - Centro Padano Interscambio Merci S.p.A.	Fontevivo (PR) - Piazza Europa, 1	6,642,928	0.211	
Milano Depur S.p.A.	20141 Milan, Via Lampedusa 13	1,900,000	0.100	
Vettabbia S.c.a.r.l.	Milan, Via Lampedusa 13	100,000	0.100	
Mediobanca S.p.A.	Milan - Piazzetta Enrico Cuccia 1	443,521,470	0.035	
Assicurazioni Generali S.p.A.	Trieste - Piazza Duca degli Abruzzi 2	1,565,165,364	0.035	0.013
Argentea Gestioni S.c.p.A.	Brescia - Via Somalia 2/4	120,000	0.030	
SOGEAP Aeroporto di Parma S.p.A.	Parma - Via Ferretti Licinio 50/A	17,892,636	0.010	
C.A.A.F. IND. E.C. S.p.A.	Bologna - Via San Domenico 4	377,884	0.014	
Banco BPM S.p.A.	Milan - Piazza Meda	7,100,000,000	0.010	
Società cooperativa elettrica Gignod	LOCALITA' LA CROIX NOIRE - RUE LA CROIX NOIRE 61	279,125	0.010	
BANCA CARIGE S.p.A.	Genoa - Via Cassa di Risparmio 15	1,845,163,696	0.006	
Uirnet S.p.A.	Brescia - Via Somalia 2/4	1,142,000	0.001	
Salini Impregilo S.p.A. ⁽²⁾	Milano - Via dei Missaglia 97	544,740,000	-	
Atlantia (former Autostrade S.p.A.)	Rome, Via Antonio Nibby 20	825,783,990	-	

(1) The percentage indicates the sum of percentages of equity investments held by individual companies of the Group

(2) The Group only owns saving shares

Changes in the scope of consolidation

With regard to **changes** in the scope of consolidation:

- on 28 February 2019, Sinelec S.p.A. subscribed to 100 shares of the newly incorporated Sinelec USA INC, reaching a total of 100% of the share capital; from the date of incorporation, the American company is included in the scope of consolidation;
- on 25 March 2019, Safe Road S.c.ar.l. was incorporated by Sinelec S.p.A. through the subscription of 52 stakes and by Euroimpianti S.p.A. through the subscription of 14 stakes respectively, reaching a total of 65.670% of the share capital (Sinelec S.p.A. 51.67% and Euroimpianti S.p.A. 14%); from the date of incorporation, the company is included in the scope of consolidation;

- on 25 March 2019, the companies ASTM S.p.A. and SIAS S.p.A. subscribed to 2,500 shares of the newly incorporated Itinera Infrastructure and Concessions Inc, reaching 100% of the share capital; from the date of incorporation, the American company is included in the scope of consolidation;
- on 27 March 2019, the 3,600 stakes held in Brescia Milano Manutenzioni S.c.ar.l. by Sinelec S.p.A. (1,800 for EUR 1,800 - 18% of the share capital) and by Euroimpianti S.p.A. (1,800 for EUR 1,800 - 18% of the share capital) respectively were sold; following the sale of these stakes, Brescia Milano Manutenzioni S.c.ar.l. is not longer a subsidiary; therefore the Company is consolidated – using the “line-by-line method” – limited to the “income statement figures” only until the date of the sale.
- in February 2019, the companies Mortara S.c.ar.l. and Malpensa 2011 S.c.ar.l. were removed from the register of companies following the completion of the liquidation in December 2018; therefore, the Companies are de-consolidated as of 1 January 2019;
- following the liquidation and cancellation on 10 June 2019, the company Brescia Milano Impianti S.c.ar.l. is no longer included in the scope of consolidation; therefore, the wound-up company was consolidated line-by-line solely for the “income statement figures”;
- as of the first half of the year, the Joint Operations Consorzio BR-050 and MEP JV are included in the scope of consolidation and the company Bishop/Halmar JV is no longer included following the achievement of the corporate purpose.

With retroactive accounting effect from 1 January 2019, the company Adelaide Crystal HLLC was merged by incorporation into Halmar International LLC; following this merger, there was no change in the scope of consolidation as the acquiring company was already consolidated - using the “line-by-line method”.

Explanatory notes – Operating segments

On the basis of the current organisational structure of the ASTM Group, the information required by IFRS 8 is provided below, broken down by “business segment”.

The activity of the group is divided into six main sectors:

- Motorway sector (operating activities)
- Planning and construction sector
- Construction sector
- Engineering sector
- Technology sector
- Services sector

The financial and equity data for each sector are shown in the table below. Transactions between sectors are reversed in the “eliminations” column.

(amounts in thousands of EUR)	Operating segments												Eliminations (affecting result and aggregate equity) Eliminations (not affecting result and aggregate equity)	Consolidated		
	Motorway sector (operating activities)		Motorway/Construction sector – planning and construction activities		Construction sector		Engineering sector		Technology sector		Services sector					
	1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018				
Revenues with third parties																
Motorway (tolls)	582,013	563,477	-	-	-	-	-	-	-	-	-	-	-	582,013	563,477	
Other motorway revenue	15,550	15,448	-	-	-	-	-	-	-	-	-	-	-	15,550	15,448	
Motorway revenues construction sector	-	-	115,692	67,988	-	-	-	-	-	-	-	-	-	115,692	67,988	
Construction	-	-	-	-	376,783	182,076	-	-	-	-	-	-	-	376,783	182,076	
Construction - planning and construction activities	-	-	10,453	30,781	-	-	-	-	-	-	-	-	-	10,453	30,781	
Engineering sector	-	-	-	-	-	-	3,561	3,096	-	-	-	-	-	3,561	3,096	
Technology sector	-	-	-	-	-	-	-	-	23,417	17,331	-	-	-	23,417	17,331	
Other revenue	20,996	18,340	-	-	6,166	4,990	97	148	568	794	1,579	1,589	-	29,406	25,861	
Total revenues with third parties	618,559	597,265	126,145	98,769	382,949	187,066	3,658	3,244	23,985	18,125	1,579	1,589	-	1,156,475	906,058	
Inter-segment revenues	4,002	3,723	-	-	102,331	97,546	23,076	13,675	50,215	24,480	3,899	4,128	(183,523)	(143,552)		
Total revenues	622,561	600,988	126,145	98,769	485,280	284,612	26,724	16,919	74,200	42,605	5,478	5,717	(189,523)	(142,552)	1,156,475	906,058
Operating costs	(281,032)	(252,906)	(126,145)	(98,769)	(671,479)	(279,887)	(20,853)	(16,463)	(65,029)	(35,734)	(13,246)	(14,691)	183,102	143,552	(794,682)	(554,898)
Segment EBITDA	341,529	348,082	-	-	13,801	4,725	5,881	456	9,171	6,871	(7,768)	(8,974)	(421)	-	362,193	351,160
Amortisation/depreciation and provisions	(140,865)	(139,935)	-	-	(7,709)	(4,129)	(938)	(337)	(1,879)	(1,590)	(384)	(289)	365	(151,410)	(146,280)	
EBIT	200,664	208,147	-	-	6,092	596	4,943	119	7,292	5,281	(6,152)	(9,263)	(56)	-	210,783	204,880
Financial income	8,626	11,964	-	-	1,297	1,433	6	5	208	192	46,671	41,495	(46,433)	(43,552)	10,375	11,537
Financial expenses	(50,067)	(52,515)	-	-	(1,323)	(878)	(158)	(22)	(72)	(47)	(33,433)	(33,261)	46,540	43,552	(38,513)	(43,171)
Profit (loss) of companies accounted for by the equity method	37	141	-	-	(4,679)	464	(9)	(24)	-	-	(843)	20,859	-	(5,494)	21,440	
Profit (loss) before taxes	159,260	167,737	-	-	1,387	1,615	4,782	78	7,428	5,426	4,243	19,830	51	177,151	194,686	
Taxes														(43,413)	(52,651)	
Profit (loss) for the period (including portion attributable to non-controlling interests)														133,738	142,035	

(amounts in thousands of EUR)	Operating segments												Eliminations (affecting result and aggregate equity) Eliminations (not affecting result and aggregate equity)	Consolidated		
	Motorway sector (operating activities)		Construction sector		Engineering sector		Technology sector		Services sector							
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018				
Non-current assets																
Non-current assets	3,579,903	3,593,799	247,885	217,542	51,738	46,543	20,542	16,747	4,761,302	6,130,721	(3,898,842)	(5,269,022)	4,762,528	4,736,330		
Current assets	150,041	228,523	752,756	633,324	35,955	29,957	97,865	71,793	53,840	28,319	(328,556)	(287,039)	761,901	704,877		
Total assets													5,524,429	5,441,207		
Short-term liabilities																
Short-term liabilities	285,099	278,548	663,390	579,762	19,495	15,404	63,514	40,846	72,300	87,624	(298,502)	(259,541)	805,296	742,643		
Medium and long-term liabilities and provisions	284,658	304,323	23,747	35,378	2,442	2,415	6,642	6,178	4,310	4,594	-	-	321,799	352,888		
Adjusted net financial indebtedness	1,093,315	1,141,012	78,478	1,415	(9,568)	(14,630)	(12,167)	(32,672)	119,554	173,656	-	-	1,269,612	1,268,781		
Shareholders' equity													3,127,722	3,076,895		
Total liabilities													5,524,429	5,441,207		
Investments accounted for by the equity method	129,466	121,942	6,453	9,438	632	708	531	540	840,548	840,695	-	-	977,630	975,323		

Explanatory Notes – Concessions

Business operations are mainly represented by the **construction** and **management** of **motorway infrastructures** and for which the Group companies are the licensees.

The **motorway licensees** that are subsidiaries, jointly controlled or associated companies of the Group operate in accordance with specific concession agreements signed with the Granting Body, which govern the rights and obligations of the parties. In this respect, the licensees are in fact obliged, under their own responsibility and at their own expense, to arrange the planning, construction, maintenance and management of the motorway infrastructure until expiry of the concession agreement and the right to collect tolls from users (calculated and updated according to the methods specified in the agreement), which guarantees that the investments made are remunerated fairly. On expiry of the concessions, all motorway works completed (the “revertible assets”) by the licensee must be transferred free of charge and in good condition to the Grantor, except for concessions involving payment by the incoming licensee of the residual book value of the revertible assets (the “takeover value”).

The following table provides details of the motorway concessions, with breakdown by licensee:

Licensee	Motorway stretch	Expiry of the concession
<u>Subsidiaries – Italy</u>		
SATAP S.p.A.	Torino – Milano	31 December 2026
SATAP S.p.A.	Torino – Piacenza	30 June 2017 (*)
SAV S.p.A.	Quincinetto-Aosta	31 December 2032
SALT p.A.	Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	31 July 2019
SALT p.A.	La Spezia-Parma (and road link with Autostrada del Brennero)	31 December 2031
ADF S.p.A.	Savona-Ventimiglia	30 November 2021
ADF S.p.A.	Torino – Savona	31 December 2038
Asti-Cuneo S.p.A.	Asti-Cuneo	(**)
Società di Progetto Autovia Padana S.p.A.	Piacenza-Cremona-Brescia	28 February 2043
<u>Jointly controlled entities and associated companies – Italy</u>		
ATIVA S.p.A.	Tangenziale di Torino (Turin bypass), Torino-Quincinetto, Ivrea-Santhià and Torino-	31 August 2016 (*)
SITAF S.p.A.	Torino-Bardonecchia, Frejus Tunnel	31 December 2050
Sitrasb S.p.A.	Traforo Gran San Bernardo (Great St Bernard Tunnel)	31 December 2034
Tangenziale Esterna S.p.A.	Tangenziale Est Esterna di Milano (Milan Outer Ring Road)	30 April 2065
<u>Jointly controlled entities and associated companies – International</u>		
Road Link	A69 Carlisle-Newcastle (UK)	31 March 2026
Ecovia Caminho do Mar (***)	Curitiba metropolitan area – Port of Paranagua	November 2021
Ecocataratas (***)	Paraná – “triple border” (Brazil, Argentina and Paraguay)	November 2021
Ecovias dos Imigrantes (***)	Sao Paolo metropolitan area – Port of Santos	June 2026
Ecosul (***)	Pelotas – Porto Alegre and Rio Grande Port	March 2026
Eco 101 (***)	Macuri/BA Rio de Janeiro border	May 2038
Ecopistas (***)	Sao Paolo metropolitan area – Industrial region of Vale do Rio Paraíba	June 2039
Ecoponte (***)	Rio de Janeiro Noteroi – State of Rio de Janeiro	May 2045
Ecorodoanel (***)	Sao Paulo Northern Ring Road	December 2050 (****)
ECO 050 - MGO (****)	Cristalina (Goiás) - Delta (Minas Gerais)	January 2044
ECO 135 (***)	Montes Claros (Minas Gerais)	June 2048

(*) A management “extension” has been granted, pending the appointment of a new licensee.

(**) For this stretch, still pending completion, the duration of the concession is 23.5 years as from the infrastructure’s completion date.

(***) Investee via IGLI S.p.A.

(****) The expiry date is subject to review based on the start date of the activities.

As regards the profit and loss figures of the individual motorway stretches managed by the licensees, reference should be made to the information provided in the Management Report in the section "Results of Operations" - Motorway Sector.

Other concessions

TARANTO LOGISTICA

The company Taranto Logistica operates as a licensee, by virtue of the agreement signed with the granting body, the Taranto Port Authority, for the executive design and the execution of the Taranto Port infrastructure node – Integrated Logistics Facilities, as well its management after execution.

Explanatory notes – Information on the balance sheet

Note 1 – Intangible assets

This item breaks down as follows:

	Goodwill	Other intangible assets		Total
		In operation	In process	
Cost:				
as at 1 January 2018	82,865	39,771	875	123,511
Change in the scope of consolidation	539	961	-	1,500
Investments	820	3,734	2,813	7,367
Reclassifications and other changes	-	163	(93)	70
Divestitures	-	(651)	-	(651)
Write-downs	-	-	(826)	(826)
Foreign exchange differences	1,802	-	-	1,802
as at 31 December 2018	86,026	43,978	2,769	132,773
Accumulated depreciation:				
as at 1 January 2018	-	(25,961)	-	(25,961)
Change in the scope of consolidation	-	(166)	-	(166)
2018 amortisation and depreciation	-	(3,787)	-	(3,787)
Uses	-	24	-	24
Foreign exchange differences	-	1	-	1
Other changes	-	(5)	-	(5)
as at 31 December 2018	-	(29,894)	-	(29,894)
Net book value:				
as at 1 January 2018	82,865	13,810	875	97,550
as at 31 December 2018	86,026	14,084	2,769	102,879

	Goodwill	Other intangible assets		Total
		In operation	In process	
Cost:				
as at 1 January 2019	86,026	43,978	2,769	132,773
Change in the scope of consolidation	-	(2)	-	(2)
Investments	-	1,012	992	2,004
Reclassifications and other changes	-	546	(694)	(148)
Divestitures	-	(518)	-	(518)
Foreign exchange differences	247	-	-	247
as at 30 June 2019	86,273	45,016	3,067	134,356
Accumulated depreciation:				
as at 1 January 2019	-	(29,894)	-	(29,894)
Change in the scope of consolidation	-	1	-	1
Amortisation and depreciation 1H 2019	-	(1,702)	-	(1,702)
Uses	-	71	-	71
Foreign exchange differences	-	-	-	-
Restatements and other changes	-	477	-	477
as at 30 June 2019	-	(31,047)	-	(31,047)
Net book value:				
as at 1 January 2019	86,026	14,084	2,769	102,879
as at 30 June 2019	86,273	13,969	3,067	103,309

The “*goodwill*” values are summarised below:

Cash Generating Unit	Amount as at 30/06/2019
SALT p.A.	38,435
Autostrada dei Fiori S.p.A.	313
SATAP S.p.A.	2,907
Halmar International LLC	43,700 ⁽¹⁾
Sinelec S.p.A.	379
SEA Segnaletica Stradale S.p.A.	539
Total	86,273

⁽¹⁾ amount converted using the exchange rate as at 28 June 2019

Below follow the main disclosures relating to the investment in Halmar International LLC

(amounts in millions of EUR)

Company	Main Activity	Date of purchase	Percentage of voting rights acquired	Percentage acquired	Acquisition Cost
Halmar International LLC	Industrial holding operating in the constructions industry, in the metropolitan area of New York	05/07/2017	50%	50%	56.3

EUR 51.8 million of the acquisition cost - equal to EUR 56.3 million - was paid on the closing of the transaction, with EUR 4.5 million allocated as future payments.

05/07/2017

Determination of goodwill resulting from acquisition

Acquisition cost of Halmar International LLC	56.3
(-) Book value of the net assets and liabilities acquired - pro rata	(12.3)
Goodwill	44.0 ⁽¹⁾

⁽¹⁾ EUR 43.7 million at the exchange rate as at 28 June 2019

In accordance with IAS 36, goodwill is not subject to amortisation but – since it is an intangible asset with an indefinite useful life – to an impairment test at least once a year or when events arise that may indicate impairment. Goodwill has been allocated on the cash generating units shown above. During the half year there were no events that required a specific impairment test to be carried out.

The item “*other intangible assets*” includes the capitalisation of basic and application software expenses and licences for software programmes. The increase during the period is mainly due to costs incurred for the development of an accounting and management software system.

Concessions – non-compensated revertible assets

	Motorway in operation	Motorway under construction	Other non-compensated revertible assets under construction	Total
Cost:				
as at 1 January 2018	8,141,501	880,705	152,778	9,174,984
Investments	315,606	145,348	37,365	498,319
Divestitures and other changes	-	-	-	-
Reclassifications	25,523	(24,264)	-	1,259
as at 31 December 2018	8,482,630	1,001,789	190,143	9,674,562
Capital grants:				
as at 1 January 2018	(1,201,150)	(200,065)	(118,792)	(1,520,007)
Increases	(68)	-	(28,779)	(28,847)
Reclassifications	-	-	-	-
as at 31 December 2018	(1,201,218)	(200,065)	(147,571)	(1,548,854)
Accumulated depreciation:				
as at 1 January 2018	-	-	-	-
Reclassifications and other changes	-	-	-	-
2018 amortisation and depreciation	(299,869)	-	-	(299,869)
as at 31 December 2018	(5,045,427)	-	-	(5,045,427)
Net book value:				
as at 1 January 2018	2,194,793	680,640	33,986	2,909,419
as at 31 December 2018	2,235,985	801,724	42,572	3,080,281

	Motorway in operation	Motorway under construction	Other non-compensated revertible assets under construction	Total
Cost:				
as at 1 January 2019	8,482,630	1,001,789	190,143	9,674,562
Change in the scope of consolidation	-	-	-	-
Investments	883	136,656	10,453	147,992
Divestitures and other changes	-	-	-	-
Reclassifications	(1,460)	-	-	(1,460)
as at 30 June 2019	8,482,053	1,138,445	200,596	9,821,094
Capital grants:				
as at 1 January 2019	(1,201,218)	(200,065)	(147,571)	(1,548,854)
Change in the scope of consolidation	-	-	-	-
Increases	-	-	(9,933)	(9,933)
Reclassifications	1,460	-	-	1,460
as at 30 June 2019	(1,199,758)	(200,065)	(157,504)	(1,557,327)
Accumulated depreciation:				
as at 1 January 2019	(5,045,427)	-	-	(5,045,427)
Change in the scope of consolidation	-	-	-	-
Reclassifications and other changes	-	-	-	-
Amortisation and depreciation 1H 2019	(151,181)	-	-	(151,181)
as at 30 June 2019	(5,196,608)	-	-	(5,196,608)
Net book value:				
as at 1 January 2019	2,235,985	801,724	42,572	3,080,281
as at 30 June 2019	2,085,687	938,380	43,092	3,067,159

The gross value of the motorway network – equal to EUR 9,620 million – includes EUR 1,467.6 million of capitalised financial expenses, of which EUR 7.8 million capitalised during the half year (EUR 1,459.8 million as at 31 December 2018).

The “investments” relating to the motorway in operation of the period include EUR 17.3 million paid as an advance to suppliers for works.

As detailed in the “*valuation criteria*”, in order to assess the amortisation of non-compensated revertible assets, the so-called “takeover” values set out in the current agreements and in the financial plans which are currently being examined by the Granting Body have been taken into account.

