CONSOLIDATED INTERIM FINANCIAL REPORT AS OF **JUNE 30, 2018**

SYNTHETIC DATA
AND GENERAL INFORMATION

HALF-YEAR OUTLOOK

In the first six months of 2018, ADR Group achieved positive results in a complex macroeconomic environment, characterized globally by a weak economic recovery, with Italy's growth lower than the Eurozone average, and by the ECB's announcement of the end of the Quantitative Easing, scheduled for early 2019. Domestically, signs persist of strong uncertainties regarding future developments of the Alitalia situation.

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

Despite Alitalia's continued situation, the first half of 2018 posted traffic levels that were higher than the previous period, with over 23 million passengers using Rome's airports, up 3.9%. Fiumicino airport recorded traffic volumes that were higher than those of the first six months of 2017, while the traffic at Ciampino showed a slight decline in volumes of 1.7% compared to the previous period.

The positive trend in traffic was driven by the growing international segment and, in particular, by the flights to and from Non-EU destinations which, compared to the first six months of 2017, saw a 16.4% increase in the number of passengers carried. In this half-year period, traffic volumes to Non-EU destinations were greater than Domestic flights for the first time, in absolute terms: this confirms Rome as a very attractive destination and the Group's strategy targeting constant development and an increase in new routes to the main global destinations. Once again in the first six months of 2018, Fiumicino was one of the European airports with the most direct flights to and from China.

Modernization and development projects continued during the first half of 2018 in both airports, with 85.1 million euros of investments made.

In particular, development work continued on the East Terminal System at Lot 1 (new Pier A and Front Building of Terminal 1), and the project related to Lot 2 (extension of Terminal 1, reconfiguration of Boarding Area C, and creation of a node at Boarding Area D) was completed and sent to ENAC for approval. With regard to the development of airside capacity, construction is still underway to build new aprons in the west area and in quadrant 300. As part of efforts to increase quality standards for passengers, renovation and improvement actions continue.

The focus on service quality remains at the heart of the Group's strategy. In this respect, both the quality perceived by passengers and that provided were higher than the figures for the first six months of 2017. To further confirm the high quality levels achieved, in June Fiumicino airport received an important new international recognition, the "2018 Best Airport Award", awarded by ACI[1] to airports with traffic volume exceeding 25 million passengers. This award is added to the awards already achieved in 2018 from Skytrax ("World's Most Improved Airport" and "4 Star Airport"), and from ACI ("Airport Service Quality Award"), which certify Fiumicino as the top-ranked airport in the quality of services offered to passengers.

The positive results recorded in terms of traffic development and financial and economic performance, combined with consolidation of the position of solid Investment Grade, meant that the ADR Group retained its position as a leading player in the national air transport scenario and acquired an increasingly influential profile at an international level.

[1] Airports Council International

Despite a particularly complex environment, the Group intends to pursue its development path, maintaining valuable communications with stakeholders and the territory, guaranteeing effective and efficient management to the market, and contributing to the growth of Italy's economy.

FINANCIAL AND OPERATING HIGHLIGHTS OF THE GROUP

	1ST HALF 2018	1ST HALF 2017
CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)		
Revenues from airport management	432,225	411,635
Gross operating income (EBITDA)	263,467	254,607
EBITDA %	61.0%	61.9%
Operating income (EBIT)	187,883	179,823
EBIT %	43.5%	43.7%
Net income (loss)	108,861	105,869
Group share of income (loss)	108,861	105,869
Investments	85,059	104,920
	06.30.2018	12.31. 2017
Net invested capital	2,293,215	2,297,923
Shareholders' Equity (including minority interests)	1,088,066	1,108,224
Group Shareholders' Equity	1,088,066	1,108,224
Net debt	1,205,149	1,189,699
Net debt/Shareholders' equity	1.1	1.1
CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)	1ST HALF 2018	1ST HALF 2017
Net debt/EBITDA (°)	2.2	2.0
R.O.I. (Operating income/Net invested capital) (°)	17.9%	18.8%
RATING	06.30.2018	12.31.2017
Standard & Poor’s	BBB+	BBB+
Moody’s	Baa1	Baa1
Fitch Rating	BBB+	BBB+

(*) Figures for the 1st half of 2017 differ from those previously published due to the reclassification of air traffic incentive costs from the item “service costs” to a reduction of the item "revenues from airport management". This reclassification was necessary to provide a consistent comparison with the 1st half of 2018 following the entry into force of the new IFRS 15 standard on January 1, 2018.

(°) ratios compared to the last 12 months

	1ST HALF 2018	1ST HALF 2017
TRAFFIC VOLUMES		
Movements (no./000)	172	169
Total passengers (no./000)	22,989	22,134
Total cargo (tons)	103,526	89,200
GROUP HUMAN RESOURCES	1ST HALF 2018	1ST HALF 2017
Average headcount (no. of individuals)	3,050	3,053
	06.30.2018	12.31.2017
Headcount at the end of the period (no. of individuals)	3,653	3,377

CORPORATE BODIES

BOARD OF DIRECTORS

(in office until the Meeting to approve the 2018 Annual Financial Report)

Antonio Catricalà	Chairman
Ugo de Carolis	Managing Director
Tommaso Barracco	Director
Carlo Bertazzo	Director
Giovanni Castellucci	Director
Giancarlo Guenzi	Director
Guglielmo Bove	Secretary

BOARD OF STATUTORY AUDITORS

(in office until the Meeting to approve the 2018 Annual Financial Report)

Giampiero Riccardi	Chairman (*until June 4, 2018*)
Alessandra dal Verme	Chairman (*from June 4, 2018*)
Alessandro Bonura	Statutory Auditor
Mauro Romano	Statutory Auditor
Mario Tonucci	Statutory Auditor
Pier Vittorio Vietti	Statutory Auditor
Fabio Margara	Alternate Auditor
Massimiliano Troiani	Alternate Auditor

GENERAL MANAGER

Gian Luca Littarru

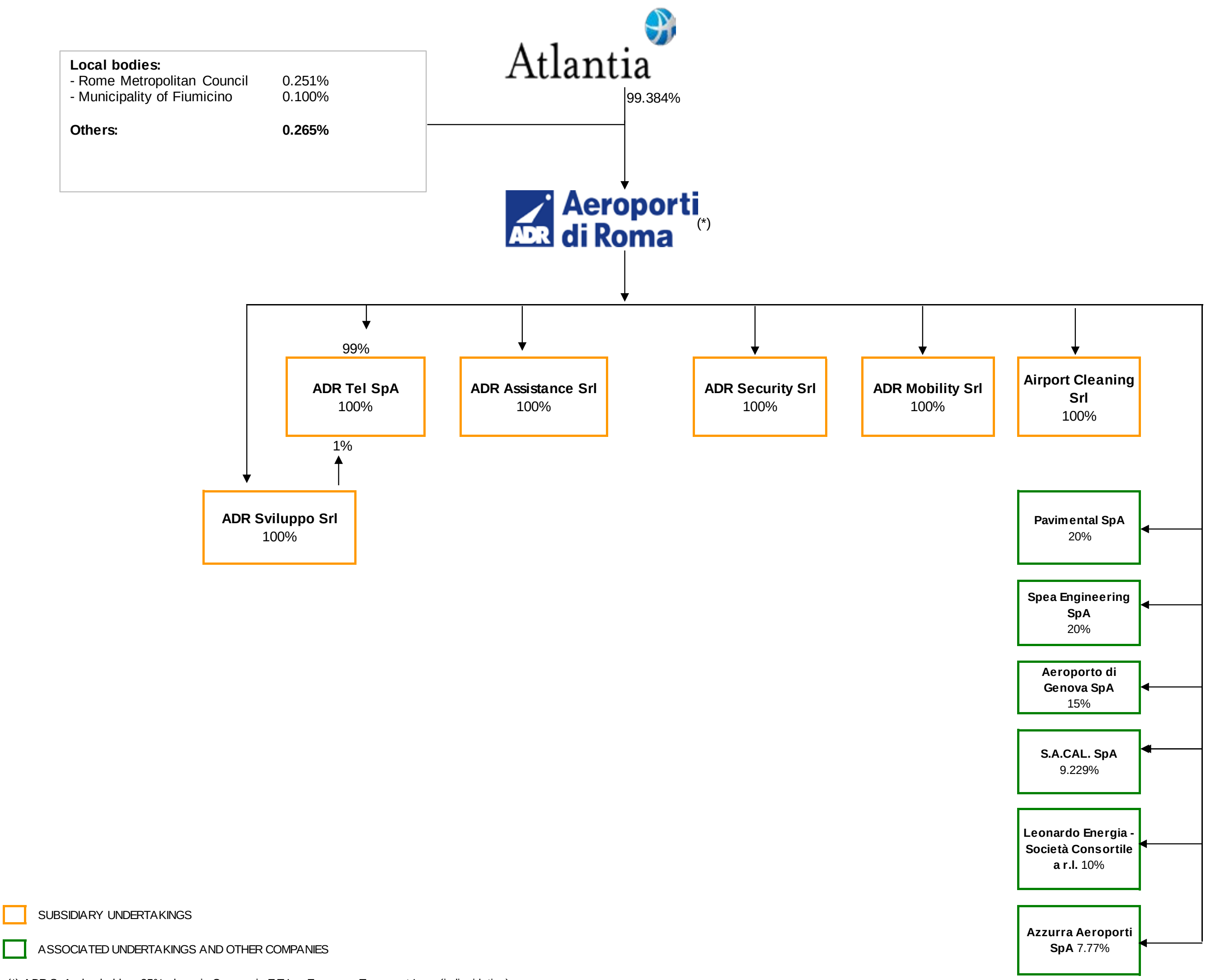
INDEPENDENT AUDITORS

(2013-2021 accounting periods)

EY S.p.A.

THE GROUP'S STRUCTURE

(as of June 30, 2018)



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

INTERIM MANAGEMENT REPORT ON OPERATIONS

INTERIM MANAGEMENT REPORT ON OPERATIONS

CORE BUSINESS

The Roman Airport System

Aeronautical

In the first six months of 2018, the air traffic sector recorded a +6.4%[2] increase in passengers transported due to the positive development of volumes transported for both the International (+6.9%) and Domestic (+5.9%) segments.

With the exception of a slight decline in the Middle East (-0.8%), all geographic areas recorded positive results, from +11.0% in Africa to +4.6% in South America; Europe had the third largest increase, after Africa and the Far East, with growth of +6.7%.

In Italy, passenger traffic[3] grew by +6.2%: the international component recorded a +7.6% increase in volumes, while the Domestic segment grew by +3.7%.

In the first six months of 2018, the Roman Airport System welcomed 23 million passengers, with an increase of +3.9% compared to the previous year: the Non-EU segment posted an increase of +16.4%, exceeding the volumes generated by the Domestic segment, which fell by -1.4%; the EU segment, equal to 50% of total traffic, showed a slight increase of +1.0% compared to the previous year.

In terms of capacity, in the first half of 2018 there was an increase in movements (+1.7%) and seats (+3.7%). These increases, which were lower than that of passenger growth, resulted in a slight increase in the coefficient of the load factor which, standing at 78.3%, recorded growth of approximately +0.1%.

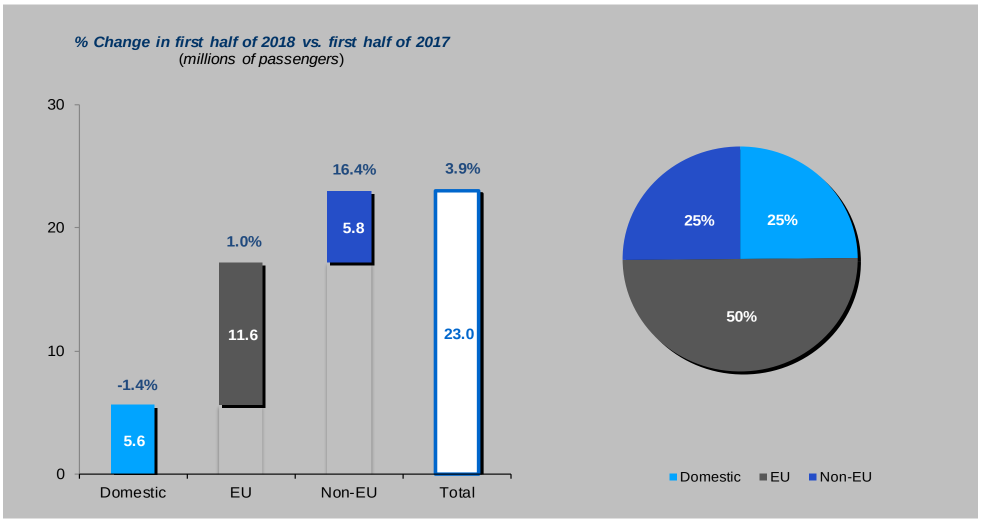
TABLE 1. Main traffic data of the Roman airport system

	1ST HALF 2018	1ST HALF 2017	Δ%
Movements (No.)	**171,851**	**169,017**	**1.7%**
Fiumicino	145,451	143,050	1.7%
Ciampino	26,400	25,967	1.7%
Passengers (No.)	**22,988,989**	**22,133,668**	**3.9%**
Fiumicino	20,110,300	19,206,190	4.7%
Ciampino	2,878,689	2,927,478	(1.7%)
of which: boarded	11,395,901	10,964,258	3.9%
Fiumicino	9,951,509	9,495,502	4.8%
Ciampino	1,444,392	1,468,756	(1.7%)
Cargo (t.)	**103,526**	**89,200**	**16.1%**
Fiumicino	94,517	80,978	16.7%
Ciampino	9,009	8,222	9.6%

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

[2] Source: ACI Pax Flash Report, May 2018
[3] Source: Assaeroporti; May 2018

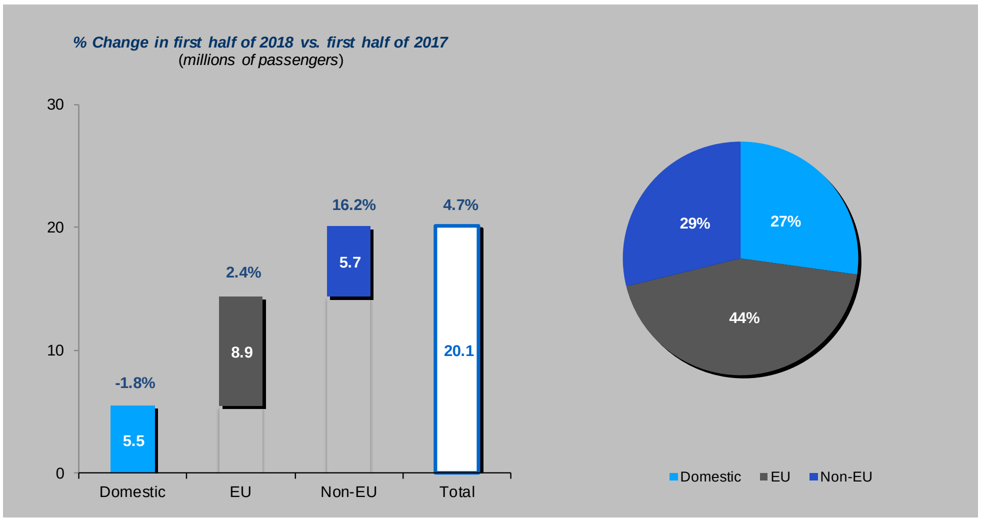
GRAPH 1. Traffic composition in the first six months of 2018 for the Roman airport system



Fiumicino

In the first half of 2018, Fiumicino airport recorded increasing volumes (+4.7%), having managed more than 20.1 million passengers. These results were achieved exclusively through the growing volumes of the International market (+7.4%): at the same time, the capacity increased in terms of movements (+1.7%) and seats (+4.5%). The load factor grew from 76.8% in the first half of 2017 to 77.0% in the current year.

GRAPH 2. Traffic composition in the first six months of 2018 for Fiumicino airport

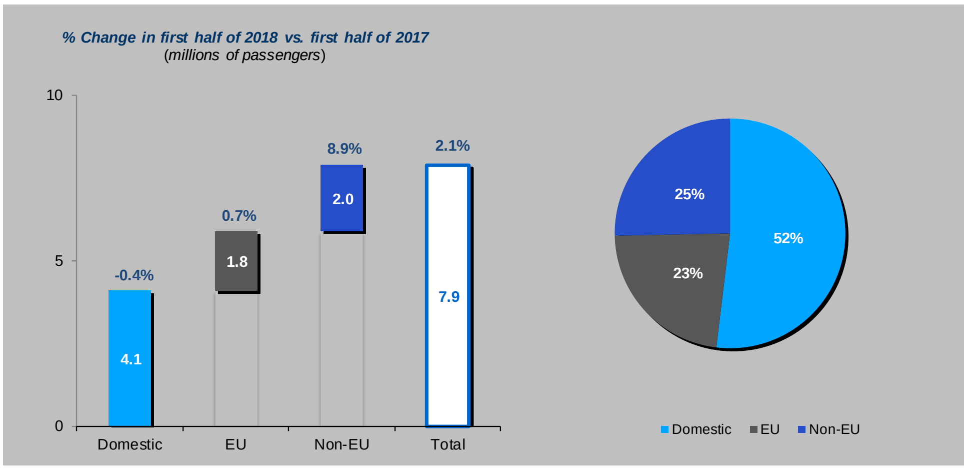


The decline in traffic in the Domestic segment, despite the clear recovery in first months of 2018, is mainly due to the cuts made in Alitalia, which began last year, and to Ryanair's reductions in the Southern Italy market; instead, the increase in international volumes derives from developments that began in 2017 and continued in 2018, mainly to North America, the Far East, and South America. In fact, both flows to the Non-EU market (+16.2%) and, to a lesser extent, to the EU (+2.4%) increased considerably.

Alitalia, the reference carrier for Fiumicino airport, currently in extraordinary administration, recorded a 2.1% rise in passengers transported in the first six months of 2018 and an increase in seats offered (+2.5%), but with a slight decline in movements (-0.8%). Broken down by segment, traffic performance showed an increase for the International segment (+4.8%), and in particular for the Non-EU market, while the Domestic segment was slightly negative (-0.4%).

The increase in capacity offered, which was greater than that of volumes of passengers transported, resulted in a drop in the load factor, which stood at 73.5%, down by 0.4 percentage points compared with the same period of the previous year.

GRAPH 3. Traffic composition in the first six months of 2018 for the carrier Alitalia



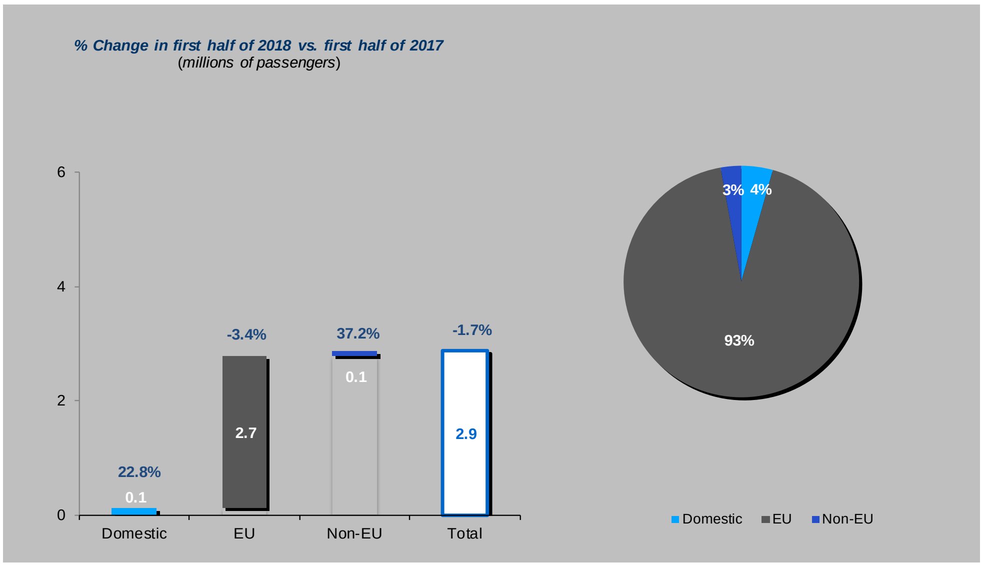
Ciampino

In the first half of 2018, Ciampino airport posted a decline in volumes of passengers transported (-1.7%), against an increase in movements (+1.7%).

The results were influenced by the performance of the EU segment (-3.4%), partly offset by the satisfactory results of the Domestic segment (+22.8%) and the Non-EU segment (+37.2%).

The total load factor of the airport stood at 88.4%, an increase of +0.2 percentage points compared to the same period of 2017.

GRAPH 4. Traffic composition in the first six months of 2018 for Ciampino airport



Consolidated financial review

Consolidated economic performance

TABLE 1. Reclassified consolidated income statement

(THOUSANDS OF EUROS)	1st HALF 2018	1st HALF 2017[4]	Change	% Change
Revenues from airport management of which:	432,225	411,635	20,590	5.0%
aeronautical revenues	*311,580*	297,438	*14,142*	*4.8%*
non-aeronautical revenues	*120,645*	114,197	*6,448*	*5.6%*
Revenues from construction services	51,391	66,168	(14,777)	(22.3%)
Other operating income	7,451	12,602	(5,151)	(40.9%)
Total revenues	**491,067**	**490,405**	**662**	**0.1%**
External operating costs	(77,449)	(76,463)	(986)	1.3%
Costs for construction services	(47,297)	(61,692)	14,395	(23.3%)
Concession fees	(17,045)	(15,327)	(1,718)	11.2%
Payroll costs	(85,809)	(82,316)	(3,493)	4.2%
Total net operating costs	**(227,600)**	**(235,798)**	**8,198**	**(3.5%)**
Gross operating income (EBITDA)	**263,467**	**254,607**	**8,860**	**3.5%**
Amortization and depreciation, write-downs and reversals	(51,393)	(43,766)	(7,627)	17.4%
Allocation to provisions and other adjusting provisions	(24,191)	(31,018)	6,827	(22.0%)
Operating income (EBIT)	**187,883**	**179,823**	**8,060**	**4.5%**
Financial income (expense)	(25,407)	(25,634)	227	(0.9%)
Share of profit (loss) of associates accounted for using the equity method	(2,896)	1,035	(3,931)	(379.8%)
Income (loss) before taxes from continuing operations	**159,580**	**155,224**	**4,356**	**2.8%**
Taxes	(50,719)	(49,355)	(1,364)	2.8%
Net income (loss) from continuing operations	**108,861**	**105,869**	**2,992**	**2.8%**
Net income (loss) from discontinued operations	0	0	0	0.0%
Net income (loss) for the period	**108,861**	**105,869**	**2,992**	**2.8%**
Share of income (loss) for the period pertaining to third party shareholders	0	0	0	0.0%
Group share of income (loss) for the period	**108,861**	**105,869**	**2,992**	**2.8%**

Revenues

- Revenues from airport management, equal to 432.2 million euros, rose by 5.0% compared to the reference period, essentially due to the growth in aeronautical activities (+4.8%), attributable to the overall positive trend in traffic volumes (passengers +3.9%) and the relative mix of its components. This positive trend was partially offset by the decrease in Fiumicino's unit fees (on average down 0.4% and 4.4% compared to the previous year's fees). The performance of the non-aeronautics sector also improved (5.6%), driven by the positive performance of the commercial sub-concessions on all business lines (+8.7%), attributable to the increase in volume and the improvement in the passen-

[4] Figures for the 1st half of 2017 differ from those contained in the Consolidated Interim Financial Report as of June 30, 2017 due to the reclassification of air traffic incentive costs from the item "service costs" to a reduction of the item "revenues from airport management". This reclassification was necessary to provide a consistent comparison with the 1st half of 2018 following the entry into force of the new IFRS 15 standard on January 1, 2018.

ger mix compared to the previous year, as well as Commercial Area "E" becoming fully operational (inaugurated on December 21, 2016). In addition, revenues from real estate management recorded a positive trend (+8.8%).

- Revenues from construction services equaled 51.4 million euros, down from the comparison period by 14.8 million euros (see also the comment on “costs for construction services” below).
- Other operating income amounted to 7.5 million euros, down 5.2 million euros from the same period of last year, for which a re-absorption of the provisions for risks and charges of 6.0 million euros was recognized, compared to 0.8 million euros for the six months under review.

Net operating costs

- External operating costs, equal to 77.4 million euros, showed a slight increase compared to the first half of 2017 (+1.0 million euros) due to the increase in costs for maintenance activities on electrical systems and on the BHS plant in T3, which became fully operational during the first half of 2017, as well as general expenses, including in relation to extended insurance coverage. These effects were partially offset by lower costs for utilities and raw materials.
- Costs for construction services, equal to 47.3 million euros, fell by 14.4 million euros compared to the first half of 2017.
- The liability for concession fees amounts to 17.0 million euros, an increase from the first half of 2017 (+1.7 million euros) as a result of both inflation dynamics and the increase in traffic.
- Payroll costs, amounting to 85.8 million euros, rose by 4.2% (+3.5 million euros) due mainly to the increase in the average costs, as well as the effect of non-recurring components.

Gross operating income (EBITDA)

The gross operating income (EBITDA), equal to 263.5 million euros, rose by 8.9 million euros compared to the first half of last year (+3.5%).

Amortization and depreciation

Amortization and depreciation of intangible and tangible fixed assets amounted to 51.4 million euros and mainly represented the amortization of the airport concession which the Parent Company ADR holds. The increase of 7.6 million euros compared to the same period of last year is attributable to the operational start-up of new systems and infrastructures during the previous year.

Allocation to provisions and other adjusting provisions

This item, totaling 24.2 million euros (31.0 million euros in the comparative period), is broken down as follows:

- allocation to the provision for renovation of airport infrastructure, amounting to 23.1 million euros (24.0 million euros in the comparison period), as a result of the updated estimate of the expenses for restoration and replacement work scheduled in the latest approved business plan. This category includes the investments whose execution is a condition guaranteeing compliance with a suitable state of efficiency and security of the airport systems and infrastructure under concession, in accordance with the concession obligations;
- allocations to the provision for risks and charges for 0.4 million euros, compared to 0.6 million euros allocated in the first half of 2017);
- allocation to the provision for doubtful accounts, amounting to 0.7 million euros, down 5.8 million euros from the same period of 2017, which was affected by Alitalia SAI entering the extraordinary administration procedure.

Operating income (EBIT)

Operating income (EBIT) came to 187.9 million euros, increasing 8.1 million euros (+4.5%) with respect to the first half of 2017.

Financial income (expense)

Net financial expense, equal to 25.4 million euro, decreased by 0.2 million euro (-0.9%), reflecting the effects of the first dividends resolved by the subsidiary Azzurra Aeroporti S.r.l., equal to 1.9 million euro, partly offset by higher financial charges due to the increase in average debt over the comparison period.

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

This item, equal to -2.9 million euros (+1.0 in the comparison period), includes the write-down of the equity investment in the associated undertaking Pavimental (-3.1 million euros), partially mitigated by the revaluation of the equity investment in the associate Spea Engineering (+0.2 million euros).