As at 30 June 2019, the item “concessions – non-compensated revertible assets” broke down as follows:

Motorway concessions

Licensee (amounts in thousands of EUR)	Motorway stretch	Net value
SATAP S.p.A.	Torino – Milano	804,228
SAV S.p.A.	Quincinetto-Aosta	277,189
SALT p.A.	Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia	250,677
SALT p.A.	La Spezia-Parma (and road link with Autostrada del Brennero)	503,688
ADF S.p.A.	Savona-Ventimiglia	184,583
ADF S.p.A.	Torino – Savona	347,861
Asti-Cuneo S.p.A.	Asti-Cuneo	344,449
Autovia Padana S.p.A.	Piacenza-Cremona-Brescia	311,392
Motorway concessions – Total non-compensated revertible assets		3,024,067

Other concessions

Licensee (amounts in thousands of EUR)	Concession object	Net value
Taranto Logistica S.p.A.	Logistics platform at the port of Taranto	43,092
Total non-compensated revertible assets		43,092

Note 2 – Tangible assets

Property, plant, machinery and other assets

	Land and buildings	Plant and mach.	Industrial and commercial equip.	Other assets	Assets in financial lease	Assets under construction and advance payments	Total
Cost:							
as at 1 January 2018	112,348	47,887	38,454	59,882	32,851	1,495	297,917
Change in the scope of consolidation	19,423	10,324	18,476	1,611	-	-	49,834
Investments	49	4,304	4,222	4,844	1,682	2,274	17,375
Reclassifications and other changes	(1,091)	8,101	1,679	(7,599)	(611)	(1,461)	(982)
Foreign exchange differences	255	(2)	428	162	167	45	1,055
Divestitures	(101)	(1,366)	(4,631)	(3,088)	(2,457)		(11,643)
as at 31 December 2018	130,883	69,248	58,628	55,812	31,632	2,353	348,556
Accumulated depreciation:							
as at 1 January 2018	(37,234)	(39,015)	(29,485)	(51,223)	(25,261)	-	(182,218)
Change in the scope of consolidation	(4,025)	(9,772)	(14,832)	(1,235)	-	-	(29,864)
2018 amortisation and depreciation	(2,827)	(3,065)	(3,769)	(2,612)	(1,841)	-	(14,114)
Reclassifications and other changes	1,033	(6,164)	(959)	6,137	(457)	-	(410)
Foreign exchange differences	(32)	-	(315)	(85)	(78)	-	(510)
Reversals	101	1,010	2,765	2,773	1,930	-	8,579
as at 31 December 2018	(42,984)	(57,006)	(46,595)	(46,245)	(25,707)	-	(218,537)
Net book value:							
as at 1 January 2018	75,114	8,872	8,969	8,659	7,590	1,495	110,699
as at 31 December 2018	87,899	12,242	12,033	9,567	5,925	2,353	130,019

	Land and buildings	Plant and mach.	Industrial and commercial equip.	Other assets	Assets in financial lease	Assets under construction and advance payments	Total
Cost:							
as at 1 January 2019	130,883	69,248	58,628	55,812	31,632	2,353	348,556
Change in the scope of consolidation	-	(129)	(171)	(145)	-	-	(445)
Investments	551	2,255	4,450	5,374	-	8,619	21,249
Write-downs	-						-
Reclassifications and other changes	(142)	753	(4,124)	4,461	(31,677)	(773)	(31,502)
Foreign exchange differences	22	1	51	17	45	(1)	135
Divestitures	(482)	(1,727)	(1,764)	(1,024)	-		(4,997)
as at 30 June 2019	130,832	70,401	57,070	64,495	-	10,198	332,996
Accumulated depreciation:							
as at 1 January 2019	(42,984)	(57,006)	(46,595)	(46,245)	(25,707)	-	(218,537)
Change in the scope of consolidation	-	17	93	44	-	-	154
Amortisation and depreciation							
1H 2019	(1,537)	(1,649)	(2,404)	(1,621)	-	-	(7,211)
Reclassifications and other changes	437	871	464	409	25,728	-	27,909
Foreign exchange differences	(4)	-	(41)	(9)	(21)	-	(75)
Uses	195	1,006	1,674	549	-	-	3,424
as at 30 June 2019	(43,893)	(56,761)	(46,809)	(46,873)	-	-	(194,336)
Net book value:							
as at 1 January 2019	87,899	12,242	12,033	9,567	5,925	2,353	130,019
as at 30 June 2019	86,939	13,640	10,261	17,622	-	10,198	138,660

With regard to the item "land and buildings", there was a mortgage guarantee in favour of Banca Regionale Europea on the land owned by SEA Segnalatica Stradale S.p.A. as guarantee for a loan, for which the residual payable as at 30 June 2019 totalled EUR 2.6 million.

With regard to the Halmar Group, mortgage guarantees have been recognised in favour of M&T Bank on land and buildings owned by Halmar International LLC to guarantee loans with a total outstanding debt of EUR 2 million at 30 June 2019.

Rights of use

	Rights of use - Property	Rights of use - Vehicles	Rights of use - Machinery	Rights of use - Other assets	Total
Cost:					
Initial balance pursuant to IAS 17	3,373	3,389	15,951	8,919	31,632
Effect of first-time adoption	17,033	4,274	1,483	-	22,790
Investments	3,412	1,806	11,182	-	16,400
Divestitures	-	(415)	(4,355)	-	(4,770)
Reclassifications and other changes	(50)	37	-	-	(13)
Foreign exchange differences	(14)	(25)	(21)	-	(60)
as at 30 June 2019	23,754	9,066	24,240	8,919	65,979
Initial balance pursuant to IAS 17	(817)	(1,556)	(14,720)	(8,614)	(25,707)
Effect of first-time adoption					
Amortisation and depreciation 1H 2019	(1,996)	(1,545)	(891)	(105)	(4,537)
Uses	-	67	2,555	325	2,947
Reclassifications and other changes	-	(21)	-	-	(21)
Foreign exchange differences	3	14	1	-	18
as at 30 June 2019	(2,810)	(3,041)	(13,055)	(8,394)	(27,300)
Net book value:					
as at 1 January 2019	-	-	-	-	-
as at 30 June 2019	20,944	6,025	11,185	525	38,679

In compliance with IFRS 16, the item "*rights of use*" includes the lease contracts payable that does not constitute provision of services; the amount previously provided in "*Assets in financial lease*" has now been reclassified in "*rights of use*".

Note 3 – Non-current financial assets

3.a – Equity accounted investments

Changes during the period to investments in businesses accounted for by the “equity method” were as follows:

	31/12/2018	Purchases/Increases	Sales/ Decreases	Change in the scope of consolidation and other changes	Reclassification and other changes	Profit/(loss)	Dividends	Other (*)	Adjustments to “shareholders’ equity”	30/06/2019
Equity investments:										
a) in jointly controlled entities and associated companies										
ATIVA S.p.A.	54,379	-	-	-	-	1,423	(11,125)	(28)	-	44,649
Ecorodovias Infraestrutura e Logistica S.A.	55,591	-	-	-	-	492	-	-	1,243	57,326
Federici Stirling Batco LLC	9,999	-	-	-	-	(535)	-	-	64	9,528
Primav Infraestrutura S.A.	493,292	-	-	-	-	(4,476)	-	92	11,040	499,948
b) in associated companies										
ASCI LOGISTIK GMBH	-	15	-	-	-	-	-	-	-	15
ASTA S.p.A.	4,156	-	-	-	-	(137)	-	-	-	4,019
ATIVA Immobiliare S.p.A.	468	-	-	-	-	-	-	-	-	468
Aurea S.c.ar.l.	10	-	-	-	-	-	-	-	-	10
Autostrada Nogare Mare Adriatico S.c.p.A.	33	-	-	-	-	-	-	-	-	33
Baglietto S.p.A.	9,547	-	(9,547)	-	-	-	-	-	-	-
Brescia Milano Manutenzioni S.c.ar.l	-	-	-	3	-	-	-	-	-	3
CERVIT S.c.ar.l.	-	-	-	5	-	-	-	-	-	5
CIM S.p.A.	6,114	-	-	-	-	(301)	-	-	-	5,813
CIS BETON GMBH	-	15	-	-	-	-	-	-	-	15
CMC ITINERA JV S.c.p.A.	49	-	-	-	-	-	-	-	-	49
CONSILFER	3	-	-	-	-	-	-	-	-	3
Consorzio costruttori TEEM	4	-	-	-	-	-	-	-	-	4
Cova S.c.ar.l.	4	-	-	-	-	-	-	-	-	4
CSI Consorzio Servizi Ingegneria	-	-	-	-	-	-	-	-	-	-
C.T.E. Consorzio Tangenziale Engineering	84	-	-	-	-	-	-	-	-	84
D.N.C. S.c.ar.l.	4	-	-	-	-	-	-	-	-	4
Edilrovaccio 2 S.r.l.	-	-	-	-	-	-	-	-	-	-
Europa S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
Fondo Valle S.c.ar.l. (in liquidation)	4	-	-	-	-	-	-	-	-	4
Formazza S.c.ar.l.	2	-	-	-	-	-	-	-	-	2
Igea Romagna S.c.ar.l.	4	-	-	-	-	-	-	-	-	4
I.Co.M. S.c.ar.l.	-	-	-	-	-	-	-	-	-	-
Interconnessione S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
Letimbro S.c.ar.l.	49	-	-	-	-	-	-	-	-	49
Lissone S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
Malco S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
Marchetti S.c.ar.l.	4	-	-	-	-	-	-	-	-	4
Mill Basin Bridge Constructors	3,959	1,549	-	-	-	(4,020)	-	-	42	1,530
Mose Bocca di Chioggia S.c.ar.l.	4	-	-	-	-	-	-	-	-	4
Mose Operae	2	-	-	-	-	-	-	-	-	2
Mose Treporti	2	-	-	-	-	-	-	-	-	2
Nichelino Village S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
OMT S.p.A.	-	-	-	-	-	-	-	-	-	-
Ponte Nord S.p.A.	755	-	-	-	-	-	-	-	-	755
Quires S.r.l.	-	-	-	-	-	-	-	-	-	-
Rivalta Terminal Europa S.p.A.	5,425	244	-	-	-	-	-	-	-	5,669
Road Link Holdings Ltd	2,571	-	-	-	-	589	(568)	-	(5)	2,587
SABROM S.p.A.	6,960	-	-	-	-	(144)	-	-	-	6,816
Serravalle Village S.c.ar.l.	5	-	-	-	-	-	-	-	-	5
SITAF S.p.A.	145,592	-	-	-	-	-	5,832	(2,251)	-	149,173
SITRASB S.p.A.	12,085	-	-	-	-	-	486	-	-	12,571
Smart Mobility System S.c.ar.l. (SMS S.c.ar.l.)	4	-	-	-	-	-	-	-	-	4
Tangenziale Esterna S.p.A.	78,488	14,813	-	-	-	(2,382)	-	(1,784)	-	89,135
Tangenziali Esterne Milano S.p.A.	76,460	7,722	-	-	-	(2,321)	-	(1,738)	-	80,123
Tessera S.c.ar.l.	4	-	-	-	-	-	-	-	-	4
Tunnel Frejus S.c.ar.l.	25	-	-	-	-	-	-	-	-	25
UlNET	-	-	-	-	-	-	-	-	-	-
V.A. Bitumi S.r.l.	-	-	-	-	-	-	-	-	-	-
Vado Intermodal Operator S.c.p.a.	7,089	-	-	-	-	-	-	-	-	7,089
Vetivaria s.r.l	68	-	-	-	-	-	-	-	-	68
Total	973,323	24,358	(9,547)	8	-	(5,494)	(11,693)	(5,709)	12,384	977,630

(*) This mainly regards the pro-rata portion of the fair value adjustments carried out by the investee companies in relation to the IRS agreements.

The item “purchases/increases” refers to:

- the purchase of 15,750 shares of the company Asci Logistik GMBH for a value of EUR 15 thousand; as a result of said purchase, the stake held in this Company is now equal to 45% of the share capital;
- the purchase of 15,750 shares of Cis Beton GMBH for EUR 15 thousand; as a result of said purchase, the stake held in this Company is now equal to 45% of the share capital;
- the payment by the subsidiary Halmar International LLC of EUR 1.5 million to Mill Basin Constructors LLC to cover losses;
- the purchase of 602,537.5 shares (equal to 2.29% of the share capital) of Rivalta Terminal Europa S.p.A. by the subsidiary Autostrada dei Fiori S.p.A. for EUR 0.2 million; as a result of said purchase, the stake held in this Company is now equal to 48.16% of the share capital;
- the purchase of 10,289,788 shares in Tangenziali Esterne Di Milano S.p.A. by the subsidiary SATAP S.p.A. (8,218,081 shares) and the subsidiary SIAS S.p.A. (2,071,707 shares) for a total of EUR 7.7 million; as a result of said purchase, the stake held by the Group in this Company is now equal to 49.99% of the share capital;
- the purchase of 14,798,416 shares in Tangenziali Esterne Di Milano S.p.A. by the subsidiary SIAS S.p.A. (13,010,750 shares) and the subsidiary SATAP S.p.A. (1,787,666 shares) for a total of EUR 14.8 million; as a result of said purchase, the stake held by the Group in this Company is now equal to 24.45% of the share capital.

With reference to the item “*sales/decreases*”, it is noted that on 9 May 2019, the company ASTM S.p.A. sold all the shares held in Baglietto S.p.A. (10,817,280 shares) for a total value of EUR 9.5 million.

Following the sale of 3,600 stakes held in Brescia Milano Manutenzioni S.c.ar.l. by Sinelec S.p.A. (1,800) and by Euroimpianti S.p.A. (1,800) respectively, Brescia Milano Manutenzioni S.c.ar.l. is no longer a subsidiary company, but an associated company of the Group.

The item “*adjustments to shareholders’ equity*” incorporates the pro-rata share of the profit/loss, the dividend distribution and the adjustments posted with “shareholders’ equity” as contra-item, of the investee companies. This latter item includes the difference accrued in the period with regard to the fair value of interest rate swap agreements.

“*Exchange differences*” includes the changes during conversion, to EUR, of the condensed interim financial report of the foreign associated companies Road Link Holdings Ltd LLC and Mill Basin Bridge Constructors LLC, in addition to the exchange differences present in the condensed interim financial reports of the jointly controlled companies Primav Infraestrutura S.A. and Ecorodovias Infraestrutura & Logistica S.A.

As at 30 June 2019, 107,498,523 shares of the investee company Tangenziale Esterna S.p.A. were pledged in favour of the lending banks as part of a project financing operation.

The following is a summary of the economic and financial figures of the main jointly controlled entities (joint ventures) accounted for by the net equity method

The investee Primav Infraestrutura S.A. and Ecorodovias Infraestrutura & Logistica S.A.¹ are jointly controlled by the ASTM Group and by the CR Almeida Group by virtue of the agreements signed by ASTM S.p.A. and the subsidiary SIAS S.p.A. with CR Almeida.

The ATIVA Group is jointly controlled by the subsidiary SIAS S.p.A. (41.17%) and Mattioda Pierino & Figli Autostrade S.r.l. (41.17%) as a result of a shareholders' agreement.

The company Federici Stirling Batco LLC is jointly controlled through the subsidiary Itinera S.p.A. (34.30%) and BATCO HOLDING S.A.L. - a Lebanese company (35.70%) by virtue of shareholders' agreements. In particular, on 20 October 2015, the subsidiary Itinera S.p.A. signed an agreement with BATCO HOLDING S.A.L. for the acquisition of 34.30% of the shares, representing 49% of the financial interests, of the Omani company FEDERICI STIRLING BATCO LLC with registered office in Muscat, the capital of the Sultanate of Oman, which operates in the construction industry. The remainder of the share capital (30%) is held by a company incorporated in Oman, pursuant to local regulations.

The main economic/equity and financial ratios as at 30 June 2019 are shown below:

With regard to the equity-financial situation:

(amounts in thousands of EUR)	Current assets		Non-current assets	Current liabilities		Non-current liabilities	
	of which cash and cash equivalents			of which financial		of which financial	
Primav Infraestrutura S.A. ⁽¹⁾⁽²⁾	846,656	731,328	2,388,678	1,054,399	913,327	1,883,812	1,515,909
Ecorodovias Infraestrutura & Logistica SA ⁽¹⁾⁽²⁾	844,798	729,919	2,095,239	986,422	850,419	1,772,679	1,404,925
Ativa Group ⁽¹⁾	257,999	78,234	19,171	66,431	31,197	114,339	5,187

(1) Information added based on the financial statements/reporting package of the companies, prepared in accordance with IFRS/IAS

(2) Figures converted using the exchange rate as at 28 June 2019.

With regard to profit and loss:

	Revenue	Profit (loss) for the year	Total other comprehensive income	Dividends received	
Primav Infraestrutura S.A. ⁽¹⁾⁽²⁾	729,960	60,061	60,061	8,547	
Ecorodovias Infraestrutura & Logistica SA ⁽²⁾⁽³⁾	483,998	33,846	33,846	-	
Ativa Group ⁽¹⁾	80,491	3,988	3,988	11,125	

(1) Information added based on the financial statements/reporting package of the companies, prepared in accordance with IFRS/IAS

(2) Figures converted using the exchange rate as at 28 June 2019.

Note also that:

- Joint venture agreements do not envisage significant restrictions or limitations on the use of resources of the companies under joint control.
- However, the agreements envisage lock up clauses (blocking the disposal of joint arrangements) and exit mechanisms from the agreements mentioned above.

¹ ASTM S.p.A. and SIAS S.p.A., through IGLI S.p.A., jointly control, with Primav Construções e Comércio S.A., Primav Infraestrutura S.A. into which the following holdings were transferred: (i) 69.10% of the share capital of Ecorodovias, and (ii) 55% of the share capital of VEM. In addition, in 2018 IGLI S.p.A. acquired 2.48% of the share capital of Ecorodovias Infraestrutura & Logistica S.A.; as a result of these further purchases, IGLI S.p.A. holds 49.21% of Ecorodovias directly and indirectly (through Primav Infraestrutura S.A.).

Below follow the main disclosures relating to the investment in Primav Infraestrutura S.A.

Company	Main Activity	Date of purchase	Percentage of voting rights acquired	Percentage acquired	Acquisition Cost
Primav Infraestrutura S.A.	Industrial holding active in motorway licensee company management, urban mobility, ports and logistics	04/05/2016	50%	64.10%	512,378
		25/04/2017	0%	5.00%	54,627

The cost of acquisition was paid in full at the closing of the relevant transactions and does not comprise potential future fees.

	<u>04/05/2016</u>	<u>25/04/2017</u>
<u><i>Determination of goodwill resulting from acquisition</i></u>		
Consideration paid	512,378	54,627
(-) Book value of the net assets and liabilities acquired - pro rata difference to allocate	<u>(131,119)</u>	<u>(11,825)</u>
	381,259	42,802
<u><i>Allocation to fair value of acquired assets</i></u>		
Concessions – non-compensated revertible assets	503,227	46,954
Equity investments - VEM	16,535	1,543
Deferred taxes	<u>(171,097)</u>	<u>(15,964)</u>
Allocation	348,665	32,532
Goodwill (included in the value of the investment in Primav Infraestrutura S.A.)	32,594	10,270
	381,259	42,802

Below follow the main disclosures relating to the investment in Ecorodovias Infraestrutura & Logistica S.A.

Company	Main Activity	Date of purchase	Percentage of voting rights acquired	Percentage acquired	Acquisition Cost
Ecorodovias Infraestrutura e Logistica S.A.	Industrial holding active in the management of motorway licensees, ports and logistics	2017	2.51%	2.51%	36,966
		2018	2.48%	2.48%	30,150

The cost of acquisition was paid in full at the closing of the relevant transactions and does not comprise potential future fees.

	<u>2017</u>	<u>2018</u>
<u><i>Determination of goodwill resulting from acquisition</i></u>		
Consideration paid	36,966	30,150
(-) Book value of the net assets and liabilities acquired - pro rata 2.48%	<u>(2,776)</u>	<u>(3,866)</u>
difference to allocate	34,190	26,284
<u><i>Allocation to fair value of acquired assets</i></u>		
Concessions – non-compensated revertible assets	35,402	29,719
Deferred taxes	<u>(12,037)</u>	<u>(10,105)</u>
Allocation	23,365	19,614
Goodwill (included in the value of the investment in "Ecorodovias Infraestrutura & Logistica S.A.")	10,825	6,670
	34,190	26,284

3.b – Other equity investments

Changes to investments in “other equity investments” during the period were as follows:

	31 December 2018			Purchases/Inc reases	Sales/ Decreases	Change in the scope of consolid ation	Reclassificati on and other changes	to fair value	30 June 2019		
	Original value	Adjustments to fair value	Total						Original value	Adjustments to fair value	Total
Equity investments:											
AEDES S.p.A.	6,538	(6,252)	286	-	-	-	-	601	6,538	(5,651)	887
Restart SIIQ (former AEDES S.p.A.)	-	1,896	1,896	-	-	-	-	522	-	2,418	2,418
Assicurazioni Generali S.p.A.	6,397	1,636	8,033	-	-	-	-	1,078	6,397	2,714	9,111
Banca CA.RI.GE. S.p.A.	29	(29)	-	-	-	-	-	-	29	(29)	-
Banco Popolare	301	(86)	215	-	-	-	-	(19)	301	(105)	196
PLC S.p.A. (ex Industria e Innovazione S.p.A.)	152	(46)	106	-	-	-	-	(22)	152	(68)	84
Impregilo S.p.A. – savings shares	6,515	(2,791)	3,724	-	(371)	-	-	1,404	6,144	(1,387)	4,757
Mediobanca S.p.A.	1,333	879	2,212	-	-	-	-	507	1,333	1,386	2,719
Total Level 1	21,265	(4,793)	16,472	-	(371)	-	-	4,071	20,894	(722)	20,172
ABESCA EUROPA S.r.l.	158	-	158	-	-	-	-	-	158	-	158
Aeroporto Pavia Rivanazzano s.r.l.	-	-	-	-	-	-	-	-	-	-	-
Agenzia di Polzeno S.p.A.	1,424	-	1,424	-	-	-	-	-	1,424	-	1,424
Argentea Gestioni S.c.p.A.	-	-	-	-	-	-	-	-	-	-	-
Assoservizi Industria s.r.l.	1	-	1	-	-	-	-	-	1	-	1
ASTA S.p.A.	-	-	-	-	-	-	-	-	-	-	-
Autostrade Centro Padane S.p.A.	9,328	-	9,328	-	-	-	-	-	9,328	-	9,328
Banca Alpi Marittime Credito cooperativo	10	-	10	-	-	-	-	-	10	-	10
CARRU'	-	-	-	-	-	-	-	-	-	-	-
CE.P.I.M. S.p.A.	14	-	14	-	-	-	-	-	14	-	14
CES.I.F.S.c.p.A.	-	-	-	-	-	-	-	-	-	-	-
Codefia S.p.A.	2,513	2,088	4,601	-	-	-	-	-	2,513	2,088	4,601
Compagnia Aerea Italiana S.p.A.	-	-	-	-	-	-	-	-	-	-	-
Società Confederazione Autostrade S.p.A.	418	-	418	-	-	-	-	(100)	418	(100)	318
Consorzio Autostrade Energia	16	-	16	1	-	-	-	-	17	-	17
Cons. Costr. Veneti San Marco	15	-	15	-	-	-	-	-	15	-	15
Cons. Pedelombarda 2 S.c.p.A.	-	-	-	-	-	-	-	-	-	-	-
CRS Centro Ricerche Stradali S.p.A.	3	-	3	-	-	-	-	-	3	-	3
CSI Consorzio Servizi Ingegneria	1	-	1	-	-	-	-	-	1	-	1
DAITA S.c.a.r.l.	8	-	8	-	-	-	-	-	8	-	8
Eurolink S.c.p.A.	3,000	-	3,000	-	-	-	-	-	3,000	-	3,000
Fiumicino Pista 3 s.c.a r.l.	-	-	-	-	-	-	-	-	-	-	-
Interporto Rivalta Scrivia S.p.A.	576	-	576	-	-	-	-	-	576	-	576
Interporto Toscano A. Vespucci S.p.A.	77	-	77	-	-	-	-	-	77	-	77
Milano Serravalle-Milano Tangenziali S.p.A.	65,873	198	66,071	-	-	-	-	-	65,873	198	66,071
Milano Depur S.p.A.	-	-	-	-	-	-	-	-	-	-	-
MN 6 S.c.a.r.l.	1	-	1	-	-	-	-	-	1	-	1
Nuova Codefia S.p.A.	3,705	1,917	5,622	-	-	-	-	3,527	3,705	5,444	9,149
iOne Solutions S.r.l.	2	-	2	-	-	-	-	-	2	-	2
Passante Dorico S.p.A.	2,623	-	2,623	-	-	-	-	(2)	2,623	(2)	2,621
Pedelombarda S.c.p.A.	550	-	550	-	-	-	-	-	550	-	550
P.S.T. S.p.A.	166	-	166	-	-	-	-	-	166	-	166
Si.Co.Gen. S.r.l.	139	-	139	-	-	-	-	-	139	-	139
Siteco BG ODD	10	-	10	-	-	-	-	-	10	-	10
SO.GE.A.P. S.p.A.	189	-	189	-	-	-	-	(47)	189	(47)	142
SPEDIA S.p.A.	376	-	376	-	-	-	-	-	376	-	376
Terminal Container Civitavecchia scarl	-	-	-	-	-	-	-	-	-	-	-
TRA.DE.CIV Consorzio tratta Determinate Città Vitale	-	-	-	-	-	-	-	-	-	-	-
Tubosider S.p.A.	844	-	844	-	-	-	-	-	844	-	844
Tunnel Gest S.p.A.	75	-	75	-	-	-	-	-	75	-	75
UlirNET	10	-	10	-	-	-	-	-	10	-	10
Total Level 3	92,125	4,203	96,328	1	-	-	-	3,378	92,126	7,581	99,707
Total	113,390	(590)	112,800	1	(371)	-	-	7,449	113,020	6,859	119,879

Fair value measurement hierarchy

Level 1: fair value calculated on the basis of the security listing on active markets.

Level 2: (not present) fair value determined based on different inputs other than the listing price described for Level 1, which can be directly (price) or indirectly (price derivatives) observed on the market.

Level 3: fair value, not based on observable market data, determined based on the price reflected in recent appraisals or transactions, cost, shareholders' equity, models/financial plans

The main changes during the first half of 2019 refer to:

- the additional purchase of stakes in Consorzio Autostrade Italiane Energia (+0.99% of the share capital), for EUR 1 thousand;
- the sale of 32,196 shares of Salini Impregilo S.p.A. savings shares equal to 0.652% of the share capital, for EUR 0.2 million;

- the fair value adjustment of equity investments based on market prices.

As at 30 June 2019, the value of the other equity investments included a total positive amount (Group and minority interests) of approximately EUR 6.9 million (negative for EUR 0.6 million as at 31 December 2018) which related to the fair value adjustment of the investments.

3.c – Other non-current financial assets

These consist of:

	30 June 2019	31 December 2018
Loans:		
• Loans to investees and other loans	130,858	113,118
Receivables:		
• financial receivables due from the Granting Body for “minimum guaranteed amounts”	2,260	2,290
• from INA	9,308	9,183
• as collateral on fidejussory policies	20,694	20,456
• from suppliers as security deposits	2,750	1,735
Other financial assets:		
• capitalisation insurance policies	183,424	216,491
• takeover	120,682	117,509
• other financial assets	30,748	63,207
Total	500,724	543,989

“*Loans to investees*” mainly refer to the loans granted to Tangenziale Esterna S.p.A. (EUR 104.3 million), to Federici Stirling Batco LLC (EUR 13 million), to the company Autostrada Broni Mortara S.p.A. (EUR 4.9 million), to Tunnel Frejus (EUR 3 million), to Nichelino Village (EUR 1 million), to Confederazione Autostrade (EUR 0.8 million), to Edilrovaccio 2 S.r.l. (EUR 0.1 million) and to Smart Mobility Systems S.c.a.r.l. (EUR 0.1 million). The change during the half year is mainly due to (i) the purchase of additional quotas of the Tangenziale Esterna S.p.A. loan purchased by Autostrade Lombarde S.p.A. in January 2019 (EUR 11.3 million), (ii) the granting of an additional loan to Federici Stirling Batco LLC (EUR 4.9 million), (iii) the reimbursement of loans (EUR 2.2 million) and (iv) for the remaining part, mainly interest accrued in the period.

In accordance with IFRIC 12, the item “*financial receivables due from the Granting Body for minimum guaranteed amounts*” represents the present value of the medium-long term portion of the minimum cash flows guaranteed by the Granting Body to Euroimpianti S.p.A. (EUR 2.3 million).

“*Receivables from INA*” represent the provisions during previous periods to the employee severance indemnity of motorway licensees.

The item “*receivables as collateral on fidejussory policies*” represents the value of the pledge - formed of capitalisation insurance policies - issued against fidejussory policies (performance bonds) by the Insurance Institutes on behalf of Autostrada Asti-Cuneo S.p.A., with regard to the bidding competition for the Asti-Cuneo stretch concession.

The item “*capitalisation insurance policies*” refers to capitalisation insurance policies with single premium and guaranteed capital. The capital appreciates according to the higher of minimum guaranteed return (where provided for by the contract) and the return of the separate management of the underlying fund to which the policy refers. In particular, the amount equal to EUR 183.4 million refers to the capitalisation insurance policies, entered into (i) by the subsidiary SALT p.A. (EUR 175.4 million) with Credit Agricole Vita, Reale Mutua Assicurazioni, Compagnia Italia di previdenza, Unipolsai Assicurazioni and Cardif, and (ii) by the subsidiary SATAP (EUR 8 million) with Reale Mutua Assicurazioni. The change in the half year is attributable to (i)

repayments/redemptions of capitalisation insurance policies (EUR -59.7 million), (ii) new policies taken out by SALT p.A. (EUR +25 million) and (iii) interest income (EUR +1.6 million).

Said amount includes the interests accrued and not yet collected as at the reporting date.

These agreements represent a temporary investment of excess liquidity and expire beyond next year. However, there is the option of turning the investment into cash in the short term.

The item “*takeover*” refers to: (i) EUR 107.9 million for the value of works as at 30 June 2017 subject to the takeover relative to the A21 “Torino – Piacenza” stretch, of which the concession expired on 30 June 2017, (ii) EUR 10.3 million for a receivable accrued for investments in the A21 “Torino –Piacenza” stretch after this date and (iii) EUR 2.5 million for advances to suppliers for work on the A21 “Torino-Piacenza” stretch.

The change in the item “*other financial assets*” is mainly due to: (i) the reclassification in the item “*loans to investees*” of the portion of loan of Tangenziale Esterna S.p.A. (EUR -11.3 million) following the completion of the purchase that took place in January 2019 by Autostrade Lombarde S.p.A., (ii) the reclassification in the item “*equity accounted investments*” of the additional shares of Tangenziale Esterna S.p.A. (EUR -14.8 million), and of Tangenziali Esterne di Milano S.p.A. (EUR -7.7 million) following the completion of the purchase that took place in January 2019 by Autostrade Lombarde S.p.A., and (iii) the fair value adjustment as at 30 June 2019 of the investment funds (EUR +1.4 million).

Note 4 – Deferred tax credits

This item totalled EUR 141,378 thousand (EUR 146,504 thousand as at 31 December 2018); for the breakdown of this item, please refer to Note 35 – Income taxes.

Note 5 - Inventories and contract assets

These consist of:

	30 June 2019	31 December 2018
Raw materials, ancillary materials and consumables	27,891	23,655
Work in progress and semi-finished goods	7,367	7,624
Contract work in progress – Contract assets	245,125	195,038
Finished products and merchandise	5,013	2,723
Advance payments	8,012	5,185
Total	293,408	234,225

The contract work in progress breaks down as follows:

	30 June 2019	31 December 2018
Gross value of the orders	1,627,098	1,568,846
Advance payments on work progress	(1,348,763)	(1,343,163)
Advance payments on reserves and price changes	(18,530)	(18,407)
Provisions to guarantee work in progress	(14,680)	(12,238)
Net value	245,125	195,038

The change during the half year to the item “*contract work in progress*” is mainly due to the increased contract work in progress carried out by the subsidiaries Euroimpianti S.p.A. and Sinelec S.p.A. and by the companies in the construction sector.

Note 6 – Trade receivables

Trade receivables totalled EUR 320,349 thousand (EUR 244,765 thousand as at 31 December 2018), net of the provisions for bad debts of EUR 8,944 thousand (EUR 8,993 thousand as at 31 December 2018). The receivables derive from normal operations within the scope of the activities carried out by the group, mainly relating to the execution of works, the supply of materials, technical and administrative services and other services.

The change in the item is mainly related to the increased activities carried out for third parties by the companies operating in the construction and technology sectors.

Note 7 – Current tax assets

This item totalled EUR 46,377 thousand (EUR 36,170 thousand as at 31 December 2018) and refers to receivables for VAT, regional production tax (IRAP), corporate income tax (IRES) and other tax assets.

Note 8 – Other receivables

This item breaks down as follows:

	30 June 2019	31 December 2018
Advances to suppliers	17,840	13,606
From related parties	28,000	18,858
To others	31,175	143,323
Prepaid expenses	24,752	13,908
Total	101,767	189,695

The change in the item “*advances to suppliers*” is mainly due to higher advances received from suppliers in the construction sector.

The “*receivables due from related parties*” mainly refer to receivables from Rivalta Terminal Europa S.p.A. (for EUR 17 million), from VIO S.p.A. (for EUR 1.4 million), receivables owed to Letimbro (EUR 6.6 million) and to credits owed to the subsidiary Itinera S.p.A., Sina S.p.A. and ASTM S.p.A., Sea Segnaletica Stradale S.p.A., IGLI S.p.A. from the company Aurelia S.r.l., mainly referring to the tax consolidation.

The change in the “*receivables due from others*” during the period is mainly due to the collection - in January 2019 - relating to: (i) the sale to Intesa SanPaolo S.p.A. by the subsidiary SATAP S.p.A. of the equity investment in addition to the related loan granted to Autotrade Lombarde S.p.A. (equal to a total of EUR 81.1 million), (ii) the sale to Autotrade per l’Italia S.p.A. of 23,829,354 shares in Tangenziali Esterne di Milano S.p.A., held by the subsidiary SATAP S.p.A. (equal to EUR 17.9 million) and (iii) the sale to Autotrade Lombarde S.p.A. and Impresa Pizzarotti S.p.A. of the equity investment held in Bre.Be.Mi. S.p.A. and the related loan (in total equal to EUR 11.4 million) by the subsidiary Itinera S.p.A.

Note 9 – Current financial assets

These consist of:

	30 June 2019	31 December 2018
From related companies	293,849	246,790
Receivables from ANAS for capital grants	5,940	5,940
Pledged current accounts and other financial receivables	56,474	36,708
Financial receivables for “minimum guaranteed amounts”	50	45
Other current financial assets	13,512	4,388
Total	369,825	293,871

The item “*receivables from connected companies*” refers to receivables from related companies not belonging to the Group for tolls collected on behalf of Group licensees, which had not yet been allocated by the end of the period.

The item “*receivables from ANAS for capital grants*” refers to receivables from ANAS related to the assessment of grants due for the works carried out by SATAP S.p.A. for the realisation of the motorway access facilities for the “New Milano Rho-Pero fair centre” and the “Bernate Bypass”.

“*Pledged current accounts*”, equal to EUR 11.3 million (EUR 11.3 million as at 31 December 2018), refer to the “reserve accounts” servicing the payable in relation to the loans entered into by the subsidiaries SAV S.p.A. and Autostrada dei Fiori S.p.A. (A6 stretch). The “*other financial receivables*”, equal to EUR 45.2 million, mainly refer to temporary investments of liquidity for EUR 33.5 million made by the Halmar Group and Itinera Construções LTDA and to the receivable relating to the dividend granted by the company ATIVA S.p.A. and collected at the start of July 2019 (EUR 11.1 million).

The item “*other current financial assets*”, equal to EUR 13.5 million - formed of EUR 13.1 million as capital quota (EUR 4.4 million as at 31 December 2018) and EUR 389 thousand as interest - refers to the balance of the Brazilian deposit certificates including the interest accrued from the first subscription as at 30 June 2019; the change increased following the subscription on 10 January 2019 of a new Brazilian Bank Deposit Certificate (BDC) for BRL 37.6 million (EUR 8.64 million at the EUR/BRL exchange rate as at 28 June 2019 equal to 4.3511). The measurement of the certificates at the exchange rate as at 30 June 2019 led to the recognition of an unrealised loss equal to EUR 122 thousand.

Note 10 – Cash and cash equivalents

These consist of:

	30 June 2019	31 December 2018
Bank and postal deposits	1,013,992	1,069,790
Cheques	46	120
Cash and cash equivalents on hand	15,665	17,723
Total	1,029,703	1,087,633

For a detailed analysis of the changes in this item, please see the cash flow statement.

Note 11 – Shareholders' equity

11.1 – Share capital

As at 30 June 2019, the share capital consisted of 98,998,600 ordinary shares at a nominal value of EUR 0.50 each, for a total value of EUR 49,499 million, entirely subscribed and paid in.

The share capital includes an amount of EUR 11.8 million consisting of revaluation reserves pursuant to Italian Law 72/83. In case of distribution, these reserves will represent the Company's income, pursuant to current tax regulations.

Pursuant to IAS 1, the nominal value of treasury shares is posted as an adjustment to the share capital; the balance as at 30 June 2019 is provided in the table below:

	No. of shares	Nominal value (in EUR)	% on the share capital	Average unit value (in EUR)	Total countervalue (thousands of EUR)
31 December 2018	7,590,703	3,795,352	7.67%	12.00	91,076
purchases	40,625	20,312	0.04%	18.38	745
sales	-	-	-	-	-
30 June 2019	7,631,328	3,815,664	7.71%	12.03	91,821

With regard to the above-mentioned aspects, the share capital as at 30 June 2019 is as follows (amounts in thousands of EUR):

Nominal Value of Share Capital	49,499
Nominal value of treasury shares held by the Parent Company	(3,815)
Nominal Value of adjusted Share Capital	45,684

11.2 – Reserves

12.2.1 – Share premium reserve

This item totalled EUR 147,361 thousand (EUR 147,361 thousand as at 31 December 2018).

11.2.2 – Revaluation reserves

This item totalled EUR 9,325 thousand (EUR 9,325 thousand as at 31 December 2018).

In the event of distribution, the revaluation reserves will constitute income for the Parent Company and the Shareholders.

11.2.3 – Legal reserve

This item totalled EUR 10,538 thousand, unchanged compared to 31 December 2018 since it is higher than the limit set out in art. 2430 of the Italian Civil Code.

11.2.4 – Reserve for the purchase of treasury shares

This “unavailable” reserve was created to purchase treasury shares, in execution of Shareholders’ Meetings resolutions. It totalled EUR 91,821 thousand (EUR 91,076 thousand as at 31 December 2018). The change during the year refers to the purchase of additional treasury shares.

11.2.5 – Purchased treasury shares

This item represents the contra-item paid to purchase treasury shares. As illustrated in the “Valuation criteria”, this amount, totalling EUR 88,006 thousand, adjusts the shareholders’ equity reserves (net of the nominal value of treasury shares, amounting to EUR 3,815 thousand, which is deducted directly from the “share capital”).

11.2.6 – Reserve for revaluation at fair value

This item was essentially established and moved as a direct contra-entry to the fair value measurement of equity investments and other financial assets. As at 30 June 2019, it totalled EUR 3,777 thousand, net of the related deferred tax effect (negative for EUR 1,295 thousand as at 31 December 2018). For changes in this item, please see Note 3 of “Other equity investments” and of “Non-current financial assets”.

11.2.7 – Cash flow hedge reserve

This item was established and moved as a direct contra-entry to the fair value measurement of interest rate swap agreements and of the effect of foreign exchange hedge derivatives. As at 30 June 2019, this item showed a balance of EUR 9,852 thousand, net of the related deferred tax effect (EUR 10,493 thousand as at 31 December 2018). This amount, recognised net of the related deferred tax effect, also reflects the pro-rata share of amounts related to companies consolidated using the “equity method”, for which reference is made to the comments in Note 3 “Other equity investments” and “Non-current financial assets”. More specifically, the change in the period, amounting to EUR 641 thousand, is detailed below:

(amounts in thousands of EUR)

Adjustment to IRS (Companies consolidated with the “line-by-line method”)	6,252
Tax effect on IRS adjustment (Companies consolidated with the “line-by-line method”)	(1,499)
IRS adjustment (consolidated companies accounted for by the equity method)	<u>(5,744)</u>
Total	(991)
Of which:	
Share attributed to minority interests	(350)
Share attributed to owners of the parent company	<u>(641)</u>
Total	(991)

11.2.8 – Exchange rate difference reserve

This reserve was negative EUR 38,401 thousand (negative for EUR 49,019 thousand as at 31 December 2018) and includes the foreign exchange differences related to the subsidiaries Itinera Group, the jointly controlled investee Primav Infraestrutura S.A. and Ecorodovias Infraestrutura e Logistica S.A. and to the associated companies Road Link Holdings Ltd.

More specifically, the change in the period, amounting to EUR 10,618 thousand, is detailed below:

(amounts in thousands of EUR)

Foreign exchange adjustment effect Primav Infraestrutura S.A. and Ecorodovias Infraestruta e Logistica S.A.	12,136
Foreign exchange adjustment effect (other companies accounted for by the equity method)	287
Total	12,423

Of which:

Share attributed to minority interests	1,805
Share attributed to owners of the parent company	10,618
Total	12,423

11.2.9 – Reserve for discounting Employee Severance Indemnity

This reserve – which is negative for an amount of EUR 1,267 thousand (unchanged compared to 31 December 2018) – includes the actuarial differences arising from the remeasurement of liabilities relating to “Employee benefits (Employee Severance Indemnity)”.

11.2.10 – Retained earnings (losses)

This item totals EUR 1,719,951 thousand (EUR 1,604,622 thousand as at 31 December 2018). It includes the prior-year profits/losses of consolidated companies and also includes amounts related to the differences in accounting treatment that arose on the date of transition to IFRS (1 January 2004), which can be traced to the adjustments made to the financial statements that were prepared up to that date in compliance with national accounting standards.

The increase in this item - EUR 115.3 million - is attributable to (i) the allocation of the pro-rata share of the net profit for 2018 (EUR 117.9 million), (ii) the purchase of treasury shares and the consequent reclassification to “Reserve for the purchase of treasury shares” (EUR -0.7 million) and (iii) purchases/sales of minorities (EUR -1.9 million).

11.3 – Profit for the period

This item refers to profits/losses for the period and totalled EUR 75,370 thousand (EUR 83,335 thousand in the first half of 2018).

11.4 – Minority interests

As at 30 June 2019, this item amounted to EUR 1,141,718 thousand (EUR 1,151,140 thousand as at 31 December 2018).