Group share of income (loss) for the period

Net of the tax burden estimated for current and deferred taxation at 50.7 million euros (49.4 million euros in the comparative period), the ADR Group, recorded in the first half of 2018 a net profit of 108.9 million euros, an increase of 3.0 million euros.

TABLE 2. Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1st HALF 2018	1st HALF 2017
NET INCOME FOR THE PERIOD	**108,861**	**105,869**
Share of cash flow hedge derivative financial instruments	(1,127)	13,972
Tax effect	271	(3,354)
Share pertaining to the “other components of comprehensive income” of equity investments accounted for using the equity method	(19)	61
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(875)**	**10,679**
Income (loss) from actuarial valuation of employee benefits	10	51
Tax effect	(6)	(12)
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**4**	**39**
Reclassifications of the other components of the comprehensive income statement for the period	**771**	**432**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(100)**	**11,150**
COMPREHENSIVE INCOME FOR THE PERIOD	**108,761**	**117,019**
of which		
Comprehensive income attributable to the Group	108,761	117,019
Comprehensive income attributable to minority interests	0	0

Consolidated financial performance

TABLE 3. Reclassified consolidated balance sheet

	(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	Change
	Intangible fixed assets	2,359,380	2,349,800	9,580
	Tangible fixed assets	49,523	52,280	(2,757)
	Non-current financial assets	73,829	78,079	(4,250)
	Deferred tax assets	52,906	65,129	(12,223)
	Other non-current assets	439	443	(4)
A	**FIXED ASSETS**	**2,536,077**	**2,545,731**	**(9,654)**
	Trade assets	330,122	319,309	10,813
	Other current assets	12,807	14,058	(1,251)
	Current tax assets	7,629	18,881	(11,252)
	Trade liabilities	(183,157)	(191,502)	8,345
	Other current liabilities	(172,622)	(172,284)	(338)
	Current tax liabilities	(8,614)	(483)	(8,131)
B	**WORKING CAPITAL**	**(13,835)**	**(12,021)**	**(1,814)**
	Provisions for employee benefits	(309)	(938)	629
	Provisions for renovation of airport infrastructure	(74,270)	(68,799)	(5,471)
	Other allowances for risks and charges	(11,634)	(14,028)	2,394
C	**CURRENT SHARE OF PROVISIONS**	**(86,213)**	**(83,765)**	**(2,448)**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	**(100,048)**	**(95,786)**	**(4,262)**
	Non-current liabilities	(142,814)	(152,022)	9,208
E	**NON-CURRENT LIABILITIES**	**(142,814)**	**(152,022)**	**9,208**
F = A + D + E	**NET INVESTED CAPITAL**	**2,293,215**	**2,297,923**	**(4,708)**
	Group Shareholders' Equity	1,088,066	1,108,224	(20,158)
	Minority Interests in Shareholders' Equity	0	0	0
G	**SHAREHOLDERS' EQUITY**	**1,088,066**	**1,108,224**	**(20,158)**
	Non-current financial liabilities	1,480,834	1,488,410	(7,576)
	Other non-current financial assets	(9,686)	(12,950)	3,264
H	**NON-CURRENT NET DEBT**	**1,471,148**	**1,475,460**	**(4,312)**
	Current financial liabilities	6,705	16,278	(9,573)
	Current financial assets	(272,704)	(302,039)	29,335
I	**CURRENT NET DEBT**	**(265,999)**	**(285,761)**	**19,762**
L = H + I	**NET DEBT**	**1,205,149**	**1,189,699**	**15,450**
G + L	**HEDGING OF INVESTED CAPITAL**	**2,293,215**	**2,297,923**	**(4,708)**

Fixed assets

Fixed assets as of June 30, 2018 equaled 2,536.1 million euros, down 9.7 million euros compared to the end of 2017, due to the following changes:

- increase in intangible fixed assets (+9.6 million euros), in relation to the investments for the period (+54.7 million euros) and advance payments made to suppliers (+0.6 million euros), partly offset by amortization (-44.4 million euros) and the recovery of advances paid to suppliers (-1.4 million euros);
- decrease in tangible fixed assets of 2.8 million euros, attributable to depreciation for the period of 7.0 million euros, partially mitigated by investments of 4.2 million euros;
- decrease in non-current financial assets of 4.3 million euros due to the valuation of associated companies using the equity method, which takes into account the loss of Pavimental S.p.A. (-3.1 million euros) as well as the dividend distribution resolved by Spea Engineering S.p.A. (1.4 million euros), offset by Spea's profit for the period of 0.2 million euros.
- decrease in deferred tax assets for 12.2 million euros mainly in relation to the trend of the provisions for renovation of airport infrastructure.

Working capital

Working capital was negative for 13.8 million euros, down 1.8 million euros compared to December 31, 2017 due to the events described below.

- Trade assets increased by 10.8 million euros, essentially due to the increase in receivables from commercial customers following the growth in turnover.
- Current tax assets saw a reduction of 11.3 million euros due to the decrease in the consolidated tax credit related to the estimated IRES tax burden for the period.
- Trade liabilities decreased by 8.3 million euros, essentially attributable to the decrease in trade payables of 21.7 million euros. This was partially offset by the increase of 12.7 million euros in deferred income for the advance billing of the sub-concession fees. The negative change in trade payables derives from the reduction in the volume of investments made in the six months under review compared to the end of the previous year.
- Other current liabilities rose by a total of 0.3 million euros, compared to the end of last year, mainly as the combined effect of:
  - increase in payables for the firefighting service of 3.3 million euros essentially due to the price accrued in the period;
  - increase in payables to personnel for 2.5 million euros attributable to the rise in current payables;
  - increase in payables to social security agencies for 2.4 million euros, in relation to the rise in payables to personnel;
  - increase of 1.5 million euros in IRESA payables, the tax charged to carriers by the Lazio Regional Authority. This payable, which is posted at the time of the receivable arising against the debiting towards the carriers, is settled in line with the collection policies, with ADR paying it back to the end beneficiaries on a quarterly basis.
  - decrease in the payables for surtax on passenger fees of 9.5 million euros due to the impact of the performance in the period of this type of collections from carriers. For this type of charge, ADR is an intermediary in the collection of the surcharges, which it pays back to the end beneficiaries in the month following the month of collection;

- Current tax liabilities rose by 8.1 million euros due to the estimate of the tax burden for the period, net of the advances paid.

Current share of provisions and non-current liabilities

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	Change
Provisions for employee benefits	19,713	20,337	(624)
Provisions for renovation of airport infrastructure	178,967	181,198	(2,231)
Other allowances for risks and charges	26,924	30,169	(3,245)
TOTAL	**225,604**	**231,704**	**(6,100)**
of which:			
- current share	86,213	83,765	2,448
- non-current share[5]	139,391	147,939	(8,548)

The renovation provision, which includes the current value of the estimate of the charges to be incurred for the contractual obligation to restore and replace assets under concession, decreased by 2.2 million euros due to the operating uses, net of the provisions for the period, which absorb the values resulting from updating the scheduled replacement/renewal actions included in the latest long-term plan approved by the ADR Group.

Other allowances for risks and charges decreased overall by 3.2 million euros following uses for 2.8 million euros and re-absorption of 0.8 million euros, as well as allocations for 0.4 million euros resulting from the update of the Group's risk of adverse outcomes.

Net invested capital

The consolidated net invested capital, equal to 2,293.2 million euros as of June 30, 2018, decreased by 4.7 million euros compared to the end of the previous year.

Shareholders' equity

The Group shareholders' equity, equal to 1,088.1 million euros, decreased by 20.2 million euros compared to December 31, 2017, due to the payment of the 2017 dividend balance (135.0 million euros), partly offset by the overall net income of the period (108.8 million euros, which includes the negative change in the fair value of derivatives) and the application of the new IFRS 9 standard from January 1, 2018, with the resulting increase in the shareholders' equity reserves for 6.1 million euros, net of the relative tax effect. For more information, please refer to the comment on non-current net debt.

Net debt

Net debt as of June 30, 2018 amounts to 1,205.1 million euros, up 15.5 million euros compared to the end of 2017.

[5] Non-current liabilities also include the item "Other liabilities" equal to 3,423 thousand euros as of June 30, 2018 and 4,083 thousand euros as of December 31, 2017.

TABLE 4. Consolidated net debt

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	Change
Non-current financial liabilities	1,480,834	1,488,410	(7,576)
Bonds	1,096,349	1,101,516	(5,167)
Medium/long-term loans	249,502	249,464	38
Financial instruments - derivatives	134,983	137,430	(2,447)
Other non-current financial assets	(9,686)	(12,950)	3,264
NON-CURRENT NET DEBT	**1,471,148**	**1,475,460**	**(4,312)**
Current financial liabilities	6,705	16,278	(9,573)
Current share of medium/long-term financial liabilities	6,469	16,019	(9,550)
Financial instruments - derivatives	236	259	(23)
Current financial assets	(272,704)	(302,039)	29,335
Cash and cash equivalents	(271,354)	(301,975)	30,621
Other current financial assets	(1,350)	(64)	(1,286)
CURRENT NET DEBT	**(265,999)**	**(285,761)**	**19,762**
NET DEBT	**1,205,149**	**1,189,699**	**15,450**

Non-current net debt

The non-current net debt amounts to 1,471.1 million euros, down 4.3 million euros as a result of the changes described below.

- Bonds (1,096.3 million euros) refer for 233.1 million euros to Tranche A4 in pound sterling of the bonds originally issued by Romulus Finance for 397.8 million euros and to the EMTN ("Euro Medium Term Note Program") bond loan issued by ADR in December 2013 for 465.4 million euros by the bond issued by ADR in June 2017. The decrease of 5.2 million euros is primarily due (for -8.4 million euros) to the application, from January 1, 2018 of the new IFRS 9 standard to the debt renegotiation transaction finalized by ADR in 2017 (exchange tender offer), which required the recognition in shareholders' equity at the beginning of the year of the difference between the pre-transaction amortized cost and the post-transaction one, calculated by using the internal original return rate. This variance was partially offset by the result of the valuation of loans using the amortized cost method and the adjustment of Tranche A4 to the exchange rate at the end of the period.
- The medium/long-term loans are equal to 249.5 million euros, in line with the year ended December 31, 2017.
- Derivative financial instruments, amounting to 135.0 million euros and comprising Cross Currency Swaps to hedge the Tranche A4 in pounds sterling, showed a negative fair value of 132.8 million euros, down 3.5 million euros, mainly due to the interest rate component. The residual amount of 2.2 million euros refers to the negative fair value of the forward starting Interest Rate Swap agreement (with deferred application: February 20, 2020) up 1.1 million euros with respect to December 31, 2017.
- Other non-current financial assets (9.7 million euros) include the positive fair value (7.3 million euros) of three forward starting Interest Rate Swaps (with deferred application: February 20, 2020), and the prepayment of the ancillary charges for the revolving loan (2.4 million euros). The decrease of 3.3 million euros is mainly attributable to the reduction in the fair value of the forward starting Interest Rate Swap agreements.

Current net debt

The financial position highlights, for the current part, net funds of 266.0 million euros, down 19.8 million euros compared to December 31, 2017. In detail:

- Current financial liabilities, equivalent to 6.7 million euros, are down 9.6 million euros, essentially as a result of the reduction in the current share of medium/long-term financial liabilities, due primarily to the impact from the settlement of payables for interest on the EMTN bond issue;
- Current financial assets, equal to 272.7 million euros, decreased by 29.3 million euros in relation to the lower cash on hand (-30.6 million euros), partly offset by the increase in current receivables (+1.3 million euros).

TABLE 5. Consolidated statement of Cash Flows

(THOUSANDS OF EUROS)	1st HALF 2018	1st HALF 2017
NET INCOME FOR THE PERIOD	**108,861**	**105,869**
Adjusted by:		
Amortization and depreciation	51,393	43,766
Allocation to provisions for renovation of airport infrastructure	23,076	23,990
Financial expenses from discounting of provisions	915	1,008
Changes in other provisions	(3,975)	(6,040)
Share of profit (loss) of associates accounted for using the equity method	2,896	(1,035)
Net change in deferred tax (assets) liabilities	10,322	10,594
Other non-monetary costs (revenues)	4,151	2,374
Changes in working capital and other changes	719	(86,328)
Net Cash Flow From Operating Activities (A)	**198,358**	**94,198**
Investments in tangible assets	(4,237)	(3,447)
Investments in intangible assets (*)	(55,306)	(68,804)
Works for renovation of airport infrastructure	(26,105)	(32,669)
Gains from disinvestment of tangible and intangible assets and equity investments	1,327	1,060
Net change in other non-current assets	4	3
Net Cash Flow From Investment Activities (B)	**(84,317)**	**(103,857)**
Dividends paid	(135,028)	(148,095)
Issue of bonds (**)	0	272,267
Raising of medium/long-term loans	0	180,000
Net change in other current and non-current financial liabilities	(9,573)	(30,795)
Net change in current and non-current financial assets	(61)	(123)
Net Cash Flow From Funding Activities (C)	**(144,662)**	**273,254**
Net Cash Flow for the Period (a+b+c)	**(30,621)**	**263,595**
Cash and cash equivalents at the start of the period	301,975	74,159
Cash and cash equivalents at the end of the period	271,354	337,754

(*) in the first half of 2018 including advances to suppliers for 589 thousand euros

(**) compared to the figure published in the Consolidated Interim Financial Report as of June 30, 2017, this item is shown net of the repurchase of part of the bond issued in 2013.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	1st HALF 2018	1st HALF 2017
Net income taxes paid (reimbursed)	21,014	50,451
Interest income collected	89	20
Interest payable and commissions paid	32,018	53,159

Operations of the ADR Group generated a monetary flow of 198.4 million euros in the first half of 2018, an increase of 104.2 million euros over the comparison period, due mainly to the favorable trend in working capital.

The net cash flow from operations was absorbed in part by investment activities, which recorded a final negative cash flow of 84.3 million euros compared to -103.9 million euros of the first half of 2017.

The net cash flow from funding activities was negative for 144.7 million euros, due mainly to the payment of the 2017 dividend balance.

As a result of the trends described above, the net cash flow for the period, which was negative for 30.6 million euros, decreased the cash and cash equivalents at the end of the period to 271.4 million euros compared to the opening balance of 302.0 million euros.

Alternative performance indicators

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

These alternative performance indicators ("API") are:

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

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

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

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

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

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

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

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

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

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

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

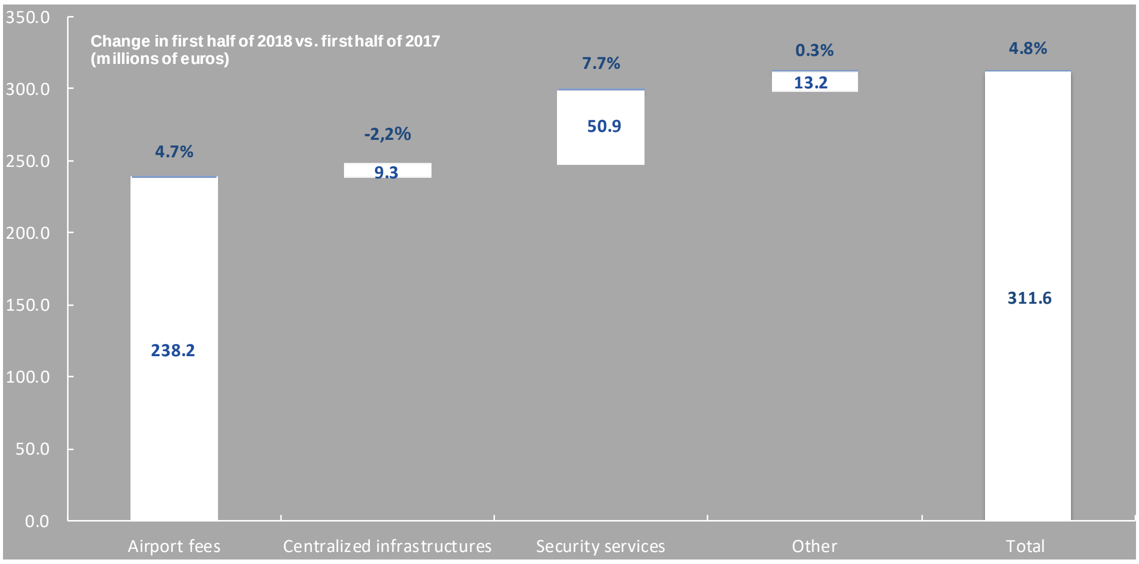
	RECLASSIFIED CONSOLIDATED BALANCE SHEET	SOURCE/CALCULATION METHOD
	Intangible fixed assets	corresponding to the item “Intangible assets” in the consolidated financial statements
	Tangible fixed assets	corresponding to the item “Tangible assets” in the consolidated financial statements
	Non-current financial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

ADR Group activities

Aeronautical activities

The aeronautical activities, i.e. those directly linked to aeronautical activities carried out at airports and including airport fees, centralized infrastructures, security services etc., generated revenues for 311.6 million euros in the first half of 2018, up by 4.8% compared to the same period of the previous year (+14.1 million euros).

GRAPH 1. Economic performance of aeronautical activities



Airport fees

Revenues from airport fees in the first half of 2018 amounted to 238.2 million euros, net of a traffic development incentive component, with an increase of 4.7%, attributable to:

- landing, take-off and parking fees: equal to 66.4 million euros, up 1.8% as the consequence of a number of movements slightly higher than in the comparable period of the previous year (+1.7%), higher total aircraft tonnage (+5.5%), and the adjustment of prices as of March 1, 2018, in accordance with the Planning Agreement in force;
- passenger boarding fees: amount to 170.5 million euros and recorded an increase of 5.8% compared to the previous year. This result is due to the increase in passenger traffic (+3.9%) and the favorable passenger mix, as well as the effects from the adjustment of prices as of March 1 of each year;
- cargo revenues: amount to 1.3 million euros, an increase (+7.8%) compared to the final figure of the same period of the previous year, as a result of the increase in cargo (+16.1%), which was only partially offset by the adjustment to prices applied as of March 1, 2017 and confirmed from March 1, 2018, which were lower than those applied previously in accordance with the Planning Agreement.

Security services

Security activities (security checks on passengers and carry-on and checked baggage, explosive detection checks, other security checks requested) generated revenues of 50.9 million euros during the first half of 2018, up 7.7% compared to the same period of the previous year. This result is due to the composition of passenger traffic, as well as having been positively influenced by the aforementioned annual price adjustments effective on both March 1, 2017 and March 1, 2018.

Centralized infrastructures

The management of centralized infrastructures, essentially attributable to the revenues from loading bridges, recorded a turnover of 9.3 million euros, essentially in line with the first half of 2017 (-2.2%), mainly from the combined effect of the availability of infrastructures and the annual price adjustment set by the Planning Agreement.

Other revenues

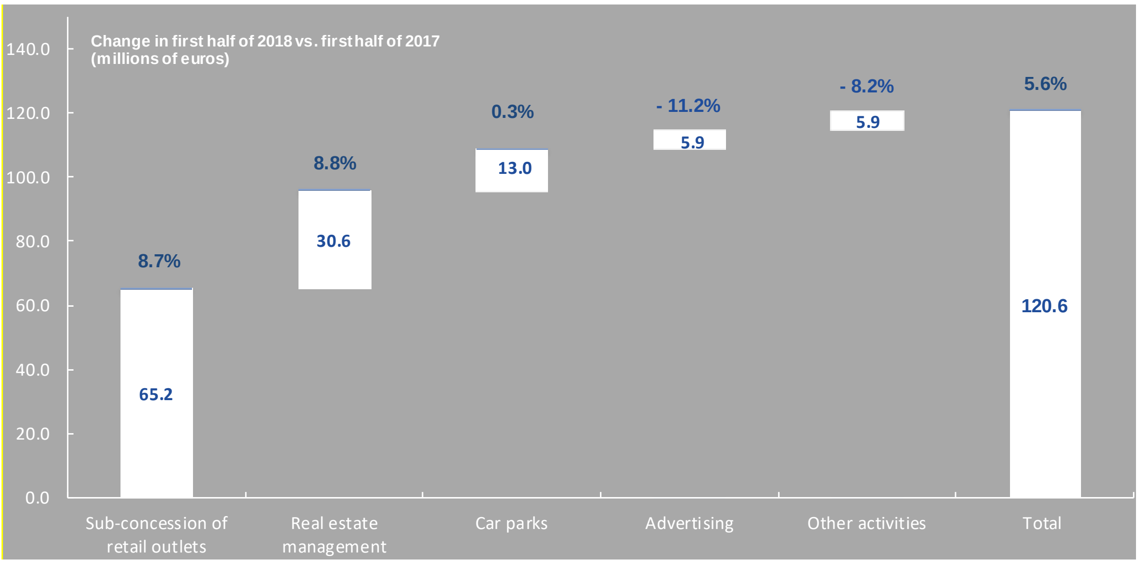
Revenues from other aeronautical activities stood at 13.2 million euros, consistent with the figure of the previous year (+0.3%) and resulting from:

- assistance to passengers with reduced mobility (PRM), provided by ADR through a service agreement entrusted to the ADR Assistance subsidiary: revenues of 8.7 million euros, an increase from the previous year (+4.6%), deriving essentially from the increase in passenger traffic and the price adjustment applied at Fiumicino and Ciampino airports in accordance with the Planning Agreement;
- passenger check-in desks: revenues of 4.1 million euros, a decrease compared to the same period of the previous year (-9.0%), mainly due to the annual adjustment to prices from March 1, 2017, which were markedly lower than those applied previously, not offset by the subsequent adjustment effective March 1, 2018, which saw a slight increase in prices;
- other aeronautical revenues: equal to 0.4 million euros and consisting of revenues for the use of porterage and left luggage services, which posted an increase (+20.3%) compared with the first half of 2017.

Non-aeronautical activities

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

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



Non-aeronautical revenues rose by 6.4 million euros compared to the first half of 2017 and amounted to 120.6 million euros. The most significant components recorded the trends below.

Sub-concession of retail outlets

Sub-concessions of retail outlets, which relate to the sub-concessions for the retail sale of goods and services, recorded revenues of 65.2 million euros in the first six months of 2018, increasing 8.7% over the previous year. This positive performance was due both to the increase in volume and the improvement in the passenger mix compared to the previous year (+12.8% passengers in relation to the Extra-Schengen area, +2.7% for the Schengen area, and -1.5% for Domestic), as well as the new “Front Building" commercial space in the Extra-Schengen area becoming operational, while, in the first half of 2017, the new Pier E and the related call-forward system had not yet been launched. In detail:

- Core Categories: this segment generated revenues for 23.6 million euros, up +9.5% compared to the previous period. The increase in revenues was principally concentrated in Extra-Schengen areas due to the aforementioned increase in volume, the improved passenger mix, and the “Front Building” becoming operational;
- Specialist Retail: revenues were recorded for 19.3 million euros, growing by 5.4% for essentially the same reasons as those cited for the Core Categories; the most significant growth was recorded in the Luxury categories (+9.6% of turnover), Newsagent (+20% as a result of a change in the retailer and related new formats), and Clothing (+15%); the Domestic/Schengen area posted a drop in turnover of 7% due to scope restrictions for the T1 Mezzanine related to the closure of certain retail spaces negatively affected by the change in passenger check-in flows;
- Food & Beverage: revenues for the year equaled 17.2 million euros, up +9.7%, concentrated in the T3 area as a result of the new retailers in T3 Arrivals and Boarding Area D (approximately +22% of

turnover in this area); the Extra-Schengen level posted a growth of 16% in turnover related to the refreshment outlets;

- Other commercial activities: passenger service activities, such as currency exchange counters, VAT Refunds and the luggage wrapping business, recorded revenues of 5.2 million euros, up compared to the previous year (+14.3%), due to the new allocation of currency exchange and VAT Refund desks and growth in the reference passenger segment (Extra-Schengen).

Real estate management

Revenues from real-estate activities in the first six months of 2018 amounted to 30.6 million euros, up 8.8% compared to the same period of last year and broken down as follows:

- fees and utilities for retail and other sub-concessions: revenues amounted to 26.8 million euros, an increase of 2.1 million euros (+10.3%). This performance is attributable to the increase in the sub-concession fee, included in the contract, for the Technical Area, and the sub-concession spaces in the Front Building for creating two new VIP areas.
- other fees charged at Fiumicino and Ciampino, calculated on the volumes of activities managed (hotels, car rental, car wash, fuel stations, etc.): revenues equaled 3.8 million euros, increasing 11% over the same period of the prior year, related to the improved performance of car rental agencies (+15.5%) as well as the correlation with the Non-EU traffic.

Car parks

Car park management generated revenues of 13.0 million euros, a slight improvement over the previous year (+0.3%). This result was achieved despite the presence of a drop in the domestic originating traffic, which is more correlated with the car park business, and the reduction in parking for Alitalia employees. In detail, the following trends for the main items were recorded:

- passenger car parking: revenues for 10.7 million euros (+0.8%), this segment was the most hit by the reduction in domestic traffic, though regaining market share on external car parks. Competitive pressure continues from alternative means of transport used to arrive at airports. To make the car park product at the airport more attractive, new parking areas were developed and put into operation, which allowed the diversification and differentiation of the offer (T1 and T3 Executive Car Park and covered and uncovered Long Stay), and new fee structures aimed at recovering profit margins and volumes in the passenger car park customer segments of the on-line booking and e-commerce channels. Web marketing activities supporting the business and a new on-line booking platform were also further developed to improve the customer experience;
- airport operator car parking: revenues of 2.3 million euros, down compared to the previous year (-2.2%) due to the aforementioned reduction in Alitalia employee parking spaces.

Advertising

Revenues from advertising activities equaled 5.9 million euros, of which 5.8 million euros generated from the sub-concession of business advertising activities in the form of royalties on turnover of the exclusive sub-concession for these activities; these revenues recorded a decrease of 0.8 million euros compared to 2017.

Other activities

Revenues from other activities in the first half of 2018 amounted to 5.9 million euros, down 0.5 million euros from the comparison period (-8.2%); the most significant items showed the following trends:

- revenues for other sales (fuel, consumable materials, etc.), equal to 0.5 million euros, down 0.7 million euros compared to the comparison period due to the outsourcing to third parties of the fuel resale business in the airside area beginning in February 2018;
- revenues for the chargeback of cleaning and biological wastewater treatment for 1.6 million euros, down by 7.4% compared with the first half of 2017;
- revenues for information systems amounting to 0.7 million euros, down by 0.1 million euros.
- revenues for third-party training of 0.4 million euros, up 21.1%.

ADR Group investments

Initiatives implementing the Planning Agreement continued in the first half of 2018.

TABLE 1. Breakdown of ADR Group capital investment in the first half of 2018

	1ST HALF 2018			1ST HALF 2017		
(MILLIONS OF EUROS)	INVESTMENTS	RENEWALS (*)	TOTAL	INVESTMENTS	RENEWALS (*)	TOTAL
East Airport System	19.2	0.0	19.2	2.8	0.0	2.8
Works on runways and aprons, extension of the East area aprons, AZ technical area	7.7	4.2	11.9	10.3	9.5	19.8
Fiumicino - electrical network and air-conditioning maintenance works	0.8	6.6	7.4	0.3	6.9	7.2
Terminal maintenance and optimization works	4.4	2.3	6.7	4.8	3.3	8.1
New ADR HQ	4.1	0.0	4.1	1.7	0.0	1.7
Urbanization of west area / "W" aprons 1st phase and 2nd phase	3.9	0.0	3.9	16.2	0.0	16.2
Fiumicino - civil work maintenance (var. buildings)	0.9	2.5	3.4	0.9	4.0	4.9
Terminal 3 - restructuring	2.6	0.0	2.6	0.7	0.0	0.7
Fiumicino - electromechanical system maintenance works	1.1	1.2	2.3	0.0	0.4	0.4
Ciampino - airside system and airport terminals upgrade	0.0	2.1	2.1	1.1	0.1	1.2
Ciampino - infrastructure adaptation works	0.7	1.4	2.1	0.0	1.0	1.0
Fiumicino - sewer and water network maintenance works	0.2	1.7	1.9	0.0	1.8	1.8
Works on baggage systems and new x-ray machines	0.3	1.5	1.8	2.3	0.7	3.0
Works on commercial areas and multilevel car parks	1.2	0.5	1.7	2.0	1.9	3.9
Boarding Area E (T3 Front Building, Pier E and 3rd Bhs)	1.5	0.0	1.5	18.2	0.0	18.2
Works on airport access	0.7	0.5	1.2	0.1	0.8	0.9
Fiumicino - Electrical equipment maintenance works	0.0	1.1	1.1	0.2	1.5	1.7
Maintenance works on buildings managed by sub-concessionaires	0.8	0.1	0.9	0.1	0.0	0.1
Energy saving actions	0.5	0.1	0.6	0.6	0.0	0.6
Vehicle and equipment purchases	0.2	0.0	0.2	1.2	0.0	1.2
Fiumicino Nord: Long-term capacity development	0.0	0.0	0.0	0.2	0.0	0.2
Ciampino - airport reconfiguration from military to civil	0.0	0.0	0.0	0.0	0.1	0.1
Other	8.2	0.3	8.5	8.5	0.7	9.2
TOTAL	**59.0**	**26.1**	**85.1**	**72.2**	**32.7**	**104.9**

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

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

Runways and aprons

Works have been completed to adjust the "Mike" taxiway to code “F”, as well as those relating to the adjustment of the shoulder of taxiway H in the Alitalia area and the upgrading of the apron in front of the Alitalia hangar.

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

Works continue on the Hydraulic Risk Mitigation Project in the West area. In particular, during the period, interventions relating to the oil extraction tank and collector sections facing Boarding Area E were completed, and interventions began on the crossing of the AF taxiway.

Works continued for the construction of the quadrant 300 aprons, which will service the new Boarding Area A that is being developed, as well as the project to complete the 2nd phase of the new West aprons.

The works to upgrade the 400-500 aprons are being completed at Ciampino airport.

Terminals

With regard to the East Terminal System[6], works on Lot 1 continue according to schedule: in relation to construction on the T1 Front Building, the provisional support system and the resulting excavations are completed, the castings being constructed for the reinforced concrete structures of the basement over which the metal framing structure supporting the upper floors will be mounted; with regard to the construction of Pier A, both the provisional support works (sheet piling) for the excavations and foundation piles are being completed.

Having completed and validated the project for Lot 2, it was sent to ENAC for approval; works continued on both civil and plant systems to reallocate power stations (electricity, thermal, water) and related networks; these works are preliminary to the demolition of Terminal 2 so that Terminal 1 can be extended.

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

- 11 new check-in desks at Terminal 3 have been constructed according to a new functional concept, which will be extended during the upgrades for the rest of the terminal;
- enhancements have been made to both security checks reserved for passengers on sensitive flights at Terminal 3, with two new x-ray lines, as well as to the e-gate automatic passport systems for American passengers;
- the former Boarding Area H has been renovated and restyled, including the area in front of the State Ceremonial Hall and the One-Stop Security checkpoints.
- at Terminal 3 Arrivals, the check-in desks for passengers with reduced mobility has been moved to a more central and functional area, adopting the new concept that has already been implemented in other terminals;
- a new high-capacity baggage reclaim belt was been installed in the Terminal 3 airside arrivals hall;
- Boarding Area D1 has been upgraded with a new floor, false ceilings and lighting.
- Terminal 5 has been re-activated for non-commercial flights (e.g., military flights), with the aim of reducing congestion in the Central Terminal System;
- works to upgrade the civil and plant systems of the T3 mezzanine are nearly completed that will allow new ticket desks to be installed;
- interventions aimed at improving passenger comfort are being carried out involving the renovation of “E" boarding gates in the Satellite.

With regard to Ciampino airport:

- a welcome desk for passengers with reduced mobility was installed in the landside check-in area, adopting the new concept that has already been implemented in the Fiumicino terminals;
- new passenger signage is being installed;
- construction has begun on a new de-stress area after the security checks.

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

Systems

The works to create the perimeter protection system for the airport have been completed and are being tested, covering about 36 km in total. The project involved the installation of thermal and optical video cameras and inertial sensors.

The works to build the new high/medium voltage electric sub-station have continued as have the works to build the new electrical network for the runways; as part of the latter project, the UPS B critical power system and the Runway 1 switch boxes have been implemented.

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

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

At Ciampino airport, the extraordinary maintenance works on the baggage sorting lines were completed, in preparation for the installation of the new Rx Standard 3 machines for controlling checked baggage.

Infrastructure and buildings

The works to upgrade the former Alitalia office building ("NPU"), which will be used as the new ADR headquarters, have been completed.

The structure located between the terminals and the multilevel parking areas has been upgraded and put into operation, which had previously been used as offices for rental companies and is now dedicated to a new mix of passenger services (refreshment outlets, temporary rest, business services, showers, etc.).

The signage at Cargo City is being completely replaced.

The final design of "Business City" is nearly complete, that is, a management and operating hub characterized by a mix of offices and related services, along the lines of the main European airports. This infrastructure will be located in the former ADR offices.

In addition, final planning is nearly complete on a third "Airport Offices Building" (EPUA 3) as well as the footbridge to connect it with the multi-level parking lot A located behind it. The building will be located in the area in front of Terminal 1.

The technical-economic feasibility project has been completed and the contractual terms are being finalized to stipulate an agreement with the operator of a third hotel with a 4-star superior rating. It will be located next to Terminal 1, with an accommodation capacity of about 280 rooms.

The two parking lots for employees and guests at the new ADR (NPU) headquarters have been refurbished, with the simultaneous extension of the PR14 operator car park.

Telepass lanes in the T1 and T3 Executive car parks have been installed. The new car parks destined for Chauffeured Rentals have been completed: PR7 at Fiumicino and the one near Ciampino.

The upgrade of the bus hubs at Fiumicino and Ciampino has been completed, which will improve usability for passengers.

ICT infrastructures and systems

As part of the initiatives aimed at improving the passenger experience, in terms of facilitating the movement through the airport (Fast Travel) and journey simplification with customized services and information (Smart Travel), numerous ICT-related activities continued to be carried out during 2018, specifically:

- to support the innovative functionality offered in the new ADR App, such as wayfinding, indoor navigation guided by beacons, and push notifications (proximity marketing), WIFI coverage has been extended to areas around pedestrian walkways and portions of the multi-story car parks;
- passenger contact channels were further developed by introducing a content injection tool (flight information, commercial information, and surveys) in the web browser of users on the WIFI network or the ADR App.

In addition, technology initiatives continued with the actions listed below, which are aimed at increasing the operating efficiency of the corporate lines:

- analysis tools for the Commercial & Quality sector were released on the Business Intelligence system, based on Big Data technology, which aim to optimize revenues by analyzing passenger trends and profiles and regularly monitor the quality levels of services provided;
- the new Safety Management platform was released to manage reporting of accidents/incidents (Occurrence Management), audit/inspection activities (Compliance Monitoring), and the risk assessment process (Risk & Change Management);
- the passenger movement monitoring system was installed and released (based on innovative technology, including a system of selective video cameras), to monitor the state of the individual lines at the check points in the transit security control areas at Terminal 3 (Station E), Security Control T1 West departures, and T3 East departures, as well as passport control T3 Departures, T3 Arrivals and T3 Transits;

In addition, significant activities continued with regard to ADR's technology infrastructure. In particular, the project to strengthen operating continuity at the airport, known as "Continuity of Distribution Systems" is underway; this project aims to address possible fault scenarios and mitigate the risk of disruptions in large areas of the airport, caused by catastrophic events (fires, earthquakes, etc.).

With regard to the subsidiary ADR Tel, implementation began on the new Service Management system to support the business processes, using an integrated platform designed to ensure optimized management of the following main areas: intervention request management (breakdowns, malfunctions, modifications, etc.); analysis of recurring and repeated interventions; streamlining and rationalizing the release into production of new applications and/or new releases of existing applications.

Development Plans and Environmental Impact Assessment

In relation to the Fiumicino Sud Completion Project, all compliance verification procedures, which began in 2014 for the various requirements of the EIA Decree to be carried out for the MATTM (CTVIA), have been successfully concluded with specific Departmental Resolutions.

The Environmental Impact Assessment (EIA) procedure of the 2030 Fiumicino Masterplan, launched on March 30, 2017, is currently underway. Following interactions with the Ministry of the Environment and ENAC, taking into consideration the observations made and, in particular, the evolving situation regarding the definition of the Management Plan for the State Natural Reserve of the Roman Coastal Area, ADR requested to ENAC, on June 20, 2018, to submit a petition to the Ministry of the Environment to suspend the EIA procedure. Subsequently, ENAC sent ADR's request to MATTM, asking for a suspension of about 10 months.

Finally, in relation to the EIA procedure for the Ciampino Masterplan, the preliminary phase of MATTM's EIA Technical Commission was concluded, which, in particular, expressed a positive opinion with provisions relating to the planned interventions starting from 2021, and to certain interventions carried out in the period prior to the presentation of the EIA (requesting the activation of a "posthumous" EIA procedure). The Lazio Region and the Ministry of Cultural Heritage also issued formal opinions, with regulations. Presently, certain analyses are being conducted between MATTM's General Environmental Assessments and Authorizations Department and the aforementioned Commission, including in reference to an application presented by ENAC and ADR regarding the applicability of the "posthumous" EIA in relation to Ciampino airport.

Innovation, research and development

No specific investments in research and development have been carried out during the first half of 2018.

Human resources

As of June 30, 2018, ADR Group had a total headcount of 3,653, recording an increase of 276 people (+8.2%) compared to the end of the previous year. This change is mainly attributable to:

- physiological increase in workforce of the subsidiaries connected with the seasonal nature of passenger traffic and the achievement of defined service levels;
- in-sourcing of fire protection activities at Fiumicino airport, which involved the Landside Operations and Passenger Services area;
- enhancement of other organizational areas supporting the business;

The headcount on open-ended contracts as of June 30, 2018 equaled 2,776 people, essentially unchanged compared to the figure at the end of the prior year.

The Group's average headcount in the first half of 2018 was equal to 3,050 FTE, virtually stable (-3 FTE) in comparison to the same period of 2017. The substantial continuity is attributable to the cumulative effects of:

- ADR (+57 FTE), due to:
  - in-sourcing and enhancement initiatives for maintenance activities carried out in 2017, with particular reference to electromechanical, electric, heat, and civil installations;
  - in-sourcing of fire safety activities, offset by initiatives to improve the efficiency of the Terminal Management area;
  - enhancement of Airside Operations, specifically in reference to First Aid activities at Ciampino airport;
  - enhancement of other organizational areas supporting the business;
- ADR Assistance (+29 FTE), due to the higher use of PRM assistance during in the period (+10%), partly offset by actions to optimize processes, which led to an increase in productivity compared to the same period of the previous year;
- ADR Security (-58 FTE), due to:
  - initiatives taken to optimize the passenger control processes at security check points;
  - initiatives to optimize security not directly related to passenger traffic flow (e.g., control room, inter-runway security, oversized baggage, etc.);
- Airport Cleaning (-36 FTE), due to:
  - completion of pre-launch activities for Pier E, still underway in the first three months of 2017;
  - efficiency initiatives on operating processes, which led to the introduction of "traffic" logic for the cleaning of the toilet facilities, as well as the redefinition of the frequency of the unscheduled night-time cleaning activities;

Training

In the first six months of 2018, a total of 38,759 training and education hours were provided in ADR Group, for a total of 5,746 attendees. Internal trainers of ADR Group were used to provide 42% of total training hours.

With reference to the topic of improving the quality of customer services, ADR Group renewed, again in 2018, its commitment to the Customer Experience Education project, which involved training in hospitality for general aeronautics, on-board training, recurrent training, Quality Groups, and diversity training, for a total of 796 participants and 9,191 total hours.

ADR has started in-sourcing some training courses, including management training to improve team management and feedback interviews, in order to provide development paths for internal trainers and a greater training offer. The program concerned about 169 resources, for a total of 1,352 hours provided by internal trainers.

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

- New training course on methods and work tools: technical/specialist training carried out internally regarding management and the use of new business tools and applications, involving 616 resources for a total of 1,351 hours provided;
- Project Management course, to improve the effectiveness of project management. The program involved 19 resources, for a total of 760 hours;
- Courses for engineers and architects, designed to expand competencies specific to performing the roles and valid for obtaining training credits to maintain professional accreditation. The program concerned a total of 167 resources for 1,524 hours;
- Retraining course on the New Procurement Code, with regard to applying the implementation provisions of Italian Legislative Decree 50/16, for a total of 57 participants and 388 hours;
- Specialized courses to improve specific skills related to the role, designed for 21 resources in various departments for a total of 444 hours provided (airport marketing, electrical systems, air transport law, etc.).

ADR Group confirmed its commitment to environmental training by implementing the following courses:

- Green Expert training, aimed at acquiring/strengthening specialized skills for resources in environmental and energy areas, totaling 89 participants and 356 training hours provided by internal trainers;
- Environmental management system, developed to communicate the new ISO 14001 procedures in relation to environmental protection and sustainability, which involved 128 resources for a total of 640 hours.

Traditional classroom training was supplemented by e-learning, mainly in relation to regulatory compliance issues such as EU Regulation 2016/679 on Privacy, Legislative Decree 231/01, PRM (Passengers with Reduced Mobility) course, airside safety course, and the new AEP (Airport Emergency Plan). In this area, 1,633 hours of training were provided for a total of 691 attendees.

Finally, in the first half of 2018, focus continued on Workplace Safety through specialized training on Legislative Decree 81/08 and on the Risk Assessment Document, with 16,416 training hours and 2,002 participants.

Airport Security training was provided to 708 resources, for a total of 3,783 hours.

Development

As regards the Talent Management systems of the ADR Group, in the first half of 2018 the following human resource development processes were launched:

- 2018 Feedback Session: a new assessment and development system with a central focus on providing exclusively qualitative feedback, which involved 847 resources including management, employees, and operating coordinators. This process envisages that the managers provide each employee a “snapshot” of his/her performance in 2017 and share clear and direct feedback to identify the behaviors/activities that should be “reinforced”, “done differently”, and “improved” for future professional development;

- Individual Assessment: a structured evaluation process of managerial competencies for 16 resources aimed at identifying "readiness" for more complex roles and defining ad-hoc professional development plans.

Finally, in line with Atlantia's development policies, programs continued for developing young professionals, as a source of potential valuable resources to build the managerial pipeline in the medium to long term. This activity involved: induction and on-boarding initiatives for 33 newly hired resources, mentoring from the managers of ADR Group, and growth meetings with talented staff selected Human Resources.

Welfare

With a view to developing the engagement and involvement of the airport and territorial community of Fiumicino and Ciampino, the following projects from 2017 continued this year:

- ADR Welcome: alternating work-study program for local high school students, who were involved in providing information to passengers at Fiumicino and Ciampino airports. During the first half, the project involved over 50 students;
- Talent Day: professional orientation meetings to facilitate understanding of the labor market, aimed at employees' children aged between 18 and 27, designed and provided by internal trainers. To date, 21 young people have participated;
- Summer Camp: in order to combine professional commitments with family needs, for the fourth year in a row, ADR Group organized Summer Camps for employees' children aged 4 to 18. The company contributed to the costs, covering about 70% of the total expenditure. The camp had 147 participants.

Organizational Model

In the first half of 2018, organizational development mainly focused on:

- review of the Risk Management model with the centralization of the subsidiaries' Focal Point responsibilities under the ADR Risk Officer;
- redefinition of the roles of the business organization for those holding positions that guarantee protection for employees' health and safety in the workplaces of ADR and its subsidiaries;
- formalization of the new structure of business committees.

The first phase of in-sourcing for the fire protection service at Fiumicino airport was also launched, which involved oversight from internal resources dedicated to fire emergency intervention within the Airport Management Department.

Lastly, ADR Group's regulatory system was updated following the entry into force of the new European legislation on privacy (GDPR - General Data Protection Regulation) and, simultaneously, as required by the legislation itself, the Data Protection Officer was appointed, whose responsibilities include oversight of compliance with the regulation and interacting with the Privacy Authority, where necessary.

Industrial and trade union relations

In the first half of 2018, the dialogue between ADR and the Social Partners mainly focused on:

- managing the operational impacts resulting from certain in-sourcing projects launched during the year (e.g., fire prevention activities at Fiumicino airport and management of some staff security check points at Fiumicino and Ciampino airports);
- strengthening the coordination roles of ADR Assistance and ADR Security;
- launching the authorization procedure for installing audiovisual equipment at the new ADR headquarters;
- finalizing the 2017 Result Bonus;
- redefining the operational mechanisms and professional roles of the electromechanical system maintenance area;
- jointly evaluating areas of improvement in ADR Assistance, with particular reference to the situation of the vehicles and staff;
- enhancing the professional skills of employees, including through an agreement for subsidized training.

TABLE 1. Main human resource indicators

	M.U.	06.30.2018	12.31.2017
Group headcount by qualification	No.	**3,653**	**3,377**
Managers	No.	52	52
Administrative staff	No.	237	233
White-collar	No.	1,979	1,947
Blue-collar	No.	1,385	1,145
Group headcount by company	No.	**3,653**	**3,377**
ADR S.p.A.	No.	1,428	1,389
ADR Tel	No.	58	57
ADR Assistance	No.	486	300
ADR Security	No.	947	955
ADR Mobility	No.	69	63
Airport Cleaning	No.	665	613
Group headcount by contract type	No.	**3,653**	**3,377**
Open-ended contract	No.	2,776	2,780
Fixed-term contract	No.	877	597
	M.U.	1ST HALF 2018	1ST HALF 2017
Group headcount by qualificat. (average headcount)	FTE	**3,050**	**3,053**
Managers	FTE	52	51
Administrative staff	FTE	236	226
White-collar	FTE	1,721	1,737
Blue-collar	FTE	1,041	1,039
Group headcount by company (average headcount)		**3,050**	**3,053**
ADR S.p.A.	FTE	1,360	1,303
ADR Tel	FTE	58	55
ADR Assistance	FTE	306	277
ADR Security	FTE	755	813
ADR Mobility	FTE	61	59
Airport Cleaning	FTE	510	546
Group headcount by contract type (average)	FTE	**3,050**	**3,053**
Open-ended contract	FTE	2,578	2,576
Fixed-term contract	FTE	472	477

Service quality

Skytrax and ACI, two of the world's leading institutions for quality certification of airport services, awarded Leonardo da Vinci Airport with the "World's Most Improved Airport" and "Airport Service Quality Award" awards.

Skytrax presented the prestigious “2018 World's Most Improved Airport" award at the airport in Rome. The award is a global recognition that the principal international rating and evaluation company in the airport industry confers each year to the airport that has implemented the greatest improvement in service quality offered to passengers, from a group of over 550 airports throughout the world. Skytrax conducts the survey in complete autonomy, through specific market research conducted at global level on "front-line" products and services that contribute to the traveler's experience. In 2017 and in the first half of 2018, Fiumicino was ranked as the top airport in the world for its ability to innovate and constantly improve services such as passenger check-in, courtesy and speed of passport controls, comfort, order and cleanliness of the terminals, visibility and clarity of airport signs and flight information monitors, as well as the airport’s organization and general efficiency.

The record obtained by Fiumicino is also confirmed by the rankings of ACI World (Airport Council International), an independent association that performs direct interviews with passengers to evaluate the service quality provided by over 300 airports worldwide. Following its position in first place in the ACI ranking of major European hubs throughout 2017 (with a score of 4.28 out of 5), Leonardo da Vinci received the "Airport Service Quality Award", as the airport whose quality of services was most appreciated by passengers. Also in this case, the Rome airport obtained the highest scores on general cleanliness of the terminals, visibility of airport signage, courtesy of airport staff, as well as digital services such as free unlimited WIFI, including for streaming.

For ADR, the first half 2018 was characterized by further acceleration in the implementation of its continuous improvement policy for service quality. Continuing the renewal procedure launched in previous years, numerous actions were undertaken to improve all stages of the passenger travel experience, with the aim of maintaining Fiumicino’s performance as the leader of the best European airports of comparable size.

In the first three months of 2018, the measurements taken by ACI showed a record score that has never previously been achieved. The global passenger satisfaction score for services provided at Fiumicino airport was 4.36 (on a scale of 1-extremely poor to 5-excellent), a marked increase from the 2017 average, which was 4.28, confirming Fiumicino as the leading airport in the European Union in terms of the quality of services to passengers. Fiumicino’s higher score was driven by services such as security checks, improvements in wayfinding (particularly, internal signage and passenger information) and courteous and helpful airport staff. In terms of comfort, the cleanliness and availability of rest rooms had a significant impact, as did the general cleanliness of the terminals, constantly monitored by dedicated airport staff.

As regards the quality provided, through a networked monitoring system of over 20,000 objective checks per month performed at Fiumicino and Ciampino airports, it was possible to detect a significant increase in the levels of service provided compared to 2017.

Of note is the decrease in waiting times for last baggage delivery, from 22 minutes in the first half of 2017 for domestic flights (time in 90% of cases) to 20 minutes in 2018 (-10%). The result was similar for international flights, where the delivery time in the first half of 2018 was 31 minutes (in 90% of cases), down -11% compared to the 35 minutes recorded in 2017. Rest room cleaning maintained an excellent level, where on a scale of 1 (extremely poor) to 4 (good), the average score increased from 3.98 of the first half of 2017 to 3.99 in the first half of 2018. Improved performance was also seen in terms of perceived quality, with a percentage of overall satisfied passengers rising by 5% compared to the first half of 2017, reaching 96.7% in the first six months of 2018.

Numerous incentives were also launched at Ciampino airport to improve the passenger travel experience, with clear results in terms of perceived quality: the percentage of overall satisfied passengers rose from 88% in the first half of 2017 to 91% in the same period of 2018. The increase in the percentage of passengers satisfied with the check-in process should also be noted, jumping by 2 percentage points, from 92% in the first half of 2017 to 94% in the first half of 2018. In terms of quality provided, the improvements posted in the time for the security check process were appreciable, falling by -20% to reach 4 minutes compared to 5 minutes in 2017 (times refer to 90% of cases).

As regards the Quality and Environmental Protection Plan, defined in the Planning Agreement signed with ENAC, ADR achieved the objectives once again in 2018 for both airports managed. The results obtained have allowed the highest awards to be achieved at both airports.

Service Charter

Compared to 2017, ADR made changes to the structure of the 2018 Service Charter by reviewing the document's structure in relation to continuous improvement, maintaining a constructive dialogue with the expanded community of stakeholders. In particular, to better align the indicator with the development of the management system for checking in passengers and baggage at the airport, the classification of the 2018 objectives relating to check-in was revised, separating the performance between "dedicated" check-in desks (used for a specific flight) and "common" check-in desks (used for all flights of a specific airline).

In terms of objectives for quality delivered, the targets for Fiumicino airport related to baggage delivery (both the first and last baggage), mishandled baggage at departure, and sensitive flight security checks were increased significantly.

Also with regard to the perceived quality indicators, objectives have been further improved (in particular, for technology services such as free WIFI and charging stations for which important enhancements have been made).

For Ciampino airport, the standards were defined in light of the performance reached in 2017, compared with the values published in the previous Service Charter.

For performance recorded in the first half of 2018 for Fiumicino in relation to quality provided, there was an overall improving trend compared to the first half of 2017 (refer to the details provided in the table below).

Specifically, progress has been made in relation to baggage delivery times, with improvements up to +13 p.p. compared to the first six months of 2017 (last bag delivered for wide-body flights arriving from Schengen countries). The check-in process also posted an increase of +0.6 p.p., reaching 95.3%, falling within the new target of 12 minutes of waiting time in queue for passengers at the common desk for non-sensitive flights. The performance of the process relating to carry-on baggage control is stable and of a high level.

Regarding Ciampino, the analysis of the quality levels provided shows a performance in the first half of 2018 above the Service Charter standard set for the processes of security control, check-in, and first baggage delivery, the latter recording a marked improvement compared to the first six months of 2017. Instead, the last baggage delivery and on-time departures were below target (primarily due to delayed arrival of aircraft).

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

	M.U.	1ST HALF 2018	1ST HALF 2017[7]	STANDARD
Fiumicino				
Waiting time in line at common check-in desks for non-sensitive flights, within 12 minutes	%	95.3	94.7	90
Waiting time for carry-on baggage security checks, within 5 minutes for non-sensitive flights	%	97.1	97.3	90
Delivery of first bag from block-on within 19 minutes at domestic level	%	94.2	88.5	90
Delivery of first bag from block-on within 24 minutes at Schengen level	%	98.6	94.0	90
Delivery of first bag from block-on within 26 minutes at non-Schengen level	%	99.0	93.8	90
Delivery of last bag from block-on within 23 minutes at domestic level	%	94.8	91.1	90
Delivery of last bag from block-on within 32 minutes at Schengen level	%	96.5	92.8	90
Delivery of last bag from block-on within 34 minutes at non-Schengen level (narrow body)	%	96.0	94.6	90
Delivery of last bag from block-on within 40 minutes at non-Schengen level (wide body)	%	88.2	75.3	90
Punctuality of departing flights (flights leaving with less than 15 minutes' delay)	%	78.1	78.5	77
Ciampino				
Waiting time in line at check-in desks, within 17 minutes	%	91.5	94.0	90
Waiting time for carry-on baggage security checks, within 7 minutes	%	98.9	95.6	90
Delivery of first bag from block-on within 19 minutes	%	97.0	90.4	90
Delivery of last bag from block-on within 25 minutes	%	84.9	88.3	90
Punctuality of departing flights (flights leaving with less than 15 minutes' delay)	%	77.6	85.4	85

[7] Compared to the data published in the Consolidated Interim Financial Report as of June 30, 2017, data for the first half of 2017 for baggage delivery and check-in processes (Fiumicino) were recalculated based on the new standards in the 2018 Service Charter.

Environment

For ADR, environmental protection is a strategic priority and the sustainable approach to airport activities management has been fully incorporated as a method of working.