The decrease during the period - equal to EUR 9.4 million - is due to: (i) dividend distribution (for a total EUR 68.4 million) and (ii) the purchase of minorities (EUR 3 million), (iii) the pro-rata share of the reserve for IRS revaluation (EUR 0.3 million), partially offset by (i) the profit for the period (EUR 58.4 million), (ii) the fair value changes(EUR 2 million) and (iii) exchange differences (for EUR 1.9 million).

With reference to the *Reserves attributed to minority interests*, it should be noted that they are mainly attributable to the subsidiary SIAS S.p.A. and its subsidiaries.

As more extensively illustrated in the Management Report, (to which reference should be made), the main economic-financial figures of the subsidiaries with significant minority interests are summarised below.

<i>(amounts in thousands of EUR)</i>	Autostrada dei Fiori S.p.A.	SAV S.p.A.	Autovia Padana S.p.A.	SALT p.A.	Autostrada Asti-Cuneo S.p.A.
Net toll revenue ⁽¹⁾	109,261	32,952	30,047	135,607	9,526
Other motorway sector revenues ⁽²⁾	3,145	419	374	5,718	26
Other revenue	3,685	3,231	3,069	4,141	564
Turnover (A)	116,091	36,602	33,490	145,466	10,116
Operating costs ⁽¹⁾⁽²⁾ (B)	(57,596)	(16,127)	(18,704)	(68,463)	(8,228)
Gross operating margin (A-B)	58,495	20,475	14,786	77,003	1,888

⁽¹⁾ amounts net of the fee/additional fee payable to ANAS

⁽²⁾ amounts net of revenue and costs for construction activities of non-compensated revertible assets

<i>(amounts in thousands of EUR)</i>	Autostrada dei Fiori S.p.A.	SAV S.p.A.	Autovia Padana S.p.A.	SALT p.A.	Autostrada Asti-Cuneo S.p.A.
A) Liquidity	39,225	2,132	5,590	172,524	1,210
B) Financial receivables	115,476	16,674	19,809	255,484	5,093
C) Short-term borrowings	(20,392)	(13,522)	(11,279)	(29,346)	(138,794)
D) Current net cash (A) + (B) + (C)	134,309	5,284	14,120	398,662	(132,491)
E) Long-term borrowings	(189,761)	(43,423)	(141,745)	(600,112)	(99,961)
F) Net financial indebtedness (D) + (E)	(55,452)	(38,139)	(127,625)	(201,450)	(232,452)
G) Non-current financial receivables	-	-	-	5,108	-
H) Discounted value of the payable due to ANAS – Central Insurance Fund	-	(84,279)	-	(52,672)	-
I) "Adjusted" net financial indebtedness (F) + (G) + (H)	(55,452)	(122,418)	(127,625)	(249,014)	(232,452)

With reference to the provisions of paragraphs 12 and 13 of IFRS 12 and taking into account the fact that the concession assets are governed by specific contractual arrangements with the Granting Body (as indicated in the paragraph "Concessions" in the explanatory notes) there are no significant restrictions or limitations to report on the use of certain assets or the settlement of liabilities.

The articles of association of a number of the motorway licensees envisage qualifying majority approval for extraordinary transactions (transformation, merger, share capital increases, etc.).

Note 12 – Provisions for risks and charges and Employee benefits (Employee Severance Indemnity)

	30 June 2019	31 December 2018
Provision for restoration	138,764	152,013
Tax reserve	50	50
Other provisions	20,854	22,114
Employee benefits	38,508	40,220
Total provisions for risks and charges and employee benefits	198,176	214,397

12.1 Provision for restoration or replacement of non-compensated revertible assets.

The provisions for renewal, for the first half of 2019, totalled EUR 54,512 thousand, whereas the use, represented by all maintenance work, totalled EUR 67,761 thousand.

12.2 Tax reserve

As at 30 June 2019, this item totalled EUR 50 thousand (EUR 50 thousand as at 31 December 2018).

12.3 Other provisions

This item totalled EUR 20,854 thousand (EUR 22,114 thousand as at 31 December 2018) and changed due to (i) provisions for the period (EUR 3.4 million) and (ii) uses (EUR 4.7 million). As at 30 June 2019, this item mainly referred to:

- EUR 5.7 million set aside for possible risks and charges borne by Società Autostrada Ligure Toscana p.A.; these risks mainly refer to the charges for work on behalf of ANAS on the Ghiare di Berceto-Bivio di Bertorella stretch and other provisions;
- EUR 0.2 million set aside by Società di Progetto Autovia Padana S.p.A. for lawsuit expenses;
- EUR 1.2 million set aside by the subsidiary Autostrada dei Fiori S.p.A. for pending litigation (EUR 0.7 million) and risks for works (EUR 0.5 million);
- EUR 0.2 million for expenses to be incurred as part of the optimization and rationalisation of human resources carried out under trade union agreements signed in the period by the subsidiaries Autostrada dei Fiori S.p.A., Autostrada Asti Cuneo S.p.A. and SATAP S.p.A.;
- EUR 5.5 million for the provision for risks relating to SATAP S.p.A., the concession for which expired on 30 June 2017 and relates to the provision made to cover potential risks in relation to the remaining uncertainties related to the expiry of the concession contract for the A21 Stretch;
- EUR 3.2 million from Itinera S.p.A. for provisions for risks related to investments (EUR 0.3 million) and provisions for risks related to legal actions (2.4 million);
- EUR 0.2 million refers to the provision for contractual risks made by the subsidiary Sina S.p.A.;
- EUR 1.1 million relating to the provisions for renewals of the collective motorway sector contracts;
- EUR 3.1 million for bonuses related to the “managerial incentive system”.

12.4 – Employee benefits (Employee Severance Indemnity)

As at 30 June 2019, this item totalled EUR 38,508 thousand (EUR 40,220 thousand as at 31 December 2018). Changes during the period were as follows:

31 December 2018	40,220
Change in the scope of consolidation	(149)
Period contributions	511 (*)
Indemnities advanced/liquidated during the period	(2,310)
Change in the scope of consolidation	-
Restatements and other changes	236
30 June 2019	38,508

(*) The period contributions do not include the portion of actuarial profit/(loss) deriving from discounting the payable, according to the provisions of IAS 19, as the parameters used for it were in line with those used as at 31 December 2018.

The tables below show the economic/financial and demographic assumptions respectively used for the actuarial appraisal of these liabilities.

Economic/financial assumptions

Annual discount rate	1.97%
Annual inflation rate	1.5%
Annual rate of increase in severance pay	2.625%
Annual rate of salary increases (for Companies with less than 50 employees)	From 1% to 2.5%

Demographic assumptions

Mortality	RG 48
Disability	INPS tables by age and gender
Retirement age	Requirements met
% of frequency of advances	From 1% to 4%
Turnover	From 0.5% to 8%

Note 13 – Other payables and contractual liabilities (noncurrent)

These consist of:

	30 June 2019	31 December 2018
To ANAS – Central Insurance Fund	125,051	120,930
Deferred income related to discounting the payable to ANAS – Central Insurance Fund		
To others	55,675	59,796
Total	194,211	205,212

The item payable “to ANAS - Central Insurance Fund” refers to operations undertaken by the parties in question in favour of the licensees SALT p.A. (A15 Stretch) and SAV S.p.A to make instalment payments and for payables to suppliers. The amount of the payable has been discounted based on the repayment plans set out in the respective agreements.

The breakdown by licensee of payables discounted as at 30 June 2019 and their developments until fully repaid is as follows:

(amounts in millions of EUR)	30/06/2019	2019	2020	2021	2022	2023	2024	2025	2026	2027
SAV	84.3	75.4	68.7	56.8	43.8	29.9	15.2	-	-	-
SALT- A15 stretch	52.7	53.8	56.6	59.6	62.7	66.1	69.7	73.5	74.0	26.4
TOTAL	137 (*)	129.2	125.3	116.4	106.5	96.0	84.9	73.5	74.0	26.4

(*) of which EUR 125.1 million as the non-current portion and EUR 11.9 million as the current portion (Note 19)

The item “deferred income related to discounting the payable to ANAS – Central Insurance Fund” collects the difference between the original amount of the payable and its discounted value. The charge from the discounting process is imputed to the income statement among “financial expenses”. At the same time, the amount previously deferred is posted to the item “other income”.

The item payables “to others” includes – for EUR 13.3 million – advances on works, from clients in accordance with law and to be recovered on the issue of interim payment certificates in proportion to the percentage of the work order carried out, only after 30 June 2019. The change is mainly due to recoveries made following the issue of interim payment certificates.

The payables shown above are broken down by maturity as follows:

	Between one and five years	Beyond five years	Total
Payables to ANAS – Central Insurance Fund	70,712	54,339	125,051
Deferred income related to discounting the payable to ANAS – Central Insurance Fund	36,698	18,977	55,675
Other payables	13,485	-	13,485
Total	120,895	73,316	194,211

Note 14 – Bank debt (non-current)

Borrowings from banks totalled EUR 718,353 thousand (EUR 793,691 thousand as at 31 December 2018).

The change during the period is due to: (i) the reclassification to the item “current portion of medium/long-term borrowings” of the instalments due in the following 12 months (EUR -129 million), (ii) the early reimbursements of some loan agreements (EUR -0.7 million), (iii) the granting of new loans (EUR +51.2 million), (iv) the reclassification from the item “current portion of short-term borrowings” of the loan granted by M&T Bank to Halmar International LLC as a result of the recovery of compliance with a covenant (EUR +2.5 million) and (v) the effects of amortised cost (EUR +0.7 million).

The tables below show medium-term bank debt as at 30 June 2019 and 31 December 2018, indicating the related balance due (current and non-current portion) and summarizing the principal conditions applied to each liability.

30 June 2019									
Lending bank	Company	Due date	Initial amount	Interest rate	Currency	Balance as at 30 June 2019	Within 1 year	1 to 5 years	Beyond 5 years
Unicredit	ASTM	31/01/2020	35,000	Variable	EUR	35,000	35,000	-	-
Banca BIIIS – Intesa Group	SATAP	15/06/2024	75,000	Variable/IRS	EUR	24,194	4,839	19,355	-
Mediobanca (BEI funding)	SATAP	15/03/2022	15,000	Variable/IRS	EUR	3,600	1,200	2,400	-
Mediobanca (BEI funding)	SATAP	15/06/2024	59,450	Variable/IRS	EUR	19,177	3,835	15,342	-
Mediobanca	SATAP	13/12/2021	400,000	Variable/IRS	EUR	200,000	80,000	120,000	-
Mediobanca	SATAP	31/12/2021	180,000	Variable/IRS	EUR	108,000	36,000	72,000	-
Cassa Depositi e Prestiti	SATAP	31/12/2021	60,000	Variable	EUR	60,000	5,000	40,000	15,000
BNL – Mediobanca	SAV	15/12/2019	50,000	Variable	EUR	2,083	2,083	-	-
Mediobanca, Unicredit and UBI (BEI funding)	SIAS	15/12/2024	24,500	Variable	EUR	19,250	3,500	14,000	1,750
Mediobanca, Unicredit and UBI	SIAS	15/12/2024	143,500	Variable IRS	EUR	112,750	20,500	82,000	10,250
BEI	SIAS	15/12/2024	77,000	Variable/IRS	EUR	60,500	11,000	44,000	5,500
BEI	SIAS	15/12/2020	25,000	IRS	EUR	6,250	4,167	2,083	-
Mediobanca, UniCredit and UBI (BEI funding)	SIAS	15/12/2020	15,000	Variable	EUR	3,750	2,500	1,250	-
CAIXA	SIAS	02/11/2020	50,000	Variable	EUR	50,000	-	50,000	-
Unicredit Intesa Cariparma pool	SIAS	15/12/2033	137,000	Variable	EUR	137,000	-	3,836	133,164
Unicredit Intesa Cariparma pool	SIAS	15/12/2033	6,000	Variable	EUR	6,000	-	168	5,832
UBI	SIAS	30/06/2020	50,000	Variable	EUR	50,000	50,000	-	-
BNL	SIAS	16/06/2020	50,000	Variable	EUR	50,000	50,000	-	-
BPM	SIAS	30/04/2021	20,000	Variable	EUR	20,000	-	20,000	-
BPM	SIAS	30/04/2021	30,000	Variable	EUR	30,000	-	30,000	-
M&T Bank	HALMAR	24/06/2034	2,513 (*)	Fixed	EUR	1,829	87	431	1,311
M&T Bank	HALMAR	25/03/2021	435 (*)	Fixed	EUR	135	81	54	-
M&T Bank	HALMAR	24/06/2019	3,188 (*)	Fixed	EUR	53	53	-	-
M&T Bank	HALMAR	01/04/2023	5,000 (*)	Variable	EUR	3,368	879	2,489	-
M&T Bank	HALMAR	19/09/2019	3,100 (*)	Variable	EUR	2,726	2,726	-	-
G&M	HALMAR	30/12/2020	924 (*)	Variable	EUR	627	147	481	-
G&M	HALMAR	30/12/2020	2612 (*)	Variable	EUR	1,200	465	736	-
BANCA PASSADORE	Itinera	30/12/2022	10,000	Fixed	EUR	7,019	1,996	5,023	-
BANCA BPER	Itinera	15/12/2021	30,000	Fixed	EUR	18,750	7,500	11,250	-
Banca Carige	Taranto Logistica SEA Segnaletica	30/09/2020	12,150	Fixed	EUR	12,000	-	12,000	-
Banca Regionale Europea	Stradale	10/04/2022	8,000	Variable	EUR	2,598	846	1,752	-
Accrued liabilities and deferred income, ASTM Group						1,047,859	324,403	550,650	172,807
						(4,970)	134	(3,353)	(1,751)
Total bank debt (non-current)						1,042,890	324,537	547,297	171,056
718,353									

(*) Original amount in USD

Almost all the medium- and long-term loan contracts in place as at 30 June 2019 require compliance with certain economic and financial parameters (covenants) that are normal for loans of this type. These parameters, up to 30 June 2019, were met.

The interest on the loans is essentially tied to the EURIBOR (i.e. the reference IRS) plus an average weighted spread of 0.983% for an average residual duration of the payable of approximately 6 years.

The table below shows the average spread broken down between fixed rate borrowings (IRS parameter for the period) and variable rate borrowings (Euribor parameter for the period).

	% Average spread
Fixed rate borrowings	0.854
Variable rate borrowings	1.081

As part of the financial structure that involves the centralisation of the Group's funding activities under the subsidiary SIAS S.p.A., the debt contracted by SIAS S.p.A. is supported by a special security package in order to guarantee its creditors effective access to the operating companies benefiting from the intercompany loans.

The following note "Other information – Financial risk management" contains the description of the financial risks of the Group and the management policies for them.

31 December 2018								
Lending bank	Company	Due date	Initial amount	Interest rate	Currency	Balance as at 31 December 2018		
						Within 1 year	1 to 5 years	Beyond 5 years
Unicredit	ASTM	31/01/2020	35,000	Variable	EUR	35,000	-	35,000
Banca BIIIS – Intesa Group	SATAP	15/06/2024	75,000	Variable/IRS	EUR	26,613	4,839	21,774
Mediobanca (BEI funding)	SATAP	15/03/2022	15,000	Variable/IRS	EUR	4,200	1,200	3,000
Mediobanca (BEI funding)	SATAP	15/06/2024	59,450	Variable/IRS	EUR	21,095	3,835	17,260
Mediobanca	SATAP	13/12/2021	400,000	Variable/IRS	EUR	240,000	80,000	160,000
Mediobanca	SATAP	31/12/2021	180,000	Variable/IRS	EUR	126,000	36,000	90,000
Cassa Depositi e Prestiti	SATAP	31/12/2021	60,000	Variable	EUR	60,000	-	50,000
BNL – Mediobanca	SAV	15/12/2019	50,000	Variable	EUR	4,167	4,167	-
Crédit Agricole	LOGISTICA TIRRENICA	01/04/2019	3,400	Variable	EUR	178	178	-
Mediobanca, Unicredit and UBI (BEI funding)	SIAS	15/12/2024	24,500	Variable	EUR	21,000	3,500	14,000
Mediobanca, Unicredit and UBI	SIAS	15/12/2024	143,500	Variable IRS	EUR	123,000	20,500	82,000
BEI	SIAS	15/12/2024	77,000	Variable/IRS	EUR	66,000	11,000	44,000
BEI	SIAS	15/12/2020	25,000	IRS	EUR	8,333	4,167	4,166
Mediobanca, UniCredit and UBI (BEI funding)	SIAS	15/12/2020	15,000	Variable	EUR	5,000	2,500	2,500
UBI	SIAS	30/09/2019	70,000	Variable	EUR	70,000	70,000	-
BNL	SIAS	16/09/2019	30,000	Variable	EUR	30,000	30,000	-
Banca Popolare di Milano	SIAS	31/01/2019	50,000	Variable	EUR	50,000	50,000	-
CAIXA	SIAS	02/11/2020	50,000	Variable	EUR	50,000	-	50,000
Unicredit Intesa Cariparma pool	SIAS	15/12/2033	137,000	Variable	EUR	137,000	-	-
Unicredit Intesa Cariparma pool	SIAS	15/12/2033	6,000	Variable	EUR	6,000	-	6,000
M&T Bank	HALMAR	24/06/2034	2,513 (*)	Fixed	EUR	1,854	86	428
M&T Bank	HALMAR	25/03/2021	435 (*)	Fixed	EUR	173	78	95
M&T Bank	HALMAR	24/06/2019	3,188 (*)	Fixed	EUR	360	360	-
M&T Bank	HALMAR	31/03/2023	5,000 (*)	Variable	EUR	3,784	3,784	-
M&T Bank	HALMAR	19/09/2019	3,100 (*)	Variable	EUR	1,270	1,270	-
G&M	HALMAR	30/06/2020	1,705 (*)	Fixed	EUR	967	378	589
BANCA PASSADORE	Itinera	30/12/2022	10,000	Fixed	EUR	8,015	1,992	6,023
BANCA BPER	Itinera	15/12/2021	30,000	Fixed	EUR	22,500	7,500	15,000
Banca Carige	Taranto Logistica	30/09/2020	12,150	Fixed	EUR	12,150	-	12,150
Banca Regionale Europea	SEA Segnaletica Stradale	10/04/2022	8,000	Variable	EUR	3,013	836	2,177
CARIPARMA	Siteco Informatica	08/07/2019	65	Variable	EUR	8	8	-
Accrued liabilities and deferred income, ASTM Group						1,137,680	338,179	610,162
						(5,254)	556	(3,384)
						1,132,426	338,735	606,778
								186,913
Total bank debt (non-current)								793,691

(*) Original amount in USD

Note 15 – Hedging derivatives

This item amounts to EUR 29,475 thousand (EUR 35,730 thousand as at 31 December 2018) and refers to the fair value as at 30 June 2019 of the Interest Rate Swap contracts concluded by Group companies in order to prevent the risk deriving from changes in interest rates.

Note 16 – Other financial liabilities (non-current)

These consist of:

	30 June 2019	31 December 2018
SIAS 2010-2020 bond loan	498,770	498,323
SIAS 2014-2024 bond loan	497,372	497,113
SIAS 2018-2028 bond loan	542,164	541,747
Other payables	29,004	2,607
Total	1,567,310	1,539,790

The item “*2010-2020 bond loan*” refers to the EUR 500 million bond loan issued by SIAS in October 2010. The bonds have a minimum unit of EUR 50 thousand and were placed at an issue price (“below par”) of EUR 99.134. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.

The bonds have the following principal features:

- duration: 10 years;
- coupon: 4.50% per year, gross;
- redemption: bonds will be redeemed upon maturity (26 October 2020) in a lump sum at par value.

The item “*2014-2024 bond loan*” refers to the senior secured bond loan of EUR 500 million issued in February 2014 by SIAS. The bonds issued have a minimum unit of EUR 100 thousand and were placed at an issue price (“below par”) of EUR 99.466 only with qualified investors. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.

The bonds have the following principal features:

- duration: 10 years;
- coupon: 3.375% per year, gross;
- redemption: bonds will be redeemed upon maturity (13 February 2024) in a lump sum at par value.

The item “*2018-2028 bond loan*” refers to the senior secured bond loan of EUR 550 million issued in February 2018 by SIAS. The bonds issued have a minimum unit of EUR 100 thousand and were placed at an issue price (“below par”) of EUR 98.844 only with qualified investors. These bonds are governed by English law and traded at the Irish Stock Exchange.

In compliance with IFRS, this item was posted net of the cost incurred for the issue/listing and of the issue discounts.

The bonds have the following principal features:

- duration: 10 years;
- coupon: 1.625% per year, gross;
- redemption: bonds will be redeemed upon maturity (08 February 2028) in a lump sum at par value.

The change to the item “*other payables*” is due to the effects deriving from the application as at 1 January 2019 of the new IFRS 16 Lease, relating to the non-current portion of the financial payable; on the basis of the provisions of IFRS 16, the lease contracts payable (which do not constitute the provision of services) are accounted for by posted a financial liability to the equity-financial position, represented by the present value of future lease payments, against the posting of the right of use of the leased asset to the assets.