In the first half of 2018, ADR confirmed its focus on environmental issues, continuing to adopt the most advanced environmental certification criteria to meet the LEED (Leadership in Energy and Environmental Design) sustainability requirements as part of designing, building, and managing new infrastructures. The LEED standard is a form of voluntary certification, recognized globally, which largely promotes the construction of environmentally friendly, sustainable and efficient buildings from the standpoints of energy and the consumption of all environmental resources involved in the construction and management process.

The new Boarding Area A, under construction at Fiumicino, General Aviation at Ciampino airport, and, lastly, Business City, which will be completed in 2024, are all projects carried out with the highest standards of sustainable architecture.

Specifically, Business City is a project that was conceived, beginning at the design phase, in accordance with environmental protection and oriented towards achieving the highest efficiency performance by obtaining the international “LEED V4 Core and Shell - Gold Level” certification. An essential element that characterizes ADR's environmental strategy is to develop its business activities and infrastructures while minimizing land consumption. Thus, Business City will be completed in several phases between 2022 and 2024, through the reclamation and upgrading of urban areas that will be redeveloped, freeing over 1,000 square meters of new green areas compared to the current configuration. As a result, approximately 91,000 square meters of usable surface area will be built, in compliance with the most advanced international sustainability parameters, which will allow huge savings in water, electricity, and CO2 emissions, thereby contributing to the wellbeing of individuals and facilitating significant energy savings.

ADR Group’s commitment to airport development that is environmentally friendly with low environmental impact is also evidenced by the on-line publication of the ADR Group’s Sustainability Report, which constitutes an important summary of the results achieved and activities in progress, in order to provide maximum transparency to stakeholders.

This is a further sign of a consolidated focus on environmental issues, confirmed since 1999 with the first ISO 14001 certification of the Environmental Management System (SGA) for Fiumicino airport and in 2001 the same certification for Ciampino airport. This certification was adapted to the new ISO 14001:2015 standard in 2017, reconfirming ADR’s proactive approach in relation to changes in the regulatory framework.

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

Finally, an additional indication of environmental awareness was the night-time closure in 2017 of Runway 1 (from 11 pm to 6 am), in accordance with the airport’s operating needs, thereby limiting the environmental impacts of the airport on the surrounding areas.

The business commitment to improving the key environmental indicators continued in the first half of 2018:

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

In the first half of 2018, with the closing of the first year of the second regulatory sub-period 2017-2021 of the Planning Agreement, new objectives were defined according to the 2015 ENAC guidelines, which represent a much more relevant and challenging benchmark than the one used in the previous five-year period. The new system, which will soon issue the report for the first year, includes the following areas:

- reduced energy consumption at the terminals;
- energy production through photovoltaic systems;
- replacement of the car-pooling fleet with low-emission vehicles (mainly electric or hybrid);
- further optimization of the separate waste collection of non-hazardous waste in the passenger transit areas;
- reduced drinking water consumption per passenger;
- verification of environmental activities of the primary suppliers.

Water consumption

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

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

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

At both airports, the quality of drinking water is ensured by carrying out chemical and biological analyses regularly during the year (around 114 samplings in the first half of 2018).

In recent years, ADR has continued to monitor water consumption, including by implementing procedures for data collection with more reliable systems and with greater coverage of the water network perimeter, as well as evaluating new initiatives aimed at overall water savings at the airport.

Energy consumption

In the first half of 2018, Fiumicino airport was powered by electricity, of which 98.28% (YTD) is generated by a co-generation plant, present on airport land, while the remaining 1.72% (YTD) was purchased from the distribution network.

In addition, most of the heating energy is generated by the co-generation plant and the remaining portion is supplied by methane plants.

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

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

The continuous commitment of ADR to improve energy efficiency was confirmed once against in the first half of 2018 by maintaining the ISO 50001 standard certification of the Energy Management System for both airports.

Energy consumption dropped 4% at Fiumicino in the first half of 2018, compared to the same period of 2017. More precisely, 79 GWh were consumed, with an kWh/(passengers x m2) ratio equal to 8.8, 5.4% less than in 2017, as a result of the numerous energy saving initiatives implemented on plants and systems. From 2007 to 2018, the kWh/(passenger x m2) ratio fell from 16.3 to 8.8, a reduction of 46%. This performance confirmed the decreasing trend seen in previous years and was due to significant actions taken to improve energy efficiency, implemented on an ongoing basis over the years. In the first six months of 2018, actions continued to make energy consumption more efficient, including the launch of an evolved system to manage the sequences of the refrigeration stations, the optimization of systems to automate and regulate the air conditioning system with FDD (Fault Detection and Diagnosis) logic, and installation of large groups of extremely powerful refrigerators. The energy efficiency actions include lighting regulation, in addition to the continuous activities of replacing lighting units using LED technology, now present in almost all terminal areas and external roads, including the lighthouse towers in aircraft hangars.

The 10-kW wind turbine installed in June 2017 has proven to be reliable and with satisfactory production; in the month of March alone, it produced 2,256 kWh.

In the first half of 2018, as part of the business procedure for Energy Efficiency Monitoring, 300 reports were made that allowed the operational optimization of the systems with consequent energy savings.

With regard to regulations, Resolution 539/2015/R/eel *et seq.* issued by the Regulatory Authority for Energy, Networks and Environment (ARERA) will become effective on January 1, 2019, according to which the airport area will be classified as Other Closed Distribution System (ASDC). ADR will be the only company that can distribute electricity within the airport.

At Ciampino, 5.06 GWh was consumed in the first half of 2018 with a kWh/(passenger x m2) ratio of 7.8, down 31% compared to 11.4 in 2009. Also at Ciampino airport, activities continued to improve energy efficiency.

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

CO2 emissions

Since 2011, ADR has adhered to the Airport Carbon Accreditation (ACA) of ACI Europe (Airports Council International), a certification system aimed at reducing direct and indirect CO2 emissions.

The Airport Carbon Accreditation provides four possible levels of accreditation: 1 Mapping, 2 Reduction, 3 Optimization, and 3+ Neutrality. Carbon dioxide emissions are calculated considering both the direct activities of the airport operator (heating and air conditioning plants, airport energy consumption, operational structures necessary for airport activities) as well as those of third parties that can be managed or influenced by the airport company.

In March 2018, ADR obtained level 3+ of the ACA Neutrality accreditation for Ciampino, obtained largely due to energy savings initiatives. Fiumicino retains its level 3+ of the ACA “Neutrality” accreditation, confirming its role as one of the very few larger airports in the world to have obtained this result.

Production of waste

In the first half of 2018, about 86% of the total waste produced at Fiumicino and 55% of the waste produced at Ciampino were sent to recovery plants. ADR continued its commitment to increase waste differentiation to the maximum level; in both airports a door-to-door waste collection system is operational, which includes a fee that is applied to reward virtuous behavior and discourages non-compliant collection methods. Furthermore, a system to monitor environmental performance in real time of food & beverage sub-concessionaires using the “door-to-door” service became operational, which compares the turnover and the surface area under sub-concession with the production of waste at individual shops. The system can calculate waste management environmental efficiency indices for the various sub-concessionaires, which allows comparisons between the operators and stimulates improvement processes. The audit system activated on the methods for transferring undifferentiated waste is an additional tool to stimulate the proper differentiation of waste: unsorted garbage bags are analyzed randomly to verify that the percentage of recyclable waste is below the envisaged maximum levels.

In addition, a contract is being formalized for the supply of some plastic packaging compacting machines to be installed at the security checks in order to reduce the quantity of liquid waste to be disposed and ensure the recycling of the containers as plastic packaging.

In June, an agreement was signed with ENEA to launch a feasibility study designed to create a green system to manage and recycle organic matter in the airport. This study aims to promote the sustainable management of the organic waste through the creation of a virtuous cycle based on a "network system" of small-scale composting (self-composting) that begins and ends in the area surrounding that where the organic waste is produced. Hence, the project has the objective of prioritizing actions at the same time that will intervene on waste reduction and recover compost on site.

Water discharges

Numerous water treatment systems are present at Fiumicino, arranged by ADR in order to minimize the impact of airport activities on the surrounding areas:

- a biological plant with activated sludge to purify waste water with a maximum treatment capacity of 40,000 population equivalent (PE);

- a biodisc biological plant to purify waste water with a maximum treatment capacity of 1,753 population equivalent (PE);
- five oil removal plants and fourteen first-flush rainwater plants for the treatment of water used to wash runways and aprons;
- five authorizations for cooling plants used for air conditioning in Fiumicino.

In the first half of 2018, the City of Rome issued the discharge authorization for the new oil removal plant serving the West Area of the airport and, at the same time, authorized the discharge for a new group of cooling systems in the East Area. These plants make it possible to send water that is compatible with the aquatic habitats present in the receiving channels and compliant with the limits set out by the provisions in force to the surface water bodies adjacent to Fiumicino airport.

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

Noise pollution

Based on current legislation, Fiumicino and Ciampino airports have a monitoring system in place that regularly detects any exceeded limits set according to airport noise zoning and connects this information with the data and trajectory of the aircraft concerned. Currently, after closing the first half of 2018, there are 19 central units (including three which can be relocated) at Fiumicino and 9 (including two which can be relocated) at Ciampino.

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

The annual monitoring conducted at Fiumicino airport in the first half of 2018 did not show, at the points of measurement, any instances of the value limits being exceeded, with the exception of one instance in which that value exceeded the threshold by a small amount, which is expected to be reabsorbed by the end of the current year.

At Ciampino airport, a number of “limits exceeded” areas were found, also noted in previous years and for which ADR submitted the envisaged Noise Containment and Abatement Plan (PCAR) to the competent authorities. In November 2013, ADR forwarded the “Noise Containment and Abatement Plan” for Ciampino airport to the Lazio Regional Authority and the relevant municipal authorities (Rome, Ciampino and Marino). This plan was reviewed after the observations made by the above-mentioned bodies and presented again in November 2015. Subsequently, the Ministry for the Environment, Land and Sea Protection, in compliance with legislation introduced in the meantime that defined Ciampino as an “airport of national interest”, took over from the Lazio Regional Authority and the aforementioned municipalities and launched its own investigations, following which it requested that ADR make several integrations, which were subsequently forwarded to the MATTM. The competent authorities are still assessing the plan.

For Fiumicino, in order to reduce the environment impact of noise pollution, ADR developed a constructive partnership with ENAV (beginning in 2017) which, in a manner compatible with weather and operational needs, aims to implement a series of actions of an operational nature to limit noise in certain “critical” areas to the extent possible.

Risk factors of the ADR Group

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

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

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

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

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

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

Strategic risks

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

The business performance is also affected by situations concerning the main Italian carrier (Alitalia) and other important carriers including Ryanair, EasyJet and Vueling.

As for other sector operators, the possible decrease in or discontinuation of flights by one or more of the aforementioned carriers and the termination or change of the connections to some destinations featuring high passenger traffic may negatively and significantly impact ADR Group's business activities and growth prospects as well as its operational results and financial position.

Among the major strategic risks, those connected to the development of investments in compliance with the Planning Agreement and the commitments to stakeholders are particularly important.

Operational risks

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

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

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

Financial risks

The net debt of the ADR Group amounts to 1,205.1 million euros as of June 30, 2018 (1,189.7 million euros as of December 31, 2017).

The gross nominal debt of the ADR Group refers exclusively to the Parent Company ADR (1,475.0 million euros) and comprises (i) two senior unsecured bond issues from 2013 and 2017 valid on the

Euro Medium Term Notes (EMTN) program, with a par value as of June 30, 2018 equal to 900.0 million euros, (ii) a bond issue in pound sterling called “Class A4 Notes” issued in 2003 and with a par value, converted into euro via a cross currency swap, of 325 million euros, and (iii) three bank loans granted by Banca Nazionale del Lavoro (“BNL”), expiring in 2020 for a total amount of 100 million euros fully used, by the European Investment Bank (“EIB”), expiring in 2031 for an amount used equal to 110 million euros (on a total loan value of 150 million euros), and by Cassa Depositi e Presitti (“CDP”), expiring in 2031 for an amount used of 40 million euros (on a total loan value of 150 million euros).

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

On May 18, 2018, the banks of the revolving facility (“RCF”), amounting to 250 million euros, approved the second extension of one year (new expiration: July 2023) of the contract’s duration based on ADR’s specific request. From the beginning, the contract in force assigned the company the right to request a one-year extension of the contractual duration at the time of the first two anniversaries following the signing, which took place in July 2016.

It should be remembered that in December 2016 two contracts had been signed with regard to the 300 million euros line resolved by the European Investment Bank (“EIB”) in favor of ADR in 2014: the former contract totaled 150 million euros directly with the EIB, and the latter, for the residual 150 million euros, with Cassa Depositi e Prestiti (“CDP”). The EIB/CDP loans were subscribed as financial support of the “Aeroporti di Roma – Fiumicino Sud” project to carry out the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. On April 4, 2018, CDP granted the extension of the available period for an additional 18 months, until December 13, 2019. As of June 30, 2018, these new funding lines granted by the EIB and CDP are used for 110 and 40 million euros, respectively. The utilized lines expire in 2031, with an amortizing repayment and a fixed rate. The financial contracts that govern them are characterized by terms and conditions that are more oriented to a “project” type loan structure consisting of their disbursement.

In December 2017, EIB approved an update of the aforementioned infrastructure project, which resulted in an extension of the line of credit granted to ADR for an additional 200 million euros to be granted directly by the bank. On March 23, 2018, the related loan contract was signed with contractual terms essentially in line with the previous contract and may be used through the first quarter of 2021.

Credit risk

This is the risk that a customer or the counterparty to a financial instrument fails to meet its obligations, thereby causing a loss. As of June 30, 2018, the ADR Group’s maximum exposure to this risk is the nominal value of the guarantees provided for third parties’ debt or commitments, the carrying value of the financial assets shown in the annual report and especially trade receivables due from customers.

For an analysis of the policies in place to control the investment in loans, please see Note 9.3 to the condensed consolidated interim financial statements.

Liquidity risk

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

The financial structure of ADR Group is distinguished by a limited incidence of the financial leverage component, since net debt as of June 30, 2018 equals 2.2 times the EBITDA of the last 12 months.

Commitments on repayments or refinancing of the existing short-term debt are not envisaged, since the BNL bank loan will be due in 2020, as are the initial principal payments on the EIB and CDP loans, while the new RCF facility (not used) will mature in 2023, the EMTN bond loans will expire in 2021 and 2027, and the Class A4 Notes in 2023.

Note that the cash on hand as of June 30, 2018, equal to 271.4 million euros, and the RCF line of credit of 250 million euros help ensure a more than adequate liquidity reserve for unexpected needs. As of June 30, 2018, a residual amount of 350 million euros was also available on the medium/long-term EIB/CDP lines. Also see note 9.3 in the Notes to the condensed consolidated interim financial statements.

Interest rate risk

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

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

With the resolution of May 14, 2015, the Parent Company's Board of Directors had authorized, consistently with the policies adopted by its shareholder and after assessing the best market opportunities, the possibility of signing “forward starting” interest rate swap transactions up to a notional 900 million euros and with a maximum duration of 10 years. Presently, contracts for a notional value of 700 million euros have been signed pursuant to this resolution; therefore, considering the macroeconomic context and in line with the Group's hedging policies, on July 11, 2018, the Board of Directors of ADR resolved to increase the total negotiable amount by an additional 1,300 million euros. With this type of instrument, which allows forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR improves its ability to tackle the risk of rising interest rates in a market featuring extreme volatility.

As of June 30, 2018 four forward-starting interest rate swap contracts were in place for a total notional value of 400 million euros, effective from February 20, 2020 for a duration of 10 years, signed by ADR on October 18, 2016 and September 18, 2017.

Also see note 9.3 in the Notes to the condensed consolidated interim financial statements.

Exchange rate risk

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

The ADR Group has a financial exposure in pound sterling. For this reason, the Group uses currency swaps to manage its exposure to unfavorable fluctuations in exchange rates. Also see note 9.3 in the Notes to the condensed consolidated interim financial statements.

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

Risks related to outstanding loan agreements

Rating

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

With reference to the rating assigned to ADR by the above-mentioned agencies, it is worth noting that, on May 18, 2018, the rating agency Standard & Poor's, considering the results of the agreement between Atlantia, ACS, and Hochtief to acquire Abertis, revised ADR's outlook from "negative" to "stable", though maintaining the rating level unchanged and equal to BBB+, as well as leaving the stand alone credit profile at "a+". Finally, it must be pointed out that, following the change to the rating outlook for the Italian Republic - from "stable" to "negative" on December 7, 2016 - Moody's adopted a similar decision for ADR's outlook on January 20, 2017, confirming, most recently on June 8, 2018, the "Baa1" rating. Finally, Fitch Ratings maintains, unlike the other agencies, a "stable" outlook, combined with a rating level equaling BBB+.

As of June 30, 2018, no additional changes were made to the ratings assigned to ADR.

Security and financial covenants

With the previously mentioned "Issuer Substitution" transaction, the comprehensive security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains, ceased. The only residual, though more limited, guarantee, is a "deed of assignment" under British law in favor of A4 notes on any receivables of AdR related to cross currency swaps in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros. Furthermore, after Atlantia and EDF Invest acquired 64% of the capital of Aéroports de la Côte d'Azur (ACA), ADR committed to constitute a pledge, through the financial acquisition vehicle Azzurra Aeroporti S.r.l., in favor of the company's lenders on the total equity investment in Azzurra Aeroporti S.r.l., (hereinafter, "Azzurra"), originally 10% of the share capital, once the latter company had been transformed into a joint stock company. On June 27, 2018, following the transformation of Azzurra into a joint stock company, the above-mentioned pledge on the shares became effective. Furthermore, following the increase in share capital resolved by the Azzurra Shareholders' Meeting on the same date, the percentage of ownership decreased to 7.77%. This additional guarantee is also limited to a maximum amount of 130.6 million euros.

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

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

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

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

Compliance risks

Risks of compliance with laws and regulations

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

Regulatory risks

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

OTHER INFORMATION

Updates and changes to the reference regulatory framework

Some national and EU provisions were issued during the first half of 2018, which affect the regulatory framework of the airport sector in general and ADR's business in particular.

Continuity of the services provided by Alitalia SAI under special administration

Article 1, paragraph 1 of Italian Law Decree no. 38 of April 27, 2018, extended the deadline envisaged in Article 12, paragraph 1 of Italian Law Decree n. 148 of 2017 to complete the procedure to sell the businesses reporting to the extraordinary administration of Alitalia S.p.A. from April 30, 2018 to October 31, 2018 and ordered that the full amount of government financing, equal to 900 million euros, be repaid by December 15, 2018. Italian Law no. 77 of June 21, 2018 converting, with amendments, Legislative Decree no. 38/2018, also established specific disclosure requirements for the Commissioners towards the legislature.

In particular, they must send - no later than August 1, 2018 - a report concerning the economic and financial situation of the company in the context of the sale procedure, including the activities carried out in the period between the effective date of Law Decree no 38/2018 (04/27/2018) and the effective date of Law no. 77/2018 (06/27/2018). Additionally, the commissioners must send a final report to the legislature by October 31, 2018.

New regulation on the land-side traffic system of Fiumicino airport

On June 19, 2018, Lazio Airport Management issued Ruling no. 09/2018 adopting the "Regulations for circulation, parking, and standing on the land-side traffic system of Fiumicino airport" (Revision 1 of the previous Ruling no. 06/2018). The Regulation reorganizes the land-side mobility system at Fiumicino to make it more usable and effective for all types of users and operators, repealing previous rulings on the matter.

ENAC Circular "EAL - 24" regarding concessions and sub-concessions of airport assets

On March 26, 2018, ENAC published Circular "EAL-24" governing concessions and sub-concessions of airport assets on its corporate website. The new circular repeals and replaces the previous circular of May 2001.

For airport operators, the most important aspects of Circular "EAL-24" concern the procedures for assigning sub-concessions of airport spaces to third parties for carrying out aeronautical, real estate, and commercial activities. ADR submitted to ENAC/Lazio Airport Management three documents with its assumptions for applying the Circular in relation to the assignment of sub-concessions of premises and/or spaces for aeronautical, commercial and real estate purposes, broken down by individual types of assets. We are awaiting a meeting to discuss the documents.

Preliminary investigation by ANAC of the Pier C tender

In October 2016, ANAC launched a supervisory procedure pursuant to Italian Legislative Decree no. 50/2016 concerning the tender for Pier C (currently Pier E and Front Building), formulating requests for documents and information, to which the company promptly responded. In April 2018, ANAC sent its preliminary findings to the company and ENAC, which revealed some critical issues identified in various stages of the tender process. The company is reviewing these findings and will formulate its counterarguments within the procedural deadlines, requesting, moreover, a specific hearing before ANAC.

New regulations on processing personal data (privacy)

On May 25, 2018 the EU Regulation no. 679/2016 "General Data Protection Regulation" (GDPR) became effective in all member states.

The GDPR introduced new requirements for businesses including, but not limited to: (i) the obligation to maintain a register of processing operations, which documents all activities of the company that involve managing personal data; (ii) the adoption of a structured model that identifies actions to be carried out by the company in the event of a "Data Breach"; (iii) the obligation to appoint a Data Protection Officer (DPO), a new corporate role overseeing compliance with laws regarding personal data processing performed by the company. Furthermore, the amount of administrative sanctions is increased in the event the Data Controller performs an unlawful processing of personal data, or if any norms of the Regulation are violated.

Within the context of the new EU regulations, the company has reviewed its privacy governance system and defined and implemented technical and organizational measures that will enable the proper management of data processing carried out within the businesses and Group companies.

Anti-Bribery Management System

ADR has adopted a management system to prevent corruption according to the international standard ISO 37001:2016 "Anti-Bribery Management System", which outlines the internal rules and the principles underlying the existing systems to monitor the risk of bribery in an organic and systematic framework. The system was certified in April 2018 by an accredited certification agency that is a leader in compliance assessment in Italy. The objective of the system is to support the organization in preventing, detecting and dealing with bribery.

Inter-company relations and transactions with related parties

Disclosure on management and coordination of the company

From August 2, 2007, ADR qualifies as a company “managed and coordinated” by Gemina, which owned 100% of the share capital of Leonardo S.r.l., subsequently merged into Gemina. As a result of the merger by incorporation of Gemina into Atlantia, with effect from December 1, 2013, ADR is subject to “management and co-ordination” by Atlantia.

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

Inter-company relations and transactions with related parties

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

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

Subsequent events

Traffic trends in the first seven months of 2018 [8]

In the period January-July 2017, the Roman airport system recorded an increase in passengers transported of +3.8%, resulting from significant growth in the international component (+5.5%, of which EU +0.9% and Non-EU +15.7%, respectively), which offsets the drop in domestic traffic volumes (-0.9%).

TABLE 1. Main traffic data of the Roman airport system

	JAN. –JUL. 2018	JAN. –JUL. 2017	Δ%
Movements (No.)	**197,738**	**194,753**	**1.5%**
Fiumicino	167,701	164,620	1.9%
Ciampino	30,037	30,133	(0.3%)
Passengers (No.)	**26,663,893**	**25,683,968**	**3.8%**
Fiumicino	23,398,332	22,370,983	4.6%
Ciampino	3,265,561	3,312,985	(1.4%)
Cargo (t.)	**119,640**	**103,511**	**15.6%**
Fiumicino	109,508	94,273	16.2%
Ciampino	10,132	9,238	9.7%

Fiumicino

In the period considered, Fiumicino recorded a +4.6% rise in passenger traffic, as well as growth in seats (+4.4%) and movements (+1.9%).

With reference to individual geographic areas, the International component posted satisfactory results (+7.0%), driven by the Non-EU segment (+15.5%), where increases were recorded in all market sectors, led by C/S America and North America (+25.2% and +21.7%, respectively). Instead, Domestic traffic is down (-1.3%) due to the cuts made to Alitalia's network, which began last year, and Ryanair reductions in the Southern Italy market.

The first three weeks of July confirm the trend seen in the first half of the year, with an increase in passenger traffic (+3.9%) and movements (+3.2%) attributable to the performance of the International market (+4.6%). In fact, the Non-EU segment continues to grow (+12.0%), while the EU component is slowing down, with a result that essentially flat compared to the same period of 2017 (+0.0%). Finally, the Domestic market recovered (+2.0%), mainly as a result of the reopening of Alitalia and Air Italy flights to Malpensa.

Ciampino

In the period under consideration, the airport recorded a drop of -1.4% in traffic along with a decrease in capacity (movements -0.3% and seats -1.8%).

[8] Provisional data updated to July 23, 2018 and compared with the same period of 2017.

In the first three weeks of July, traffic volumes picked up again, with an increase in passengers of +0.4% driven by the Non-EU segment (+20.7%), while movements were down considerably (-12.8%), due exclusively to the decline in non-commercial traffic (-28.5%).

Other significant events

- On July 26, 2018, the Revenue Agency served ADR with a Tax Audit Report following the conclusion of the tax audit covering 2014 and part of 2013. In this document, the Revenue Agency formulated certain findings in relation to IRES, IRAP and withholding taxes, which resulted in 1 million euros of higher taxes due. The Company disagreed with the conclusions reached by the auditors both de facto and de jure and will present its counterarguments, comments, and requests regarding the findings contained in the aforementioned document, reserving the right to assert the arguments in its defense in the competent fora.

Business Outlook

The primary official sources predict a trend of economic growth at a global level in 2018, driven by the Eurozone countries, Japan, China and the United States, as well as by developing countries. In addition, Italy is expected to grow, although at a lower rate than the European average.

Given this macroeconomic context, traffic volumes are expected to increase over 2017, confirming the growth trend of the International segment.

In fact, ADR intends to continue the efforts to increase intercontinental connectivity, while seizing possible development opportunities by enhancing short/mid-haul services in Europe, including by leveraging carriers with a high growth potential.

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

The ADR Group intends to improve quality levels and renew the commercial offer in order to enhance the passenger experience at the airport, continuing the considerable efforts made in pursuit of maximum efficiency in managing its core business and operating efficiency that ensures greater value for the user, stakeholders, and shareholders.

With the exception of potentially negative effects from changes in the Alitalia situation and, more generally, unless traffic trends deteriorate, economic performance in 2018 is expected to improve from that of 2017 in terms of operational profitability.