Note 17 – Deferred tax liabilities

This item totalled EUR 54,463 thousand (EUR 54,209 thousand as at 31 December 2018). For the breakdown of this item, please refer to Note 35 – Income taxes.

Note 18 – Trade payables (current)

Trade payables totalled EUR 399,773 thousand (EUR 350,500 thousand as at 31 December 2018).

Note 19 – Other payables and contract liabilities (current)

These consist of:

	30 June 2019	31 December 2018
Advances	93,921	84,646
Payables to welfare organisations	17,277	16,170
Payables to ANAS – Central Insurance Fund	11,900	11,900
Payables for cross charges from consortium companies	91,594	63,075
Payables to Autostrada dei Fiori shareholders for option	10,341	10,341
Deferred income	15,928	12,796
Other payables	96,427	189,889
Total	337,388	388,817

The item “*advances*” includes advances received from buyers in accordance with the law and intended to be recovered based on the progress of the work. The change compared to 31 December 2018 is mainly due to higher advances received on overseas works carried out by the subsidiary Itinera S.p.A.

The item “*payables to ANAS – Central Insurance Fund*” represents the portion of the debt maturing during the next accounting period.

As part of the share capital increase of the subsidiary Autostrada dei Fiori S.p.A., which was approved by the Shareholders’ Meeting on 23 October 2012, the subsidiary Salt p.A. granted a put option to some shareholders of Autostrada dei Fiori S.p.A. on 1,988,585 shares (equal to 2.45% of the share capital) subscribed by them. The item “*payables to Autostrada dei Fiori shareholders for option*” represents the estimate of the price to be paid to the shareholders if the latter decide to exercise the put option for the above-mentioned shares.

The “*deferred income*” mainly refers to prepaid leases, easement payments, grants received by SATAP S.p.A. from TAV S.p.A. and RFI S.p.A., and grants received by SAV S.p.A. from RAV S.p.A. and the Autonomous Region Valle d’Aosta.

The decrease in the item “*other payables*” is mainly due to the payment of the payable to IntesaSanPaolo and Autostrade Lombarde (settled in January 2019) relating to: (i) the purchase from Autostrade Lombarde S.p.A. of Tangenziale Esterna S.p.A. shares for a total value of EUR 14.8 million, (ii) the purchase from Autostrade Lombarde S.p.A. of shares in Tangenziali Esterne di Milano S.p.A. for a total value of EUR 7.7 million, (iii) the purchase from Autostrade Lombarde S.p.A. of a portion of the loan (and interest) of Tangenziale Esterna S.p.A. for a total value of EUR 11.3 million, (iv) for the purchase from Intesa SanPaolo S.p.A. of the loans and related interest of Tangenziale Esterna S.p.A. (EUR 20.9 million) and (v) the purchase from Intesa SanPaolo S.p.A. of the equity investments in Tangenziale Esterna S.p.A. and Tangenziali Esterne di Milano S.p.A. for a total value of EUR 40.7 million.

Note 20 – Bank debt (current)

These consist of:

	30 June 2019	31 December 2018
Current account overdrafts and advances	137,937	96,760
Short-term loans	2,134	3,431
Maturing portion of medium- and long-term loans	324,537	338,735
Total	464,608	438,926

The change in the item “*current account overdrafts and advances*” is mainly due to the use, by Autostrada Asti-Cuneo S.p.A., SAV S.p.A., Itinera S.p.A. and Halmar International LLC of the available credit lines; the change in the item “*short-term loans*” is mainly due to reimbursements made in the half year (EUR -1.3 million).

The change in the item “*maturing portion of medium- and long-term loans*” is due to (i) the reimbursement of the instalments due in the first half of 2019 and associated interest (EUR -242.8 million), (ii) the reclassification from the item “*bank debt (non-current)*” of the instalments due in the following 12 months (EUR +129 million), (iii) the granting of new loans (EUR +102.1 million) and (iv) the reclassification to the item “*current portion of short-term borrowings*” of the loan granted by M&T Bank to Halmar International LLC following the recovery of compliance with a covenant (EUR -2.5 million).

Note 21 – Other financial liabilities (current)

These consist of:

	30 June 2019	31 December 2018
SIAS 2010-2020 bond loan	15,288	4,130
SIAS 2014-2024 bond loan	6,380	14,887
SIAS 2018-2028 bond loan	3,502	8,007
Payables to connected companies	17,198	9,180
Other payables	34,969	26,557
Total	77,337	62,761

The items “*SIAS 2010-2020 bond loan*”, “*SIAS 2014-2024 bond loan*” and “*SIAS 2018-2028 bond loan*”, refer to the payable to the bondholders for the interest accrued as at 30 June 2019.

The item “*payables to connected companies*” refers to payables to connected companies not belonging to the Group for tolls collected on behalf of Group licensees, which had not yet been allocated by the end of the period.

The item “*other payables*” mainly refers to (i) the payable related to the higher contribution received by the subsidiary Autostrada dei Fiori S.p.A. (A6 Torino-Savona stretch) related to Law 662/96 for investments in non-compensated revertible assets (EUR 14.1 million) and (ii) the current portion of the financial payable relating to the rights of use pursuant to IFRS 16 (EUR 11.7 million).

Note 22 – Current tax liabilities

Current tax liabilities totalled EUR 80,035 thousand (EUR 15,226 thousand as at 31 December 2018) and refer to liabilities for corporate income tax (IRES), regional production tax (IRAP), VAT and personal income tax (IRPEF) withheld. The change during the period is mainly attributable to higher IRES and IRAP payables (2019 advance payment and 2018 balance) paid at the start of July.

Explanatory Notes – Information on the income statement

With reference to the data relating to the first half of 2019, the following is noted:

- the concession awarded to the subsidiary Società di Progetto Autovia Padana S.p.A. ("Autovia Padana") took effect as of 1 March 2018; consequently, management of the A21 Piacenza-Cremona-Brescia Stretch contributed to the profit/(loss) of the first half of 2018 for four months only;
- the acquisition of the subsidiary SEA Segnaletica Stradale took place on 4 July 2018;
- the effect of the merger by incorporation of Intertrade S.p.A. into Itinera S.p.A. took place on 4 July 2018;
- control of the company Potomac Yard Constructors was taken over on 10 September 2018.

Therefore, the income statement data for the first half of 2019 are not directly comparable with those of the first half of 2018. In order to allow the effects of this change to be assessed, specific notes have been added below.

Note 23 – Revenue

23.1 – Motorway sector revenue – operating activities

This item breaks down as follows:

	1HY 2019	1HY 2018
Net toll revenue	540,545	523,788
Fee/additional fee payable to ANAS	41,468	39,689
Gross toll revenue	582,013	563,477
Other accessory revenues	15,550	15,448
Total motorway sector revenue	597,563	578,925

The toll revenues relating to the first half of the year were calculated based on the final figures as at 31 May, estimating, based on the traffic performance reported by the individual stations, the amounts relating to June.

The increase in "*net toll revenue*" - equal to EUR 16.8 million (+3.20%) - is attributable (i) for EUR 9.6 million (+1.83%) to the higher revenues of the licensee Autovia Padana (whose concession took effect on 1 March 2018 and whose motorway revenues, therefore, in the first half of 2018 were limited to the 1 March - 30 June period), (ii) for EUR 5 million (0.96%) to the growth in traffic volumes and (iii) for EUR 2.2 million to the recognition as from 1 January 2019 of toll adjustments (+0.41%).

The change in the item "*fee/additional fee payable to ANAS*" (EUR +1.8 million) was due (i) to the fee/additional fee payable to ANAS by the licensee Autovia Padana for EUR 1.4 million and (ii) to the increase in traffic on the stretches operated by the other licensees for EUR 0.4 million. Based on the fact that the fees had been collected on behalf of ANAS, this increase wholly affected the item "*operating costs*".

The "*other accessory revenues*" mainly refer to rental income on the service areas and crossing fees.

23.2 – Motorway sector revenue – planning and construction activities

This item totalled EUR 115,692 thousand (EUR 67,988 thousand in the first half of 2018) and refers to the "planning and construction" activity of non-compensated revertible assets that – according to IFRIC 12 – are booked among revenue with regards to both the portion obtained by Group companies and that of Third Parties. A similar amount of costs was booked against these revenues under the item "Other costs for services".

23.3 – Construction sector revenue – planning and construction activities

This item totalled EUR 10,453 thousand (EUR 30,781 in the first half of 2018) and refers to the “planning and construction activity” of the Taranto port platform (infrastructure node of the Port of Taranto – Logistics Platform) that – according to IFRIC 12 – is recognised among revenues with regards to both the portion implemented internally and that implemented by Third Parties. A similar amount of costs was booked against these revenues under item “Other costs for services”.

23.4 – Construction sector revenue

This revenue breaks down as follows:

	1HY 2019	1HY 2018
Revenue for works and planning and changes in contract work in progress	366,361	173,746
Other revenue	10,422	8,330
Total	376,783	182,076

The change in the item “revenues for works and planning and changes in contract work in progress” is substantially due to the start of the works for work orders acquired in the previous year and to the continuation of the production of existing work orders as well as to the production of SEA Segnaletica Stradale S.p.A., Interstrade S.p.A. and Potomac Yard Constructors (consolidated in 2018 as of the second half of the year only).

This amount was net of the intercompany “production” related to maintenance and expansion services performed on the motorway network by the cited Companies for the Group motorway companies.

23.5 – Engineering sector revenue

The revenues relating to the engineering sector totalled EUR 3,561 thousand (EUR 3,096 thousand in the first half of 2018) and refer to the amount of “production” carried out for third parties by the subsidiaries SINA S.p.A., Siteco Informatica S.r.l. and Consorzio SINTEC. This amount was posted net of the intercompany “production” related to maintenance and expansion services performed on the motorway network by the mentioned Companies for the Group motorway companies.

The change in the item compared to the first half of 2018 is mainly attributable to the increased activities performed for third parties as well as increased work performed for Group companies.

23.6 – Technology sector revenue

This revenue breaks down as follows:

	1HY 2019	1HY 2018
Revenues and change in contract work in progress, work in progress, semi-finished products, finished goods and other revenue	20,195	16,600
Other revenue	3,222	731
Total	23,417	17,331

This is the total amount of “production” carried out for third parties by the subsidiaries Sinelec S.p.A., Euroimpianti S.p.A., P.L.M. S.c.ar.l. and CIT S.c.ar.l. The above-mentioned amounts are recognised net of intergroup “production” related to maintenance and enhancement activities for the motorway network, which were carried out by said Companies in favour of the Group’s motorway licensees.

The increase of the item “technology sector revenue” reflects the increase during the half year of the activities carried out for

third parties by the subsidiaries Euroimpianti S.p.A. and Sinelec S.p.A.

23.7 – Other revenue

This revenue breaks down as follows:

	1HY 2019	1HY 2018
Claims for damages	4,876	2,062
Recovery of expenses and other income	15,835	15,132
Share of income resulting from the discounting of the payable due to ANAS – Central Insurance Fund	4,121	4,228
Works on behalf of third parties and cost reversal	4,276	4,142
Operating grants	298	297
Total	29,406	25,861

The item “claims for damages” refers to the refunds – by insurance companies – of the costs incurred by motorway licensees for repair to the motorway network following accidents and other damages.

The item “recovery of expenses and other income” mainly relates to the recovery of collection costs, recovery of exceptional transit costs and contingent assets.

The item “share of income resulting from the discounting of the payable due to ANAS – Central Insurance Fund” refers to the share related to the difference – which was previously deferred – between the original amount of the payable and its present value.

Note 24 – Payroll costs

This item can be broken down as follows:

	1HY 2019	1HY 2018
Salaries and wages	132,125	105,204
Social security contributions	35,027	27,938
Adjustment to the provision for personnel	14,190	9,801
Other costs	5,848	3,185
Total	187,190	146,128

The overall increase to the “payroll costs” is the result of (i) higher costs relating to the subsidiary Autovia Padana S.p.A.¹ (EUR +2.8 million), (ii) higher costs related to the renewal of the National Labour Collective Agreement and the complementary agreement relating to the motorway sector (EUR +1.6 million), (iii) higher costs for lawsuits and voluntary redundancy payments (EUR +2 million), (iv) the increase in the number of employees in the technological, construction and services sectors (EUR +30.4 million) and (v) the change in the scope of consolidation (EUR +4.3 million).

Average employee staffing breaks down by category as follows:

	1HY 2018	Change in the scope of consolidation	Other changes	1HY 2019
Managers	136	4	17	157
Middle managers	197	3	39	239
Office workers	2,589	40	108	2,737
Workers	858	44	392	1,294
Total	3,780	91	556	4,427

¹ Whose concession took effect as of 1 March 2018 and therefore in the first half of 2018 the payroll costs were limited to the period between 1 March and 30 June 2018.

Note 25 – Costs for services

This expense item breaks down as follows:

	1HY 2019	1HY 2018
Maintenance of non-compensated revertible assets	31,328	22,745
Other costs related to non-compensated revertible assets	9,259	11,182
Other costs for services	389,116	253,437
Total	429,703	287,364

The item “*maintenance of non-compensated revertible assets*” is recognised net of intercompany “production” carried out by Group companies operating in the “technology” sector in favour of motorway companies.

The total amount of **maintenance and other costs related to non-compensated revertible assets** incurred in period in question (gross of the intragroup eliminations) totalled **EUR 93.6 million** (EUR 77 million in the first half of 2018); the increase is mainly attributable to an advance in the first half of the year of the maintenance programme envisaged for the entire current year.

The item “*other costs related to non-compensated revertible assets*” is substantially in line with the corresponding period of the previous financial year.

The item “*other costs for services*” includes – as set out in IFRIC 12 – the costs related to “planning and construction activities” of non-compensated revertible assets. This category also includes professional fees, costs for legal assistance, fees for corporate bodies, in addition to the services provided by sub-contractors and reversal of costs for consortium companies.

The change compared to the same period in the previous year is mainly due to increased costs attributable to the construction sector following the increase in related production.

Note 26 – Costs for raw materials

This expense item breaks down as follows:

	1HY 2019	1HY 2018
Raw materials	77,613	32,213
Consumables	27,385	15,371
Changes in inventories of raw materials, consumables and merchandise	(3,169)	1,022
Total	101,829	48,606

This item refers to production materials, ancillary materials and consumables and mainly relates to the subsidiaries Euroimpianti S.p.A., Itinera S.p.A., Sinelec S.p.A., SATAP S.p.A., Autostrada dei Fiori S.p.A., SALT p.A., Società di Progetto Autovia Padana S.p.A. and to the Halmar Group. The increase compared to the first half of 2018 is mainly related to the higher purchases made by the companies in the construction and technology sectors following increased production achieved.

Note 27 – Other operating costs

This expense item breaks down as follows:

	1HY 2019	1HY 2018
Concession fee pursuant to article 1, par. 1020 of Italian Law No. 296/06	13,165	12,757
Fee pursuant to article 19, par. 9-bis of Italian Law Decree no. 78/09	41,468	39,689
Sub-concession fee	3,044	2,940
Leases and rental expenses	8,323	6,254
Other operating expenses	10,156	11,800
Total	76,156	73,440

The item “*concession fee pursuant to article 1, paragraph 1020 of Italian Law no. 296/06*” has been calculated according to 2.4% of “net toll revenue”; the change in the half year is related to both the increase in toll revenue and the higher concession fee for the licensee Società di Progetto Autovia Padana (EUR +0.2 million).

The item “*fee pursuant to article 19, paragraph 9 of Italian Law Decree No. 78/09*” has been calculated according to EUR 0.0060 vehicle/km for light vehicles and EUR 0.0180 vehicle/km for heavy vehicles; the change compared to the first half of 2018 was due to both the increase in traffic on the stretches operated by the licensees and the higher concession fee for the licensee Società di Progetto Autovia Padana (EUR +1.4 million).

The change in the “*sub-concession fee*” - calculated on the royalties received from service areas - was mainly due to the positive change in royalty income.

Following the application as of 1 January 2019 of the new IFRS 16 (Lease), the “*leases and rental expenses*” only refer to contracts maturing within 12 months or to contracts for which the underlying assets are configured as low-value assets. The change compared to the previous financial year is the result of (i) the effects deriving from the application of IFRS 16 (EUR -3.8 million) and (ii) the new short-term lease contracts signed at the beginning of 2019 by the subsidiary Euroimpianti S.p.A. and Itinera S.p.A.

Note 28 – Capitalised expenses for internal works

This item, amounting to EUR 196 thousand in the first half of 2019 (EUR 640 thousand in the first half of 2018), refers to internal works carried out within the Group and capitalised as an increase to tangible assets.

Note 29 – Amortisation and depreciation

This item breaks down as follows:

	1HY 2019	1HY 2018
Intangible assets:		
• Other intangible assets	1,702	1,678
• Non-compensated revertible assets	151,181	136,149
Tangible assets:		
• Buildings	1,537	1,301
• Plant and machinery	1,649	1,448
• Industrial and commercial equipment	2,404	1,139
• Other assets	1,621	1,698
• Rights of use	4,537	901
Total amortisation and depreciation	164,631	144,314
Write-down of goodwill and other write-downs	-	295
Total amortisation, depreciation and write-downs	164,631	144,609

The item “*rights of use*” reflects the effects deriving from the first-time application of IFRS 16.

Note 30 – Adjustment of the provision for restoration/replacement of non-compensated revertible assets

The adjustment of the provision for restoration/replacement of non-compensated revertible assets is detailed as follows:

	1HY 2019	1HY 2018
Use of the provision for restoration/replacement of non-compensated revertible assets	(67,761)	(55,469)
Set-aside to provision for restoration/replacement of non-compensated revertible assets	54,512	57,078
Net adjustment of the provision for restoration and replacement of non-compensated revertible assets	(13,249)	1,609

The use of the provision for restoration, replacement or maintenance of non-compensated revertible assets represents all maintenance costs borne by the motorway licensees during the period. The provision includes the amount needed to update the fund to meet scheduled maintenance programmes in the financial plans attached to the individual concessions in later accounting periods, in order to ensure the appropriate functionality and safety of the respective motorway infrastructures. The net adjustment of the provision for restoration and replacement of non-compensated revertible assets reflects, among other things, the change in the planning of maintenance work.

Note 31 – Provisions for risks and charges

The provisions for risks and charges as at 30 June 2019 totalled EUR 28 thousand (EUR 0.1 million in the first half of 2018).

Note 32 – Financial income

This item breaks down as follows:

	1HY 2019	1HY 2018
Income from equity investments:		
• dividends from other businesses	1,482	3,846
• capital gain on sale of investments	-	123
Total	1,482	3,969
 Interest income and other financial income		
• from credit institutions	399	250
• from financial assets	6,141	6,563
• exchange differences	563	349
• other	1,790	406
Total	8,893	7,568
Total financial income	10,375	11,537

The item “*dividends from other businesses*” mainly refers to the dividends approved by the investee companies Assicurazioni Generali S.p.A. (EUR +0.5 million), Si. Co. Gen. S.r.l. (EUR +0.4 million), Salini Impregilo S.p.A. (EUR +0.4 million), Tunnel Guest (EUR 0.1 million) and Nuova Codelfa S.p.A. (EUR 0.1 million). The first half of the previous financial year included a dividend equal to around EUR 3.3 million distributed by the investee company Autostrade Centro Padane S.p.A.

The item “*capital gain on sale of investments*” in the first half of 2018 referred for EUR 46 thousand to the capital gain on the sale of the investee company OMT S.p.A. and for EUR 77 thousand to the capital gain on the sale of the investee company VA Bitumi.

The item interest income “*from financial assets*” includes financial income from insurance policies for EUR 2 million (EUR 2.2 million in the first half of 2018), interest on the loans to investees for EUR 3.7 million (EUR 4.1 million in the first half of 2018) and

interest from financial assets for EUR 0.4 million (EUR 0.3 million).

The item “exchange rate differences” totalling EUR 0.6 million (EUR 0.3 million in the first half of 2018) includes the exchange rate adjustments for the first half of 2019.

The change in the item “*other*” for EUR 1.4 million is attributable to the positive change in the fair value of the cash investment funds.

Note 33 – Financial expenses

This item breaks down as follows:

	1HY 2019	1HY 2018
Interest expense:		
• on loans	5,557	6,348
• on current accounts	293	271
Miscellaneous interest expense:		
• from Interest Rate Swap agreements	9,196	12,172
• from financial discounting	4,432	4,457
• from SIAS 2010-2020 bond loan	11,604	11,584
• from SIAS 2014-2024 bond loan	8,627	8,619
• from SIAS 2018-2028 bond loan	4,849	3,826
• from rights of use contracts	416	14
Other financial expenses:		
• exchange differences	258	750
• other financial expenses	1,063	1,515
Total	46,295	49,556
Capitalised financial expenses ⁽¹⁾	(7,782)	(6,385)
Total	38,513	43,171

⁽¹⁾ As reported in Note 1 – Intangible assets, an amount equal to EUR 7.8 million was capitalised under the item “non-compensated revertible assets”.

The decrease in the item “*interest expense on loans*” (taking account also of the interest expense on interest rate swap agreements) is due to the lower “average” debt to credit institutions compared to the first half of 2018.

Interest expense related to “*financial discounting*” of non-current liabilities refers to payables to the Central Insurance Fund and ANAS (EUR 4.1 million) and to the “financial component” of the employee severance indemnity and tax reserve (EUR 0.3 million).

The interest expense on bond loans represents the expenses accrued during the half year.

Note 34 – Profit (loss) of companies accounted for by the “equity method”

The item includes, for the relevant share, the profit/(loss) of the jointly controlled entities and associated companies accounted for by the equity method. The amount of the profit/(loss) also takes account of the amortisation and depreciation of any capital gain recorded in the assets of the companies at the time of acquisition. As detailed below, the change during the half year compared to the corresponding period of the previous financial year is mainly due to the lower contribution of some investee companies operating in the motorway sector and to the losses recorded by some companies operating in the construction sector.

	1HY 2019	1HY 2018
Revaluations (write-downs) of equity investments:		
• Asta S.p.A.	(137)	378
• Ativa Immobiliare S.p.A.	-	15
• Ativa S.p.A.	1,423	9,491
• CIM S.p.A.	(301)	-
• EcoRodovias Infraestrutura e Logística S.A.	492	1,532
• Federici Stirling Batco LLC	(535)	-
• Mill Basin Bridge Constructors	(4,020)	148
• Ponte Nord S.p.A.	-	(62)
• Primav Infraestrutura S.A.	(4,476)	6,451
• Road Link Holding Ltd.	589	445
• SABROM S.p.A.	(144)	(270)
• SITAF S.p.A.	5,832	8,377
• SITRASB S.p.A.	486	387
• Tangenziale Esterna S.p.A.	(2,382)	(2,583)
• Tangenziali Esterne di Milano S.p.A.	(2,321)	(2,869)
Total	(5,494)	21,440

Note 35 – Income taxes

This item can be broken down as follows:

	1HY 2019	1HY 2018
Current taxes:		
• Corporate Income Tax (IRES)	43,796	38,717
• Regional production tax (IRAP)	8,920	8,955
• International taxes	-	4
	52,716	47,676
Taxes (prepaid)/deferred:		
• Corporate Income Tax (IRES)	2,841	2,521
• Regional production tax (IRAP)	839	492
• International taxes	893	(511)
	4,573	2,502
Taxes related to prior years:		
• Corporate Income Tax (IRES)	(13,897)	2,823
• Regional production tax (IRAP)	21	(350)
	(13,876)	2,473
Total	43,413	52,651

The balance of the item “*taxes related to prior years*” reflects, for EUR 13.6 million, the favourable outcome of the tax clearance application submitted to the Financial Administration regarding the non-application of the anti-avoidance provision of art. 10 of the ACE Decree. Since SIAS was authorised to make use of this tax relief, the subsidiary submitted supplementary declarations for the five financial years included in the 2013-2017 period.

During the period, with "shareholders' equity" as contra-item, "deferred taxes" were credited for approximately EUR 1.8 million, related to the fair value measurement of both "other equity investments" and interest rate swaps, as well as the effects related to exchange differences.

In compliance with paragraph 81 (c) of IAS 12, we provide below the reconciliation of the "effective" and "theoretical" income taxes posted to the financial statements as at the first half of 30 June 2019 and 2018.

Reconciliation between "effective" and "theoretical" rates (IRES - Corporate income tax):

	1HY 2019		1HY 2018	
Period income before taxes	177,151		194,686	
Effective income taxes	47,530		40,731	
Lower taxes (compared to the theoretical rate):				
• lower taxes on dividends and other changes	338	0.19%	877	0.45%
• adjustment of investments accounted for by the equity method	-	-	5,146	2.64%
• other decreases	-	-	3,218	1.65%
Higher taxes (compared to the theoretical rate):				
• Taxes on intercompany dividends, non-deductible write-downs and other changes	(3,060)	-1.73%	(3,247)	-1.67%
• adjustment of investments accounted for by the equity method	(1,319)	-0.74%	-	-
• Non-deductible write-downs and other changes	(972)	-0.55%	-	-
Theoretical income taxes	42,517	24.00%	46,725	24.00%

Reconciliation between "effective" and "theoretical" rates (Regional production tax (IRAP)):

	1HY 2019		1HY 2018	
Value added (Regional production tax taxable base - IRAP)	210,811		204,880	
Effective income taxes	9,759		9,447	
Higher/Lower taxes (compared to the theoretical rate):				
• Net miscellaneous (expenses)/ income	(1,537)	-0.73%	(1,457)	-0.71%
Theoretical income taxes	8,222	3.90%	7,990	3.90%

The table below shows the total amount of deferred tax income and expenses (posted to the income statement and shareholders' equity) and the total deferred tax credits and liabilities (posted to the balance sheet).

	31/12/2018	Changes with an effect on the income statement	Changes with an effect on the shareholders' equity	Difference in scope and other changes	30/06/2019
Deferred tax credits related to: (*)					
· intangible assets not capitalised in accordance with IAS/IFRS	(28)	-	-	28	-
· provisions to tax deferral reserves	8,829	(398)	-	-	8,431
· maintenance costs exceeding deductible share	5,914	458	-	-	6,372
· valuation of financial assets and IRS at fair value	8,965	(88)	(1,619)	-	7,258
· effects of the recalculation of amortisation of non-compensated revertible assets (IFRIC 12)	54,780	(1,974)	-	-	52,806
· maintenance costs restoration provision (IRES)	42,550	(2,649)	-	-	39,901
· maintenance costs restoration provision (IRAP)	8,000	-	-	-	8,000
· actuarial appraisal of the Employee Severance Indemnities	669	(2)	1	-	668
Reserve					
· other	16,825	171	(28)	974	17,942
Total deferred tax credits	146,504	(4,482)	(1,646)	1,002	141,378
Deferred tax liabilities related to: (*)					
· assets in financial lease	(980)	20	-	-	(960)
· valuation of work in progress	(1,357)	(537)	-	-	(1,894)
· valuation of financial assets at fair value	-	(14)	(245)	-	(259)
· actuarial appraisal of the Employee Severance Indemnities	(653)	(33)	3	-	(683)
Reserve					
· effects of the recalculation of amortisation of non-compensated revertible assets (IFRIC 12)	(50,585)	683	-	-	(49,902)
· other	(634)	(210)	79	-	(765)
Total deferred tax liabilities	(54,209)	(91)	(163)	-	(54,463)

(4,573)

(*) Deferred tax credits and liabilities are accounted for based on tax rates in effect at the time that their repayment is expected

Note 36 – Earnings per share

In accordance with IAS 33, basic earnings per share are calculated by dividing the Group share of net profit/loss by the average number of outstanding shares during the period. The average number of shares is calculated taking into account the average number of treasury shares held by the Parent Company and its Subsidiaries.

(amounts in thousands of EUR)	1HY 2019	1HY 2018
Net profit – Group share	75,370	83,335
Average number of outstanding shares during the period	92,072,718	92,476,324
Earnings per share (euro per share)	0.819	0.901
Number of ordinary shares	98,998,600	98,998,600
Weighted average of treasury shares held during the period	(6,925,882)	(6,522,276)
Weighted average of ordinary shares in circulation during the period	92,072,718	92,476,324

During the first half of 2019 and the first half of 2018, no options, warrants or equivalent financial instruments on dilutive “potential” ordinary shares were recorded.

Note 37 – Information on the cash flow statement

37.1 – Change in net working capital

	1HY 2019	1HY 2018
Inventories	(59,183)	(30,791)
Trade receivables	(75,946)	(12,644)
Current tax assets	(10,230)	(15,921)
Receivables due from others	87,909	(27,916)
Trade payables (current)	49,559	34,753
Other payables	(17,239)	30,720
Current tax liabilities	64,897	52,489
Total	39,767	30,690

The change in the item “*inventories*” and in the “*trade receivables*” is mainly due to the increased activities carried out for third parties by the companies operating in the construction and technology sectors.

The change in “*receivables due from others*” was mainly due to the collection of receivables relating to the sales to Intesa SanPaolo S.p.A. (completed in 2018 and settled in January 2019) relating to (i) the equity investment in Autostrade Lombarde S.p.A. as well as the related loans granted to it and (ii) the sale (completed in 2018 and settled in January 2019) to Autostrade per l’Italia S.p.A. of 23,829,354 shares in Tangenziali Esterne di Milano S.p.A., as well as the sale to Autostrade Lombarde S.p.A. and Impresa Pizzarotti S.p.A. of the equity investment held by the subsidiary Itinera S.p.A. and the related loan in Bre.Be.Mi. S.p.A.

The change in the item “*trade payables (current)*” is mainly due to the increased activities carried out by the companies operating in the construction and technology sectors.

The decrease to the item “*other payables*” is mainly due to the completion of the agreements with Intesa SanPaolo S.p.A. – signed in the previous financial year and settled in January 2019, concerning (i) the purchase from Intesa SanPaolo S.p.A. of the loans and related interest of Tangenziali Esterne di Milano S.p.A. and (ii) the purchase from Intesa SanPaolo S.p.A. of the equity investments of Tangenziali Esterna S.p.A. and Tangenziali Esterne di Milano S.p.A.

The change to the item “*current tax liabilities*” is mainly attributable to higher IRES and IRAP payables (2019 advance payment and 2018 balance) paid at the start of July.

37.2 – Other changes from operating activity

	1HY 2019	1HY 2018
Use of Employee Severance Indemnities Reserve	(2,310)	(2,161)
Use of provisions for risks and other changes	(1,138)	717
Total	(3,448)	(1,444)

Note 38 – Significant non-recurring events and transactions

As reported in the interim management report, the first half of 2019 was not affected by significant non-recurring events and transactions, as defined in CONSOB communication no. DEM/6064293¹.

Note 39 – Atypical and/or unusual transactions

Pursuant to CONSOB Communication no. DEM/6064296 of 28 July 2006, in the first half of 2019 the Group did not carry out any atypical and/or unusual transactions, as defined in the Communication, according to which an atypical and/or unusual transaction is one for which the significance/materiality, nature of the counterparty, subject matter of the transaction, transfer pricing mechanism used and timing of the event (e.g. close to year end) could raise doubts about: the accuracy/completeness of information in the financial statements, conflict of interest, asset protection and the protection of minority interests.

¹ Significant non-recurring transactions are transactions or events that are not frequently repeated as part of normal business activities.

Other information

Information is shown below with regard to (i) the commitments undertaken by the Group Companies, (ii) fair value measurement, (iii) financial risk management, (iv) related-party transactions, (v) lapsed motorway concessions, (vi) Ecorodovias Infraestrutura e Logistica S.A. and (vii) the Sintesi S.p.A. lawsuit. For information about the Group, “**Significant subsequent events**” and the “**Business outlook**”, please see the “Management Report”.

(i) Commitments undertaken by the Companies of the Group

In this regard, please note the following:

Performance bonds

- Performance bonds, equal to EUR 122.5 million, issued by several banks and insurance companies, in the interest of motorway licensees¹ in favour of the Ministry of Infrastructures and Transport to guarantee the good management of concessions, as provided for by the current Standard Agreements. The amount of these performance bonds, initially 3% of the total monetary operating costs included in the financial plans annexed to said agreements, is untied on an annual basis with regards to the amount of the pro-rata of each year of the concession.
- The performance bond, equal to EUR 1.1 million, issued by several insurance companies on behalf of SALT p.A. (A15 stretch) in favour of the Ministry of Infrastructures and Transport to guarantee the proper execution of the final design under the Standard Agreement of 3/03/2010.
- Performance bonds amounting to EUR 1.2 million issued by SATAP S.p.A. in favour of Concessioni Autostradali Lombarde in the interest of Argentea S.c.p.a. and Aurea S.c.ar.l., to guarantee the commitments undertaken by them.
- The performance bond, amounting to EUR 7.9 million (pro-rata share), issued in favour of SACE BT Credit & Surety, through which SATAP S.p.A. guarantees - pro-rata - the commitments undertaken by the associated company S.A.Bro.M. S.p.A. following the signing of the agreement related to the Broni-Mortara motorway stretch on 16 September 2010.
- Performance bonds equal to EUR 0.7 million, issued in favour of the Municipality of Bernate Ticino and Parco Lombardo della Valle del Ticino, according to which SATAP S.p.A. guarantees the commitments undertaken for the construction of the Bernate Bypass.
- The performance bond, amounting to EUR 1.1 million, issued by SATAP S.p.A. in favour of the Piedmont Region to guarantee the interventions in terms of environmental monitoring and territorial input, environmental protection, mitigation and compensation in the Torino – Novara Est motorway stretch.
- The performance bonds issued by Autostrada Asti-Cuneo S.p.A., SINELEC S.p.A., Euroimpianti S.p.A. Autostrada dei Fiori S.p.A. (A6 - Torino Savona stretch) and to SALT p.A. (A 15 La Spezia – Parma stretch), Società di Progetto Autovia Padana S.p.A., Sina S.p.A., SEA Segnaletica Stradale S.p.A., Taranto Logistica, Siteco Informatica S.r.l. unipersonale, Argo Costruzioni and Infrastrutture S.c.a.rl., to guarantee the proper execution of the works for EUR 104.6 million.
- The performance bond issued by an insurance company on behalf of the company SAV S.p.A. in favour of the Autonomous Region of Valle d’Aosta in accordance with the concession 168/2010 – for the permanent occupation of areas in the public domain for EUR 0.1 million.
- The guarantee issued by ASTM S.p.A. in favour of the Danish client the Danish Road Directorate on behalf of the subsidiary Itinera S.p.A. for works for the construction of the Storstrom Bridge for a total amount of DKK 172 million (EUR 23 million converted at the exchange rate of EUR 7.4636 as at 30 June 2019). This guarantee, issued for the good execution of the works, is reduced according to the progress of the works, subject to achievement of the milestones defined within the

¹ With regard to Autostrada Asti-Cuneo S.p.A., as indicated in “Note 3.c – Other non-current financial assets”, financial receivables include the receivable for the pledge amounting to EUR 20 million against fidejussory policies by insurance institutes with reference to the bidding competition for the Asti-Cuneo concession.

contract.

- The Itinera Group issued pro-rata and non-solidary corporate guarantees to financial institutions for credit lines in the interest of operating companies for a maximum of EUR 130 million; as at 30 June 2019, the effective commitment/use was equal to EUR 63.2 million.
- The Itinera Group issued, through credit and insurance institutions, commercial guarantees (trade finance) for EUR 478.8 million to clients for performance bonds, advance payment bonds, release of retainer bonds and warranty bonds (*rate a saldo e svincolo ventesimi*) and bid bonds as part of its ordinary course of business.
- Lastly, Itinera became guarantor for the American insurance companies that support Halmar International LLC in the issue of commercial bonds (bid bonds, performance bonds, etc.) and signed specific Indemnity Agreements totalling USD 1,270 million (EUR 1,116.2 million); as at 30 June 2019, the quota of works still to be completed totalled EUR 653.3 million.

Commitments and guarantees

Sistema Tangenziale Esterna

With regard to the agreements for the investment in "Sistema Tangenziale Esterna", the subsidiaries SIAS S.p.A. and SATAP S.p.A. had guarantees in place, pursuant to the Equity Contribution Agreement, for the payment, if certain conditions are met, of EUR 22.7 million as equity reserve and approximately EUR 1.2 million to cover any other charges and costs, also of a tax nature. These guarantees were issued as autonomous first demand performance bonds, issued to Tangenziale Esterna S.p.A. on 8 April 2014. Following the additional purchases made by Intesa SanPaolo S.p.A., in the first half of 2019 SIAS S.p.A. and SATAP S.p.A. also assumed, proportionally, the commitments set out in the Equity Contribution Agreement, including increasing the equity reserve guarantees up to a total of EUR 33.5 million.

Euroimpianti S.p.A.

The agreement for the sale in 2017 of the equity investment held by Euroimpianti S.p.A. in Aton S.r.l. includes - as per industry practices - the possibility for the purchaser to resell the equity investment to Euroimpianti S.p.A. in the five years following the purchase, if the feed in tariff from GSE based on an ongoing agreement, is permanently withdrawn due to causes attributable to the previous operator.

Sias Parking S.r.l. unipersonale (in liquidation)

It should be noted that the contract relating to the sale in 2017 of the equity investment held by Sias Parking S.r.l. in Fiera Parking S.p.A. includes a commitment by Sias Parking S.r.l. to indemnify the buyer for a maximum amount of EUR 3 million, in the event that liabilities should arise that would not have been incurred or suffered by the buyer if the seller's representations and warranties had been true and correct.

Commitments undertaken with the Revenue Office regarding payment of Group VAT

SIAS S.p.A. provided guarantees to the Revenue Office – for a total amount of EUR 49.5 million – related to the excess credit recognised as a result of the Group's VAT payment in the prior year with regard to Società di Progetto Autovia Padana S.p.A. (EUR 49.4 million) and to SATAP S.p.A. (EUR 0.1 million).

On 3 December 2004, an additional agreement was signed between ANAS, ASTM S.p.A. and SATAP S.p.A. according to which – following the transfer to SATAP of the agreement for the “Torino-Milano” section – ASTM S.p.A. would maintain shareholding control over time of SATAP S.p.A.

In this context, on 28 May 2007 the Company – although being aware that, also in case it reduces its equity investment in SIAS under the threshold of the so-called “legal control”, it will actually exercise “de facto control” over SIAS and, indirectly, over SATAP since, as pointed out by the Granting Body, it will hold an investment in SIAS such as to enable it to have enough votes to exercise a dominant influence during the ordinary shareholders’ meeting of SIAS – showed its willingness towards ANAS (in case ASTM reduces its investment in SIAS under the threshold of the so-called legal control) to enter into a shareholders’ agreement with the Parent Company Aurelia S.r.l., according to which it will be possible to jointly steer the exercise of the voting right related to the shares representing the absolute majority of the share capital of SIAS, held by Aurelia S.r.l. and ASTM. Moreover – if said agreement is not renewed, is no longer effective or the equity investment is under the threshold of so-called control “as of right” of SIAS – ASTM showed its willingness to repurchase (from SIAS) and the latter to transfer (to ASTM) the shareholding control of SATAP, pursuant to the agreement mentioned in the note.

The company is providing a guarantee to ANAS S.p.A., which arose from the signing of the above-mentioned “additional agreement”. This guarantee (equal to EUR 75.1 million) corresponds to the value of ASTM assets that are not included in the business segment being allocated, exceeding 10% of the shareholders’ equity of ASTM as stated in the financial statements as at 31 December 2004.

(ii) Assessing the fair value: additional information

Concerning the valuation of the fair value of financial instruments, we specify the following in compliance with IFRS 7:

Assets

- non-current financial assets - receivables: the value posted to the financial statements represents their fair value
- cash and cash equivalents: the value posted to the financial statements corresponds to their fair value
- equity investments in other businesses: the value posted to the financial statements corresponds to their fair value

Liabilities

- variable rate loans: the value posted to the financial statements represents their fair value
- trade payables: the value posted to the financial statements represents their fair value

* * *

The “*SIAS 2010-2020 bond loan*”, issued on 26 October 2010, is posted to the financial statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding book values in the financial statements:

SIAS 2010-2020 bond loan (amounts in millions of EUR)	30 June 2019	31 December 2018
• book value in the financial statements	514 ⁽¹⁾	502
• official market listing	530	532

(1) Payable: EUR 499 million + interest: EUR 15 million

The “*SIAS 2014-2024 bond loan*”, issued on 6 February 2014, is posted to the financial statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding book values in the financial statements:

SIAS 2014-2024 bond loan (amounts in millions of EUR)	30 June 2019	31 December 2018
• book value in the financial statements	504 ⁽¹⁾	512
• official market listing	555	527

(1) Payable: EUR 498 million + interest EUR 6 million

The “*SIAS 2018-2028 bond loan*”, issued on 8 February 2018, is posted to the financial statements at nominal value net of issue charges. As this involves a listed financial instrument, shown below is a comparison between its market value and the corresponding book values in the financial statements:

SIAS 2018-2028 bond loan (amounts in millions of EUR)	30 June 2019	31 December 2018
• book value in the financial statements	546 ⁽¹⁾	550
• official market listing	540	489

(1) Payable: EUR 542 million + interest: EUR 4 million

Derivatives

As at 30 June 2019, hedging transactions were in place (IRS-based). These contracts, signed by the subsidiaries SATAP S.p.A. and SAV S.p.A. were classified as hedging instruments because the relationship between the derivative and the subject of the coverage (maturity, rates) is formally documented. These financial instruments are valued at fair value and changes are imputed completely to a specific reserve in shareholders' equity.

The fair value of derivatives is determined by discounting the expected net cash, using the market interest rate curves for the date of reference. The features of the derivative contracts in place as at 30 June 2019 and the related fair value are summarised below (amounts in thousands of EUR).