The Board of Directors

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2018

Condensed Consolidated Interim Financial Statements as of June 30, 2018

CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP

Consolidated Statement of Financial Position

ASSETS (THOUSANDS OF EUROS)	NOTES	06.30.2018	OF WHICH TOWARDS RELATED PARTIES	12.31.2017	OF WHICH TOWARDS RELATED PARTIES
NON-CURRENT ASSETS					
Tangible assets	6.1	49,523		52,280	
Concession fees		2,317,467		2,307,724	
Other intangible assets		41,913		42,076	
Intangible assets	6.2	2,359,380		2,349,800	
Equity investments	6.3	73,829		78,079	
Other non-current financial assets	6.4	9,686		12,950	
Deferred tax assets	6.5	52,906		65,129	
Other non-current assets	6.6	439		443	
TOTAL NON-CURRENT ASSETS		**2,545,763**		**2,558,681**	
CURRENT ASSETS					
Inventories		3,706		3,183	
Trade receivables		326,416	*2,829*	316,126	*3,453*
Trade assets	6.7	330,122	*2,829*	319,309	*3,453*
Other current financial assets	6.4	1,350	*1,350*	64	
Current tax assets	6.8	7,629	*7,470*	18,881	*17,940*
Other current assets	6.9	12,807	*602*	14,058	*657*
Cash and cash equivalents	6.10	271,354		301,975	
TOTAL CURRENT ASSETS		**623,262**	*12,251*	**654,287**	*22,050*
TOTAL ASSETS		**3,169,025**	***12,251***	**3,212,968**	***22,050***

SHAREHOLDERS' EQUITY AND LIABILITIES (THOUSANDS OF EUROS)	NOTES	06.30.2018	OF WHICH TOWARDS RELATED PARTIES	12.31.2017	OF WHICH TOWARDS RELATED PARTIES
SHAREHOLDERS' EQUITY					
GROUP SHAREHOLDERS' EQUITY					
Share capital		62,225		62,225	
Reserves and retained earnings		916,980		908,677	
Net income for the period, net of the advance on dividends		108,861		137,322	
		1,088,066		1,108,224	
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY		0		0	
TOTAL SHAREHOLDERS' EQUITY	6.11	**1,088,066**		**1,108,224**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	6.12	19,404		19,399	
Provisions for renovation of airport infrastructure	6.13	104,697		112,399	
Other allowances for risks and charges	6.14	15,290		16,141	
Allowances for non-current provisions		139,391		147,939	
Bonds		1,096,349	*244,208*	1,101,516	*242,328*
Medium/long-term loans		249,502		249,464	
Financial instruments - derivatives		134,983		137,430	
Non-current financial liabilities	6.15	1,480,834	*244,208*	1,488,410	*242,328*
Other non-current liabilities	6.16	3,423	*1,181*	4,083	*1,084*
TOTAL NON-CURRENT LIABILITIES		1,623,648	*245,389*	1,640,432	*243,412*
CURRENT LIABILITIES					
Provisions for employee benefits	6.12	309		938	
Provisions for renovation of airport infrastructure	6.13	74,270		68,799	
Other allowances for risks and charges	6.14	11,634		14,028	
Allowances for current provisions		86,213		83,765	
Trade payables	6.17	183,157	*51,746*	191,502	*48,899*
Trade liabilities		183,157	*51,746*	191,502	*48,899*
Current share of medium/long-term financial liabilities		6,469	*399*	16,019	*435*
Financial instruments - derivatives		236		259	
Current financial liabilities	6.15	6,705	*399*	16,278	*435*
Current tax liabilities	6.8	8,614	*5,977*	483	
Other current liabilities	6.18	172,622	*1,545*	172,284	*1,697*
TOTAL CURRENT LIABILITIES		457,311	59,667	464,312	51,031
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,169,025**	***305,056***	**3,212,968**	***294,443***

Consolidated Income Statement

(THOUSANDS OF EUROS)	NOTES	1st HALF 2018	OF WHICH TOWARDS RELATED PARTIES	1st HALF 2017 (*)	OF WHICH TOWARDS RELATED PARTIES
REVENUES					
Revenues from airport management		432,225	*6,816*	411,635	*6,839*
Revenues from construction services		51,391		66,168	
Other operating income		7,451	*597*	12,602	*742*
TOTAL REVENUES	7.1	491,067	*7,413*	490,405	*7,581*
COSTS					
Consumption of raw materials and consumables	7.2	(14,779)	*(9,262)*	(15,531)	*(9,558)*
Service costs	7.3	(130,262)	*(34,380)*	(149,901)	*(42,318)*
Payroll costs	7.4	(85,809)	*(2,028)*	(82,316)	*(1,557)*
Concession fees		(17,045)		(15,327)	
Expenses for leased assets		(1,495)		(1,464)	
(Allocation to) use of the provisions for renovation of airport infrastructure		3,029		8,679	
Allocations to allowances for risks and charges		(403)		(560)	
Other costs		(5,027)		(10,396)	
Other operating costs	7.5	(20,941)		(19,068)	
Depreciation of tangible assets	6.1	(7,015)		(6,021)	
Amortization of intangible concession fees	6.2	(41,649)		(35,564)	
Amortization of other intangible assets	6.2	(2,729)		(2,181)	
Amortization and depreciation		(51,393)		(43,766)	
TOTAL COSTS		(303,184)	*(45,670)*	(310,582)	*(53,433)*
OPERATING INCOME (EBIT)		**187,883**		**179,823**	
Financial income		2,462	*1,873*	166	
Financial expense		(27,542)	*(6,653)*	(32,123)	*(6,603)*
Foreign exchange gains (losses)		(327)		6,323	
FINANCIAL INCOME (EXPENSE)	7.6	(25,407)	*(4,780)*	(25,634)	*(6,603)*
Share of profit (loss) of associates accounted for using the equity method	7.7	(2,896)		1,035	
INCOME (LOSS) BEFORE TAXES		**159,580**		**155,224**	
Income taxes	7.8	(50,719)		(49,355)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**108,861**		**105,869**	
Net income (loss) from discontinued operations		0		0	
NET INCOME FOR THE PERIOD		**108,861**		**105,869**	
of which:					
Group income		108,861		105,869	
Minority interests		0		0	

(*) Figures for the 1st half of 2017 differ from those contained in the Condensed Consolidated Interim Financial Statements as of June 30, 2017 due to the reclassification of air traffic incentive costs from the item “service costs” to a reduction of the item "revenues from airport management". This reclassification was necessary to provide a consistent comparison with the 1st half of 2018 following the entry into force of the new IFRS 15 standard on January 1, 2018.

Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1st HALF 2018	1st HALF 2017
NET INCOME FOR THE PERIOD	**108,861**	**105,869**
Effective portion of cash flow hedge derivative financial instruments	(1,127)	13,972
Tax effect	271	(3,354)
Share pertaining to the "other components of comprehensive income" of equity investments accounted for using the equity method	(19)	61
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(875)**	**10,679**
Income (loss) from actuarial valuation of employee benefits	10	51
Tax effect	(6)	(12)
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**4**	**39**
Reclassifications of the other components of the comprehensive income statement for the period	**771**	**432**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(100)**	**11,150**
COMPREHENSIVE INCOME FOR THE PERIOD	**108,761**	**117,019**
of which		
Comprehensive income attributable to the Group	108,761	117,019
Comprehensive income attributable to minority interests	0	0

Statement of Changes in Consolidated Equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	CASH FLOW HEDGE RESERVE	RESERVE FOR THE VALUATION OF EQUITY INVESTMENTS ACCORDING TO THE EQUITY METHOD	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME FOR THE PERIOD (net of the advance on dividends)	TOTAL	MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS OF DECEMBER 31, 2016	**62,225**	**12,462**	**667,389**	**(58,642)**	**(87)**	**270,531**	**152,524**	**1,106,402**	**0**	**1,106,402**
Net income for the period							105,869	105,869		105,869
Other components of comprehensive income:				11,050	61	39		11,150		11,150
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				11,050				11,050		11,050
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						39		39		39
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method					61			61		61
Comprehensive income for the period				11,050	61	39	105,869	117,019		117,019
Dividend distribution (balance)							(148,094)	(148,094)		(148,094)
Residual profit allocation						4,430	(4,430)			
Other changes					23	113		136		136
BALANCE AS OF JUNE 30, 2017	**62,225**	**12,462**	**667,389**	**(47,592)**	**(3)**	**275,113**	**105,869**	**1,075,463**	**0**	**1,075,463**
BALANCE AS OF DECEMBER 31, 2017	**62,225**	**12,462**	**667,389**	**(46,995)**	**74**	**275,747**	**137,322**	**1,108,224**	**0**	**1,108,224**
Changes in IFRS standards				(46)		6,128		6,082		6,082
BALANCE AS OF JANUARY 1, 2018	**62,225**	**12,462**	**667,389**	**(47,041)**	**74**	**281,875**	**137,322**	**1,114,306**	**0**	**1,114,306**
Net income for the period							108,861	108,861		108,861
Other components of comprehensive income:				(85)	(19)	4		(100)		(100)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(85)				(85)		(85)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						4		4		4
Share pertaining to the “Other components of comprehensive income” of equity investments accounted for using the equity method					(19)			(19)		(19)
Comprehensive income for the period				(85)	(19)	4	108,861	108,761	0	108,761
Dividend distribution (balance)							(135,028)	(135,028)		(135,028)
Allocation of residual profit of the previous year						2,294	(2,294)	0		0
Other changes					15	12		27		27
BALANCE AS OF JUNE 30, 2018	**62,225**	**12,462**	**667,389**	**(47,126)**	**70**	**284,185**	**108,861**	**1,088,066**	**0**	**1,088,066**

Consolidated Statement of Cash Flows

(THOUSANDS OF EUROS)	NOTES	1st HALF 2018	1st HALF 2017
Net income for the period		**108,861**	**105,869**
Adjusted by:			
Amortization and depreciation	6.1/6.2	51,393	43,766
Allocation to provisions for renovation of airport infrastructure	6.13	23,076	23,990
Financial expense from discounting provisions	7.6	915	1,008
Change in other provisions		(3,975)	(6,040)
Share of profit (loss) of associates accounted for using the equity method	7.7	2,896	(1,035)
Net change in deferred tax (assets) liabilities		10,322	10,594
Other non-monetary costs (revenues)		4,151	2,374
Changes in working capital and other changes		719	(86,328)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**198,358**	**94,198**
Investments in tangible assets	6.1	(4,237)	(3,447)
Investments in intangible assets (*)	6.2	(55,306)	(68,804)
Works for renovation of airport infrastructure	6.13	(26,105)	(32,669)
Gains from disinvestment of tangible and intangible assets and equity investments		1,327	1,060
Net change in other non-current assets		4	3
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**(84,317)**	**(103,857)**
Dividends paid		(135,028)	(148,095)
Issue of bonds (**)		0	272,267
Raising of medium/long-term loans		0	180,000
Net change in other current and non-current financial liabilities		(9,573)	(30,795)
Net change in current and non-current financial assets		(61)	(123)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)		**(144,662)**	**273,254**
NET CASH FLOW FOR THE PERIOD (A+B+C)		**(30,621)**	**263,595**
Cash and cash equivalents at the start of the period	6.10	301,975	74,159
Cash and cash equivalents at the end of the period	6.10	271,354	337,754

(*) in the first half of 2018 including advances to suppliers for 589 thousand euros

(**) compared to the figure published in the Consolidated Interim Financial Report as of June 30, 2017, this item is shown net of the repurchase of part of the bond issued in 2013.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	1st HALF 2018	1st HALF 2017
Net income taxes paid (reimbursed)	21,014	50,451
Interest income collected	89	20
Interest payable and commissions paid	32,018	53,159

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

1. General information

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

The registered office of the Parent Company is in Fiumicino, Via Pier Paolo Racchetti 1, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration is currently set until December 31, 2050.

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

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

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

2. Form and content of the consolidated financial statements

The Condensed Consolidated Interim Financial Statements as of June 30, 2018 were prepared in compliance with IAS 34 “Interim Financial Reporting” (applicable for half-year financial information).

The condensed consolidated interim financial statements comprise statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders’ equity, statement of cash flows and these explanatory notes, applying the provisions of IAS 1 “Presentation of Financial Statements” and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items described in the Consolidated Financial Statements as of December 31, 2017, to which reference is made.

Compared to the annual consolidated financial statements, a summarized report is envisaged in terms of form and content, as provided for by IAS 34. As a consequence, for more detailed information, these condensed consolidated interim financial statements must be read together with the Consolidated Financial Statements as of December 31, 2017, prepared according to the International Financial Reporting Standards (IFRS).

The accounting statements are the same as those adopted in the Consolidated Financial Statements as of December 31, 2017.

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

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

3. Consolidation area and principles

The condensed consolidated interim financial statements include the financial statements of ADR and its subsidiary undertakings for the year ending June 30, 2018, directly or indirectly controlled by ADR, both by virtue of the shares held to obtain the majority of votes in the Shareholders' Meeting (also when considering the potential voting rights deriving from options that can be exercised immediately) and due to other facts or circumstances that (also when excluding the related shares) assign the power over the company, the exposure or the right to variable returns on the investment of the company and the ability to use the power over the company to influence the returns on the investment.

The subsidiary undertakings are included in the consolidation area as of the date when control is acquired by the Group and are excluded from the area as of the date when control is lost by the Group. Annex 1 "List of equity investments" lists the companies included in the consolidation area. The consolidation area has not changed compared to December 31, 2017.

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

The consolidation principles are the same applied to the preparation of the Consolidated Financial Statements as of December 31, 2017, to which reference is made.

4. Accounting standards applied

In preparing the Condensed Consolidated Interim Financial Statements as of June 30, 2018, the same accounting standards and valuation criteria applied in preparing the Consolidated Financial Statements as of December 31, 2017, were used, with the exception of amendments introduced by the application, effective January 1, 2018, of the new standards IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers".

The Notes to the Consolidated Financial Statements as of December 31, 2017, to which reference should be made, describe in detail the accounting standards and measurement criteria applied, the most important elements of the new accounting standards IFRS 9 and IFRS 15, effective from January 1, 2018, as well as standards issued but not yet in force.

According to IFRS, the preparation of the financial statements requires estimates and valuations to be made, which affect the determination of the book value of assets and liabilities as well as the information provided in the explanatory notes, also with reference to the assets and liabilities potentially existing at the end of the period. These estimates are used primarily to determine the amortization and depreciation, the impairment test of assets (including the valuation of receivables), allowances for provisions, employee benefits, the fair value of financial assets and liabilities, current and deferred tax assets and liabilities.

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

In accordance with IAS 36, note that, when preparing the condensed consolidated interim financial statements, the recognized assets are subject to impairment only when internal and external impairment indicators are present that require the immediate measurement of the relevant losses. If such indications exist, the value of these assets is estimated to verify the recoverability of the amounts recorded in the financial statements and determine the amount of any write-downs to be entered.

The Group is assessing the possible impact, which cannot currently be estimated reasonably, from the application of all the newly issued standards that will become effective after January 1, 2018, as well as for all reviews and amendments to existing standards.

For accounting standards IFRS 9 and IFRS 15, which as stated are applicable from January 1, 2018, the salient elements introduced by these standards are described below, as well as the differences compared to the previously applied criteria.

IFRS 9 - Financial Instruments

IFRS 9, which replaces IAS 39, defines the criteria for recognizing and measuring financial instruments. The standard introduces new rules for the classification and valuation of financial instruments and a new impairment model for financial assets as well as accounting rules for hedging transactions that can be defined as "hedge accounting".

Classification and valuation

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

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

- the management model for the financial asset implies that they are held with the aim of collecting the related cash flows, and
- the financial asset generates, on contractually defined dates, cash flows representing only the return on said financial asset.

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

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

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

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

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

Furthermore, the amendment approved on October 12, 2017 specified that:

- in the case of unsubstantial changes to the terms of a financial instrument, the difference between the current value of cash flows as modified (calculated using the effective interest rate of the existing instrument at the date of the change) and the book value of the instrument is recorded in the income statement;
- a debt instrument that provides an early repayment option could respect the characteristics of exclusively contractual cash flows required by IFRS 9 and, as a consequence, be valued at amortized cost or at fair value, with posting of the variations in the comprehensive income statement, also in the event a negative offsetting is envisaged for the lender.

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

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

Impairment

IFRS 9 defines a new impairment model of financial assets with the aim of providing useful information to the users of financial statements with regard to the relevant losses expected. In particular, the model requires any losses expected at any time throughout the life of the instrument to be verified and recorded and the amount of expected losses to be updated at each reporting date, in order to reflect changes in the instrument’s credit risk; therefore, the occurrence of a particular event ("trigger event") is no longer necessary to require the verification and recognition of the credit losses.

The impairment tests must be applied to all financial instruments, except for those valued at fair value with the effects being posted to the income statement.

Hedge accounting

The main new elements introduced by IFRS 9 concern:

- the wider range of types of risks subject to hedging, to which the non-financial assets or liabilities are exposed, with the possibility of designating an aggregated exposure for hedging, which includes any derivative instrument;
- the possibility of designating also a financial instrument valued at fair value as hedged instrument, with recognition of the effects in the income statement;
- the different accounting methods for forward contracts and option contracts, when included in a hedge accounting context;

- the changes to the methods of developing effectiveness tests for the hedging relationships, as it introduces the principle of "economic relationship" between the hedged item and the hedging instrument; moreover, the retrospective valuation of the effectiveness of the hedge is no longer required;
- the possibility of "re-balancing" an existing hedge if valid risk management objectives remain.

Impacts on ADR Group's consolidated financial statements resulting from the adoption of IFRS 9

As permitted by IFRS 9, ADR Group recalculated the outstanding balances in the statement of financial position at December 31, 2017, recognizing the effect deriving from the adoption of the new standard as an adjustment to shareholders' equity at January 1, 2018.

The nature and effects of these changes are shown in the following table.

(THOUSANDS OF EUROS)	DATA PUBLISHED 12.31.2017	IFRS 9 APPLICATION ADJUSTMENT	RESTATED DATA 01.01.2018
ASSETS			
Non-current assets	2,558,681	(1,920)	2,556,761
of which deferred tax assets	65,129	(1,920)	63,209
Current assets	654,287	(435)	653,852
of which trade assets	319,309	(435)	318,874
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1,108,224	6,082	1,114,306
of which reserves and retained earnings	908,677	6,082	914,759
Non-current liabilities	1,640,432	(8,437)	1,631,995
of which non-current financial liabilities	1,488,410	(8,437)	1,479,973
Current liabilities	464,312	-	464,312

Note that there is a significant impact deriving from the adoption of IFRS 9 on the transaction to repurchase part of the EMTN 2021 bond, completed by ADR in June 2017 (intermediated tender offer), explained in note 6.15 of the Consolidated Financial Statements as of December 31, 2017). Specifically, it entails the recognition, based on the new standard, of the difference between the present value of cash flows as modified (calculated using the effective interest rate of the outstanding instrument at the date of the amendment) and the book value of the outstanding instrument at the date of the amendment. In this regard, non-current financial liabilities as of December 31, 2017 have been reduced by 8.4 million euros, with a deferred tax effect of 2.0 million euros; therefore, an increase in consolidated shareholders' equity of 6.4 million euros was recorded.

The effect on Trade Assets, equal to 0.4 million euros, with a deferred tax effect of 0.1 million euros, reflects the recognition of expected losses on financial assets as required by the new IFRS 9 model.

IFRS 15 - Revenues from Contracts with Customers

IFRS 15 replaced the previous standards IAS 18 and IAS 11 and the relevant interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31.

The new standard established the criteria to be applied in recognizing revenues deriving from contracts with customers, except for those contracts that are within the scope of the standards pertaining to lease agreements, insurance contracts and financial instruments. The standard defines an overall reference framework to identify the time and amount of the revenues to be posted in the accounts.

Based on IFRS 15, the company must analyze the contract and its accounting impacts through the phases below:

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

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

Furthermore, for revenue recognition, emphasis is placed on the need to assess the probability of obtaining/collecting the economic benefits linked to the income; for contract work in progress, revenues are required to be recognized taking into consideration the possible discounting effect deriving from collections deferred over time.

Impacts on ADR Group's consolidated financial statements resulting from the adoption of IFRS 15

No impacts have been identified for ADR Group resulting from the adoption of IFRS 15, with the exception of the reclassification of certain amounts recognized by ADR to client airlines which, based on the provisions of the new standard, have been classified as a reduction in revenues earned, rather than as costs for services provided by airlines, as previously recognized.

Thus, the income statement for the first half of 2017, presented for comparative purposes, was restated without any effect on the net result for the period and on consolidated shareholders' equity.

5. Concession Agreement

Concessionary Relationship

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

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

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

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

Duration of the Concession

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

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

Subject Matter of the Concession

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

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

Income

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

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

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

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

Concession fees

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

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

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

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

The asset regime

Art. 12 of the Single Deed - Planning Agreement governs the Concessionaire's right to use the assets. This is to be interpreted together with the provisions in arts. 703 and 41 of the Navigation Code.

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

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

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017
Assets received under the concession at Fiumicino	119,812	119,812
Assets received under the concession at Ciampino	29,293	29,293
Assets completed on behalf of the State (*)	742,197	742,197
TOTAL	**891,302**	**891,302**

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

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

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

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

6.1 Tangible assets

(THOUSANDS OF EUROS)	12.31.2017			CHANGE				06.30.2018		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Plant and machinery	96,506	(57,562)	38,944	222	(4,916)	440	0	97,081	(62,391)	34,690
Industrial and commercial equipment	14,141	(11,420)	2,721	117	(325)	30	0	14,265	(11,722)	2,543
Other assets	30,796	(22,171)	8,625	2,577	(1,774)	361	0	33,734	(23,945)	9,789
Work in progress and advances	1,990	0	1,990	1,321	0	(810)	0	2,501	0	2,501
TOTAL TANGIBLE ASSETS	**143,433**	**(91,153)**	**52,280**	**4,237**	**(7,015)**	**21**	**0**	**147,581**	**(98,058)**	**49,523**

(THOUSANDS OF EUROS)	12.31.2016			CHANGE				06.30.2017		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Plant and machinery	88,668	(50,340)	38,328	697	(4,308)	2,849	0	92,214	(54,648)	37,566
Industrial and commercial equipment	13,500	(10,725)	2,775	173	(364)	32	0	13,447	(10,831)	2,616
Other assets	25,006	(19,911)	5,095	824	(1,349)	2,853	0	28,683	(21,260)	7,423
Work in progress and advances	6,782	0	6,782	1,753	0	(5,707)	0	2,828	0	2,828
TOTAL TANGIBLE ASSETS	**133,956**	**(80,976)**	**52,980**	**3,447**	**(6,021)**	**27**	**0**	**137,172**	**(86,739)**	**50,433**

Tangible assets, equaling 49,523 thousand euros (52,280 thousand euros as of December 31, 2017), are down in the period by 2,757 thousand euros, mainly due to depreciation (7,015 thousand euros), partly offset by the investments.

Investments of 4,237 thousand euros mainly refer to:

- within the category “Other assets “(2,577 thousand euros), to electronic machinery (676 thousand euros) and furniture/furnishings (1,702 thousand euros);
- within the category “Work in progress and advances” (1,321 thousand euros), to electronic machinery for 466 thousand euros and advertising equipment for 417 thousand euros.

During the six months, no significant changes took place in the estimated useful life of the assets.

6.2 Intangible assets

(THOUSANDS OF EUROS)				12.31.2017			CHANGE				06.30.2018
	COST	W.D.	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(861,949)	1,306,017	0	(24,642)	0	2,167,966	0	(886,591)	1,281,375
Airport management concession - investments in infrastructure	1,178,334	0	(176,627)	1,001,707	51,392	(17,007)	0	1,229,726	0	(193,634)	1,036,092
TOTAL CONCESSION FEES	3,346,300	0	(1,038,576)	2,307,724	51,392	(41,649)	0	3,397,692	0	(1,080,225)	2,317,467
Other intangible assets	65,777	(41)	(53,364)	12,372	3,325	(2,729)	54	69,156	(41)	(56,093)	13,022
Advances to suppliers	29,704	0	0	29,704	589		(1,402)	28,891	0	0	28,891
TOTAL OTHER INTANGIBLE ASSETS	95,481	(41)	(53,364)	42,076	3,914	(2,729)	(1,348)	98,047	(41)	(56,093)	41,913
TOTAL INTANGIBLE ASSETS	**3,441,781**	**(41)**	**(1,091,940)**	**2,349,800**	**55,306**	**(44,378)**	**(1,348)**	**3,495,739**	**(41)**	**(1,136,318)**	**2,359,380**

(THOUSANDS OF EUROS)				12.31.2016			CHANGE				06.30.2017
	COST	W.D.	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(812,665)	1,355,301	0	(24,643)	0	2,167,966	0	(837,308)	1,330,658
Airport management concession - investments in infrastructure	1,061,137	0	(151,226)	909,911	66,166	(10,921)	0	1,127,303	0	(162,147)	965,156
TOTAL CONCESSION FEES	3,229,103	0	(963,891)	2,265,212	66,166	(35,564)	0	3,295,269	0	(999,455)	2,295,814
Other intangible assets	58,137	(41)	(48,826)	9,270	2,638	(2,181)	13	60,788	(41)	(51,007)	9,740
Advances to suppliers	1,100	0	0	1,100	0	0	(1,100)	0	0	0	0
TOTAL OTHER INTANGIBLE ASSETS	59,237	(41)	(48,826)	10,370	2,638	(2,181)	(1,087)	60,788	(41)	(51,007)	9,740
TOTAL INTANGIBLE ASSETS	**3,288,340**	**(41)**	**(1,012,717)**	**2,275,582**	**68,804**	**(37,745)**	**(1,087)**	**3,356,057**	**(41)**	**(1,050,462)**	**2,305,554**

Intangible assets, equal to 2,359,380 thousand euros (2,349,800 thousand euros as of December 31, 2017) rose by 9,580 thousand euros mainly due to the investments in the period, equal to 55,306 thousand euros, partly offset by amortization equal to 44,378 thousand euros.

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

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

The investments in the Airport management concession - investments in infrastructure equal 51,392 thousand euros and relate to construction services provided in the half on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded, as well as the fair value of the related construction services carried out.

Worth noting are:

- work relating to the East Terminal System for 19.2 million euros.
- works on runways and aprons for 7.7 million euros;
- terminal optimization works for 4.4 million euros;
- works on the new ADR headquarters for 4.1 million euros;
- urbanization works in the West area/Aprons W for 3.9 million euros;
- works to create departure area E/F (formerly Pier C) for 1.5 million euros;

No impairment indicators were identified as of June 30, 2018.

Other intangible assets, equal to 13,022 thousand euros (12,372 thousand euros as of December 31, 2017), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for the period, equal to 3,325 thousand euros, mainly refer to the implementation of airport systems, the evolutionary maintenance of the accounting system, and the acquisition of licenses.

Advances to suppliers amounted to 28,891 thousand euros at June 30, 2018, a decrease of 813 thousand euros compared to December 31, 2017, attributable to the recovery of advances paid to suppliers for 1,402 thousand euros, partially offset by the payment of advances to suppliers for 589 thousand euros.