Company	Type	Purpose of hedging	Counterparts	Currency	Duration of the derivative contract		30/06/2019		Hedged financial liability		
					From	To	Notional reference	Fair Value	Description	Nominal amount	Maturity
SATAP	Interest Rate Swap	Interest Rate Swap	Mediobanca	EUR	31/12/2008	13/12/2021	62,500	-4,545	Loan		13/12/2021
SATAP	Interest Rate Swap	Interest Rate Swap	Mediobanca	EUR	30/06/2009	13/12/2021	55,000	-3,175	Loan	200,000	13/12/2021
SATAP	Interest Rate Swap	Interest Rate Swap	Morgan Stanley	EUR	30/06/2009	31/12/2021	55,000	-3,220	Loan		31/12/2021
SATAP	Interest Rate Swap	Interest Rate Swap	Mediobanca	EUR	30/06/2009	13/12/2021	27,500	-1,604	Loan		13/12/2021
SATAP	Interest Rate Swap	Interest Rate Swap	Morgan Stanley	EUR	15/06/2009	15/06/2024	19,177	-2,000	Loan	19,177	15/06/2024
SATAP	Interest Rate Swap	Interest Rate Swap	Morgan Stanley	EUR	15/06/2009	15/06/2024	3,600	-196	Loan	3,600	15/06/2024
SATAP	Interest Rate Swap	Interest Rate Swap	Morgan Stanley	EUR	30/06/2009	31/12/2021	108,000	-7,575	Loan	108,000	31/12/2021
SATAP	Interest Rate Swap	Interest Rate Swap	Morgan Stanley	EUR	15/06/2009	15/03/2022	24,194	-2,608	Loan	24,194	15/03/2022
SATAP	Interest Rate Swap	Interest Rate Swap	Mediobanca	EUR	07/05/2012	15/12/2024	16,500	-1,108	Loan	33,000	15/12/2024
SATAP	Interest Rate Swap	Interest Rate Swap	Unicredit	EUR	11/05/2012	15/12/2024	16,500	-1,075	Loan		15/12/2024
SATAP	Interest Rate Swap	Interest Rate Swap	SOGE	EUR	05/07/2012	15/12/2024	11,000	-684	Loan	11,000	15/12/2024
SATAP	Interest Rate Swap	Interest Rate Swap	NOMURA	EUR	18/10/2012	15/12/2024	11,000	-624	Loan	11,000	15/12/2024
SATAP	Interest Rate Swap	Interest Rate Swap	BNP PARIBAS	EUR	15/12/2014	15/12/2024	30,250	-979	Loan	30,250	15/12/2024
SAV	Interest Rate Swap	Change in interest rate	Mediobanca	EUR	17/12/2012	15/12/2020	2,500	-32	Intercompany loan	2,500	15/12/2020
SAV	Interest Rate Swap	Change in interest rate	Banca Akros	EUR	17/06/2013	15/12/2020	3,750	-50	Intercompany loan	3,750	15/12/2020

Total -29,475

(iii) Financial risk management

In compliance with IFRS 7, we specify that in the normal conduct of its business operations, the ASTM Group is potentially exposed to the following financial risks:

- “market risk” mainly from exposure to interest rate fluctuations and marginally to the changes in foreign exchange rates;
- “credit risk” deriving from the exposure to potential losses arising from the failure of the counterparty to meet its obligations.
- “liquidity risk” from a lack of financial resources suitable for operational activities and repayment of liabilities assumed in the past;

The risks cited above are broken down in detail below:

Market risk

With regard to the risks connected with the *fluctuation of interest rates*, the ASTM Group strategy has been designed to contain this risk mainly by carefully monitoring the dynamics associated with interest rates. More specifically, this risk has been strongly reduced by signing “hedging agreements”: at present, about 77% of the medium/long-term debt of the Group is at “fixed rate/hedged”.

With regard to the above, the “sensitivity analysis” concerning the changes in interest rates is not significant.

Counterparty creditworthiness risk for hedging agreements

As reported above, the Group licensees signed hedging transactions with major financial institutions in order to prevent the risks arising from the changes in the benchmark interest rates.

With regard to these transactions, note that there could be risks related to the strength/creditworthiness of the counterparties with which said hedging agreements were signed.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various factors including (i) cash inflows and outflows in currencies other than the functional currency (economic foreign exchange risk); (ii) net invested capital in investees whose functional currency is not the Euro (translation exchange rate risk); (iii) deposit and/or financing transactions in currencies other than the functional currency (transaction exchange rate risk).

The Group, where necessary, implements a hedging policy against exchange rates fluctuations by making use of the financial instruments available on the market.

Nevertheless, as at 30 June 2019, there were no foreign exchange hedging transactions in place.

Credit risk

Credit risk is the Group’s exposure to potential losses arising from the failure of the counterparty to meet its obligations.

This risk can derive both from factors of a strictly technical-commercial or administrative-legal nature and from factors of a typically financial nature, i.e. the so-called “credit standing” of the counterparty.

The Group manages credit risk using essentially counterparties with high credit standing and does not have significant concentrations of credit risk.

Credit risk arising from open positions in financial derivative transactions can also be considered marginal as the counterparties used are primary credit institutions.

Individual write-downs are instead made for credit positions which are individually significant and show objective status of partial or complete uncollectibility. The amount of the write-downs takes account of an estimate of the recoverable cash flows and the

related collection date, future expenses and costs for recovery and the value of guarantees and deposits received from customers. For a breakdown of the provision for write-downs of trade receivables, refer to note 6.

Liquidity risk

The “liquidity risk” is the risk that financial resources available may be insufficient to cover maturing obligations. The ASTM Group believes that the generation of cash flow, together with the planned diversification of financing sources and the current debt maturity, guarantee being able to satisfy scheduled financial requirements.

The tables below show the breakdown of financial liabilities in place as at 30 June 2019 by maturity date. The amounts shown below also include interest payments (we clarify that the interest on variable-rate loans is calculated based on the last available rate as at the reference date, keeping it constant to maturity).

Lending bank	Company	Total financial flows (**)		Maturity (*)					
		Capital	Interest	Within 1 year		2 to 5 years		Beyond 5 years	
				Capital	Interest	Capital	Interest	Capital	Interest
Unicredit	ASTM	35,000	73	35,000	73	-	-	-	-
Banca BIIS – Intesa Group	SATAP	24,194	2,783	4,839	963	19,355	1,820	-	-
Mediobanca (BEI funding)	SATAP	3,600	246	1,200	129	2,400	117	-	-
Mediobanca (BEI funding)	SATAP	19,177	2,139	3,835	740	15,342	1,399	-	-
Mediobanca	SATAP	200,000	12,929	80,000	7,760	120,000	5,169	-	-
Mediobanca	SATAP	108,000	9,327	36,000	5,131	72,000	4,196	-	-
Cassa Depositi e Prestiti	SATAP	60,000	2,422	5,000	689	40,000	1,561	15,000	172
BNL – Mediobanca	SAV	2,083	10	2,083	10	-	-	-	-
Mediobanca, Unicredit and UBI (BEI funding)	SIAS	19,250	910	3,500	280	14,000	612	1,750	18
Mediobanca, Unicredit and UBI	SIAS	112,750	3,153	20,500	950	82,000	2,132	10,250	71
BEI	SIAS	60,500	3,105	11,000	958	44,000	2,087	5,500	60
BEI	SIAS	6,250	97	4,167	82	2,083	15	-	-
Mediobanca, UniCredit and UBI (BEI funding)	SIAS	3,750	85	2,500	71	1,250	14	-	-
CAIXA	SIAS	50,000	230	-	127	50,000	103	-	-
Unicredit Intesa Cariparma pool	SIAS	137,000	33,771	-	2,664	3,836	10,763	133,164	20,344
Unicredit Intesa Cariparma pool	SIAS	6,000	1,479	-	117	168	471	5,832	891
UBI	SIAS	50,000	230	50,000	230	-	-	-	-
BNL	SIAS	50,000	241	50,000	241	-	-	-	-
BPM	SIAS	20,000	290	-	138	20,000	152	-	-
BPM	SIAS	30,000	193	-	92	30,000	101	-	-
M&T Bank	HALMAR	1,829	857	87	83	431	334	1,311	439
M&T Bank	HALMAR	135	5	81	4	54	2	-	-
M&T Bank	HALMAR	53	-	53	-	-	-	-	-
M&T Bank	HALMAR	3,368	173	879	45	2,489	128	-	-
M&T Bank	HALMAR	2,726	-	2,726	-	-	-	-	-
G&M	HALMAR	627	-	147	-	481	-	-	-
G&M	HALMAR	1,200	-	465	-	736	-	-	-
BANCA PASSADORE	Itinera	7,019	52	1,996	24	5,023	28	-	-
BANCA BPER	Itinera	18,750	100	7,500	61	11,250	39	-	-
Banca Carige	Taranto Logistica	12,000	188	-	-	12,000	188	-	-
Banca Regionale Europea	SEA Segnaletica Stradale	2,598	100	846	39	1,752	61	-	-
	Total loans (A)	1,047,859	75,188	324,403	21,701	550,650	31,491	172,807	21,995
2010-2020 bond loan	SIAS	500,000	45,000	-	22,500	500,000	22,500	-	-
2014-2024 bond loan	SIAS	500,000	84,375	-	16,875	-	67,500	500,000	-
2018-2028 bond loan	SIAS	550,000	80,438	-	8,938	-	35,750	550,000	35,750
	Total liabilities for bond loans (B)	1,550,000	209,813	-	48,313	500,000	125,750	1,050,000	35,750
	Total financial liabilities (A+B)	2,512,554	283,453	274,624	69,685	1,016,434	156,462	1,221,496	57,306

(*) Distribution upon maturity is based on current residual contract duration.

(**) The above-mentioned hedging agreements on interest rate fluctuations have been included when calculating the flow of interest on loans.

It is worth highlighting that the payable due for leasing/IFRS 16 as at 30 June 2019 totalled EUR 40.7 million, of which EUR 11.7 million short term and EUR 29 million medium and long term (this payable was not included in the above figures).

It is also worth highlighting that the payable due to ANAS - Central Insurance Fund as at 30 June 2019 amounts to EUR 192.6 million. The discounted value of said payable totals EUR 137 million (this payable is not included in the data provided above).

Details are provided below of the amount payable to ANAS – Central Insurance Fund and its developments until fully repaid. In relation to the discounted value of this payable, reference should be made to the illustration provided in Note 14 – *Other payables (non-current)*:

(amounts in millions of EUR)	30/06/2019	2019	2020	2021	2022	2023	2024	2025	2026	2027
SAV	104.9	93.5	82.1	65.9	49.3	32.8	16.2	-	-	-
SALT A15 stretch	87.8	87.3	86.8	86.3	85.8	85.3	84.8	84.3	80.2	28.0
TOTAL	192.6	180.7	168.8	152.2	135.1	118.0	100.9	84.3	80.2	28.0

The **credit lines** of the ASTM Group companies can essentially be broken down as follows:

1. Bond loans issued as part of the EMTN Programme;
2. Medium- and long-term loans used as investment support;
3. Uncommitted credit lines referring to current account overdraft/receivables conversion facilities to support working capital needs;
4. "Committed" credit lines to cover the operating needs of the companies.

With reference to the bond loans issued as part of the EMTN Programme, reference should be made to the description in *Note 16 – Other financial liabilities (non-current)* and *Note 21 – Other financial liabilities (current)*.

The "medium- and long-term loans" of Group companies had all been disbursed as at the reporting date, except for:

- a loan granted to the subsidiary SATAP S.p.A. by Cassa Depositi e Prestiti S.p.A.;
- a loan granted to SIAS S.p.A. by UniCredit S.p.A., Intesa SanPaolo S.p.A. and Cariparma S.p.A.;
- a loan granted to ASTM S.p.A. by UniCredit S.p.A.
- a loan granted to Taranto Logistica S.p.A. by Banca Ca.rige S.p.A.

For each ASTM Group company, the following table illustrates the total of medium- and long-term loans granted, with an indication of (i) the amount used (book value) and (ii) the amount available, not yet disbursed as at 30 June 2019.

Medium- and long-term loans		
(amounts in thousands of EUR)	amount used as at 30 June 2019	amount available as at 30 June 2019
SATAP S.p.A.	414,971	290,000
SAV S.p.A.	2,083	
SIAS S.p.A.	545,500	127,000
ASTM S.p.A.	35,000	300,000
Itinera S.p.A.	25,769	
Taranto Logistica	12,000	8,000
Halmar International LLC	9,938	
SEA Segnaletica Stradale	2,598	
Total	1,047,859	725,000

For each ASTM Group company, the following table illustrates the total of uncommitted credit lines – set up mainly for current account overdrafts and good till cancelled – with an indication of (i) the amount used (book value) and (ii) the amount available as at 30 June 2019.

Uncommitted credit lines		
Company	amount <u>used</u> as at 30 June 2019	amount <u>available</u> as at 30 June 2019
Autostrada Asti Cuneo S.p.A.	13,613	16,387
Autostrada dei Fiori S.p.A.		77,915
Euroimpianti S.p.A.		7,500
SALT p.A.		22,308
SATAP S.p.A.		33,000
SAV S.p.A.	4,100	43,900
SIAS S.p.A.		65,000
Sinelec S.p.A.		4,000
Società di Progetto Autovia Padana	10,000	-
ASTM S.p.A.		86,000
Itinera Group	112,357	213,638
SITECO	1	200
SINA		1,900
Total	140,071	571,748

In addition, (i) the company SIAS S.p.A. was granted back-up committed facilities issued by Credito Valtellinese S.p.A. for EUR 30 million and by CaixaBank for EUR 50 million and (ii) ASTM S.p.A. was granted back-up committed facilities issued by Credito Valtellinese for EUR 30 million.

RELATED-PARTY TRANSACTIONS

The main transactions of the Company with related parties, identified according to criteria set out in the related-party transactions procedure, in compliance with article 2391 bis of the Civil Code/IAS 24 and the Regulation adopted by Consob with resolution no. 17221 of 12 March 2010 as amended, are described below. This procedure, which is published in the sector "Procedures and documents" available on the website www.astm.it, sets out the rules governing the approval, management and public disclosure of related-party transactions carried out by the ASTM Group, directly or through Subsidiaries, in order to guarantee the transparency and procedural and substantive fairness of transactions.

The table below shows the commercial and financial balances arising from related-party transactions.

BALANCE SHEET:

(amounts in thousands of EUR)	30 June 2019	Parent Companies	Companies subject to the control of the Parent Companies	Jointly controlled entities and associated companies	Other related parties (1)	TOTAL RELATED PARTIES	AS A % OF FINANCIAL STATEMENT ITEMS
Assets							
Non-current assets							
Intangible assets							
goodwill	86,273						
other intangible assets	17,036						
concessions – non-compensated revertible assets	3,067,159						
Total intangible assets	3,170,468						
Tangible assets							
property, plant, machinery and other assets	138,660						
rights of use	38,679	2,444	3,107			5,551	14.4%
Total tangible assets	177,339						
Non-current financial assets							
equity accounted investments	977,630						
other equity investments	119,879						
other non-current financial assets	500,724			127,054		127,054	25.4%
Total non-current financial assets	1,598,233						
Deferred tax credits							
	141,378						
Total non-current assets	5,087,418						
Current assets							
Inventories and contract assets	293,408		1,956	13,016		14,972	5.1%
Trade receivables	320,353	49	9,723	52,830	188	62,790	19.6%
Current tax assets	46,377						
Other receivables	101,767	2,244	392	25,364		28,000	27.5%
Current financial assets	369,825			11,698		11,698	3.2%
Total	1,131,730						
Cash and cash equivalents	1,029,703						
Total current assets	2,161,433						
Total assets	7,248,851						
 Shareholders' equity and liabilities							
Shareholders' equity							
Shareholders' equity attributed to owners of the parent company							
share capital	45,684						
retained reserves and earnings	1,940,320						
Total	1,986,004						
Shareholders' equity attributed to minority interests	1,141,718						
Total shareholders' equity	3,127,722						
Liabilities							
Non-current liabilities							
Provisions for risks and charges and employee benefits	198,176				607	607	0.3%
Other payables and contract liabilities	194,211						
Bank debt	718,353						
Hedging derivatives	29,475						
Other financial liabilities	1,567,310	2,000	2,393			4,393	0.3%
Deferred tax liabilities	54,463						
Total non-current liabilities	2,761,988						
Current liabilities							
Trade payables	399,773		8,989	11,385		20,374	5.1%
Other payables and contract liabilities	337,388		1,691	93,090	7,691	102,472	30.4%
Bank debt	464,608						0.0%
Other financial liabilities	77,337	462	352			814	1.1%
Current tax liabilities	80,035						
Total current liabilities	1,359,141						
Total liabilities	4,121,129						
Total shareholders' equity and liabilities	7,248,851						

(1) Amounts include relations with Directors, Statutory Auditors and other key management personnel of the Group

More specifically, the main relationships between the companies of the Group, arranged by items in the financial statements, are the following:

- recording the right of use of property, following the application of the IFRS 16 accounting standard, relating to the parent company Aurelia S.r.l. for EUR 2.4 million and to the companies subject to the control of the parent company for EUR 3.1 million (mainly from Codelfa S.p.A. for EUR 1.3 million, Appia S.r.l. for EUR 1.1 million and Argo Finanziaria S.p.A. for EUR 0.5 million);
- receivables recognised as non-current financial assets from associated companies and jointly controlled companies for EUR 127.1 million in particular to Tangenziale Esterna S.p.A. for EUR 104 million granted by SIAS S.p.A. and SATAP S.p.A. and to Federici Stirling Batco LLC for EUR 13 million, to Tunnel Frejus S.c.a.r.l. for EUR 3 million and from Nichelino Village S.c.a.r.l. for EUR 1 million granted by Itinera S.p.A. and to SABROM for an amount attributable to the Group of EUR 4.9 million;
- inventories for EUR 15 million of which:
 - EUR 2 million to the companies controlled by parent companies in particular to G&A S.p.A. for EUR 0.7 million, Autosped G S.p.A. for EUR 0.7 million and Tomato Farm S.c.a.r.l for EUR 0.5 million;
 - EUR 13 million from jointly controlled companies and associated companies, in particular to Consorzio Cancello-Frasso Telesino for EUR 4.3 million, to Tessera S.c.a.r.l. for EUR 3.2 million and to SITAF S.p.A. for EUR 3.8 million;
- trade receivables for services provided by Itinera S.p.A. to companies controlled by parent companies for EUR 6 million of which EUR 2.5 million from Appia S.r.l. and EUR 2.1 million from Codelfa S.p.A.;
- trade receivables for services provided by SEA Segnaletica Stradale S.p.A. to companies subject to the control of the parent companies for EUR 1.1 million, in particular to Autosped G S.p.A.;
- trade receivables for services from Euroimpianti S.p.A. to companies controlled by parent companies for EUR 0.8 million from Baglietto S.p.A. and EUR 0.3 million to Azeta S.p.A. in liquidation;
- trade receivables for services provided by Itinera S.p.A. to jointly controlled companies and associated companies of EUR 29 million, of which EUR 7.3 million from Letimbro S.c.a.r.l., EUR 7.1 million from Consorzio Costruttori TEEM S.c.a.r.l., EUR 5 million from Aurea S.c.a.r.l., EUR 1.9 million from Cervit S.c.a.r.l., EUR 1.6 million from Tunnel Frejus S.c.a.r.l. and EUR 1.1 million from Ponte Nord S.p.A.;
- trade receivables for services to SATAP S.p.A. from the jointly controlled and associated company Aurea S.c.a.r.l. for EUR 3.3 million;
- trade receivables for services provided by SINA S.p.A. to jointly controlled companies and associated companies for EUR 2.7 million, in particular from Consorzio Tangenziale Engineering for EUR 0.9 million and from SA.BRO.M. S.p.A. for EUR 0.7 million;
- trade receivables recognised by Halmar International LLC to the associated company Mill Basin Bridge Constructors for EUR 7.5 million;
- trade receivables for services provided by Lambro S.c.a.r.l. to Consorzio Costruttori TEEM for EUR 2.4 million;
- trade receivables for services provided by the technology sector to the company ATIVA S.p.A. for EUR 1.1 million;
- trade receivables from the associated company Tessera S.c.a.r.l. to Euroimpianti S.p.A. and Itinera S.p.A. totalling EUR 5.5 million;
- other receivables from the parent company Aurelia S.r.l. of EUR 2.2 million, of which mainly EUR 0.9 million from ASTM S.p.A., EUR 0.7 million from SINA S.p.A. and EUR 0.6 million from Itinera S.p.A., mainly arising from the tax consolidation;
- other receivables to Itinera S.p.A. from the associated company Letimbro S.c.a.r.l. for EUR 6.6 million;
- receivables for loan granted by Autostrada dei Fiori S.p.A. to Rivalta Terminal Europa S.p.A. for EUR 17 million and Vado Intermodal Operator S.p.a. for EUR 1.4 million;

- current financial receivables to jointly controlled and associated companies for EUR 0.5 million from SIAS S.p.A. to Ativa immobiliare S.p.A.;
- receivables for dividends approved but not collected as at 30 June 2019 by Ativa S.p.A. in favour of SIAS S.p.A. for EUR 11.1 million;
- other financial liabilities attributable to the effects deriving from the application of the new IFRS 16 in relation to the leasing contracts existing with the parent company Aurelia S.r.l. (EUR 2 million long-term portion and EUR 0.5 million for the short-term portion) and with the companies subject to the control of the parent companies for an overall EUR 2.8 million (EUR 2.4 million long term and EUR 0.4 million short term);
- trade payables related to services provided by the company subject to the control of the parent companies Autosped G S.p.A. to ASTM Group companies totalling EUR 1.6 million;
- trade payables for services provided by Itinera S.p.A. to jointly controlled companies and associated companies of EUR 2.7 million, of which EUR 1 million from Consorzio Cancello-Frasso Telesino and EUR 0.8 million from Tunnel Frejus S.c.ar.l.;
- trade payables recognised by Società Attività Marittime S.p.A. to the associated company Darsene Nord Civitavecchia S.c.ar.l. for EUR 3.9 million);
- trade payables recognised by SATAP S.p.A. for EUR 2.8 million to the jointly controlled and associated company Aurea S.c.ar.l.;
- trade payables for services provided by the jointly controlled and associated company Consorzio Costruttori TEEM to Lambro S.c.ar.l for EUR 1.5 million;
- other payables of Itinera S.p.A. to jointly controlled companies and associated companies for EUR 88.6 million, of which EUR 20.6 million from Tessera S.c.ar.l., EUR 20.3 million from Letimbro S.c.ar.l., EUR 13 million from CMC Itinera JV S.c.p.A., EUR 7.6 million from Tunnel Frejus S.c.ar.l, EUR 7.3 million from Consorzio Costruttori TEEM, EUR 5.8 million from Cervit S.c.ar.l., EUR 3.2 million from Consorzio Cancello-Frasso Telesino, EUR 3 million from Malco S.c.ar.l., EUR 2.8 million from Aurea S.c.ar.l. and EUR 2.6 million from Consorzio Tangenziale Engineering;
- other payables of Società Attività Marittime S.p.A. to jointly controlled companies for EUR 4 million, in particular to Mose Bocca di Chioggia for EUR 2.8 million and Mose Treporti for EUR 1.2 million;
- other payables of Itinera S.p.A. to IMCO Progetti e Costruzioni S.r.l. (now incorporated into Codelfa S.p.A.) and other related parties totalling EUR 11.4 million following the acquisition of SEA Segnaletica Stradale S.p.A. and the acquisition and subsequent incorporation of Intertrade S.p.A. that took place during 2018.