6.3 Equity investments

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
ASSOCIATED UNDERTAKINGS			
Pavimental S.p.A.	3,610	6,724	(3,114)
Spea Engineering S.p.A.	16,366	17,502	(1,136)
Consorzio E.T.L. (in liquidation)	0	0	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	19,976	24,226	(4,250)
OTHER COMPANIES			
Azzurra Aeroporti S.p.A.	52,000	52,000	0
Aeroporto di Genova S.p.A.	894	894	0
S.A.CAL. S.p.A.	957	957	0
Consorzio CAIE	1	1	0
Leonardo Energia - Società Consortile a r.l.	1	1	0
	53,853	53,853	0
TOTAL	**73,829**	**78,079**	**(4,250)**

Equity investments amount to 73,829 thousand euros, down by 4,250 thousand euros compared to December 31, 2017 due to:

- decrease in the investment in Pavimental S.p.A. ("Pavimental") (20% of capital) of 3,114 thousand euros, following the valuation according to the equity method, of which -3,102 thousand euros booked to the income statement (for ADR's share of the associated undertaking's loss for the period), -27 thousand euros to the other components of the comprehensive income statement, and

+15 thousand euros to shareholders' equity. The company operates in the building and maintenance sector and in the modernization of road, motorway and airport paving;

- reduction of the value of the investment in Spea Engineering S.p.A. ("Spea Engineering") (20%) of 1,136 thousand euros, due to the valuation according to the equity method, which led to a 1,350 thousand euro reduction following the resolution taken during the period to distribute dividends and a revaluation of 214 thousand euros in relation to the period's result (of which 206 thousand euros booked to the income statement and 8 thousand euros to the comprehensive income statement). The company is engaged in the provision of engineering services for work design and management activities.

Furthermore, after Atlantia and EDF Invest acquired 64% of the capital of Aéroports de la Côte d'Azur (ACA), ADR committed to constitute a pledge, through the financial acquisition vehicle Azzurra Aeroporti S.r.l. (hereinafter, "Azzurra"), in favor of Azzurra's lenders on the total equity investment in Azzurra, originally 10% of the share capital, once the latter company had been transformed into a joint stock company. On June 27, 2018, following the transformation of Azzurra into a joint stock company, the above-mentioned pledge on the shares became effective. Furthermore, following the free share capital increase for shareholders with specific rights, resolved by the Azzurra Shareholders' Meeting on the same date, the percentage of ownership decreased to 7.77%. This guarantee is limited to a maximum amount of 130.6 million euros.

6.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)			06.30.2018			12.31.2017
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Derivatives with positive fair value	7,318	0	7,318	10,440	0	10,440
Other financial assets	3,718	1,350	2,368	2,574	64	2,510
TOTAL OTHER FINANCIAL ASSETS	**11,036**	**1,350**	**9,686**	**13,014**	**64**	**12,950**

Derivatives with positive fair value

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Interest rate hedging derivatives	7,318	10,440	(3,122)
Interest accrual	0	0	0
TOTAL DERIVATIVES WITH POSITIVE FAIR VALUE	**7,318**	**10,440**	**(3,122)**
non-current share	7,318	10,440	(3,122)
current share	0	0	0

Interest rate hedging derivatives

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

During the month of October 2016, ADR signed three forward-starting interest rate swap contracts, with activation on February 20, 2020, with the purpose of hedging the interest rate risk for part of the new funding lines that will need to be signed, suitably in advance, to ensure the repayment of the bond loan expiring in February 2021. Below is a table summarizing the main characteristics of the three contracts mentioned, which have a positive fair value at June 30, 2018.

									FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE	
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	AS OF 06.30.2018	AS OF 12.31.2017	TO INCOME STATEMENT	TO OCI (***)
Unicredit, BNPP, RBS	ADR	IRS FWD (*)	CF	I	10.2016	02.2030	300,000	They pay an average fixed rate of 0.969% and receive the 6-month EURIBOR	7,318	10,440	0	(3,122)
					TOTAL				**7,318**	**10,440**	**0**	**(3,122)**
					of which:							
					Exchange rate hedging derivatives				0	0		
					Interest rate hedging derivatives				7,318	10,440		

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

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

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

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

Other financial assets

Other non-current financial assets, equal to 2,368 thousand euros (2,510 thousand euros as of December 31, 2017), refer to the ancillary charges incurred to subscribe the unused revolving facility at as June 30, 2018. For details, refer to Note 6.15.

Other current financial assets, equal to 1,350 thousand euros (64 thousand euros as of December 31, 2017), include the recognition of the receivable from the associate Spea Engineering S.p.A. for the dividends resolved in the six-month period and not yet paid.

6.5 Deferred tax assets

Deferred tax assets, equal to 52,906 thousand euros (65,129 thousand euros as of December 31, 2017), are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below.

(THOUSANDS OF EUROS)	12.31.2017				CHANGE	06.30.2018
		PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME AND CHARGES RECORDED IN SHAREHOLDERS' EQUITY	IFRS 9 EFFECT	
DEFERRED TAX ASSETS						
Allocation to (use of) the provisions for renovation of airport infrastructure	71,752	1,349	(9,218)	0	0	63,883
Allocations to allowance for obsolete and slow-moving goods	60	0	0	0	0	60
Allocations to provisions for doubtful accounts	7,562	0	(205)	0	105	7,462
Amortized cost and derivative instruments	15,068	0	(32)	27	0	15,063
Allowances for risks and charges	5,495	199	(1,055)	0	0	4,639
Other	1,501	243	(388)	(6)	0	1,350
TOTAL DEFERRED TAX ASSETS	101,438	1,791	(10,898)	21	105	92,457
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET						
Application of IFRIC 12	36,309	2,174	(865)	0	0	37,618
Amortized cost and derivative instruments	0	0	(92)	0	2,025	1,933
TOTAL DEFERRED TAX LIABILITIES	36,309	2,174	(957)	0	2,025	39,551
TOTAL NET DEFERRED TAX ASSETS	**65,129**	**(383)**	**(9,941)**	**21**	**(1,920)**	**52,906**

The changes of 2018 mainly refer to the allocation to and use of the provisions for renovation of airport infrastructure and the effects of applying IFRIC 12 on fixed assets.

6.6 Other non-current assets

Other non-current assets, equal to 439 thousand euros (443 thousand euros as of December 31, 2017), refer to guarantee deposits.

6.7 Trade assets

Trade assets, equal to 330,122 thousand euros (319,309 thousand euros as of December 31, 2017), include:

- inventories of 3,706 thousand euros (3,183 thousand euros as of December 31, 2017) comprising consumable materials, clothing, spare parts, cleaning material, fuel, telephone material, etc.;
- trade receivables of 326,416 thousand euros (316,126 thousand euros as of December 31, 2017).

In detail, trade receivables are broken down as follows:

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Due from clients	354,143	347,324	6,819
Due from parent companies	382	146	236
Receivables for construction services	8,051	8,051	0
Other trade receivables	3,343	1,085	2,258
TOTAL TRADE RECEIVABLES, INC. PROVISIONS FOR DOUBTFUL ACCOUNTS	365,919	356,606	9,313
Provisions for doubtful accounts	(31,884)	(32,795)	911
Provisions for overdue interest	(7,619)	(7,685)	66
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(39,503)	(40,480)	977
TOTAL TRADE RECEIVABLES	**326,416**	**316,126**	**10,290**

Due from clients (including provisions for doubtful accounts) total 354,143 thousand euros and show a positive change of 6,819 thousand euros, mainly attributable to the increased turnover.

Due from clients includes all receivables from Alitalia SAI in extraordinary administration accrued prior to the airline’s admission to the extraordinary administration procedure and will be settled according to the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. In any case, any losses on receivables for services subject to settlement and resulting as an outcome of the procedure underway, being considered an event outside the concessionaire’s responsibility, would lead to an alteration in the economic-financial balance that would be restored in accordance with the Planning Agreement, in the same way as other cases of force majeure or change in the regulatory framework.

It is worth remembering that the ADR Group's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 11,086 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, note that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia LAI S.p.A. under special administration (as well as to aircraft owned by lessors, obliged in a fair manner) in order to allow the aircraft owned by lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under other current liabilities.

Other trade receivables, equal to 3,343 thousand euros (1,085 thousand euros as of December 31, 2017), refer to prepaid expenses of a commercial nature.

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

(THOUSANDS OF EUROS)	12.31.2017	INCREASES	DECREASES	06.30.2018
Provisions for doubtful accounts	32,795	712	(1,623)	31,884
Provisions for overdue interest	7,685	0	(66)	7,619
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**40,480**	**712**	**(1,689)**	**39,503**

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

6.8 Current tax assets and liabilities

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

	ASSETS			LIABILITIES		
(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE	06.30.2018	12.31.2017	CHANGE
Due from/to parent companies for tax consolidation	7,470	17,940	(10,470)	5,977	0	5,977
IRES	122	122	0	99	307	(208)
IRAP	37	819	(782)	2,538	176	2,362
TOTAL	**7,629**	**18,881**	**(11,252)**	**8,614**	**483**	**8,131**

Current tax assets are equal to 7,629 thousand euros (18,881 thousand euros as of December 31, 2017) and mainly include:

- the receivable from the parent company Atlantia (as consolidating company for tax purposes) of 7,470 thousand euros for the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to IRAP on staff costs not being deducted; the reduction of 10,470 thousand euros from December 31, 2017 is due to the reclassification of the 2017 credit balance as a reduction of liabilities incurred during the period. For further information on the tax consolidation. reference should be made to Note 7.8 Income Taxes.
- the IRAP receivable of 37 thousand euros, down compared to the balance at the end of 2017 (819 thousand euros) as a result of the tax accrued in the six-month period.

Current tax liabilities equal 8,614 thousand euros (483 thousand euros as of December 31, 2017) and comprise:

- the payable to the parent company Atlantia due to the tax consolidation for 5,977 thousand euros (0 as of December 31, 2017), attributable to the estimated taxes for the period, partially offset by the first pre-payment for 2018 and the credit balance for 2017;
- the IRAP receivable of 2,538 thousand euros, up compared to the balance at the end of 2017 of 2,362 thousand euros, reflecting the tax accrued in the six-month period.

6.9 Other current assets

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	8,789	10,288	(1,499)
Due from others	3,536	3,288	248
TOTAL OTHER CURRENT ASSETS	**12,807**	**14,058**	**(1,251)**

Due from tax authorities, equal to 8,789 thousand euros (10,288 thousand euros as of December 31, 2017), mainly includes:

- VAT credit of 3,046 thousand euros (4,615 thousand euros as of December 31, 2017);
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 1/1/1993-3/23/1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required (for more information, see Note 9.5 Litigation).

6.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Bank and post office deposits	270,884	301,519	(30,636)
Cash and notes in hand	470	456	15
TOTAL CASH AND CASH EQUIVALENTS	**271,354**	**301,975**	**(30,621)**

Cash and cash equivalents, amounting to 271,354 thousand euros, have decreased by 30,621 thousand euros compared to December 31, 2017, mainly as a consequence of the investments made during the period as well as the payment of the 2017 dividend balance of 135.0 million euros.

6.11 Shareholders' equity

The shareholders' equity of ADR Group as of June 30, 2018 amounts to 1,088,066 thousand euros (1,108,224 thousand euros as of December 31, 2017), while the minority interests in shareholders' equity amount to zero (zero also as of December 31, 2017).

The shareholders' equity is analyzed as follows:

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Share capital	62,225	62,225	0
Share premium reserve	667,389	667,389	0
Legal reserve	12,462	12,462	0
Cash flow hedge reserve	(47,126)	(46,995)	(131)
Reserve for the valuation of equity investments according to the equity method	70	74	(4)
Other reserves and retained earnings	284,185	275,747	8,438
Net income for the period, net of the advance on dividends	108,861	137,322	(28,461)
TOTAL GROUP SHAREHOLDERS' EQUITY	**1,088,066**	**1,108,224**	**(20,158)**
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	0	0	0
TOTAL SHAREHOLDERS' EQUITY	**1,088,066**	**1,108,224**	**(20,158)**

The changes taking place in the six months are highlighted in the table entered among the accounting statements and mainly refer to:

- Group income for the period for 108,861 thousand euros;
- the negative result of other components of the comprehensive income, equivalent to -100 thousand euros;
- the distribution of the 2017 dividend balance equal to 135,028 thousand euros (2.17 euros per share).

As of June 30, 2018, ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

ADR's legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details reference is made to Note 6.4 and Note 6.15.

Furthermore, pursuant to IFRS 2, the value accrued in the period of the fair value of share-based remuneration plans settled with the conferment of securities as resolved by the Board of Directors of the Parent Company Atlantia, including to employees and directors of ADR, equal to 12 thousand euros, was booked to the income statement, offset by an increase in the specific shareholders' equity reserve, classified in the item "other reserves and retained earnings". For information on the remuneration plans based on shares reference is made to Note 11.1.

6.12 Provisions for employee benefits

Provisions for employee benefits are 19,713 thousand euros (20,337 thousand euros as of December 31, 2017) of which 19,404 thousand euros non-current, and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the obligation, determined based on actuarial techniques, to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

Summarized below are the main assumptions made for the actuarial estimation process regarding the employee severance indemnities at June 30, 2018:

(THOUSANDS OF EUROS)	1ST HALF 2018	
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**20,337**
Current cost	105	
Interest payable	118	
Total costs recorded in the income statement		223
Liquidations / Releases		(836)
Actuarial gains/losses from changes in the demographic assumptions	122	
Actuarial gains/losses from changes in the financial assumptions	(134)	
Effect of past experience	1	
Total actuarial gains/losses recognized in the comprehensive income statement		(11)
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**19,713**
of which:		
non-current share		19,404
current share		309

FINANCIAL ASSUMPTIONS	1ST HALF 2018	1ST HALF 2017
Discount rate	0.96%	0.90%
Inflation rate	1.5%	1.5% from 2017 onwards
Annual rate of increase in employee severance indemnities	2.18%	2.18% from 2017 onwards
Annual rate of pay increase	2.83%	0.21%
Annual turnover rate	0.55%	0.83%
Annual rate of disbursement of advances	1.19%	1.29%

The discount rate used to determine the current value of the obligation was determined in accordance with paragraph 78 of IAS 19, with reference to the average return curve deriving from the index IBOXX Eurozone Corporates AA 7-10 with duration based on the average seniority of the group under consideration.

DEMOGRAPHIC ASSUMPTIONS	2018/2017
Mortality	2016 ISTAT mortality tables broken down by gender, reduced to 85%
Disability	INPS tables broken down by age and gender, reduced to 70%
Retirement	Reaching the minimum foreseen by the regulations in force.

6.13 Provisions for renovation of airport infrastructure (non-current and current share)

Provisions for renovation of airport infrastructure, equal to 178,967 thousand euros (181,198 thousand euros at December 31, 2017), of which 74,270 thousand euros for the current share (68,799 thousand euros at December 31, 2017), include the current value of the updated estimate of charges to be incurred for extraordinary maintenance recoveries and replacements based on the contractual obligation set by the airport management concession signed by the Grantor with the aim of ensuring the necessary functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the period.

(THOUSANDS OF EUROS)	12.31.2017	PROVISIONS	DISCOUNTING EFFECT	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	06.30.2018
Provisions for renovation of airport infrastructure	**181,198**	23,075	798	0	(26,104)	**178,967**
of which:						
current share	68,799					74,270
non-current share	112,399					104,697

6.14 Other allowances for risks and charges (current and non-current share)

Other allowances for risks and charges are equal to 26,924 thousand euros (30,169 thousand euros at December 31, 2017), of which 11,634 thousand euros for the current share (14,028 at December 31, 2017). Reported below is the analysis of the breakdown of the item and the changes during the period.

(THOUSANDS OF EUROS)	12.31.2017	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	06.30.2018
Tax provisions	12,673		(542)		12,131
Provisions for current and potential disputes	16,356	403	(58)	(2,838)	13,863
Provisions for internal insurance	1,127		(210)		917
To cover investee companies' losses	13				13
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**30,169**	**403**	**(810)**	**(2,838)**	**26,924**
of which:					
current share	14,028				11,634
non-current share	16,141				15,290

The tax provision, equal to 12,131 thousand euros, relating to the risk of a negative outcome of the pending cases regarding the dispute with UTF (now the Customs Office) on the tax and additional fee on electricity for the period 2002-2012, following the unfavorable decisions of the Supreme

Court on some disputes already considered by the Court, and to the valuation of the liability risk as a result of the unfavorable decisions concerning ICI/IMU (property taxes).

The provisions for current and potential disputes of 13,863 thousand euros (16,356 thousand euros at December 31, 2017) include the estimated charges that are expected to be incurred in connection with the disputes in progress at period end. This provision decreased in the six months by 2,493 thousand euros, essentially reflecting utilizations for 2,838 thousand.

This provision includes a prudent valuation, made on the basis of the best current information, of the liabilities the company is likely to pay for the claims for compensation of third parties referring to the fire in T3. On this point, so far 160 claims have been lodged by third parties (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification of the damages requested, to date amounting to approximately 31 million euros.

For further information on the current disputes, reference should be made to Note 9.5 Litigation.

6.15 Financial liabilities (current and non-current share)

(THOUSANDS OF EUROS)					06.30.2018			12.31.2017
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,096,349	0	1,096,349	630,981	465,368	1,101,516	0	1,101,516
Medium/long-term loans	249,502	0	249,502	137,380	112,122	249,464	0	249,464
Accrued expenses medium/long-term financial liabilities	6,469	6,469	0	0	0	16,019	16,019	0
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	1,352,320	6,469	1,345,851	768,361	577,490	1,366,999	16,019	1,350,980
FINANCIAL INSTRUMENTS - DERIVATIVES	135,219	236	134,983	134,983	0	137,689	259	137,430
TOTAL FINANCIAL LIABILITIES	**1,487,539**	**6,705**	**1,480,834**	**903,344**	**577,490**	**1,504,688**	**16,278**	**1,488,410**

Bonds

	12.31.2017					CHANGES	06.30.2018
(THOUSANDS OF EUROS)	BOOK VALUE	IFRS 9 EFFECT	NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	AMORTIZED COST EFFECT	BOOK VALUE
Bonds	1,101,516	(8,437)	0	0	323	2,947	1,096,349
current share	0						0
non-current share	1,101,516						1,096,349

As of June 30, 2018, bonds are equal to 1,096,349 thousand euros (1,101,516 thousand euros as of December 31, 2017). The decrease of 5,167 thousand euros is primarily due (for -8.4 million euros as of January 1, 2018) to the application, from January 1, 2018 of the new IFRS 9 standard to the EMTN 2021 bond partial repurchase transaction finalized by ADR in June 2017 (intermediated tender offer), which required the recognition in shareholders' equity at the beginning of the year of the difference between the pre-transaction amortized cost and the post-transaction one, calculated using the original internal return rate. This effect was partially offset by the result of the valuation of the bond using the amortized cost method and the adjustment of Tranche A4 bond to the exchange rate at the end of the period.

Reported below is the main information regarding the bond issues existing as of June 30, 2018.

(THOUSANDS OF EUROS)									
NAME	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	233,149	5.441%	every six months	bullet	20 years	02.2023
€600,000,000 3.250% EMTN 02/2021	ADR	400,001	EUR	397,832	3.25%	yearly	bullet	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06/2027	ADR	500,000	EUR	465,368	1.625%	yearly	bullet	10 years	06.2027
TOTAL BONDS				**1,096,349**					

(*) the book value recorded in the financial statements (233.1 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the period.

(**) originally issued by the vehicle Romulus Finance, subsequently "replaced" by ADR following the Issuer Substitution operation.

Note that 99.87% of the A4 bonds are held by the parent company Atlantia, which acquired them consequently to the Tender Offer procedure concluded in January 2015. For further information, see Note 8.

In addition to the aforementioned A4 bond, which is the last outstanding bond in the series that comprised the 2003 securitization structure focused on the vehicle Romulus Finance, the bonds currently outstanding consist of the senior unsecured issue of December 10, 2013 for a total par value of 600 million euros - of which to date 400 million euros remain, following the buyback transaction, - implemented as part of the previously mentioned EMTN Program in 2013, in addition to, as part of the same program, the issue finalized on June 8, 2017, for a par value of 500 million euros. The securities representing both bond issues were placed with qualified investors and listed in the regulated market of the Irish stock exchange.

The latest senior unsecured bond issue in 2017 was rated at issue with a solid investment grade of "BBB+", "Baa1" and "BBB+" by the agencies Standard & Poor's ("S&P"), Moody's and Fitch Ratings, respectively. Moody's assigned a negative outlook because of the valuation made by the agency on the sovereign rating of the Italian Republic. S&P had previously assigned a negative outlook to ADR in the initial phase of the transaction by which Atlantia, ACS and Hochtief acquired Abertis. However, on May 18, 2018 it revised its outlook, following the verification of the transaction's final structure, from "negative" to "stable", with a continued rating level of BBB+ and the stand alone credit profile at "a+". The outlook assigned by Fitch remained "stable".

The fair value of the bond issues is reported in the table below.

(THOUSANDS OF EUROS)	06.30.2018		12.31.2017	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,096,349	1,206,472	1,101,516	1,242,897
TOTAL BOND ISSUES	**1,096,349**	**1,206,472**	**1,101,516**	**1,242,897**

The fair value of the bond issues was determined based on the market values available at June 30, 2018; in particular, the future cash flows were discounted according to standard discounting curves used in the market (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2017, there is a reduction in the fair value of the bond in pound sterling, only partly deriving from the exchange rate effect, as well as for the bond in euros. These combined effects result in a total decrease in the fair value of bonds of 36.4 million euros compared to December 31, 2017.

Medium/long-term loans

	12.31.2017				06.30.2018
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	BOOK VALUE
Medium/long-term loans	249,464	0	0	38	249,502
current share	0				0
non-current share	249,464				249,502

Medium/long-term loans equal 249,502 thousand euros (249,464 at the end of the previous year) and include the bank loans granted by BNL (99,880 thousand euros), EIB (109,792 thousand euros) and CDP (39,830 thousand euros).

Reported below is the main information regarding medium/long-term loans outstanding as of June 30, 2018.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
Syndicate of banks	Revolving Credit Facility ("RCF")	250,000	0	0	EUR	variable rate indexed to the Euribor + margin	quarterly	revolving	5 years (*)	07.2023
Banca Nazionale del Lavoro ("BNL")	BNL Loan	100,000	100,000	99,880	EUR	0.18%	every six months	at maturity	4 years	11.2020
European Investment Bank ("EIB")	EIB Loan	150,000	110,000	109,792	EUR	1.341%	yearly	amortizing from 2020	14 years	09.2031 (**)
Cassa Depositi e Prestiti ("CDP")	CDP Loan	150,000	40,000	39,830	EUR	1.629%	yearly	amortizing from 2020	14 years	09.2031 (**)
European Investment Bank ("EIB")	2018 EIB Loan	200,000	0	0	EUR	n.a.	n.a.	amortizing	up to 15 years	03.2021
TOTAL MEDIUM/LONG-TERM LOANS		**850,000**	**250,000**	**249,502**						

(*) the contract originally provided the option of extending the initial deadline of July 2021 by an additional 2 years; this option was exercised by AdR, postponing the original deadline to July 2023.

(**) the final date the amount granted and not drawn on the loan is available is December 13, 2019.

The Revolving Credit Facility ("RCF"), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the company's development plans. The syndicate of banks that granted this loan comprises: Barclays, BNP Paribas, Crédit Agricole, Mediobanca, Natixis, Société Générale, NatWest, and UniCredit. The interest rates applied to the RCF vary in relation to the level of ADR's rating. On May 18, 2018, the banks of the revolving facility ("RCF") accepted the second extension of one year (to July 2023) of the contract's duration based on the specific request of ADR. From the beginning, the contract in force assigned the company the right to request a one-year extension of the contractual duration at the time of the first two anniversaries following the signing, which took place in July 2016.

The line of credit granted by BNL (BNP Paribas Group) was signed by ADR in November 2016. This line of credit, amounting to 100 million euros, is completely utilized as of June 30, 2018 and must be repaid in full in November 2020. The contractual structure is in line with the previously mentioned RCF and is characterized by a covenant structure in line with the corporate investment grades. This line of credit enjoys an especially favorable interest rate since the funds made available by the granting bank benefit from the Targeted Longer-Term Refinancing Operations ("TLTRO") program provided by the European Central Bank.

Note that in December 2016 two contracts had been signed with regard to the line for 300 million euros resolved by the European Investment Bank ("EIB") in favor of ADR in 2014: the first contract totaled 150 million euros was agreed directly with the EIB, and the latter, for the residual 150 million euros, with Cassa Depositi e Prestiti ("CDP"). The EIB/CDP loans were subscribed as financial support of the "Aeroporti di Roma – Fiumicino Sud" project to carry out the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. On April 4, 2018, CDP granted the extension of the available period for an additional 18 months, until December 13, 2019. As of June 30, 2018, these new funding lines granted by the EIB and CDP are used for 110 and 40 million euros, respectively. The utilized lines expire in 2031, with an amortizing repayment and a fixed rate. The financial contracts that govern them are characterized by terms and conditions that are more oriented to a "project" type loan structure consisting of their disbursement.

In December 2017, EIB approved an update of the aforementioned infrastructure project, which resulted in an extension of the line of credit granted to ADR for an additional 200 million euros to be granted directly by the bank. On March 23, 2018, the related loan contract was signed with contractual terms essentially in line with the previous contract and may be used through the first quarter of 2021.

Furthermore, during the first half of 2018, a 6-month extension was obtained from EIB and CDP for the period in which the commitment fees on the unused portion of the loans subscribed in December 2016 does not accrue for payment (this period was originally defined as 12 months in the contracts).

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)	06.30.2018		12.31.2017	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	**249,502**	246,311	249,464	250,723
Floating rate	0	0	0	0
TOTAL BOND ISSUES	249,502	**246,311**	**249,464**	**250,723**

The fair value of the medium/long-term loans was determined based on market values available at June 30, 2018; in particular, the future cash flows were discounted according to the standard discount curves used by the market (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Exchange rate hedging derivatives	82,369	82,692	(323)
Interest rate hedging derivatives	52,614	54,738	(2,124)
Interest accrual	236	259	(23)
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**135,219**	**137,689**	**(2,470)**
non-current share	134,983	137,430	(2,447)
current share	236	259	(23)

Exchange rate and interest rate hedging derivatives

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

As of June 30, 2018, the ADR Group has a cross-currency swap allowing cash flows in euros for payment of interest and the repayment of the A4 bond in pound sterling to be stabilized.

ADR also signed forward-starting interest rate swap contracts in June 2015 (subsequently restructured in June 2016) and in February 2016, activated on February 9, 2017 and April 20, 2017, respectively, adopting a policy of hedging against the prospective rate risk deriving from future financial requirements. These hedges, after their activation, were subject to unwinding in line with the new debt assumed through the new 500 million euro bond issue of June 2017. The relative negative fair value, at the date of unwinding the contracts, was paid to the counterparties and the corresponding negative cash flow hedge reserve is reclassified in the income statement based on the residual life of the new bond issue. The amount of the cash flow hedge reserve charged to the income statement in 2018 equals 1,014 thousand euros.

Below is a table summarizing the outstanding derivative contracts with negative fair value of the ADR Group at June 30, 2018.

COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	FAIR VALUE OF THE DERIVATIVE AS OF 06.30.2018	AS OF 12.31.2017	CHANGE IN FAIR VALUE TO INCOME STATEMENT	TO OCI (*)
Mediobanca, UniCredit	ADR	CCS	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3-month Euribor + 90bps until 12/2009, then pays a fixed rate of 6.4%	(50,457)	(53,639)	130	3,052
				C					(82,369)	(82,692)	323	0
									(132,826)	(136,331)	453	3,052
Société Générale	ADR	IRS FWD (**)	CF	I	09.2017	02.2030	100,000	It pays a fixed rate of 1.458% and receives 6-month Euribor	(2,157)	(1,099)	0	(1,058)
					TOTAL				**(134,983)**	**(137,430)**	**453**	**1,994**
					of which:							
					Exchange rate hedging derivatives				(82,369)	(82,692)		
					Interest rate hedging derivatives				(52,614)	(54,738)		

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

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

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

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

6.16 Other non-current liabilities

Other non-current liabilities are equal to 3,423 thousand euros (4,083 thousand euros as of December 31, 2017) and consist for 2,742 thousand euros of amounts due to personnel and 681 thousand euros of amounts due to social security agencies. The decrease of 660 thousand euros is essentially attributable to the reclassification from non-current to current of the liability for share-based compensation plans settled in cash. For information on the remuneration plans based on shares reference is made to Note 11.1.

6.17 Trade payables

Trade payables are equal to 183,157 thousand euros (191,502 thousand euros as of December 31, 2017).

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Due to suppliers	160,369	177,053	(16,684)
Due to parent companies	1,922	1,788	134
Deferred income	14,068	1,347	12,721
Advances received	6,798	11,314	(4,516)
TOTAL TRADE PAYABLES	**183,157**	**191,502**	**(8,345)**

Payables due to suppliers, equal to 160,369 thousand euros, are down 16,684 thousand euros reflecting the drop in the volume of investments made in the first half of 2018 compared to the end of the previous year.

Deferred income, equal to 14,068 thousand euros, rose by 12,721 thousand euros compared to December 31, 2017 as a result of the advance billing of the sub-concession fees made at the end of the six-month period.

Advances received, equal to 6,798 thousand euros, rose by 4,516 thousand euros compared to December 31, 2017 reflecting the reduction in advances from customers.

6.18 Other current liabilities

Other current liabilities are equal to 172,622 thousand euros (172,284 thousand euros as of December 31, 2017).

The item is analyzed in the table below.

(THOUSANDS OF EUROS)	06.30.2018	12.31.2017	CHANGE
Payables for taxes other than income taxes	106,621	114,048	(7,427)
Payables for firefighting services	3,346	0	3,346
Payables to personnel	18,223	15,759	2,464
Due to social security agencies	11,854	9,452	2,402
Payables for security deposits	12,298	12,037	261
Other payables	20,280	20,988	(708)
TOTAL OTHER CURRENT LIABILITIES	**172,622**	**172,284**	**338**

Payables for taxes other than income taxes are equal to 106,621 thousand euros (114,048 thousand euros as of December 31, 2017) and mainly include:

- payable for the passenger surcharges for 84,496 thousand euros (94,044 thousand euros as of December 31, 2017). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commission surcharge) for the commission management of the Municipality of Rome. The trend of the surcharge payable, down 9,547 thousand euros compared to the end of 2017, reflects the correlated effect of the trend in the corresponding fees from the carriers during the period;
- payable of 15,976 thousand euros to the Lazio Regional Authority for IRESA (14,441 thousand euros as of December 31, 2017). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board. ADR started to charge this tax in May 2014, applicable from January 1, 2014, after signing the agreement for tax management with the Lazio Regional Authority on January 30, 2014, with subsequent amendments. The increase of 1,535 thousand euros in IRESA charges compared to December 31, 2017 reflects the correlated effect of the performance in the period of this type of collections from carriers.

Payables for firefighting services equal 3,346 thousand euros, up 3,346 thousand euros compared to December 31, 2017 essentially due to the fee accrued in the period.

Payables to personnel and payables to social security institutions increase by 2,464 thousand euros and 2,402 thousand euros, respectively, due to the increase in short-term payables.

Other payables, equal to 20,280 thousand euros, (20,988 thousand euros as of December 31, 2017), include the payable to ENAC for the concession fee of 16,758 thousand euros, essentially in line with the end of 2017.

7. Information on the items of the consolidated income statement

7.1 Revenues

Revenues in the first half of 2018 equal 491,067 thousand euros (490,405 thousand euros in the first half of 2017) and are broken down as follows, in application of the new IFRS 15 standard:

(THOUSANDS OF EUROS)			1ST HALF 2018			1ST HALF 2017[1]
	REVENUES FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUES	TOTAL	REVENUES FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUES	TOTAL
AERONAUTICAL						
Airport fees	238,245	0	238,245	227,564	0	227,564
Centralized infrastructures	9,273	0	9,273	9,482	0	9,482
Security services	50,877	0	50,877	47,248	0	47,248
Other	13,185	0	13,185	13,144	0	13,144
	311,580	***0***	***311,580***	***297,438***	***0***	***297,438***
NON-AERONAUTICAL						
Sub-concessions and utilities:						
Properties and utilities	6,197	24,380	30,577	6,203	21,893	28,096
Shops	0	65,241	65,241	0	60,032	60,032
Advertising	5,911	0	5,911	6,658	0	6,658
Car parks	12,967	0	12,967	12,932	0	12,932
Other	5,697	252	5,949	6,420	59	6,479
	30,772	***89,873***	***120,645***	***32,213***	***81,984***	***114,197***
REVENUES FROM AIRPORT MANAGEMENT	342,352	89,873	432,225	329,651	81,984	411,635
REVENUES FROM CONSTRUCTION SERVICES	51,391	0	51,391	66,168	0	66,168
OTHER OPERATING INCOME	663	6,788	7,451	860	11,742	12,602
TOTAL REVENUES	**394,406**	**96,661**	**491,067**	**396,679**	**93,726**	**490,405**
Timing of goods/services transfer:						
Over the time	**84,688**			**100,724**		
At a point in the time	**309,718**			**295,955**		

Revenues from airport management, equal to 432,225 million euros, rose in total by 5.0% compared to the reference period, essentially due to the increase in aeronautical activities (+4.8%), attributable to the overall positive trend in traffic volumes (passengers +3.9%) and the relative mix of its components. This positive trend was partially offset by the decrease in Fiumicino's unit fees (on average down 0.4% and 4.4% compared to the previous year's fees). The performance of the non-

[1] Figures for the 1st half of 2017 differ from those contained in the Condensed Consolidated Interim Financial Statements as of June 30, 2017 due to the reclassification of air traffic incentive costs from the item "service costs" to a reduction of the item "revenues from airport management". This reclassification was necessary to provide a consistent comparison with the 1st half of 2018 following the entry into force of the new IFRS 15 standard on January 1, 2018.

aeronautics sector also improved (5.6%), driven by the positive performance of the commercial sub-concessions on all business lines (+8.7%), attributable to the increase in volume and the improvement in the passenger mix compared to the previous year, as well as Commercial Area "E" becoming fully operational (inaugurated on December 21, 2016). In addition, revenues from real estate management recorded a positive trend (+8.8%).

Revenues from construction services equal to 51,391 thousand euros (66,168 thousand euros in the first half of 2017) refer to revenues from construction services for self-funded works. Consistent with the accounting model adopted, based on the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (mainly external costs).

Other operating income equal to 7,451 thousand euros (12,602 thousand euros in the first half of 2017) is broken down as follows:

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
Grants and subsidies	0	0
Gains on disposals	11	24
Re-absorption of provisions:		
Provisions for overdue interest	20	0
Other allowances for risks and charges	810	6,024
Expense recoveries	2,346	2,755
Damages and compensation from third parties	1,085	129
Other income	3,179	3,670
TOTAL OTHER OPERATING INCOME	**7,451**	**12,602**

The decrease, totaling 5,151 thousand euros, is primarily due to the re-absorption of other provisions for risks and charges, which amounted to 810 thousand euros in the first half of the year compared to 6,024 thousand euros recorded in the first half of 2017.

7.2 Consumption of raw materials and consumables

Consumption of raw materials and consumables is equal to 14,779 thousand euros (15,531 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
Fuel and lubricants	650	1,391
Electricity, gas and water	10,923	11,160
Consumables, spare parts and various materials	3,206	2,980
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**14,779**	**15,531**

7.3 Service costs

Service costs equal 130,262 thousand euros (149,901 thousand euros in six-month period of 2017). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017[2]
Costs for maintenance	22,294	20,812
Costs for renovation of airport infrastructure	26,104	32,670
External service costs	5,500	6,132
Costs for construction services	47,297	61,689
Cleaning and disinfestations	3,973	3,996
Professional services	3,250	3,596
Firefighting services	3,887	3,989
Other costs	17,510	16,472
Remuneration of Directors and Statutory Auditors	447	545
TOTAL SERVICE COSTS	**130,262**	**149,901**

The decrease in service costs (-19.6 million euros from the comparison period) is essentially attributable to lower costs for construction services (-14.4 million euros) and for renovation of airport infrastructure (-6.7 million euros). These trends were partially offset by the increase in maintenance costs (+1.5 million euros), due to the increase in costs for maintenance activities on electrical systems and the BHS plant in T3, which became fully operational during the first half of 2017, as well as general expenses, classified under “other costs”, including in relation to extended insurance coverage.

7.4 Payroll costs

Payroll costs equal 85,809 thousand euros (82,316 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
Salaries and wages	61,885	59,703
Social security charges	17,941	16,237
Post-employment benefits	3,435	3,682
Other costs	2,548	2,694
TOTAL PAYROLL COSTS	**85,809**	**82,316**

The increase of 3,493 thousand euros compared to the first half of 2017 mainly derives from the increase in the average cost, as well as impact of the non-recurring components.

The table below shows the average headcount of the ADR Group (broken down by treatment):

[2] (*) Figures for the 1st half of 2017 differ from those contained in the Condensed Consolidated Interim Financial Statements as of June 30, 2017 due to the reclassification of air traffic incentive costs from the item “service costs” to a reduction of the item "revenues from airport management". This reclassification was necessary to provide a consistent comparison with the 1st half of 2018 following the entry into force of the new IFRS 15 standard on January 1, 2018.

AVERAGE HEADCOUNT	1ST HALF 2018	1ST HALF 2017	CHANGE
Managers	52	51	1
Administrative staff	236	226	10
White-collar	1,721	1,737	(16)
Blue-collar	1,041	1,039	2
TOTAL AVERAGE HEADCOUNT	**3,050**	**3,053**	**(3)**

The following table also shows the average number of employees by company:

AVERAGE HEADCOUNT	1ST HALF 2018	1ST HALF 2017	CHANGE
ADR S.p.A.	1,360	1,303	57
ADR Tel S.p.A.	58	55	3
ADR Assistance S.r.l.	306	277	29
ADR Security S.r.l.	755	813	(58)
ADR Mobility S.r.l.	61	59	2
Airport Cleaning S.r.l.	510	546	(36)
TOTAL AVERAGE HEADCOUNT	**3,050**	**3,053**	**(3)**

7.5 Other operating costs

Other operating costs equal 20,941 thousand euros (19,068 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
Concession fee	17,045	15,327
Expenses for leased assets	1,495	1,464
Allocation to (use of) provisions for renovation of airport infrastructure	(3,029)	(8,679)
Allocations to allowances for risks and charges	403	560
Other costs:		
Allocations to provisions for doubtful accounts	712	6,468
Indirect taxes and levies	3,303	3,080
Other expenses	1,012	848
TOTAL OTHER OPERATING COSTS	**20,941**	**19,068**

Concession fees, equal to 17,045 thousand euros, increased by 1,718 thousand euros compared to the same period last year due to both inflationary dynamics and the increase in traffic.

The item “Allocation to (use of) provisions for renovation of airport infrastructure” includes the allocation to provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the period, classified in the corresponding item of the income statement by type.

Allocations to allowances for risks and charges are equal to 403 thousand euros compared to the 560 thousand euros in the comparison period. For more details, see Note 6.14.

Provisions for doubtful accounts, equal to 712 thousand euros, reflect an updated assessment of the recoverability of the ADR Group’s trade receivables and shows a decrease of 5,756 thousand euros from the comparison period, which includes the effects of the entrance of Alitalia SAI in the extraordinary administration procedure.

7.6 Financial income (expense)

Financial income (expense) equals -25,407 thousand euros (-25,634 thousand euros in the first half of 2017). The tables below provide details on the financial income and expenses.

Financial income

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
Interest income		
Interest on bank deposits and loans	131	31
Income on derivatives		
Valuation of derivatives	453	129
Other income		
Interest on overdue current receivables		6
Interest from clients	5	0
Other		0
Dividends from equity investments	1,873	0
TOTAL FINANCIAL INCOME	**2,462**	**166**

Dividends from equity investments consist of the dividends approved and collected in the first half of 2018 from the subsidiary Azzurra Aeroporti S.p.A.

Financial expense

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	798	883
Interest on outstanding bonds	17,128	16,376
Interest on medium/long-term loans	1,422	641
Effects of applying the amortized cost method	3,254	1,820
Other financial interest expenses	2	8
TOTAL FINANCIAL INTEREST EXPENSE	21,806	18,845
Valuation of derivatives	0	6,324
IRS differentials	4,820	5,946
TOTAL EXPENSES ON DERIVATIVES	4,820	12,270
Financial expense from discounting employee benefits	118	125
Other expenses	0	0
TOTAL OTHER EXPENSES	118	125
TOTAL FINANCIAL EXPENSE	**27,542**	**32,123**

The item “Interest on outstanding bonds” amounts to 17,128 thousand euros; the increase of 752 thousand euros compared to the first half of 2017 is attributable, on one hand, to the bond issue of 500 million in nominal terms on June 8, 2017 and, on the other, to the simultaneous repurchase of 200 million euros in nominal value for the 2013 issue.

Interest on medium/long-term loans, amounting to 1,422 thousand euros, increased by 781 thousand euros compared to the first half of 2017 due to the amounts drawn on the EIB and CDP loans on May 8, 2017.

The effects of applying the amortized cost method increased mainly due to ancillary costs associated with the issue transaction and the simultaneous repurchase of the bonds described above.

Expenses from valuation of derivatives shows a zero balance compared to 6,324 thousand euros in the first half of 2017, which had reflected the change during that period in the fair value of the cross-currency swap for the euro/sterling exchange rate component hedging the A4 bonds issued in pound sterling (shown in Note 6.15).

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
Foreign exchange gains	8	6,339
Foreign exchange losses	(335)	(15)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**(327)**	**6,324**

For comments, refer to the paragraph on Financial expense.

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

The share of profit/(loss) of associates accounted for using the equity method, equal to -2,986 thousand euros (+1,035 in the first half of 2017), includes the effect on the income statement of the write-down of the associated undertaking Pavimental for -3,102 thousand euros, partially offset by the revalution of the subsidiary Spea Engineering for 206 thousand euros (+214 thousand euros and +821 thousand euros, respectively, in the first half of 2017).

7.8 Income taxes

Income taxes equal 50,719 thousand euros (49,355 thousand euros in the first half of 2017). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2018	1ST HALF 2017
CURRENT TAXES		
IRES	30,228	29,154
IRAP	10,259	9,616
	40,487	**38,770**
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	(92)	(9)
	(92)	**(9)**
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	9,107	8,656
Deferred tax liabilities	1,217	1,938
	10,324	**10,594**
TOTAL INCOME TAXES	**50,719**	**49,355**

With reference to IRES, please note that in June 2017 ADR, together with the Group companies, ADR Tel S.p.A. (“ADR Tel”), ADR Assistance, ADR Mobility (“ADR Mobility”) and ADR Security, communicated to the consolidating company Atlantia the desire to exercise the group taxation option, pursuant art. 117 of TUIR, for the three-year period 2017-2019.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

For more details on the calculation of prepaid taxes, reference should be made to Note 6.5.

8. Guarantees and covenants on medium/long-term financial liabilities

With the previously mentioned "Issuer Substitution" transaction, the comprehensive security package established in 2003 to support the Romulus debt structure ceased, with only Class A4 remaining. The only residual, though more limited, guarantee, is a "deed of assignment" under British law in favor of A4 notes on any receivables of AdR related to cross currency swaps in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros. Furthermore, after Atlantia and EDF Invest acquired 64% of the capital of Aéroports de la Côte d'Azur (ACA), ADR committed to constitute a pledge, through the financial acquisition vehicle Azzurra Aeroporti S.r.l., in favor of the company's lenders on the total equity investment in Azzurra Aeroporti S.r.l., (hereinafter, "Azzurra"), originally 10% of the share capital, once the latter company had been transformed into a joint stock company. On June 27, 2018, following the transformation of Azzurra into a joint stock company, the above-mentioned pledge on the shares became effective. Furthermore, following the increase in share capital resolved by the Azzurra Shareholders' Meeting on the same date, the percentage of ownership decreased to 7.77%. This additional guarantee is also limited to a maximum amount of 130.6 million euros.

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

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

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

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

9. Other guarantees, commitments and risks

9.1 Guarantees

As of June 30, 2018, ADR Group has outstanding guarantees, issued as part of the loan agreements mentioned in Note 8. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2017).

9.2 Commitments

The commitments on purchases of the ADR Group amount to 189.5 million euros regarding investment activities.

9.3 Management of financial risks

Credit risk

As of June 30, 2018, ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making provisions in a specific allowance for doubtful accounts, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves making provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, as well as the status in the receivable management and collection process.

The Group's commercial policies set out the procedure illustrated below for the creation of trade receivables:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

Liquidity risk

Liquidity risk is the risk that the available financial resources may be insufficient to cover the maturing obligations. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of June 30, 2018, the ADR Group had a liquidity reserve estimated at 871.4 million euros, comprising:

- 271.4 million euros refer to cash and cash equivalents;
- 600.0 million euros of unused credit facilities (for more details, see Note 6.15).

Interest rate and exchange rate risk

The ADR Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

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

As of June 30, 2018, the ADR Group has:

- cross-currency swap derivatives, originally signed in 2003 and transferred to new counterparties in 2010, to cover the A4 bonds in pound sterling; Class A4, equal to a par value of 215 million pound sterling and included in the series of bond issues originally issued by Romulus Finance, was actually hedged, for the entire duration (until expiration in 2023) by two equivalent cross-currency swaps in euro. The characteristics of this derivative instrument are described in Note 6.15;
- four forward-starting interest rate swap contracts signed on October 18, 2016 and September 18, 2017 for a total notional value of 400 million euros, effective starting from February 20, 2020 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15.

The Group does not have any other transactions in foreign currency in place.

9.4 Information on fair value measurements

Below is the fair value measurement at period end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non-recurring basis):

				06.30.2018
(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	7,318	0	7,318
Derivatives with negative fair value	0	(134,983)	0	(134,983)
TOTAL HEDGING DERIVATIVES	**0**	**(127,665)**	**0**	**(127,665)**

The only financial instruments of the Group valued at fair value are the derivative instruments described in Note 6.4 and Note 6.15. These derivative instruments are included in "level 2" of the "fair value hierarchy" defined by IFRS 7, with the fair value measured based on valuation techniques that use parameters that can be observed in the market, other than the price of the financial instrument.

In the first half of 2018, no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, for which Note 6.15 indicates the fair value, this fair value, calculated according to the techniques stated in the above-mentioned notes, is included in level 2 of the "fair value hierarchy" defined by IFRS 7.

9.5 Litigation

As regards litigation as a whole, the ADR Group carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific allowance under “Allowances for risks and charges” to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. No specific allocations were made for disputes for which a negative outcome was merely possible, given the different legal interpretations. Furthermore, there are a limited number of civil proceedings underway for which no provisions were made, as the impact of any negative outcome for the ADR Group, while negligible, could not be measured.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

Tax litigation

Significant disputes involving the ADR Group are summarized below.

Litigation with the Customs Office - Electricity

- In 2006, the Tax Office of Rome (UTF - now the Customs Office) issued demands for payment of a total of 13 million euros (including interest, expenses and sanctions), regarding failure to pay the tax on electricity consumption and the related surcharge for the period 2002-2006 in addition to notifications of administrative irregularities. The disputes relate to the alleged sale to third parties of electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act to entities qualifying for inclusion in the category “industrial operators”. ADR appealed the demands in question before the Provincial Tax Commission, defined with a favorable outcome for the company. In the appeals against the sentences presented by the Customs Office, the Lazio Regional Tax Commission confirmed the outcome in first instance. The Attorney General's Office contested the sentences issued by the Regional Tax Commission. In 2013, the Supreme Court filed nineteen sentences that accept the reasons for appeal proposed by the Attorney’s Office, rejecting those proposed by the company on cross-appeal. Regarding the sentences issued by the Supreme Court and pertaining to the refusal to recognize the favorable terms applied to industrial facilities, the company filed a motion for revocation as it believes these were issued by excluding essential facts whose existence is inferred from the documents of the case, which were not subject to dispute between the parties in the case.
- Similar to the audits undertaken for the years 2002-2006 by the Rome Tax Office, the Customs Office began two subsequent audits of ADR on its taxation of consumption, excise tax and surcharge on electricity in the periods 2007-2010 and 2011-2012. Following these audits, the Customs Office communicated the relevant demands for payment and the imposition of administrative sanctions. The Revenue Agency subsequently notified, for the same tax periods, tax assessments for the VAT due on the challenged consumption taxation. In relation to the payment orders issued by the Customs Office for the tax periods 2007-2010 and the Revenue Agency for VAT 2007, the Provincial Tax Commission accepted, after the meeting, the appeals lodged by the company.

  On June 11, 2015, the Regional Tax Commission accepted the appeal submitted by the Customs Office and the Revenue Agency against the sentence lodged in first instance. In consideration of the legal interpretation formed on the previous years, ADR filed an appeal to the Supreme Court in relation to the refusal to recognize the favorable terms applied to industrial facilities, as well as VAT assessment challenged by the Revenue Agency.

  In consideration of the rulings of the Supreme Court regarding the finding on the transfer of energy to third parties, the company settled the complaint for the tax periods 2011 and 2012 with the reduced payment of the taxes and sanctions.

For the new tax assessments notified by the Revenue Agency for the VAT due on the consumption taxation for the years 2008-2012, the company appealed before the Provincial Tax Commission. For the years 2008, 2009, 2011, and 2012, the Provincial Tax Commission filed the rulings with which it rejected the appeals. Considering its arguments still open, ADR filed an appeal before the Regional Tax Commission. For the year 2010, the Regional Tax Commission accepted the appeal lodged by ADR against the sentence submitted in first instance. The Revenue Agency has appealed to the Supreme Court.

ICI / IMU (PROPERTY TAXES)

- In 2007, the Municipality of Fiumicino presented the company with two tax assessments, challenging the failure to declare and pay the local property tax for 2001 and 2002 due for Hilton Rome Airport Hotel. The company, considering that there are valid arguments supporting that it is not subject to pay this tax, has appealed with the Provincial Tax Commission, which accepted the one concerning the tax year 2001, while it rejected the one for the tax year 2002. Following the appeals lodged against these decisions, the Regional Tax Commission filed unfavorable rulings for the company, which lodged an appeal with the Supreme Court.

  The tax assessments for the years 2005 and 2006 were notified in 2011, which were also appealed against with the Provincial Tax Commission. In line with the previous unfavorable rulings for the company, the competent Tax Commissions rejected the appeals of first and second instance and ADR has appealed to the Supreme Court.

  In line with the previous years, the Municipality of Fiumicino continued the assessments by notifying tax assessments for the failure to pay the ICI/IMU (property taxes) for the tax periods 2007-2016, promptly contested by the company. Also in this case, in line with the previous legal cases, the Tax Commissions rejected the appeals filed by ADR.

  In consideration of the unfavorable rulings of first and second instance filed by the Tax Commissions, and the risk of a probable negative outcome also of the rulings of the Supreme Court, on 09/21/2017 the company signed a “Conciliation report outside the ruling pursuant to art. 48 of Italian Legislative Decree no. 546/92” with which it defined the annual payments being disputed.
- In 2011, the Municipality of Fiumicino notified ADR tax assessments for the failure to pay the local property tax only for 2007-2009 regarding buildings of Alitalia Technical Area. The company contested the mentioned deeds and appealed before the Provincial Tax Commission. For the year 2007, the Commission accepted the appeal filed by the company, while the appeals for the other two years were rejected. ADR appealed against the rulings of first instance regarding the years 2008 and 2009. The Regional Tax Commission rejected the appeal for the year 2008 and the Company has appealed to the Supreme Court. With regard to 2007, the Municipality of Fiumicino has not appealed and, therefore, the ruling in favor of the Company has become final.

Check of ADR fiscal position

In order to check the fiscal position of the company, on October 24, 2017 the Revenue Agency started a tax audit for the purposes of IRES, IRAP, VAT and withholdings for the tax period 2014. The audit was extended to the 2013 tax year, limited to the review of the tax regime applicable to financial charges.

Tax indemnity

In 2002, when IRI obtained the consent to sell 44.74% of ADR to the Macquarie Group, the entities Gemina, Impregilo S.p.A. and Falck S.p.A. replaced IRI and directly assumed the indemnity commitment towards ADR (with a 50%, 13.1% and 36.9% share, respectively) as issued by IRI during the privatization of ADR, aimed at covering 51.166% of the losses that the company may incur for tax claims relating to periods prior to the privatization that took place in July of 2000. The dispute between ADR and the Customs Office refers to the period of 1993/1998 and is covered by the mentioned guarantee. As Impregilo S.p.A. and Falck S.p.A. repudiate the validity of the guarantee, ADR has brought a case against these companies to obtain the payment of the sums due conditionally to the definitive sentence convicting ADR. With sentence of October 2012, the Court of Rome accepted ADR's application, against which Impregilo S.p.A. and Falck S.p.A. have appealed. The hearing for final judgment, already scheduled for November 10, 2017, was postponed ex officio to November 14, 2018.

Administrative, civil and labor litigation

The most significant disputes involving the Parent Company ADR, are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Airport fees and regulated tariffs

- On April 2014, EasyJet Switzerland SA summoned ADR to return 1 million euros, plus interest, equaling the excess amount paid, as claimed by the applicant, from 2009 to 2013 for the landing and take-off fees and passenger boarding fees (non-EU fees rather than EU fees for flights from/to the Swiss Confederation). The hearing for final judgment, initially scheduled for December 20, 2017, was postponed to February 6, 2019.
- In February 2013, an appeal to the Lazio Regional Administrative Court was filed by the Municipality of Viterbo, with which the Planning Agreement was contested together with the Prime Ministerial Decree of December 21, 2012 and all the other preceding, related, and consequent deeds with a claim for damages, which to date is pending with no set hearing.
- In February 2014, Easyjet Airline Company Ltd notified ADR of an appeal to the Lazio Regional Administrative Court for the cancellation, with prior suspension, of the restructuring of the passenger boarding fees effective March 1, 2014, in connection with the determination of the new transit fees. With the appeal, Easyjet contested the Italian Civil Aviation Authority directive relating to "Fiumicino Tariff Arrangement" of December 27, 2013 (and all of the preceding deeds, to the extent to which they restructure the passenger boarding fees at Fiumicino airport). The plaintiffs deem this restructuring - resulting from the application of a 65% discount on the above-mentioned fees to the passengers in transit at the airport and the contextual increase of the same fee for outbound passengers - to be a violation of the Italian and community regulations. At the hearing of May 29, 2014, the Lazio Regional Administrative Court rejected Easyjet's application for interim relief since the appeal was not secured by the "fumus boni iuris". An announcement of the date of the relevant hearing is awaited.

Airport fuel supply fees

- ENI S.p.A. has brought a claim before the Rome Civil Court against its own client airlines in order to ascertain their obligation to pay the oil company the amounts it owes to airport operators, and to order them to pay the amount accrued since October 2005. In the same claim, ENI S.p.A. has also brought a secondary claim against airport operators, including ADR, in order to ascertain that the concession fees paid by ENI to airport operators should not be calculated on the basis of the amount of fuel supplied to airlines. Moreover, as specifically regards ADR, ENI requests that the company be ordered to return the amount paid in October 2005, totaling 0.2 million euros and that it be determined that ENI does not owe the amount of 1.1 million euros requested by ADR until May 2006 and as yet unpaid. Following a referral order on the role, on May 28, 2014 a hearing was held on the outcome, for which the judge reserved the right to decide on the need to obtain a preliminary ruling before the European Court of Justice, however without any specification as regards the subject of the above-mentioned issue. With sentence filed on April 12, 2017, the Court of Rome declared the lack of jurisdiction of the Ordinary Judge. In November 2017, Alitalia SAI under special administration lodged an appeal before the Appeal Court of Rome to reform the ruling mentioned above. The hearing was adjourned until July 4, 2018 to pronounce the final judgment. On that date, with sentence no. 4601/2018, the Court, in upholding the main appeal, confirmed the jurisdiction of the Ordinary Judge and referred the case to the Court of Rome.
- AirOne S.p.A. has begun legal proceedings at the Civil Court of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators, including ADR, claiming the illegality of the fees charged to oil companies by operators in return for the use of airport infrastructure, which these companies subsequently “pass on” to carriers. Consequently, AirOne also requests that Tamoil – together with the above airport operators – be ordered to repay the sum paid by AirOne since 2003, amounting to 2.9 million euros. With a preliminary sentence in 2012, the Judge appointed an expert to examine the case. At the hearing of February 19, 2015, the judge reserved the right to decide how to continue the case, due to the various procedural requests put forward by the parties. With the order of February 21, 2015, the Judge, having determined a need for an additional technical assessment, appointed an expert to examine the case. At the hearing of February 25, 2016, the examining magistrate, having acknowledged the positions of the parties with regard to the additional documents requested by the expert, ordered the latter to respond to the questions based on the documents in the records, setting a term for the expert until June 30, 2016 to file the final report. At the hearing of September 14, 2016 scheduled for examining the expert’s report, the examining magistrate postponed the judgment to the hearing of May 16, 2018 for final judgment. Following this hearing, a decision on the case was not taken.
- Alitalia LAI under special administration has begun legal proceedings at the Civil Court of Milan against some oil companies to force them to return the amounts paid from time to time as royalties on fuel in the period 2000 – 2009, due to the alleged mismatch between these amounts and the management costs for the specific service. In these proceedings, the oil company executives invoked ADR and other airport operators as third parties, in consideration of the fact that the royalties on fuel were requested by these companies. In some proceedings underway, with partial judgment, the Court of Milan, after deciding on the preliminary exceptions raised by the parties, such as, for example, the limitation of Alitalia’s right before May 2000, submitted the case to preliminary inquiry in order to carry out an economic and accounting appraisal “that may determine a mismatch between the consideration in question and the actual costs incurred for the service, stating the amount of the possible difference between the costs and the consideration paid as airport fees, also in order to ascertain whether and to what extent the plaintiff carried out a passing-on transaction for the aforementioned consideration towards its passengers". Within the framework of these expert assessments, which were started in April 2016 and are planned to end in December 2017 for all the proceedings, ADR appointed its own technical consultant. At the end of December 2017, the expert forwarded a draft report to the parties and the relevant technical consultants. The

technical consultants, in turn, filed memoranda in reply. The final report was filed by the expert in January 2018. At the hearing held on February 13, 2018, the parties made some observations on the report and requested that it be supplemented with regard to certain matters. The Judge has given the parties until February 28, 2018 for the notes and for the formulation of specific questions to be asked to the expert, and until March 26, 2018 for the responses. The ruling was postponed to the hearing of April 13, 2018. On this occasion, the Judge reserved the right to rule on the requests for integration formulated by the parties.

- Within the framework of the appeal filed by Wind Jet against the sentence issued by the Court of Milan, regarding the claimed return, by some oil companies, of the jet fuel fees paid in the period 2004-2009 - which, in turn, invoked SEA and ADR - the Court, with decree issued in June 2017, deeming that "*with regard to disputes having a similar content to the one in question, rulings have already been issued about the validity of the claim……; having accepted the need to require, in the same manner as regulated for these disputes, an appraisal aimed at determining the amount paid by Wind Jet as airport fees as well as the costs incurred by the airport operators to allow the supply of fuel and any other useful figure for deciding on the case*", arranged for an expert to examine the case. Upon the outcome of the applications for revocation of the aforementioned procedure requested by the parties involved, the Court confirmed the expert assessment, scheduling the operations to start on October 3, 2017, with the deadline to file the report set to June 30, 2018. Recently, the expert filed a request for an extension to November 30, 2018 with the Court. ADR appointed its own technical consultant.

Noise abatement measures

ADR appealed to the Lazio Regional Administrative Court requesting cancellation of the proceedings of July 1, 2010 by which the Services Conference, convened to define and approve acoustic zoning for said airport, with which the Service Conference approved acoustic zoning Proposal no. 2 for Ciampino airport. No request for suspensive relief was made and a date for the relevant hearing has yet to be fixed. On January 25, 2018, the Lazio Regional Administrative Court sent ADR's attorney a time-limit notice for the appeal that had extended beyond five years. If, within 180 days from that date, neither of the parties presents a new request for a hearing, the appeal will be declared extinguished due to lack of interest. In a letter dated May 31, 2018, ADR informed its attorney that it had no interest in continuing the appeal.

Creation of the exit in the East area - Fiumicino Completion Project

The Fiumicino Sud Completion Project (which completed its approval procedure before the competent authorities) includes the creation of the new interconnecting junction between "Autostrada A91 Roma – Fiumicino" and the "East Area – Cargo City" of Fiumicino airport. To proceed with the works, regardless of the authorizations already obtained, the project was subject to an additional road safety check requested by the Ministry of Transport pursuant to Italian Legislative Decree no. 35 of March 15, 2011. This check led to two intermediate reports with which ADR was provided certain directives. On October 26, 2016, the Company sent the Ministry of Transport a note highlighting the directives adopted in the project and those not adopted, with the relevant explanation. The Ministry of Transport replied to ADR on November 22, 2016, requesting the project to be aligned with the directives contained in the reports. ADR challenged the ruling of the Ministry of Transport with an appeal to the Lazio Regional Administrative Court (TAR) and interim application to set the scope in the short term (the proceedings must be settled before 2019, when the restriction arranged for the expropriation of the areas relevant to the junction will expire). The appeal was communicated to the counterparties on January 7, 2017 (the Ministry and Anas, which will be in charge of managing the infrastructure after its creation) and registered on February 2, 2017. At the council meeting to deal with the interim application held on February 22, 2017, ADR waived its claim, accepting the indications of the Chairman, who urged the filing of a motion for expedited consideration, specifying the reasons for urgency that require determination of the scope. ADR filed a motion for expedited consideration on March 9, 2017 and the hearing for a discussion was scheduled for March 28, 2018. On that date, the parties asked the judge for a postponement, following the resumption of negotiations to close the matter through an administrative solution, rather than a judicial one.

Bankruptcy proceedings involving clients

- A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia S.p.A. under special administration, Volare S.p.A. under special administration, Alitalia Express S.p.A. under special administration, Alitalia Servizi S.p.A. under special administration, and Alitalia Airport S.p.A. under special administration. Between the end of 2011 and 2013, insolvency claims were initially filed, followed by distribution plans. Subsequently, on March 20, 2014, 10.3 million euros were collected as “insolvency claim” secured by a lien. On March 19, 2014, 0.1 million euros were collected in accordance with the distribution plan for Alitalia Express under special administration.
- In 2009, Volare Airlines S.p.A. under special administration and Air Europe S.p.A. under special administration entered into civil proceedings in order to obtain cancellation of payments made to ADR during the year prior to the carrier's entry into bankruptcy and an order requiring ADR to pay back a sum of 6.7 million euros and 1.8 million euros. With sentence of June 2011, the Court ordered ADR to pay the requested amounts; the company lodged an appeal. Regarding the ruling for Volare Airlines under special administration, with sentence filed on July 2012, the Appeals Court of Milan rejected ADR's appeal. In order to avoid the enforceable proceeding, ADR paid 7.4 million euros (including interests and expenses). Regarding the ruling for Air Europe under special administration, with sentence filed on July 18, 2014, the Appeals Court of Milan rejected ADR's appeal. In order to avoid the enforceable proceeding, ADR paid about 2 million euros (including interests and expenses). ADR has submitted an appeal to the Supreme Court in both cases. For the judgment on Volare Airlines SpA in special administration, with ordinance no. 10117/2018, published April 24, 2018, the Supreme Court rejected the appeal proposed by ADR. Regarding the ruling on Air Europe S.p.A. under special administration, the hearing has not been scheduled yet.

Sub-concession of retail outlets

- The technical consultant and Concora entered into civil proceedings in order to ascertain a case of abuse of dominant position pursuant to art. 102 TFEU for ADR’s conduct when activating the tender procedure (from which they were excluded due to not meeting the requirements) aimed at the sub-concession of stands in front of the terminal for NCC to exercise its business. As a result, the plaintiffs demand ADR be ordered to compensate one million euros each, pursuant to art. 2043 of the Italian Civil Code. The same deed demands the stay of proceedings and the referral to the Court of Justice for the preliminary rulings, also with regard to the airport management concession granted to ADR. At the hearing on November 23, 2017 to discuss the appeal, the case was adjourned until February 14, 2019 for final judgment.
- ADR has entered into civil proceedings against Moccia Conglomerati S.r.l. in order to ascertain that the sub-concession agreement of December 19, 2007 regarding an area to be allocated to a system

for the production and marketing of asphalt concrete was terminated as a result of serious breach by the counterparty. In ADR's opinion, the aforementioned company was unable to obtain the permits from the competent authorities, which are needed to practice the business for which the use of the area had been granted. Therefore, ADR requested the immediate release of the area and to obtain compensation for damages and/or the payment of a sanction for the delayed release and/or an indemnity for unlawful seizure. Within the framework of the ruling, Moccia filed a counterclaim towards ADR for 38.4 million euros, 33.6 million euros of which for loss of earnings. At the hearing in May 10, 2018, the case was adjourned until May 15, 2019 for final judgment.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of Runway 3 at Fiumicino airport, appealed the 2006 sentence handed down by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim. The appeal reiterates the claims for damages made in first instance (66 million euros, including legal interest accrued from the time of the claim). With sentence filed on July 14, 2014 the Appeals Court of Rome substantially rejected the appeal on the proposals of the ATI Alpine Bau, accepting the arguments put forward by ADR and declared that the contract stipulated on December 30, 1997 was terminated, due to the fault of the ATI contractor. On June 19, 2015 bankrupt Alpine Bau lodged an appeal with the Supreme Court regarding the sentence of the Appeals Court. The date of a hearing to discuss the matter is yet to be announced.
- In 2005, Fondedile Costruzioni S.r.l. lodged an appeal against sentence of 2004 of the Civil Court of Rome. This appeal reiterates the claim submitted in first instance for 3.6 million euros, as well as legal and overdue interest and revaluation, regarding higher charges and damages incurred during the execution of construction works on a service tunnel at Fiumicino airport. With the sentence of June 2014, the Appeals Court of Rome fully rejected the claims of Fondedile Costruzioni S.r.l. In October 2014, the counterparty put forward an appeal with the Supreme Court. The date of a hearing to discuss the matter has yet to be announced.
- Consorzio Stabile Imprese Padovane Società Consortile a r.l. and Sertech s.r.l., with regard to the contract for the execution of restructuring works at the office building in Fiumicino that will host the new ADR HQ, entered into civil proceedings in order to obtain from ADR, among other claims, compensation in favor of Sertech for 2.4 million euros (plus interest) for the reasons specified in the brief filed in the accounting register and, subordinately, charge ADR for undue profit and have it compensate Sertech for 0.5 million euros for damage due to the loss of opportunity. At the hearing of February 20, 2018, both parties argued for the acceptance of all their claims and exceptions; the Judge subsequently set the deadlines for filing the briefs and postponed the case to June 26, 2018. On that occasion, the Judge reserved the right to rule on the preliminary petitions from the parties.

Labor disputes

A group of 12 plaintiffs, previously employed by ADR and transferred to the company Ligabue Air Catering S.p.A. (subsequently Ligabue Gate Gourmet Roma S.p.A.) at the time of the sale of the West catering business unit, filed a case against ADR and Lazio Regional Authority. The plaintiffs claim compensation for not having been hired by other companies at the same economic conditions applied by Ligabue Gate Gourmet Roma S.p.A., based on a ministerial award signed by ADR together with other companies and local bodies, including the Lazio Regional Authority, when the company went bankrupt. The compensation claimed by the plaintiffs amounts to about 9.1 million euros. ADR won the case in first instance, with the sentence of September 14, 2016.

A group of 11 of the 12 original plaintiffs appealed against the aforementioned ruling, requesting compensation totaling 8.3 million euros. The first hearing is scheduled for January 7, 2019.

Fire

Regarding the fire that, on the night between May 6 and 7, 2015, affected a large area of Terminal 3 (hereafter also “T3”), a proceeding is pending before the Public Prosecutor at the Court of Civitavecchia; the proceeding regards the offences under articles 113 and 449 of the Criminal Code (participation in arson) and personal injury, in relation to which, on November 25, 2015, the proceeding under art. 415 bis of the Criminal Procedure Code was issued, notifying the conclusion of the preliminary investigation against: (i) five employees from the contractor for the ordinary maintenance of the air-conditioning systems and two ADR employees, all investigated also with regard to the offence under art. 590 of the Criminal Code (personal injury through negligence), (ii) the then Managing Director of ADR in the capacity as “employer” of the Company, (iii) the Head of the Fire Corps Contingent and (iv) the Director of the Lazio Airport System (ENAC).

In 2017, the preliminary hearing was held, which continued for several days, at the end of which, on February 15, 2018, the judge sent the defendants to trial for the crimes of participation in arson and personal injury.

The debate before the Court of Civitavecchia will start on October 15, 2018.

Claims for damages

- In 2011, ADR received a claim for damages for 27 million dollars for direct damages (indirect damages are still being defined) from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. ADR declines any responsibility for the event. Should the investigation being conducted by the competent authorities reveal ADR's clear responsibility, the compensation would be covered by the third-party liability insurance policy of the airport operator.
- About 160 claims have been received from third parties (mainly sub-concessionaires, handlers and passengers) with reference to the fire, only a portion of which, however, is concerned by a clear quantification of the damages (about 31 million euros). A prudent valuation was included in the provisions against these claims for compensation, based on the best current information, of the liabilities the company is likely to be assume.

Reserves on works posted by the contractors

Reserves posted by the contractors amount to about 85 million euros as of June 30, 2018 (77 million euros as of December 31, 2017) towards ADR. Based on past evidence, only a small percentage of the reserves posted is actually due to the contractors. If recognized, the reserves will be recorded as an increase in the cost of concession fees.

If these refer to claims or maintenance, they are posted under the provisions for risks and charges for the portion deemed probable.

10. Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the period no significant transactions or transactions that significantly affected the Group's financial position or results took place.

Trade transactions and other transactions

(THOUSANDS OF EUROS)	06.30.2018		1st HALF 2018		12.31.2017		1st HALF 2017	
	ASSETS	LIABILITIES	REVENUES	COSTS	ASSETS	LIABILITIES	REVENUES	COSTS
PARENT COMPANIES								
Atlantia S.p.A.	7,994	7,898	114	(784)	18,218	1,788	74	(538)
TOTAL RELATIONS WITH PARENT COMPANIES	7,994	7,898	114	(784)	18,218	1,788	74	(538)
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	747	18,162	295	(22,637)	1,237	12,563	324	(31,424)
Spea Engineering S.p.A.	72	24,583	332	(9,592)	36	28,554	298	(8,570)
Ligabue Gate Gourmet S.p.A. (insolvent)	482	968	0	0	482	968	0	0
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	1,301	43,713	627	(32,229)	1,755	42,085	622	(39,994)
RELATED PARTIES								
Leonardo Energia S.c.ar.l.	66	3,555	85	(9,262)	62	3,346	185	(9,558)
Fiumicino Energia S.r.l.	38	0	87	0	34	0	87	0
Infoblu S.p.A.	0	0	0	(13)	0	26	0	(13)
Telepass S.p.A.	176	87	59	(83)	172	121	33	(75)
Autogrill S.p.A.	0	0	0	0	1,048	198	5,909	(315)
Autogrill Italia S.p.A.	1,020	1,683	6,123	(251)	0	0	0	0
Autostrade per l'Italia S.p.A.	235	623	(23)	(489)	704	1,074	284	(595)
Autostrade Tech S.p.A.	0	83	0	(85)	0	270	0	(80)
Edizione S.r.l.	0	12	0	(12)	0	27	0	(15)
Retail Italia Network S.r.l.	34	82	301	0	55	0	387	0
Telepass Pay S.p.A.	4	0	0	0	2	0	0	0
Essediesse S.p.A.	24	0	24	0	0	0	0	0
Società Tirrenica Highway for shares	9	0	18	0	0	0	0	0
Key Management Personnel	0	2,713	0	(2,462)	0	2,745	0	(2,250)
TOTAL RELATIONS WITH RELATED PARTIES	1,606	8,838	6,674	(12,657)	2,077	7,807	6,885	(12,901)
TOTAL	**10,901**	**60,449**	**7,415**	**(45,670)**	**22,050**	**51,680**	**7,581**	**(53,433)**

Relations with Atlantia refer mainly to the tax consolidation of some companies of the ADR Group and to charging back the cost for the seconded personnel.

The main relations with other related parties break down as follows:

- Pavimental: A company owned by Atlantia that carries out maintenance and modernization work of the airport paving for the ADR Group;

- Spea Engineering: A company owned by Atlantia, carrying out airport engineering services (work design and management) for the ADR Group;
- Fiumicino Energia S.r.l.: A company owned by Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Telepass S.p.A. (a subsidiary undertaking of Atlantia): Costs related to the Telepass system used in the car parks managed by ADR Mobility.
- Autogrill Italia S.p.A. (company to which, effective January 1, 2018, Autogrill S.p.A. transferred all of its assets relative to Italian points of sale; the company is an indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a majority interest in Atlantia): revenues from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Autostrade per l'Italia S.p.A. (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive directors and not the managers with strategic responsibilities (so-called key management personnel) in office at June 30, 2018 amount to 2,462 thousand euros and include the amount pertaining to remuneration, employment compensation, non-monetary benefits, bonuses and other incentives for assignments at ADR (the remuneration is indicated regarding the directors that in the period covered the position, also for a portion of the year).

Financial relations

(THOUSANDS OF EUROS)	06.30.2018		1st HALF 2018		12.31.2017		1st HALF 2017	
	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia S.p.A.	0	244,607	0	(6,653)	0	242,763	0	(6,603)
TOTAL RELATIONS WITH PARENT COMPANIES	0	244,607	0	(6,653)	0	242,763	0	(6,603)
Spea Engineering S.p.A.	1,350	0	0	0	0	0	0	0
Azzurra Aeroporti S.p.A.	0	0	1,873	0	0	0	0	0
TOTAL RELATIONS WITH RELATED PARTIES	1,350	0	1,873	0	0	0	0	0
TOTAL	**1,350**	**244,607**	**1,873**	**(6,653)**	**0**	**242,763**	**0**	**(6,603)**

The financial assets with Spea Engineering S.p.A. include the receivable for the dividends resolved by the company in the six-month period and not paid.
The financial income from Azzurra Aeroporti S.p.A. consists of the dividends approved and paid by the company to ADR in the six months under consideration.

Financial liabilities with Atlantia, as well as the related financial expense, concern the A4 bonds, 99.87% of which is held by the parent company upon the conclusion of the Tender Offer procedure launched by the same during January 2015 towards the holders of the outstanding A4 bonds.

11. Other information

11.1 Information on share-based remuneration plans

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the enhancement of the Group's value, in addition to the managerial efficiency of management, Atlantia Group has incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving pre-set corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans to include personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia group resulting from the merger more coherent.

The table below shows the chief elements of the incentive plans as of June 30, 2018, highlighting the rights attributed to directors and employees of the ADR Group. In addition, the unitary fair values of the assigned rights are shown, determined by a specifically appointed expert, using the Monte Carlo model and the parameters shown below.

	NO. OF RIGHTS ASSIGNED	NO. OF RIGHTS REVOKED	NO. OF RIGHTS FOR TRANSFERS	NO. OF RIGHTS OPTED FOR	NO. OF RIGHTS AS OF 06.30.2018	VESTING EXPIRY	EXPIR. EX./ ASSIGN.	EXERCISE PRICE (EURO)	UNIT FAIR VALUE ON THE ASSIGN. DATE	REV. UNIT FAIR VALUE AS OF 06.30.2018	EXPECTED EXPIRY ON THE ASSIGN. DATE (YEARS)	RISK-FREE INTEREST RATE	EXP. VOLATILITY (=HISTORICAL)	DIVIDENDS EXPECTED ON THE ASSIGN. DATE
2011 stock option plans of Atlantia extended to ADR	516,905	(99,339)	0	(383,301)	34,265	11.08.2016	11.09.2019	16.02	2.65	-	6	0.86%	29.5%	5.62%
2011 stock grant plans of Atlantia extended to ADR	56,105	(15,007)	0	(18,171)	22,927	11.08.2016	11.09.2018	n.a.	11.87	-	4 -5	0.69%	28.5%	5.62%
2014 phantom stock option plans of Atlantia extended to ADR	766,032	(432,957)	(73,301)	(250,960)	8,814	05.09.2017	05.09.2020	n.a.	2.88	6.01	3 -6	1.10%	28.9%	5.47%
2014 phantom stock option plans of Atlantia extended to ADR	758,751	(256,467)	(62,742)	(166,373)	273,169	05.08.2018	05.08.2021	n.a.	2.59	3.17	3 -6	1.01%	25.8%	5.32%
2014 phantom stock option plans of Atlantia extended to ADR	611,682	(32,599)	3,316	0	582,399	06.10.2019	06.10.2022	n.a.	1.89	2.94	3 -6	0.61%	25.3%	4.94%
2017 phantom stock option plans	428,074	(15,333)	6,543	0	419,284	07.01.2020	07.01.2023	n.a.	2.37	2.95	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock grant plans	42,619	(1,526)	652	0	41,745	07.01.2020	07.01.2023	n.a.	23.18	25.68	3.13-6.13	1.31%	25.6%	4.40%

In accordance with IFRS 2, as a result of the incentive plans in place, in the first half of 2018 a charge to the income statement was recorded for 1,524 thousand euros, corresponding to the value accrued in the period of the fair value of the attributed rights, 12 thousand euros of which posted as an increase in the shareholders' equity reserves, while the payables relating to the fair value of the "phantom" option existing at June 30, 2018 are posted under other current and non-current liabilities, in relation to the presumed exercise date.

11.2 Events and non-recurring, atypical or unusual transactions

During the first half of 2018, no non-recurring, atypical or unusual transactions were performed with third parties or related parties. No significant non-recurrent events occurred in the six months under review.

12. Subsequent events

- On July 26, 2018, the Revenue Agency served ADR with a Tax Audit Report following the conclusion of the tax audit covering 2014 and part of 2013. In this document, the Revenue Agency formulated certain findings in relation to IRES, IRAP and withholding taxes, which resulted in 1 million euros of higher taxes due. The company disagreed with the conclusions reached by the auditors both de facto and de jure and will present its counterarguments, comments, and requests regarding the findings contained in the aforementioned document, reserving the right to assert the arguments in its defense in the competent fora.

The Board of Directors

ANNEXES

Annex 1 - List of equity investments

NAME	REGISTERED OFFICE	ASSETS	CURRENCY	SHARE CAPITAL (EURO)	SHAREHOLDERS	% HELD	% ADR GROUP INTEREST	CONSOLIDATION METHOD OR VALUATION CRITERION
PARENT COMPANY								
Aeroporti di Roma S.p.A.	Fiumicino (Rome)	Airport management	Euros	62,224,743				
SUBSIDIARY UNDERTAKINGS								
ADR Tel S.p.A.	Fiumicino (Rome)	Telephony	Euros	600,000	Aeroporti di Roma S.p.A.	99	100	Line-by-line
					ADR Sviluppo S.r.l.	1		
ADR Assistance S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility (PRM)	Euros	4,000,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Sviluppo S.r.l.	Fiumicino (Rome)	Real estate management	Euros	100,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Mobility S.r.l.	Fiumicino (Rome)	Management of parking and car parks	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Security S.r.l.	Fiumicino (Rome)	Security and control services	Euros	400,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Airport Cleaning S.r.l.	Fiumicino (Rome)	Cleaning services	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	Rome	Construction	Euros	10,116,452.45	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Spea Engineering S.p.A.	Rome	Engineering and design services	Euros	6,966,000	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Consorzio E.T.L. - European Transport Law (in liquidation)	Rome	Office for European transport rules	Euros	1,143.65	Aeroporti di Roma S.p.A.	25		Valued at cost
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	Airport catering	Euros	103,200	Aeroporti di Roma S.p.A.	20		Valued at cost
OTHER INVESTMENTS								
Aeroporto di Genova S.p.A.	Genova Sestri	Airport management	Euros	7,746,900	Aeroporti di Roma S.p.A.	15		Measured at fair value
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	Airport management	Euros	13,920,225	Aeroporti di Roma S.p.A.	9.229		Measured at fair value
Azzurra Aeroporti S.p.A.	Rome	Real estate, financial investments, etc.	Euros	3,221,234	Aeroporti di Roma S.p.A.	7.77		Measured at fair value
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	Electricity production	Euros	10,000	Aeroporti di Roma S.p.A.	10		Measured at fair value
Consorzio Autostrade Italiane Energia	Rome	Supply on the electricity market	Euros	113,949	Aeroporti di Roma S.p.A.	1		Measured at fair value

REPORT
OF THE INDEPENDENT AUDITORS

EY S.p.A.
Via Po, 32
00198 Roma

Tel: +39 06 324751
Fax: +39 06 32475504
ey.com

Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statements of income, the statement of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes of Aeroporti di Roma S.p.A. and its subsidiaries (the "Aeroporti di Roma Group") as of 30 June 2018. The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an 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 interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Aeroporti di Roma Group as of 30 June 2018 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 2 August 2018

EY S.p.A.
Signed by: Roberto Tabarrini, Partner