INCOME STATEMENT

(amounts in thousands of EUR)	1HY 2019	Parent Companies	Companies subject to the control of the Parent Companies	Jointly controlled entities and associated companies	Other related parties(1)	TOTAL RELATED PARTIES	AS A % OF FINANCIAL STATEMENT ITEMS
Revenue							
motorway sector – operating activities	597,563						
motorway sector – planning and construction activities	115,692						
construction sector - planning and construction activities	10,453						
construction sector	376,783		2,287	22,331	9	24,627	6.5%
engineering sector	3,561			705		705	19.8%
technology sector	23,417		302	7,889		8,191	35.0%
Other	29,406	40	322	6,821		7,183	24.4%
Total revenues	1,156,875						
Payroll costs	(187,190)				(861)	(861)	0.5%
Costs for services	(429,703)		(1,057)	(51,971)	(1,585)	(54,613)	12.7%
Costs for raw materials	(101,829)		(3,495)			(3,495)	3.4%
Other Costs	(76,156)	(8)	(77)	(37)		(122)	0.2%
Capitalised costs on fixed assets	196						
Amortisation, depreciation and write-downs	(164,631)						
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	13,249						
Other provisions for risks and charges	(28)						
Financial income:							
from unconsolidated investments	1,482		74			74	5.0%
other	8,893				3,698	3,698	41.6%
Financial expenses:							
interest expense	(37,192)						
other	(1,321)						
Profit (loss) of companies accounted for by the equity method	(5,494)						
Profit (loss) before taxes	177,151						
Taxes							
Current taxes	(38,840)						
Deferred taxes	(4,573)						
Profit (loss) for the period	133,738						

(1) Amounts include relations with Directors, Statutory Auditors and other key management personnel of the Group

More specifically, the main relationships between the companies of the Group, arranged by items in the financial statements, are the following:

- construction sector services provided by the Group to companies subject to the control of the parent companies for EUR 2.3 million, in particular by Itinera S.p.A. in order of Codelfa S.p.A. (for EUR 2.1 million);
- construction sector services provided by the Group to jointly controlled companies and associated companies for EUR 22.3 million, in particular by Itinera S.p.A. to Aurea S.c.ar.l. for EUR 6.3 million, to Consorzio Cancello-Frasso Telesino for EUR 5.1 million, to Sitaf S.p.A. for EUR 4.2 million, to Tessera S.c.ar.l. for EUR 3.4 million and to Cervit S.c.ar.l. for EUR 1.1 million; of Halmar International LLC to the jointly controlled company Mill Basin Bridge Constructors for EUR 1.2 million; of SEA Segnaletica Stradale S.p.A. to ATIVA S.p.A. for EUR 0.5 million;
- services from SINA S.p.A. provided in the engineering sector to jointly controlled and associated companies (for EUR 0.7 million) in particular to Aurea S.c.ar.l., Sitaf S.p.A. and Tangenziale Esterna S.p.A.;
- IT support services provided by Sinelec S.p.A. (technology sector) for EUR 2.8 million, in particular to ATIVA S.p.A. for EUR 2.3 million;
- services provided by Euroimpianti S.p.A. (technology sector) for EUR 5.1 million to jointly controlled and associated companies, in particular to Tessera S.c.ar.l. (EUR 4.7 million);
- other services from SATAP S.p.A. to the associated company Aurea S.c.ar.l. for EUR 3.5 million;

- other services provided by the group to other jointly controlled and associated companies for EUR 2.9 million, in particular to Ativa S.p.A. for EUR 0.8 million, CMC Itinera JV S.c.p.A. for EUR 0.4 million, Tessera S.c.ar.l. for EUR 0.4 million, Cervit S.c.ar.l. for EUR 0.4 million and Tunnel Frejus S.c.ar.l. for EUR 0.3 million;
- other services provided by the company subject to the control of the parent company Autosped G S.p.A. to Itinera S.p.A. in particular for EUR 0.6 million;
- costs for services to jointly controlled or associated companies for a total of EUR 52 million for services provided in particular by Tessera S.c.ar.l. (EUR 25 million), Cervit S.c.ar.l (EUR 7.8 million), Tunnel Frejus S.c.ar.l. (EUR 3.9 million), Consorzio Cancello-Frasso Telesino (EUR 2.5 million), Letimbro S.c.ar.l. (EUR 2 million), CMC Itinera JV (EUR 1.7 million) and Malco S.c.ar.l. (EUR 0.9 million) to Itinera S.p.A. and other costs for services provided by Aurea S.c.ar.l. to SATAP S.p.A. for EUR 2.8 million and to Itinera S.p.A. for EUR 2.8 million;
- costs incurred for the purchase of raw materials from companies subject to the control of the parent companies (EUR 3.5 million) for group purchases mainly from Gale S.r.l. (EUR 2.1 million) and Autosped G S.p.A. (EUR 1.4 million);
- financial income from related parties for a total of EUR 3.7 million of which EUR 3.5 million from Tangenziale Esterna S.p.A.

In addition, costs for services includes expenses incurred by the ASTM Group for services related to insurance premiums brokered by P.C.A. S.p.A. totalling EUR 9.7 million.

It should also be noted that the company subject to "joint control" ATIVA S.p.A. held 21,500 shares (nominal value EUR 10,750) of the parent company ASTM S.p.A. as at 30 June 2019.

Changes in financial fixed assets

- on 9 May 2019, the company ASTM S.p.A. sold all the shares held in Baglietto S.p.A. (10,817,280 shares) to Argo Finanziaria S.p.A. for a total value of EUR 9.5 million;
- Albenga Garessio Ceva S.p.A. purchased 14,424 treasury shares from Aurelia S.r.l. for approximately EUR 0.2 million.

In addition to what is shown above, there are relationships between the businesses of the Group concerning transactions in the system that interconnects motorway tolls.

The transactions indicated above were carried out under normal market conditions.

Relationships and related party transactions – Information documents

Information pursuant to art. 13, paragraph 3, letter c) of the Regulation containing provisions on related party transactions adopted by CONSOB with resolution no. 17221 of 12 March 2010 and subsequent amendments

- **Information document relating to significant related party transactions**

On 20 June 2019, the information document illustrating the prospective merger by incorporation of SIAS S.p.A. into ASTM S.p.A. was prepared pursuant to art. 5 and Annex 4 of the "*regulation containing provisions on related party transactions*", CONSOB resolution no. 17221 of 12 March 2010 and subsequent amendments and additions, and art. 6 of the "*Procedure for transactions with related parties*" adopted by ASTM on 26 November 2010, and subsequent amendments and additions.

(iv) Lapsed motorway concessions

With reference to the concession for the A21 Torino-Alessandria-Piacenza section (licensed to SATAP S.p.A.), which expired on 30 June 2019, there is a possible risk connected with any disputes that may arise with the Granting Body in relation to the operation of the motorway stretch between the expiry of the concession (30 June 2017) and 30 June 2019.

With the support of its consultants and taking into account the contractual obligations in force, the Company has assessed that the risk related to this abstract event is at most classifiable as “possible” and, consequently, the Company has proceeded – in accordance with the relevant accounting standards – not to recognise any provisions in these interim financial report.

(v) Ecorodovias Infraestrutura e Logistica S.A.

With reference to investments in the motorway sector in Brazil, ASTM holds, directly and indirectly (through the company Primav Infraestrutura S.A.), 49.21% of Ecorodovias Infraestrutura e Logistica S.A. (“Ecorodovias” or the “Company”). In the Interim Financial Report of the ASTM Group, these investments are accounted for using the “equity method”.

As already reported in the 2018 financial statements, on 14 March 2019, the Board of Directors of Ecorodovias – with the support of a leading Brazilian law firm – approved the draft financial statements for the year ended 31 December 2018, in which it acknowledged an investigation conducted by the Federal Prosecutor’s Office of the State of Paraná against two former managers of the subsidiaries Ecovia Caminho do Mar (“Ecovia”) and Rodovia das Cataratas - Ecocataratas (“Ecocataratas”) in relation to potential unlawful acts carried out by them in the past.

Below is the text of note 21 of Ecorodovias’ consolidated financial statements relating to the above events:

“With respect to the police investigation No. 5002963-29.2015.404.7013 and the police investigation related to the enactment of Provisional Act 752/2016, the Company informs that both investigations are being currently conducted by the 23rd Federal Court of Curitiba/PR, after the 13th Federal Court of Curitiba/PR has declined to judge the matter, as the facts being investigated are not related to facts under the exclusive authority of that court for determination of irregularities.

With respect to the searches and seizures to obtain information on the subsidiaries of Companhia Concessionaria Ecovia Caminho do Mar e Rodovia das Cataratas – Ecocataratas, temporary detention of one superintendent officer and preventive detention of one (1) employee (both already released and removed from their positions), which orders were issued under the search and seizure process No. 5036128-042.2018.4.04.7000, the Company informs that an indictment against these two executives has been filed and accepted in the case records of criminal case No. 5003165- 06.2019.4.04.7000 in progress at the 23rd Federal Court of Curitiba/PR.

Subsidiaries Concessionaria Ecovia Caminho do Mar, Rodovia das Cataratas – Ecocataratas and Ecorodovias Concessões e Serviços inform that they were not subject to indictment in criminal case, only their removed executives, with a request from the General Attorneys’ Office to determine the minimum amount for reimbursement of damages, which estimated amount for Ecovia is R\$200,499,632¹ and for Ecocataratas is R\$935,476,590².

The Company and its investees are subject to Law 8.429/92 and Law 12.846/13 and, if the news reported are true, any penalties can have material impacts on the financial condition, operating of operations results and future cash flows of the Company and its investees.

The Company is currently verifying the facts alleged in the claim and consulting its legal counsel to assess, with respect to potential claims that can be possibly filed in the future, the underlying risks, possible alternatives and defense allegations. However, it is not possible to currently determine a probable loss arising from present obligation resulting from past event or accurately determine the potential underlying risk. This because, among other factors: (i) the Federal Prosecution Service has not filed a lawsuit against the Company or its subsidiaries based on the abovementioned events; and (ii) it is not currently known to

¹ EUR 46.1 million at the exchange rate on 28 June 2019: 4.3511 €/R\$

² EUR 215 million at the exchange rate on 28 June 2019: 4.3511 €/R\$

which extent the allegations from the Federal Prosecution Service are correct and which claims and evidence would be used to support the allegations. In addition to the internal procedures performed by the Company's Management, in the context of the Corporate Crisis Management Committee, the Board of Directors, in fulfilling its due diligence duty, approved on March 7, 2018 the creation of an Independent Committee, with the following key responsibilities: (a) independently, cautiously, and responsibly determine, in a fair and impartial manner, allegations made against the Company and its subsidiaries; (b) hire an outside independent specialized firm to assist in the internal investigation of the facts referred to in the previous item; (c) approve an investigation plan; (d) receive and review the information sent by the team charged of the investigation, whether internal or external; (e) ensure that the investigation is conducted independently, by making sure that it is not barred or obstructed; (f) analyse and report to the Board of Directors the recommendations made by the team charged of the investigation; (g) authorise the team charged of the investigation to communicate with the competent authorities, including regulators, to clear doubts or make questions; (h) prepare a final report on the investigation's findings, and the Committee's recommendations regarding internal policies and procedures related to the investigation, and including the applicable disciplinary and/or legal actions. The Company hereby informs that, pursuant to the Minutes of the Board of Directors' Meeting held on April 16, 2018, it was decided to hire renowned firms to perform the work described in item b above. The Independent Committee has tried to make sure that the investigation team would use a forensics investigation methodology recognised by the market and that the work would be conducted on a comprehensive and unrestricted manner, resulting in the analysis of approximately 19,000 documents, 230,000 electronic files, 170 integrity reports and 248 transaction tests. With respect to the performance of the independent investigation work, the Company informs that the work was completed with the submission on 7 February 2019 of a final report to the Board of Directors, with the support of the representatives of the renowned firms hired. The Independent Committee's work was inconclusive in relation to the existence of illegal acts identified in the allegations of the General Attorneys' Office and did not indicate the applicability of legal or disciplinary measures. Also, the Independent Committee has warned that the result of the investigations conducted by the General Attorneys' Office can provide new information which, in turn, can potentially result in new allegations or evidence. The Independent Committee has completed the work and was extinguished on 15 February 2019. In view of such scenario, the Company currently does not have any elements that allow it to identify the existence of potential loss related to these events or not".

Based on the above, and taking into account the Audit Report on the Consolidated Financial Statements issued by Deloitte, which contains a qualified opinion in relation to aforementioned note 21, the Board of Directors of Ecorodovias had taken the decision, for prudential reasons, not to propose to the shareholders' meeting the distribution of dividends additional to those already distributed during the year, allocating all the remaining profit resulting from the 2018 financial statements (equal to R\$ 215,546,418.7¹) to the reserve (of which R\$ 18,725,499.53² to the legal reserve).

Following the events described above, IGLI S.p.A. had engaged another leading Brazilian law firm – that is independent and extraneous to the matter under consideration – to prepare an opinion on whether, in handling the issues described above and in approving the draft financial statements for the year ended 31 December 2018, the members of the Board of Directors of Ecorodovias acted diligently and in the best interest of the Company.

After a description of how the duty of care of the directors is regulated by Brazilian law (section 153 Brazilian Corporation Act) and a summary of the information used to prepare the opinion, the opinion comes to the following conclusion:

"On the basis of the information described in section 2 and, in particular, (a) the decision taken by [Ecorodovias'] management to appoint an Independent Committee [...] and to consult with a leading law firm to assist the Company in relation to the potential involvement of its subsidiaries in the offences being investigated by the Federal Prosecutor's Office; and (b) the conclusions of the

¹ EUR 49.5 million at the exchange rate on 28 June 2019: 4.3511 €/R\$

² EUR 4.3 million at the exchange rate on 28 June 2019: 4.3511 €/R\$

opinions given by the aforementioned law firm [...], we are of the opinion that the members of the Board of Directors [of Ecorodovias] acted diligently and in the best interest of the Company in relation to their vote for the approval of the draft financial statements for the financial year ending 31 December 2018".

Following the approval of the financial statements by Ecorodovias, the judges of the 23rd Federal Lower Court of Curitiba (Paraná) – regarding the corrupt scheme allegedly committed by all the licensees of the State of Paraná, which, according to the public prosecutors, for all the licensees, caused total damage equal to approximately R\$ 8,888,686,425.94 to the treasury – ordered the freezing of current accounts and the seizure of certain assets of Ecovia and Ecocataratas, as well as the apprehension of the persons involved.

In regard to the above-mentioned provision, the following is highlighted in the information note contained in the interim report as at 30 June 2019 of Ecorodovias:

"Regarding the Court ordered seizure on 21 March 2019 of R\$ 185,368,000¹ from current accounts held by Ecovia and Ecocataratas, following seizure order no. 5008589-29.2019.4.4.7000 ongoing at the 23rd Federal Court of Curitiba-PR, as guarantee of potential compensation in relation to penal action no. 5003165-06.2019.4.04.7000 still under way at the 23rd Federal Court of Curitiba-PR, the two licensee companies filed the request to release the funds from seizure and replace the precautionary measure with a judicial guarantee (seguro-garantia judicial). The Federal Prosecutor's Office of Paraná has expressed its favourable opinion on this replacement and, currently, the request is pending before the 23rd Federal Court of Curitiba-PR for a decision".

(vi) Sintesi lawsuit

It should also be noted that, in 2006, Sintesi S.p.A. ("Sintesi") lodged a compensation claim for the illegal occupation of buildings it owns against (i) MIT and (ii) Itinera, managing partner (40%) of the temporary association of companies of which Impresa Pizzarotti & Co. S.p.A. (40%), CO.GE. Costruzioni Generali S.r.l. (19.99%) and Impresa Gelfi Costruzioni S.p.A. in receivership (0.01%), as the principal's concessionary for the building of the Bollate jail, belonged. Damages quantified by Sintesi, as per the claim lodged, amounted (i) in the main, to EUR 78.2 million and, (ii) in alternative, to EUR 32.6 million, plus interest and monetary revaluation. Also taking into account a specific opinion issued by its lawyers, Itinera recognised a provision of EUR 0.2 million in financial statements of previous years, in compliance with applicable accounting standards, as in the proceedings before the Regional Administrative Court of Lombardy - Milan, RG no. 1732/12, the company produced documentation attesting to the absence of liability on the part of Itinera. The amount provided for in the remedial purchase order, with regard to compensation for illegal occupation of the area, amounts to EUR 0.2 million. The order of the Court of Appeals of Milan, filed on 28 November 2016, was appealed by the Ministry; a hearing before the Court of Cassation has yet to be scheduled.

¹ EUR 42.6 million at the exchange rate on 28 June 2019: 4.3511 €/R\$

Certification pursuant to
article 154-bis of Legislative
Decree no. 58/98

Certification pursuant to article 154-bis of Legislative Decree no. 58/98

- The undersigned Alberto Rubegni as Managing Director and Alberto Pernigotti as Manager in charge of drawing up the corporate accounting documents of the ASTM Group, taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree no. 58 of 24 February 1998, hereby certify:
 - the adequacy with regard to the characteristics of the business and
 - the actual implementation,of the administrative and accounting procedures for preparing the condensed interim financial report for the first half of 2019.
- Furthermore, we attest that:
 - the condensed interim financial report:
 - a) is prepared in compliance with the international accounting standards approved by the European Community pursuant to EC Regulation no. 1606/2002 of the European Parliament and the Council dated 19 July 2002;
 - b) corresponds to the books and accounting entries;
 - c) provides a true and correct representation of the equity, economic and financial position of the issuer and all the businesses included in the consolidation;
 - the interim management report contains at least references to the significant events that took place in the first six months of the financial year and to their impact on the condensed interim financial report, alongside a description of the main risks and uncertainties for the remaining six months of the year. The interim management report also contains information regarding significant related party transactions.

Tortona, 2 August 2019

The Managing Director

Alberto Rubegni

The Manager in charge of drawing up
the corporate accounting documents

Alberto Pernigotti

Independent Auditors'
Report



ASTM GROUP

**REVIEW REPORT ON CONSOLIDATED CONDENSED
INTERIM FINANCIAL STATEMENTS**



REVIEW REPORT ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of
ASTM SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of ASTM SpA and its subsidiaries (the “ASTM Group”) as of 30 June 2019, comprising the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders’ equity and the related explanatory notes. The directors of ASTM SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements of the ASTM Group as of 30 June 2019 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

PricewaterhouseCoopers SpA

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Emphasis of matter

Without modifying our conclusion, we draw attention to what is indicated in the paragraph “Other information” of the explanatory notes to the consolidated condensed interim financial statements, with reference to the investigation conducted by the Federal Prosecutor’s Office of the State of Paraná against some former managers of Concessionária Ecovia Caminho do Mar SA and Rodovia das Cataratas SA, subsidiaries of Ecorodovias Infraestrutura and Logistica SA, in which the ASTM Group directly and indirectly holds 49.21% of the share capital, in relation to potential unlawful acts carried out by them in the past.

Turin, 2 August 2019

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers