Consolidated Financial Statement 2017

Save S.p.A.

SAVE Group Consolidated Financial Statements and Separate Financial Statements of SAVE S.p.A. at December 31, 2017

Contents

Chairman's letter

Dear Shareholders,

2017 was a year of great success and growth for all companies of the SAVE Group.

The Venice-Treviso airport system handled over 13 million passengers in the year, up 9.2% on 2016 - confirming its position as Italy's third largest system.

Venice airport, in particular, cemented its role as the third largest Italian intercontinental gateway and will further strengthen this role in 2018 with the introduction of new long-haul flights to Chicago and Seoul.
Marco Polo's infrastructural development also continued. The first extension to the passenger terminal opened and breathed new life into the terminal in June. Meanwhile, new works have started up alongside preparatory operations for additional extensions to the terminal - further to the upgrading of flight infrastructure - on the basis of the timetable set out under the Master Plan which earmarks total investments of over Euro 900 million until 2021.

The numerous simultaneous works ongoing, despite their complexity, has never interrupted the airport's normal operations, nor taken away from our passenger-focused approach which remains a central aspect of the SAVE Group. In this regard, the customer satisfaction programme, developed with top level international partners, continued in the year and resulted in, among others, the receipt of "Welcome Chinese airport" certification.

Treviso airport, within the North-Eastern airport hub, in confirming its low-cost vocation, built upon its key role for the region's economy, while Verona and Brescia airports continued to develop strongly as a direct result of SAVE's strategic focus.

Extraordinary maintenance works were undertaken for runway resurfacing at Canova airport, although the efficacy of the airport system enabled the transfer of all operations at Treviso to Venice for the relative period.

2017's excellent results translate into very strong financial statement numbers, with revenues up 5.8% and the net profit growing 19.2% to over Euro 50 million.

Enrico Marchi

March 15, 2018

SAVE S.p.A.
Share capital: Euro 35,971,000.00 fully paid-in
Registered Office: Marco Polo Airport - Venice Tessera
Viale G. Galilei n. 30/1
Venice REA No.: 201102
Venice Company Registration Office No.: 29018, Tax Code and VAT No.: 02193960271

On the basis of the Shareholder's Register, the shareholders of SAVE S.p.A. at December 31, 2017 were:

	% Held
MARCO POLO HOLDING S.R.L.	51.23
AGORA' INVESTIMENTI S.P.A.	47.58
SAVE S.P.A. *(*)*	1.19

(*) treasury shares

Board of Directors

The Board of Directors appointed by the Shareholders' Meeting of October 24, 2017 and in office at December 31, 2017 were:

Name	**Office**
Enrico Marchi	Chairman & CEO (B)
Monica Scarpa	CEO
Fabio Battaggia	Director
Vincent Levita	Director
Francesco Lorenzoni	Director (A)
Walter Manara	Director (B)
Aparna Narain	Director
Fabrizio Pagani	Director
Paola Tagliavini	Director (A)
Luisa Todini	Director (A)
Athanasios Zoulovits	Director (B)

(A) Member of the Control & Risks Committee.
(B) Member of the Remuneration Committee.

Board of Statutory Auditors

The Board of Statutory Auditors appointed by the Shareholders' AGM of April 21, 2015 and in office at December 31, 2017 were:

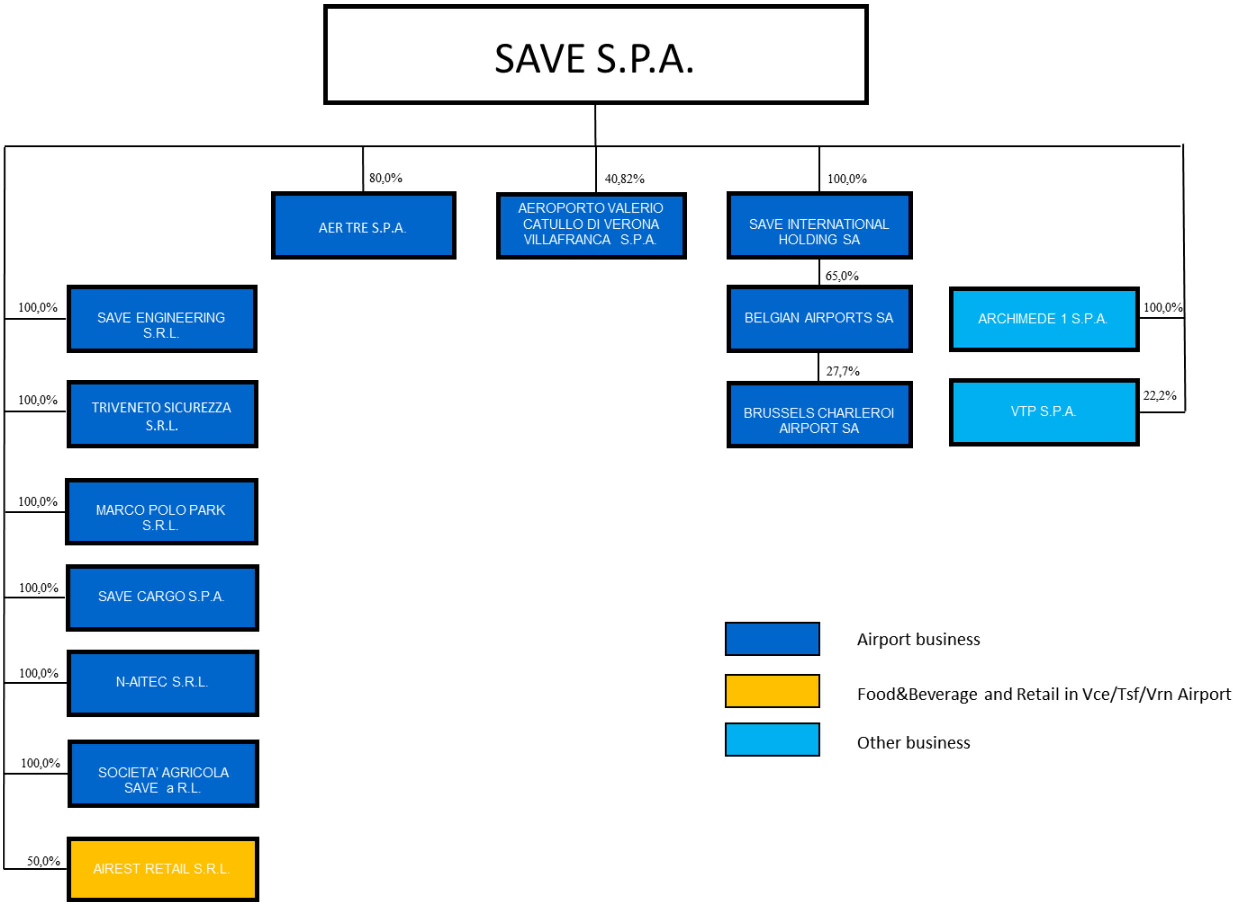
Name	**Office**
Antonio Aristide Mastrangelo	Chairman
Arcangelo Boldrin	Statutory Auditor
Lino De Luca	Statutory Auditor
Paola Ferroni	Statutory Auditor
Nicola Serafini	Statutory Auditor
Paola Cella	Alternate Auditor
Marco Salvatore	Alternate Auditor

Independent Audit Firm

Deloitte & Touche S.p.A. (appointed by the Shareholders' AGM of April 29, 2014)

The SAVE Group by Business Area

The following chart outlines the structure of the SAVE Group at December 31, 2017 concerning the main operating companies.



SAVE S.p.A. ("Save" or the "Parent Company") is an investment holding company which principally operates as an airport manager. It directly manages Venice Marco Polo Airport and controls Treviso Antonio Canova Airport. The company also has significant holdings in Verona Valerio Catullo Airport and in Charleroi Airport (Belgium), in addition to airport management and related services companies.

The parent company during the year acquired the 40% minority holding in the subsidiary Archimede 1 S.p.A.. The merger by incorporation of Archimede 1 into Save S.p.A. was approved in 2018.

Consolidated Financial Highlights

(Euro millions)	2017	2016	Cge. %
Revenues	199.1	188.2	5.8%
EBITDA	94.5	87.7	7.8%
EBIT	64.1	63.9	0.2%
Group Net Profit	50.1	42.0	19.2%
Fixed Capital Employed	553.1	501.3	10.3%
Net operating working capital	(65.0)	(76.5)	-15.1%
Net capital employed from Discontinued Operations		65.2	
Net capital employed	**488.1**	**489.9**	**-0.4%**
- Own Funds	234.9	222.5	5.6%
- Minority shareholders	9.8	29.3	-66.6%
SHAREHOLDERS' EQUITY	**244.7**	**251.8**	**-2.8%**
NET FINANCIAL POSITION	**243.4**	**238.2**	**2.2%**
EBIT/Revenues (ROS)	32.2%	34.0%	
Passengers (VCE TSF airport system)	13,386,437	12,259,145	9.2%

A number of alternative performance indicators not governed by IFRS are utilised in this Annual Report, as described in the dedicated paragraph of the Directors' Report.

Directors' Report

SAVE S.p.A.
Share capital: Euro 35,971,000.00 fully paid-in
Registered Office: Marco Polo Airport - Venice Tessera
Viale G. Galilei n. 30/1
Venice REA No.: 201102
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Directors' Report

Dear Shareholders,
in reporting the Group performance, we also illustrate the operations directly managed by SAVE S.p.A. (the Parent Company). Therefore, in the present document we also report upon the significant events concerning SAVE S.p.A., as required by Article 2428 of the Civil Code.

Significant events in the year

The market

The solid economic growth of the leading advanced and emerging economies appears to have continued during the second half of 2017. According to the OECD's November forecast, global GDP growth of 3.6% was expected for 2017 (with slight growth forecast for 2018). This despite the persistence of geopolitical risks: the North Korean political crisis, the lack of post-Brexit clarity for UK/EU relations and the knock-on effects from the US's stated protectionism on the global economy are still factors to be contended with and pose the greatest risk for global growth[1].

In the Eurozone, the Eurosystem's latest overview raised growth forecasts even further - indicating growth of 2.3% for 2018. Fears of returning inflation re-emerged with the reporting of a 1.4% increase in December. The Board of the ECB recalibrated its monetary policy instruments, while however maintaining highly expansive monetary conditions going forward.

Italy's indicators were on the up as the year came to an end - although again falling short of the European average. In the wake of the March 2018 elections, a major question mark however hung over the governance of the country which appears to be beset by much complexity.

Against this economic backdrop, European air traffic (up 8.5% in 2017) returned its best result since 2004 - thanks to growth both for the EU (+7.7%) and non-EU (+11.4%) areas, the latter returning to growth after a 0.9% decline in 2016.
Air transport now consistently outperforms the economic indicators of many countries (EU passenger traffic has grown 30% since 2012) and is truly putting to the test European infrastructural capacity as many airport approach maximum capacity, particularly at peak times[2].

The North-Eastern airport system (Venice, Treviso, Verona and Brescia) in 2017 reported traffic growth ahead of the Italian average (+6.4%), exceeding 16.5 million passengers and up 9.4% on 2016.

[1] Bank of Italy Bulletin
[2] ACI Europe – Airport Traffic Report

Group Structure

During the year, the Group reorganisation to facilitate its focus on airport management and the development of the North-Eastern airport hub (including, in addition to Venice and Treviso, Verona and Brescia airports) concluded.

In fact, on January 30, 2017 the sale by the subsidiary Archimede 1 S.p.A. of its 40% holding in Centostazioni S.p.A. to Ferrovie dello Stato Italiane S.p.A. was completed. Subsequent to this sale and the acquisition of the minority holding in the subsidiary, SAVE S.p.A. approved the merger by incorporation of the company Archimede 1.

2017 saw a major change in the Group's majority shareholder. On August 9, Agorà Investimenti S.p.A., which held control of SAVE S.p.A., was entirely sold. The new shareholder Milione S.p.A., a joint subsidiary of the Finint Holding Group, infrastructure funds managed by Infravia Capital Partners and DWS, formerly Deutsche Asset Management, consequently launched a mandatory takeover bid on 100% of SAVE S.p.A.'s shares.

The bid's success resulted in the delisting of the company from the Milan Stock Exchange on October 23, 2017.

Consolidated Operational Overview

The SAVE Group consolidated reclassified income statement is reported below (in thousands of Euro):

Euro/000	2017		2016		Change	
Operating revenue and other income	**199,132**	**100.0%**	**188,166**	**100.0%**	**10,966**	**5.8%**
Raw materials and goods	2,449	1.2%	1,875	1.0%	574	30.6%
Services	37,598	18.9%	38,764	20.6%	(1,166)	-3.0%
Lease and rental costs	10,476	5.3%	9,986	5.3%	490	4.9%
Personnel costs	52,468	26.3%	48,420	25.7%	4,048	8.4%
Other operating charges	1,616	0.8%	1,399	0.7%	217	15.5%
Total operating costs	**104,607**	**52.5%**	**100,444**	**53.4%**	**4,163**	**4.1%**
EBITDA	**94,525**	**47.5%**	**87,722**	**46.6%**	**6,803**	**7.8%**
Amortisation & write-down of intangible assets	15,520	7.8%	10,428	5.5%	5,092	48.8%
Depreciation & write-down of tangible assets	9,479	4.8%	7,908	4.2%	1,571	19.9%
Replacement provision	4,033	2.0%	4,621	2.5%	(588)	-12.7%
Losses & doubtful debt provision	942	0.5%	209	0.1%	733	350.7%
Provision for risks and charges	480	0.2%	613	0.3%	(133)	-21.7%
Total amortisation, depreciation, provisions and write-downs	**30,454**	**15.3%**	**23,779**	**12.6%**	**6,675**	**28.1%**
EBIT	**64,071**	**32.2%**	**63,943**	**34.0%**	**128**	**0.2%**
Net financial income/(charges)	(4,497)	-2.3%	(3,819)	-2.0%	(678)	-17.8%
Profit from Associates & JV's carried at equity	6,629	3.3%	1,954	1.0%	4,675	239.3%
Profit before taxes	**66,203**	**33.2%**	**62,078**	**33.0%**	**4,125**	**6.6%**
Income taxes	15,576	7.8%	19,412	10.3%	(3,836)	-19.8%
Profit from Continuing Operations	**50,627**	**25.4%**	**42,666**	**22.7%**	**7,961**	**18.7%**
Profit/(loss) from Discontinued Operations/Held-for-sale		0.0%	(99)	-0.1%	99	-100.0%
Net Profit	**50,627**	**25.4%**	**42,567**	**22.6%**	**8,060**	**18.9%**
Minorities	(522)	-0.3%	(518)	-0.3%	(4)	-0.8%
Group Net Profit	**50,105**	**25.2%**	**42,049**	**22.3%**	**8,056**	**19.2%**

Operating revenues and other income increased 5.8% - from Euro 188.2 million in 2016 to Euro 199.1 million in 2017. This is broken down as follows:

	2017				2016				Change				Change %
Euro/000	Total	Venice	Treviso	Others	Total	Venice	Treviso	Others	Total	Venice	Treviso	Others	Total
Aviation fees & tariffs	130,939	116,775	14,164	0	124,990	111,778	13,212	0	5,949	4,997	952	0	4.8%
Cargo Handling Depot	3,164	3,163	1	0	3,069	3,067	2	0	95	96	(1)	0	3.1%
Handling	2,490	1,069	1,421	0	2,173	893	1,280	0	317	176	141	0	14.6%
Aviation revenue	**136,593**	**121,007**	**15,586**	**0**	**130,232**	**115,738**	**14,494**	**0**	**6,361**	**5,269**	**1,092**	**0**	**4.9%**
Ticketing	97	37	60	0	93	33	60	0	4	4	0	0	4.3%
Parking	16,091	14,223	1,868	0	14,795	13,238	1,557	0	1,296	985	311	0	8.8%
Advertising	2,710	2,542	168	0	2,173	2,037	136	0	537	505	32	0	24.7%
Commercial	31,709	28,405	3,304	0	29,532	26,584	2,948	0	2,177	1,821	356	0	7.4%
Non-Aviation revenue	**50,607**	**45,207**	**5,400**	**0**	**46,593**	**41,892**	**4,701**	**0**	**4,014**	**3,315**	**699**	**0**	**8.6%**
Other income	**11,932**	**4,871**	**408**	**6,653**	**11,341**	**5,030**	**389**	**5,922**	**591**	**(159)**	**19**	**731**	**5.2%**
Total Revenue	**199,132**	**171,085**	**21,394**	**6,653**	**188,166**	**162,660**	**19,584**	**5,922**	**10,966**	**8,425**	**1,810**	**731**	**5.8%**

The most significant events impacting revenues were:

- growth of *aviation revenues* of approx. Euro 6.4 million (+4.9%), following increased system passenger traffic (+9.2%), partially adjusted by the reduction in average tariffs applied;
- *non-aviation revenue* growth of Euro 4 million (+8.6%), thanks to parking (+8.8%) and advertising

(+24.7%) outperforming the traffic increase. Commercial revenues (+7.4%) did not match the traffic performance, impacted by major works during the year;

- incr ease for *other revenues* of approx. Euro 0.6 million, principally due to the higher capitalisation of internal costs for Euro 0.7 million, against increased cost recoveries (+Euro 0.3 million) and a substantially similar reduction in non-recurring revenues (-Euro 0.3 million).

EBITDA of Euro 94.5 million grew 7.8% compared to Euro 87.7 million in 2016. Group operating costs, increasing by approx. Euro 4.2 million in 2017, rose alongside operational volumes at our airports and the new investments coming on stream; material costs increased (+Euro 0.6 million) due to the greater use of de-icing liquid and runway infrastructure material consumption, the higher concession fee (+Euro 0.6 million) and increased personnel costs (+Euro 4 million), principally due to the expanded workforce (+82.19 average FTE on the previous year), all partially offset by a Euro 1.2 million reduction in service costs, thanks to utility cost savings as a result of the start-up of the new tri-generation station and the review of commercial incentive contracts, resulting in fixed contribution savings of Euro 1.8 million.

EBIT was approx. Euro 64.1 million, substantially in line with 2016. The improved EBITDA was partly absorbed by higher amortisation/depreciation due to the roll out of major investments in the year (extension of the passenger terminal) or those completed at the end of the previous year (Moving Walkway).

Net financial income amounted to approx. Euro 2.1 million, improving approx. Euro 4 million on the previous year (charges of Euro 1.9 million). Against a deterioration in the balance of financial income and charges, resulting partly from charges for the early settlement of loans (Euro 0.4 million), the profit of associates and Joint Ventures valued at equity significantly improved from approx. Euro 2 million to Euro 6.6 million.
The result benefits from the improvement in the results of Airest, with an increase in the contribution from Euro 1.0 million to Euro 5.5 million, thanks to better operating results and to the recognition of a tax exemption in 2017, resulting in a SAVE Group share of approx. Euro 3.4 million.
The pro-rata results of VTP also improved, whose contribution rose from Euro 0.7 million to Euro 0.9 million, as did those of the Verona-Brescia system management company (improving from a loss of Euro 0.1 million to a profit of Euro 0.2 million).
The contribution of 2 A however contracted Euro 0.2 million, as did that of the Charleroi airport management company, due to increased operating costs related to the anti-terrorism measures introduced by the Belgian state.

Current and deferred **income taxes** for 2017 amount to Euro 15.6 million (Euro 19.4 million in 2016), benefitting from the reduced IRES rate of 24% (from 27.5%) and the remuneration of the ROL excess transferred following participation in the tax consolidation of the parent company Agorà Investimenti S.r.l..

The **Group Net Profit** totalled Euro 50.1 million, up Euro 8.1 million (+19.2%) compared to Euro 42 million in 2016.

Group Reclassified Balance Sheet

EURO/000	12/31/2017	12/31/2016	CHANGE
Property, plant & equipment	68,226	63,505	4,721
Airport concession rights	398,872	358,989	39,883
Intangible fixed assets	11,700	11,568	132
Financial fixed assets	88,456	82,232	6,224
Deferred tax assets	29,288	27,425	1,863
TOTAL FIXED ASSETS	**596,542**	**543,719**	**52,823**
Post-employment benefits	(3,651)	(3,696)	45
Provision for liabilities and deferred taxes	(39,825)	(38,735)	(1,090)
Fixed Capital Employed from assets held-for-sale	0	**65,600**	**(65,600)**
FIXED CAPITAL EMPLOYED	**553,066**	**566,888**	**(13,822)**
Inventories	1,397	1,239	158
Trade receivables	40,618	34,282	6,336
Tax assets	3,811	4,180	(369)
Other receivables and other current assets	6,956	1,537	5,419
Trade payables and advances	(65,758)	(72,842)	7,084
Tax payables	(2,792)	(4,053)	1,261
Payables to social security institutions	(4,047)	(3,547)	(500)
Other payables	(45,183)	(37,337)	(7,846)
Net working capital from assets held-for-sale	0	**(399)**	**399**
TOTAL NET WORKING CAPITAL	**(64,998)**	**(76,940)**	**11,942**
TOTAL CAPITAL EMPLOYED	**488,068**	**489,948**	**(1,880)**
Group Net Equity	234,945	222,504	12,441
Minority interest	9,764	29,250	(19,486)
SHAREHOLDERS' EQUITY	**244,709**	**251,754**	**(7,045)**
Cash and current assets	(13,275)	(23,827)	10,552
Current bank payables	754	40,483	(39,729)
Non-current bank payables	255,814	214,573	41,241
Other lenders	66	316	(250)
Financial receivables from group & related companies	0	(172)	172
Financial payables to group & related companies	0	6,821	(6,821)
TOTAL NET FINANCIAL POSITION	**243,359**	**238,194**	**5,165**
TOTAL FINANCING SOURCES	488,068	489,948	(1,880)

The comparison of the SAVE Group balance sheet at December 31, 2017 with December 2016 highlights the impacts of the major investments by the Group again this year - and in particular by SAVE S.p.A., more than offset by the sale of the investment in Centostazioni S.p.A. at the end of January 2017 and previously recognised to "*Fixed capital employed from assets held for sale*". During the year in fact, the capex of the parent company alone was approx. Euro 67.2 million (Euro 72.2 million at Group level), resulting in a net increase in **Total fixed assets** of approx. Euro 52.8 million.

Net working capital increased by approx. Euro 11.9 million, principally due to the movement in Trade payables with the settlement of major investment balances existing at December 31, 2016, partially offset by increased ordinary assets, due to the contractual settlement at the end of the year with the main airline at Treviso airport, with the consequent settlement of the incentives payable in the initial months of 2018.

The **Net Financial Position** of Euro 243.4 million was substantially in line with December 31, 2016, thanks to the receivable generated from the sale of the investment in Centostazioni S.p.A. for Euro 65.6 million.

On November 28, 2017, the parent company SAVE Spa obtained a new five-year credit line of Euro 580 million to re-finance existing funding and in support of the major 2018-21 parent company investment plan.
Consequently, on December 22, 2017 the medium-term loan was repaid for Euro 220 million, with Euro 250 million issued on the new credit line.

The main Group ratios indicated a Debt/EBITDA ratio at 2.6 (improving on 2.7 in December 2016) and a Debt/Equity ratio at 1.

Shareholders' equity of Euro 244.7 million reduced Euro 7 million compared to December 31, 2016, reporting the following principal movements:

- the payment of dividends to shareholders in the first half of the year of Euro 38 million;
- reduction of Euro 19.8 million following the acquisition of the minority stake in the subsidiary Archimede 1 S.p.A.;
- the net profit, excluding minority interests, of Euro 50 million.

Net Financial Position

The Group **net financial position** increased to Euro 243.4 million from Euro 238.2 million at December 31, 2016.

(Euro thousands)	12/31/2017	12/31/2016
Cash and cash equivalents	13,275	23,827
Other financial assets	0	172
Financial assets	**13,275**	**23,999**
Bank payables	754	40,483
Other financial liabilities – current portion	41	7,071
Current liabilities	**795**	**47,554**
Bank payables – less current portion	255,814	214,573
Other lenders – less current portion	25	66
Non-current liabilities	**255,839**	**214,639**
Net Financial Position	**(243,359)**	**(238,194)**
of which liabilities for derivative contracts carried at fair value	0	209
Total gross payables to banks	256,568	255,056

Current assets therefore totalled Euro 13.3 million, compared to Euro 24 million in December 2016 and comprised cash and cash equivalents related to the use of the credit lines granted for group investments.
During the year, the Group received new medium-term loans for a total amount of approx. Euro 260 million, while settling loans for approx. Euro 256 million against the repayment plans in place and the funding operation described previously.

In terms of the cash flow statement, available liquidity (the difference between "Cash and cash equivalents" and "Current bank payables", excluding the current portion of loans) decreased from approx. Euro 23.8 million at the end of 2016 to Euro 13.3 million at December 31, 2017. Loan instalment repayments totalled approx. Euro 263 million, offset by the issue of new loans for approx. Euro 256 million. Operating activities generated cash flows of approx. Euro 80.6 million, while capital expenditure and intangible assets absorbed approx. Euro 92 million and financing activities approx. Euro 19.8 million.
Additional outflows in the year concerned the payment of dividends of Euro 38 million.

Group bank loans, measured under the amortised cost method, totalled Euro 256.6 million, with the current portion of the subsidiary Aertre S.p.A.. totalling Euro 0.8 million. Loans due beyond one year totalled Euro 255.8 million, of which none due beyond five years.

Investments at Venice and Treviso airports

Investments totalled Euro 72.2 million, of which approx. Euro 2.4 million allocated to the assets under concession replacement provision.
The main investments in 2017 included:
Euro 37.6 million for the design, extension and refurbishment of the Venice terminal. This was completed in the period and opened to the public on June 17, 2017; Euro 7.9 million for other investments for the maintenance of infrastructural operability; Euro 7 million for the design and works to develop the runway and aprons; Euro 4.9 million for hardware and software investment; Euro 3.5 million for the acquisition of equipment and vehicles; Euro 2 million for hydraulics works and regional protection; Euro 1.9 million for the upgrading of the runway and taxiway at Treviso airport; Euro 1.1 million for parking upgrade works; Euro 1 million for apron de-oiling at Treviso; Euro 0.9 million for the purchase of X-ray equipment.

Alternative performance indicators

In addition to the financial indicators established by IFRS, a number of alternative performance indicators are presented to provide more complete disclosure on the operating performance and financial position.

"EBITDA" measures the result before amortisation, depreciation, provisions for risks and the replacement provision, write-downs, financial income and charges, taxes and non-recurring operations.
"EBIT" measures the result excluding financial income and charges, income taxes and non-recurring operations.
"Profit before taxes" concerns the profit before the "Profit/Loss from discontinued operations/held-for-sale".
"Gross profit" concerns the profit before taxes net of the "Profit/Loss from discontinued operations/held-for-sale".
"Net financial position" includes liquidity, financial receivables and current securities, net of financial payables (current and non-current) and the fair value of financial debt hedging derivatives.
"Net working capital" includes inventory, trade receivables, tax and social security receivables and payables, other assets and liabilities and trade payables.
"Net capital employed" measures the sum of "Net working capital" as defined above and fixed assets, net of the Post-Employment benefit provision and risks provisions and added to Other non-current non-financial assets.
"ROS" is the ratio between EBIT, as defined above, and Revenues.
"ROI" is the ratio between EBIT, as defined above, and Net capital employed.
"Gearing" is the ratio between the Net Financial Position and Net equity.
"Total Workforce" is the number of employees enrolled to the employee register on the last day of the period.
"Movements" relates to the total number of arriving/departing aircraft.
"Passengers" concerns the total number of arriving/departing passengers.

Guarantees granted

The following table summarises the guarantees granted by the SAVE Group at December 31, 2017.

Guarantees granted (Euro thousands)	Amount
Sureties:	204
- as a guarantee for lease contracts	64
- as a guarantee for public grants	103
- as a guarantee for public body receivables/payables	
- other	37
Mortgages	-
Total guarantees granted	**204**

In addition, as part of the disposal of the investment in Centostazioni, SAVE S.p.A. provided a guarantee to the purchaser Ferrovie dello Stato Italiane S.p.A. through providing the subsidiary Archimede 1, the vendor, with the funding necessary to fulfil its obligations under the sales contract. This specifically concerns the usual guarantees granted as part of the disposal of a significant investment; these guarantees shall not however exceed 25% of the consideration.

Human Resources

An analysis of the Group workforce follows.

Workforce	12-31-17		12-31-16		Change	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Executives	20	0	20	0	0	0
Managers	56	1	49	1	7	0
White-collar	580	268	542	211	38	57
Blue-collar	147	85	139	65	8	20
TOTAL	**803**	**354**	**750**	**277**	**53**	**77**
TOTAL WORKFORCE	**1,157**		**1,027**		**130**	

Airport operation employees at December 31, 2017, including both full-time and part-time, in addition to fixed contract employees, totalled 1,157, increasing 130 compared to December 31, 2016, principally due to extended security operations and improvements to the quality of service provided to airport passengers.

The workforce full-time equivalent at December 31, 2017 was 1,069, compared to 958 in 2016.

Group Airport Management Review

Airport Management

Traffic performance

Assaeroporti indicated Italian airport traffic growth of 6.4% in 2017 over 2016 to over 175 million passengers (movements +3.2%). Passengers to international destinations in particular grew (+8.3% on the previous year).

Main Italian airports - Passenger traffic

	2017	Cge. % '17/'16
Rome Fiumicino	40,971,881	-1.9%
Milan Malpensa	22,169,167	14.2%
Bergamo	12,336,137	10.5%
Venice	10,371,380	7.8%
Milan Linate	9,548,363	-1.4%
Catania	9,120,913	15.2%
Naples	8,577,507	26.6%
Bologna	8,198,156	6.7%
Rome Ciampino	5,885,812	9.1%
Palermo	5,775,274	8.4%
Other	42,458,812	5.6%
Total	175,413,402	6.4%

The Venice Airport System (which includes the Venice and Treviso airports) confirmed its position as the third largest Italian airport system after Rome and Milan, with over 13.3 million passenger movements at the two airports (+9.2% on the previous year and outperforming the national average of +6.4%).

Venice beat its goal of 10 million passengers (+7.8% on the previous year), outperforming Milan Linate in terms of traffic volumes and positioning itself as the fourth largest Italian airport after Rome Fiumicino, Milan Malpensa and Bergamo.

Treviso moved over 3 million passengers in 2017, up 14.4% on 2016.

The Venice - Treviso Airport System

The Venice-Treviso Airport System reports over 13.3 million passengers for 2017, up 9.2% on 2016, with over 113 thousand total movements (+3.6% on the previous year).

The following table reports the key traffic data for 2017 (compared to 2016):

AIRPORT SYSTEM

Year to December

	2017	% of system	2016	% of system	CGE. % '17/'16
SAVE					
Movements	92,263	81%	90,084	82%	2.4%
Passengers	10,371,380	77%	9,624,748	79%	7.8%
Tonnage	6,434,194	84%	6,355,439	85%	1.2%
Cargo (Tonnage)	60,853	100%	57,973	100%	5.0%
AERTRE					
Movements	21,265	19%	19,518	18%	9.0%
Passengers	3,015,057	23%	2,634,397	21%	14.4%
Tonnage	1,239,440	16%	1,102,224	15%	12.4%
Cargo (Tonnes)			1	0%	-100.0%
SYSTEM					
Movements	113,528		109,602		3.6%
Passengers	13,386,437		12,259,145		9.2%
Tonnage	7,673,634		7,457,663		2.9%
Cargo (Tonnage)	60,853		57,974		5.0%

The breakdown of traffic by type was as follows:

VENICE AIRPORT SYSTEM

Year to December

	2017	2016	CGE. % '17/'16
Commercial Aviation			
Scheduled + Charter			
Movements (no.)	103,188	100,177	3%
Passengers (no.)	13,366,406	12,241,482	9%
Cargo (tonnes)	60,453	57,861	4%
Mail (tonnes)	400	112	256%
Aircraft (tonnes)	7,533,833	7,336,052	3%
General Aviation			
Movements (no.)	10,340	9,425	10%
Passengers (no.)	20,031	17,663	13%
Aircraft (tonnes)	139,801	121,611	15%
Overall			
Movements (no.)	113,528	109,602	4%
Passengers (no.)	13,386,437	12,259,145	9%
Cargo/Mail (tonnes)	60,853	57,974	5%
Aircraft (tonnes)	7,673,634	7,457,663	3%

Venice

In 2017, Venice airport beat the milestone of 10 million passengers, increasing numbers 7.8% on 2016 (for over 92 thousand movements, +2.4% on the previous year), with both domestic (+3.7% on 2016) and international passenger traffic numbers (+8.4%) improving.

The figures confirm the prevalent international focus at the airport: 87% of passengers fly between Venice and European and intercontinental destinations, against an Italian airport system average of 64% (Assaeroporti figures).

Passengers between Venice and the ten direct long-haul destinations operating out of the airport (the United States, Canada, United Emirates, Qatar, South Korea) numbered nearly 900 thousand in 2017, thanks to the operations of 9 carriers - in particular Asiana which carried nearly 25 thousand passengers between Seoul and Venice.

25% of departing traffic from Venice travelled through an intermediate airport for onward global end destinations, against a number of passengers travelling to their end destination on direct flights increasing thanks to the greater number of destinations available to airport users. Frankfurt is the leading intermediate airport for passengers departing from Venice, followed by Rome Fiumicino, Paris CDG, Istanbul and Dubai.

A number of new operations were again launched in 2017.

Easyjet, based in Venice, located an additional aircraft at the airport from May 2017 (5 aircrafts in total), launching new domestic and international destinations from Venice: Alghero, Lille, Marseilles, Palma de Mallorca, Toulouse, Zurich. In the winter season, the airline launched also the destinations of Liverpool and Tel Aviv.

Volotea, also based at Venice, extended its range of direct destinations, introducing operations with Cephalonia and Malaga.

Flybe introduced a new flight to London Southend in May and from June Air Serbia launched its connection to Venice from Belgrade.

From April, Transavia flies between Venice and Rotterdam, replacing the Amsterdam connection.

Alitalia connected Venice to Catania in the peak season. The carrier in addition launched flights between Venice and St. Petersburg, with Ural Airlines adding a Moscow Domodedovo connection.

The new carrier FlyErnest operates between Venice and Tirana from June, supplementing Albawings' operations on the route. In addition, from December the carrier launched a Leopoli connection to Venice.

Aegean Airlines on the Athens route and Luxair on the Luxembourg route extended their connections, with direct flights also during the winter season.

In addition, from the winter season Ryanair transferred its Barcelona flights from Treviso to Venice.

In terms of the long haul network, the seasonal connections with Canada (Toronto and Montreal, with an additional Air Transat flight) and for the United States (Atlanta, with extended direct operations until the end of September, New York EWR, New York JFK, Philadelphia), were fully operative, in addition to direct connections between Venice and the Middle East (Abu Dhabi, with a move to wide body aircraft between June and September, Doha, Dubai). Between June and October, Asiana directly connected Seoul to Venice.

The traffic breakdown at Venice between domestic, EU and non-EU destinations is outlined below.

Origin/destination - Venice
Year to December

	2017	CGE. % '17/'16
Domestic traffic	1,361,399	3.7%
EU Traffic	6,880,628	8.9%
Non-EU Traffic	2,113,178	6.7%
Total commercial aviation	10,355,205	7.7%
General Aviation	16,175	19.1%
Total	10,371,380	7.8%

Non-EU passenger traffic accounts for 20% of total airport traffic.

- Over 415 thousand passengers utilised in 2017 the direct connections between Venice and the United States in 2017 (Delta Air Lines for New York JFK and Atlanta, American Airlines for Philadelphia, United Airlines for New York EWR) and the non-stop flights to the Canadian market of Air Canada and Air Transat (Toronto and Montreal);
- Passengers carried between Venice and the Middle East by the three operating airlines (Emirates for Dubai, Qatar Airways for Doha, Etihad Airways for Abu Dhabi) exceeded

440 thousand in the year; Etihad Airways closed direct connections with Abu Dhabi on conclusion of the 2017 summer season;

- Nearly 25 thousand passengers were carried by Asiana between Seoul and Venice between the months of June and October, with an average load factor of 97%;
- Nearly 60 thousand passengers flew between Venice and Tel Aviv, +19% on the previous year, thanks to El Al and Easyjet's operations (from the 2017 winter season);
- Direct Venice and Morocco/Tunisia passengers numbered over 100 thousand in the year, thanks to the flights operated by Air Arabia Maroc and Royal Air Maroc to Casablanca and by Tunisair to Tunis;
- Moscow and St. Petersburg traffic grew 17% in the year, for nearly 190 thousand passengers, thanks to Aeroflot, Ural Airlines and Alitalia operations;
- Over 100 thousand passengers were carried in the year between Venice and Ukrainian and Moldovan destinations, thanks to the flights operated by Ukraine International Airlines, Air Moldova, Flyone and FlyErnest (+40 thousand on 2016);
- Turkish Airlines carried over 270 thousand passengers between Venice and Istanbul. Istanbul was the main hub for African end destinations and the second largest interim airport (after Doha) for indirect traffic with Asian final destinations;
- From June 2017, Venice was connected also to Belgrade by Air Serbia: the airline has carried over 10 thousand passengers since launching operations.

The following table completes that outlined above, with breakdown by country of origin/destination of Venice airport traffic.

Main destination/origin countries - Venice
Year to December

Country	2017	CGE. % '17/'16
France	1,610,790	10%
Great Britain	1,547,530	10%
Italy	1,361,399	4%
Germany	1,332,840	1%
Spain	768,162	13%
Holland	483,235	-8%
Switzerland	380,070	10%
UAE	299,218	-6%
United States	274,186	-1%
Turkey	273,180	-6%
Other	2,024,595	21%
General Aviation	16,175	19%
Total	10,371,380	8%

The leading 5 origin/destination markets represent 64% of total airport traffic. France was confirmed as the largest market, with traffic increasing 10% (over 1.6 million passengers). Domestic destination passengers represented 13% of the total (+4% on 2016).

The table below highlights the breakdown of Venice airport traffic by major airline (passengers transported).

Principal Venice airlines
Year to December

Airline	2017	Cge. % '17/'16
Easyjet	2,610,124	19%
Volotea	702,909	8%
British Airways	535,745	14%
Alitalia	530,019	-27%
Lufthansa	484,389	9%
Air France	454,663	-4%
Vueling	388,735	9%
Klm	329,020	-4%
Iberia	311,726	6%
Turkish Airlines	271,739	-6%
Other	3,736,136	11%
General Aviation	16,175	19%
Total	10,371,380	8%

The airlines based at Venice (easyJet and Volotea) accounted for 32% of total traffic, for over 3.3 million passengers carried. Easyjet was confirmed as the largest carrier at Venice, with over 2.6 million passengers, up 19% on the previous year, followed by Volotea, which carried at the airport over 700 thousand passengers (+8% on 2016). British Airways is the third largest carrier, with over 530 thousand passengers and growth of 14%, particularly due the development of flights to London Heathrow.

Venice traffic grew 7.8%, outperforming the national average (+6.4%), despite the cutback in Alitalia operations and the bankruptcies of Air Berlin and Monarch in the year.

General aviation traffic at Venice was up 19% in 2017 (movements +21%): this stems from the hosting of the Venice Arts Biennial.

Overall cargo traffic (including the operations of couriers and the postal service) increased 5% on 2016 thanks to cargo transported by air (+5.4%). Cargo exports accounted for 64% of total cargo traffic.

Emirates was confirmed as the leading cargo airline at Venice airport (+10% on 2016 quantities).

Courier operations at the airport grew 3% on the previous year, principally thanks to the growth of e-commerce which requires these airlines for the delivery of products.

Future developments

2017 was a very successful year:

- We exceeded 10 million passengers (10,371,380);
- Our growth (+7.8%) was well ahead of the national average (+6.4%).

All this amid significant commercial aviation sector instability, with the bankruptcies of Air Berlin and Monarch, both present at Venice, in addition to the cutback of Alitalia operations.

Base carriers and point-to-point traffic

- Our strategy of focusing on the airlines based at the airport is beginning to pay off. Easyjet completed its first year of operations based at the airport in 2017. The carrier added an additional aircraft and now has 5 based at Venice. In 2018, it will add 2 more aircraft, further consolidating therefore its position as the leading airline at the terminal. Volotea, with 7 aircraft based at the airport, extended its operating season, bringing further growth. The goal for 2018 is to consolidate and further extend the interim season;

Long haul

- The development of long haul traffic remains our prime objective and in 2018 we will see the results of a very busy 2017. The launch of flights between Venice and Chicago by American Airlines in May 2018 will bring to 7 the number of our North American gateways, bringing additional growth on top of a strong 2017 performance (+8% on 2016);
- With regards to the Middle and Far East, Asiana finally launched the Seoul - Venice route as a scheduled service, opening therefore the market beyond Seoul for incoming and outgoing operations;

Hub connectivity

- Our strategy has always focused on developing hub connections, in addition to introducing additional flight numbers, such as those of Austrian Airlines with Vienna and British Airways with London Heathrow, which further strengthens our connectivity. The entry of Air Europa to Venice will be a major event in 2018, with two daily connections to Madrid: the new flights will boost connections with South America and we therefore expect additional traffic volumes from this market.

Broadening of the catchment area

- With the introduction of 2 additional aircraft by Easyjet and the impactful entry of the airline onto the domestic market, our plan promoting connections via Venice was revived. This plan has been improved on the past thanks to the following developments:
- Passengers have at their disposal a greater number of intercontinental operations than the past;
- The range of European and domestic destinations available is broader, with greater capacity and more flights available;
- The passenger global travel experience has improved thanks to innovative online search and booking services and dedicated airport support, with assistance also in the case of operating problems.

Treviso

Treviso airport surpassed 3 million passengers in 2017, up 14.4% on 2016, for over 21 thousand movements (+9% on the previous year).

This result was achieved also thanks to the new domestic and international operations launched by Ryanair and Wizzair: Ryanair launched flights to Hamburg, Krakow and Naples, with the winter season added to Cologne, Edinburgh, Frankfurt and Marrakesh; Wizzair introduced connections from Treviso to Criaova and Suceava (Romania).

Treviso airport (Aertre) accounted for 23% of total System passengers.

Ryanair carried nearly 2.6 million passengers (up 13% on 2016), with an 86% share of total traffic. Domestic traffic performed strongly, up 22%, and particularly thanks to Naples' operations (nearly 170 thousand passengers carried on the route in 2017). In terms of international destinations, numbers between Treviso and Germany improved 73%, thanks to new direct connections to Hamburg, Cologne and Frankfurt and additional flights to Berlin Schönefeld.

Wizzair's traffic also increased (+18%), particularly thanks to the new operations between Treviso and Romania.

Treviso is connected directly also to Tirana thanks to the flights operated by Albawings/Blue Panorama: over 28 thousand passengers were carried on the route in 2017.

Treviso's operations were transferred to Venice between October 4 and 18 due to runway resurfacing works.

Future developments

The main objective for Treviso airport is to manage new routes and existing flights as best as possible, limiting daily peaks and troughs. The strategy is in addition based on the launch of new point-to-point routes for tourism and business passengers and improved flight loads on existing flights.

Garda Airports System

Verona

Verona airport carried 3,099,142 passengers in 2017, up 10.4% on the previous year, for over 30 thousand movements (+5.9% on 2016).

This result was due to a multitude of factors, particularly with Volotea increasing to 3 its number of aircraft, which operates to 17 destinations from Verona, the broadening of Ryanair's range of destinations, with the introduction of new connections to Madrid, Berlin, Hamburg, Nuremberg and Seville, the new flight to Tirana of Fly Ernest, in addition to increased operations by Blue Panorama, the introduction of a third daily flight to Frankfurt by Lufthansa and the consolidation of Neos on the leisure market, including the long haul segment.

The domestic market is the largest, with 33% (over 1 million passengers): Catania is the highest volume domestic route (245 thousand passengers), followed by Palermo and Rome.

The remaining 67% of traffic connects to international destinations: the leading cities in terms of passenger traffic are London (348 thousand passengers), Moscow, Munich, Tirana and Frankfurt.

The highest volume passenger traffic airlines were Volotea (526 thousand, +21% on 2016), Ryanair (452 thousand, +54% on the previous year) and Neos (316 thousand, leisure airline with 32 destinations, which launched at Verona the new B-787 Dreamliner).

The long-haul leisure segment reported 65 thousand passengers to 10 destinations in 2017 (+21% on the previous year): the leading destination was Zanzibar, with 13 thousand passengers, followed by Cuba (Havana and Cayo Largo) with 11 thousand passengers. The Egyptian market reported a strong recovery, with nearly 70 thousand passengers (+141% on 2016).

A multitude of new flights were introduced at Verona in 2017: Ryanair extended its range of destinations with the introduction of 3 new seasonal routes to Germany (Hamburg, Berlin and Nuremberg) and 2 new annual routes to Spain (Madrid and Seville); Volotea boosted its operations with new flights to Lampedusa, Mikonos, Menorca and Kork; CSA directly connected Verona to Prague with seasonal flights; Norwegian introduced a new seasonal route to Oslo; Lufthansa added a third daily flight to Frankfurt; Alitalia added to its seasonal operations to Catania and introduced a new seasonal flight to Ibiza; Fly Ernest launched a Verona to Tirana connection; on the leisure market, Neos launched new outgoing connections to Jamaica and the Maldives, while Mistral introduced 4 new seasonal routes (Corfu, Zante, Tivat, Cephalonia).

Future developments

Scheduled traffic at Verona, thanks to the new operations launched in 2017, reports growth, related also to strong leisure sector development and major long-haul destination growth, in addition to the recovery of the Egyptian market.
The strategy focuses on the following aspects:

- Increase of incoming flights from destinations with significant interest in the region (Russia and Great Britain);
- Extension of outgoing network, in synergy with Volotea (airline based at the airport);
- Improved airport connectivity;
- Development of new markets, thanks to the entry of Neos's Boeing 787.

Brescia

Brescia airport reported further strong cargo segment growth (+42.5%), for nearly 35 million tonnes of cargo/mail carried in 2017.

Air cargo traffic improved over 7-fold on 2016 for over 11 thousand tonnes. This result is based on the operations by SW Italia and Silk Way West Airlines, part of the Azerbaijani Silk Way Group, with two weekly flights between Brescia and Hong Kong (via Baku) from March 2017. The importing flight is fed by the Chinese STO Group, one of the main Chinese Express couriers, which has chosen Brescia as an operating base for direct imports and for the forwarding of products delivered from China for the online sales platforms.

Road volumes grew 11% on 2016, both thanks to the strong Lufthansa Cargo performance, particularly in the initial part of the year, and the Silk Group's flights connecting by road with other airports.

Mail, representing 48% of cargo volumes, contracted 2.2% in 2017, with a more marked drop in the first half of the year and a recovery in the second half, thanks to increased volumes generated by the e-commerce segment.

Future developments

The short/medium-term objective for Brescia airport is to gradually increase the number of flights and destinations served, with the consequent development of airport cargo volumes, both for the general cargo and courier segments.

Charleroi Airport

Passengers carried at Charleroi in 2017 numbered approx. 7.7 million (up 5.4% on the previous year).
The main airline at the airport is Ryanair, with a market share of 78% and carrying over 6 million passengers. Ryanair's operations to December 2017 comprised of 80 regular destinations.
Wizzair, operating out of the airport with 8 routes, in 2017 carried over 728 thousand passengers - up 7% on the previous year.
Jetairfly (TUI fly Airlines Belgium) in 2017 operated 24 regular routes and carried out over 745 thousand passengers.

Regulatory framework developments

Regulatory Agreement and airport fees

SAVE applies the airport fees established on the basis of the Regulatory Agreement signed with ENAC on October 26, 2016 and approved with Ministerial Decree of December 28, 2012, in accordance with Article 17, paragraph 34-*bis* of Legislative Decree 78/2009, enacted into Law 102/2009, as amended by Article 47, paragraph 3-*bis*, letters a) and b) of Legislative Decree 78/2010, enacted with amendments into Law 122/10, authorised ENAC to undertake, for airports of national importance and however with traffic of greater than 8 million passengers annually, long-term Regulatory Agreements with options for updating throughout their applicability. The new tariff system entered into force on March 11, 2013. The fees are updated annually in accordance with Article 15 of the Regulatory Agreement. For 2017, the new fees enter into force from February 1, 2017, with the latest tariff update entering into force on February 1, 2018.

Under the Regulatory Agreement, three appeals - all suspension appeals - were proposed before the Veneto Regional Administrative Court, respectively by the Municipality of Venice, the Aeroterminal S.p.A. in liquidation bankruptcy and Assaereo (the National Association of Airlines and Air Transport Operators). With judgements Nos. 136/2014 and 223/2014, the Veneto Regional Administrative Court rejected the appeals of the Municipality of Venice and the Aeroterminal S.p.A. in liquidation bankruptcy. The hearing date for the appeal proposed by Assaereo has not yet been fixed. The Municipality of Venice appealed against judgement No. 136/2004 before the Council of State (No. 6950/2014), while the hearing date has not yet been fixed.

In addition, AICAI (Italian International Air Carriers Association) and the main carriers operating out of Venice challenged (by extraordinary appeal to the Head of State, subsequently transferred to the Veneto Regional Administrative Court with Case No. 328/2015) the provisions under which the cargo loading and unloading fees for 2015 were increased, communicated on January 15, 2015, in addition to, for that applicable, of the Regulatory Agreement and the relative approving provisions. The judgment was quashed with Decree No. 658 of 29/8/2016.

AICAI also challenged the provisions by which SAVE decided the tariff adjustments for landing and take-off fees, for the 2017-2021 period, in addition to all provisions upon which this adjustment was based. The extraordinary appeal to the Head of State was transferred to the Veneto Regional Administrative Court with Case No. 733/2017, which currently awaits the fixing of a hearing date, after the rejection of the claimant's protective application. We highlight finally that the European Commission, within the EU Pilot No. 4424/12/MOVE (Communication system concerning the application of Directive 2009/12/EC on airport fees by Italy), in July 2013 requested from the Italian Authorities further information to verify the correct transposition into national law of the above-stated directive. In October 2015, the General Secretary of the European Commission sent to the Italian Ministry for Foreign Affairs a letter of formal notice - Infraction No. 2014/4187, dated October 22, 2015, through which the Commission communicated that it does not consider that Italian law (on the basis of which the Regulatory Agreements for the airports of Milan, Rome and Venice have been agreed) complies with Article 6, paragraph 3 and Article 11, paragraphs 1 and 6 of the directive.

The Commission has reserved the right to issue, after considering the observations of the Italian Government (or where such are not communicated), an opinion in accordance with Article 258 of the TFEU, which to date has not yet been adopted.

For a comprehensive overview of the applicable domestic tariff rules, it is noted that Article 37 of Legislative Decree No. 201/2011 established that the Transport Regulation Authority "carries out as per Articles 71 to 81 of Legislative Decree No. 1 of January 24, 2012, all

Supervisory Authority functions established by Article 71, paragraph 2 of the stated Legislative Decree No. 1 of 2012, in enactment of Directive 2009/12/EC of the European Parliament and Council of May 11, 2009, concerning airport fees". The reported regulatory framework provides for the setting of airport fees by the Airport Manager, following mandatory Consultation between the Manager and Airport users. With Motion No. 64/2014 of September 17, 2014, the Authority introduced a regulatory system which provides for the application of separate schemes according to the level of airport traffic (2014 Models): Model 1 Airports with traffic exceeding 5,000,000 passengers annually; Model 2 Airports with traffic of between 3,000,000 and 5,000,000 passengers annually; Model 3 Airport with traffic of less than 3,000,000 passengers annually. Following a structured review, the new tariff regulation models were approved with TRA Motion No. 92/2017 of July 6, 2017.
The regulatory scope was extended to all airports to which Decree 1/2012 is applied. On the basis of the 2016 traffic figures, the airports currently governed by the Authority, 37 in total out of 42, represent approx. 50% of total passenger traffic. For the Rome (Fiumicino, Ciampino), Milan (Malpensa, Linate) and Venice airport managers the regulatory agreements with ENAC are applicable.

Regulation EC No. 139/2014 and the new rules for the certification of European airports.

Regulation EC No. 139/2014, in establishing the technical requirements and administrative procedures for the certification of airports in accordance with Regulation (EC) No. 216/2008, conferred to airport operators the role of "responsibility for airport functioning", with the duty to directly or indirectly supply airport operating services.
The Regulation, which requires the conversion of the current airport certificates by December 31, 2017, is an innovative development and contributes to establishing a new definition of roles and responsibilities within airports. In particular, the new rules concerning first aid and fire protection and the air navigation services are particularly significant which, in domestic law, are carried out by third parties (ENAV and the Fire Services). The Regulation however establishes the option for specific agreements with these parties in order to ensure the necessary co-ordination between parties and the establishment of the respective roles and responsibilities.
In May 2016, Venice airport was selected, together with the main Italian airports (Fiumicino, Malpensa, Linate, Bergamo and Naples), to convert its certificate by 12.31.2016 and therefore one year in advance of the deadline established by the Regulation.
The conversion of Venice airport's certificate took place on December 23, 2016 (among the first in Europe).

Fire Service Fund contribution

Article 1, paragraph 478 of Law No. 208 of December 28, 2015 amended Article 39-bis of Legislative Decree No. 159/2007, establishing that "The provisions with regard to [...] payments by airport managers concerning the fire protection services at airports, as per Article 1, paragraph 1328 of Law No. 296 of December 25, 2006, are considered not to impose tax obligations". The regulation is in opposition to the case law developed to date (Lazio Regional Administrative Court Judgement No. 4588/2013, Court of Rome No. 10137/51/14, Court of Ancona No. 849/2015 and Court of Florence No. 2975/2015) which verified the jurisdiction of the disputes taken with regard to the contribution to the Fund as per Article 1, paragraph 1328 of Law No. 296 of December 25, 2006 before the Tax Court.
Finally, the Court of Cassation, with regards to the case taken by a number of airport operating companies against the Lazio Regional Tax Commission judgement (252/10/2011) which declared the lack of jurisdiction of the Tax Court on the basis that "*jurisdiction in terms of airport*

fees and contributions lies with the ordinary Court and consequently the lack of jurisdiction of this Regional Tax Commission is declared", with Interim Order No. 2704/16 of 28.12.16 sent to the Constitutional Court the question of the unlawfulness of Article 1, paragraph 478 of Law No. 208/2015 in view of Articles 3, 24, 25, 102, 111 and 117 of the constitution. The fixing of the hearing before the Constitutional Court is currently awaited. Ahead of its pronouncement, the Cassation judgement has been suspended.

Guidelines of the Ministry for Infrastructure and Transport for the incentivised introduction and development of air routes by airlines, in accordance with Article 13, paragraphs 14 and 15 of Legislative Decree No. 145 of December 23, 2013, as amended by enacting law No. 9 of February 21, 2014

With Decree No. 275 of August 11, 2016, the Ministry for Infrastructure and Transport amended the Guidelines for the incentivised introduction and development of air routes by airlines, in accordance with Article 13, paragraphs 14 and 15 of Legislative Decree No. 145/2013, converted with amendments by Law No. 9/2014, to overcome a number of interpretative issues arising on application and to support economic development through incentivising air traffic at the regional airports.
In particular, the Guidelines clarify that Article 13, paragraphs 14 and 15 of Legislative Decree No. 145/2013 are implemented "in line with the European Commission guidelines and the previous rulings of the European Courts, including the Charleroi case". Doubts and complexities arising on initial application with regards to the compatibility with European Law of the provisions contained in the 2014 Guidelines are therefore overcome.
In very brief summary, the Guidelines set transparency and competition principles only for the identification of the beneficiaries of subsidies which, not satisfying the MEO (Market Economy Operator) test, constitute State aid.
On the other hand, under the previous Guidelines, whose scope of application did not coincide with that regarding state aid governed by European Commission Communication 2014/C 99/03, applied to any type of incentive offered by airport managers to airlines.
The purpose of the new guidelines is therefore to ensure greater transparency and accessibility to incentives which do not satisfy the MEO test and therefore constitute state aid.
In addition, in order to assess a measure in favour of an airline under the MEO test, the new Guidelines expressly establish that account should be taken of, in addition to the airport fees and non-aviation revenues from the operations of the airline benefitting from the subsidy, also where possible, benefits accruing outside of the network such as the increase in the value of the airport or the capacity to attract new airlines.

Contribution to the Transport Regulation Authority (ART)

Article 37 of Legislative Decree No. 201/2011 (the so-called Save Italy Decree), enacted with amendments by Law No. 214/2011, as amended by Article 36 of Legislative Decree No. 1/2012 (the so-called Liberalisation Decree), enacted with amendments by Law No. 27/2012, provides for the setting up of the Transport Regulation Authority (ART).
The Authority, in accordance with paragraph 1 of the provision *"governs the transport sector and access to the relative infrastructure and accessory services, in compliance with the European regulation and the subsidiarity principle and the respective remits of the regions and local bodies"*.
In accordance with Article 37, paragraph 6 letter b) of Legislative Decree No. 201 of December 6, 201, enacted, with amendments, into Law No. 214 of December 22, 2011, the financing of the Authority's activities shall be "through a contribution paid by the managers of the regulated infrastructure and services, in an amount not greater than one per thousand of revenues deriving from operations carried out in the latest year". The regulation states that "[…] the

contribution is established annually through an act of the Authority, submitted for the approval of the President of the Council of Ministers, together with the Ministry for the Economy and Finance. Within thirty days from the receipt of the act, issues may be raised with which the Authority is held to comply; in the absence of such the act is considered approved on conclusion of the stated period".
The Constitutional Court recently pronounced upon the ART contribution through judgment No. 69/2017 filed on April 7, which declared as unfounded to the extent of its domain the questions of constitutional legitimacy of Article 37, paragraph 6, letter b) of Legislative Decree No. 201 of December 6, 2011 (Urgent measures for growth, balance and consolidation of the public accounts), converted, with amendments, by Law No. 214 of December 22, 2011, raised with regards to Articles 3, 23, 41 and 97 of the Constitution by the Piedmont Regional Administrative Court.
In particular, according to the Opinion: *"With regards to the identification of obligated parties, the provision refers to "managers of regulated infrastructure and services" i.e. those parties with whom the ART effectively operates (specifically at paragraph 3 of Article 37) and exercises its competences (set out by paragraph 2 of the same Article). Therefore, the base of obligated parties is not identified, in the view of the referring court, by a mere reference to an extended and undefined notion of a "transport market" (and for "accessory services"); on the contrary, it should be considered to include only those over which the ART has concretely exercised its institutional regulatory functions, as the Council of State also judged provisionally (Council of State, fourth section, ordinance No. 312 of January 29, 2016)".* On May 31, 2017, the ART adopted motion No. 75/2017 approving the recognition of the Authority's competences and the scope covered by the activities undertaken on May 31, 2017 as per the summary tables annexed to the motion (Annexes A and B), simultaneously mandating the General Secretary of the Authority, in line with the above recognition, to proceed with any administrative review or that following a specific application, of the positions of the parties identified as obliged to pay the contribution as a result of motions No. 10/2014, 78/205 and 139/2016 and to undertake any related requirement.
With Motion No. 72/2017 of August 3, 2017, the General Secretary of the TRA *"Noting that the principle of the power to determine the contribution due requires, according to the Constitutional Court, that the category of applicable parties include only "those with whom the TRA has effectively undertaken operations (specified at paragraph 3 of Article 37) on the basis of which it exercises its functions (listed at paragraph 2 of the same Article); Considering that: - as things stand, the Authority has not undertaken, nor plans to undertake in the current year, any of the activities by which it exercises its functions as detailed in the stated motion No. 75/2017 of May 31, 2017 with airport handling companies"* rejected the measures declaring and ordering payment of the contribution due to the Authority for 2015 notified to the airport handling companies".

Modification of Article 703 of the Italian Navigation Code

Article 15-quinquies, Paragraph 1, of Legislative Decree No. 148 of October 16, 2017, converted, with amendments, from Law No. 172 of December 4, 2017 and Article 1, Paragraph 575, Letter a) of Law No. 205 of December 27, 2017, changed the content of Article 705 of the Italian Navigation Code, intervening on the regulation of succession and, in particular, on the procedures for repaying the residual book value of the non-removable works carried out by the outgoing concession holder by the incoming concession holder (the so-called terminal value), providing, inter alia, that, at the natural expiry of the concession, the incoming concession holder has the obligation to pay the succession value to the outgoing concession holder.
The rule currently states:
[I]. The works carried out by the airport manager on the state-owned grounds are part of its assets until the concession is terminated.

[II]. Unless otherwise established in the concession act, when the latter ceases to apply, the non-removable works constructed on the state-owned area remain acquired by the State.
[III]. ENAC holds the right, in agreement with the concession-issuing authorities, to order the demolition of the works with the return of the state asset in its pristine state.
[IV]. In the situation referred to in the previous paragraph, ENAC, in the event that the concession holder does not execute the demolition order, may undertake such in accordance with Article 54.
[V]. On the natural conclusion of the concession, the succeeding concession holder has the obligation to pay to the exiting concession holder the succession fee. Unless otherwise established in the concession act, this value, in relation to buildings and fixed installations existing on the airport grounds and on areas included therein concerning the expansion of the airport grounds, realized or acquired by the outgoing concession holder with its own resources, included in the Regulatory Agreement and approved by ENAC, is equal to the value of the works at the date of succession, net of depreciation and any government grants, limited to the portion of said assets ascribed to the services subject to tariff regulation identifiable in the certified regulatory analytical accounting presented by the outgoing concession holder for the immediately preceding year.
[VI].The buildings and fixed installations existing at the date of succession on the airport grounds, realized or acquired by the outgoing concession holder with its own resources and destined for commercial activities, as such not subject to tariff regulation, remain the property of the state, without any reimbursement due to the concession holder, except for the buildings and fixed installations of a commercial nature for which realization or acquisition has been authorized by ENAC as functional to the airport activity and to the enhancement of the airport, for which a reimbursement is due equal to the residual book value of the regulatory analytical accounting.
[VIII]. The outgoing concession holder is obliged to continue with the administration of the ordinary operations of the airport on the same conditions set at the time of the concession act until succession by the incoming concession holder, subject to the latter's payment of the succession amount due, unless otherwise determined in a justified decision by ENAC, in relation to the adequate performance of the service[4].
[VIII]. In case of the succession of the concession, or when the concession ceases before expiry, the incoming concession holder has the obligation to reimburse the outgoing concession holder the undepreciated residual book value of the non-removable works, as indicated in the previous periods concerning the natural expiry of the concession. This is subject to application of Art.1453 of the civil code.
[IX]. The regulation concerning the value of succession, reimbursements and indemnities referred to in this article does not apply if mechanisms for determining the value of succession, reimbursements and indemnities are already provided for in the airport management agreements in force, which remain unchanged in such case.

Charleroi Airport – Decision of the European Commission on State Aid

On October 1, 2014, the European Commission (the "Commission") adopted a decision declaring that a series of measures granted by the Belgian state in favour of the company Brussels South Charleroi Airport (BSCA), the Charleroi Airport management company, constitute state aid under the European regulation. In particular, the agreement and subsequent addendum between BSCA and Sowaer/Region of Wallonia establishes a concession fee which, according to the Commission (and contrary to the position of BCSA), is not sufficiently remunerative. The Commission consequently requested the Belgian State to recover the amounts due from BCSA (which holds such are not due) on the basis of these measures from

April 4, 2014. In addition, the Commission has requested that in future such aid is interrupted through increasing the concession fee.
On December 19, 2014, BCSA presented an appeal before the European Court of Justice for the partial cancellation of the Commission decision. BSCA in fact considers that the Commission has committed errors of fact and of law, in addition to various manifest assessment errors. In particular, in the appeal to the General Court of the European Union, BCSA underlines how, in addition to procedural errors, the Commission was erroneous in, among other matters, the fixing of the current value of the measures taken and the establishment of the additional concession fee which must be paid by BCSA in future and in its definition of the applicable market. On 6.07.2017, the first level European Union Court issued its judgment, published on 25.01.2018, rejecting the appeal presented by BSCA.

Parent Company Financial Highlights

(in Euro millions)	2017	2016 Restated	Cge. %
Revenues	**166.6**	**158.5**	**5.1%**
EBITDA	84.4	78.7	7.2%
EBIT	57.8	58.6	-1.5%
Net Profit	**50.1**	**42.0**	**19.2%**
Fixed capital	585.7	514.9	13.8%
Net operating working capital	(52.1)	(72.3)	-27.9%
Net capital employed	**533.6**	**442.6**	**20.6%**
SHAREHOLDERS' EQUITY	**234.9**	**222.5**	**5.6%**
NET FINANCIAL POSITION	**(298.7)**	**(220.1)**	**35.7%**
EBIT/Revenues (ROS)	34.7%	37.0%	
EBIT/Net capital employed (ROI)	10.8%	13.2%	
NFP/Net equity - Gearing	1.27	0.99	

For comparative purposes, the financial statements of the parent company are presented with the comparative balance sheet and income statement at December 31, 2016 "restated" following the adjustment of the opening net equity in accordance with IAS 27.

In August 2014, the IASB issued modifications to "IAS 27 - Separate financial statements: Equity method in the separate financial statements" The amendments permit entities to apply the equity method, described in "IAS 28 Investments in associates and joint ventures", in their respective separate financial statements, of investments in subsidiaries, joint ventures and associates. The company has opted to utilise the equity method in the measurement of its investments in subsidiaries and associates.

Parent Company Operating Results

We present below the reclassified income statement of SAVE S.p.A.

EURO/000	2017		2016 RESTATED		CHANGE	
Operating revenue and other income	**166,556**	**100.0%**	**158,501**	**100.0%**	**8,055**	**5.1%**
Raw materials and goods	1,872	1.1%	1,348	0.9%	523	38.8%
Services	43,728	26.3%	42,867	27.0%	861	2.0%
Lease and rental costs	9,117	5.5%	8,737	5.5%	380	4.3%
Personnel costs	26,099	15.7%	25,478	16.1%	621	2.4%
Other operating charges	1,342	0.8%	1,336	0.8%	6	0.4%
Total operating costs	**82,158**	**49.3%**	**79,767**	**50.3%**	**2,391**	**3.0%**
EBITDA	**84,399**	**50.7%**	**78,734**	**49.7%**	**5,664**	**7.2%**
Amortisation	13,884	8.3%	8,878	5.6%	5,006	56.4%
Depreciation	8,499	5.1%	6,985	4.4%	1,514	21.7%
Replacement provision	3,066	1.8%	3,630	2.3%	(564)	-15.5%
Losses & doubtful debt provision	906	0.5%	200	0.1%	706	0.0%
Provisions for risks	281	0.2%	401	0.3%	(120)	-29.9%
Total amortisation, depreciation and provisions	**26,636**	**16.0%**	**20,094**	**12.7%**	**6,542**	**32.6%**
EBIT	**57,763**	**34.7%**	**58,640**	**37.0%**	**(878)**	**-1.5%**
Financial income/(charges)	5,860	3.5%	1,893	1.2%	3,967	209.6%
Profit before taxes	**63,623**	**38.2%**	**60,533**	**38.2%**	**3,090**	**5.1%**
Income taxes	13,518	8.1%	17,679	11.2%	(4,161)	-23.5%
Profit from Continuing Operations	**50,105**	**30.1%**	**42,854**	**27.0%**	**7,251**	**16.9%**
Profit/(loss) Discontinued Operations/Held-for-sale	**0**	**0.0%**	**(805)**	**-0.5%**	**805**	-100.0%
Net Profit	**50,105**	**30.1%**	**42,049**	**26.5%**	**8,056**	**19.2%**

The Parent Company reports **operating revenue and other income** of approx. Euro 166.6 million, up 5.1% on Euro 158.5 million in 2016. This increase is principally due to the growth of Euro 4 million both for aviation and non-aviation revenues deriving from increased passenger traffic (+7.8%).
Non-aviation revenue in particular grew (+11.1%) and which - despite the execution of major infrastructural works limiting development possibilities - outstripped passenger traffic growth.
The breakdown is as follows:

EURO / 1000	2017	%.	2016	%.	CGE.	CGE. %
Aviation fees & tariffs	117,509	70.6%	112,675	71.1%	4,834	4.3%
Cargo Handling Depot	0	0.0%	1,093	0.7%	(1,093)	-100.0%
Handling	1,069	0.6%	893	0.6%	176	19.8%
Aviation revenue	**118,578**	**71.2%**	**114,660**	**72.3%**	**3,918**	**3.4%**
Ticketing	37	0.0%	33	0.0%	4	12.1%
Advertising	2,542	1.5%	2,037	1.3%	504	24.7%
Commercial	37,867	22.7%	34,322	21.7%	3,544	10.3%
Non-Aviation revenue	**40,445**	**24.3%**	**36,393**	**23.0%**	**4,052**	**11.1%**
Other income	**7,533**	**4.5%**	**7,448**	**4.7%**	**85**	**1.1%**
Total Revenues	**166,556**	**100.0%**	**158,501**	**100.0%**	**8,055**	**5.1%**

EBITDA was Euro 84.4 million, up 7.2% on Euro 78.7 million in 2016 and with the margin improving by one percentage point (from 49.7% to 50.7%). Costs in the year increased Euro

2.4 million, related to expanded operations and the entry into service of the new investments, partially offset by utility savings with the start-up of the tri-generation station.

EBIT was Euro 57.8 million, compared to Euro 58.6 million in 2016, following increased amortisation and depreciation (+Euro 6.5 million), which more than absorbed the increased EBITDA.

The **profit before taxes** was Euro 63.6 million, compared to Euro 60.5 million in the previous year. **Net financial income** of Euro 5.9 million improved by approx. Euro 4 million, as a combined effect of the Euro 2 million deterioration in the net balance between financial charges and income, due to the increased net debt of the company and an improvement of Euro 6 million in the results of investments valued at equity, which includes Euro 4.5 million from the valuation of the associate Airest Retail S.r.l.. From 2017 all of the investments are measured at equity directly to the financial statements of the parent company to better align the financial statements of the parent company with the consolidated results.

The **income tax** accrual of Euro 13.6 million, compared to Euro 17.7 million in 2016, reduced Euro 4.1 million with the lowering of the IRES rate (from 27.5% to 24%) and due to the benefits stated above by the entry into the consolidation of the parent company Agorà Investimenti S.r.l..

The **net profit** amounts to Euro 50.1 million, up 19.2% on Euro 42 million for 2016, restated to take into account the differing measurement of financial investments of the company described above.

Parent Company Reclassified Balance Sheet

Euro/000	Dec-31-17	Dec-31-16 Restated	Change	Change %
Property, plant & equipment	56,084	51,099	4,985	9.8%
Intangible assets	358,765	321,217	37,548	11.7%
Financial fixed assets	191,731	165,387	26,344	15.9%
Deferred tax assets	12,180	10,344	1,836	17.7%
TOTAL FIXED ASSETS	**618,760**	**548,047**	**70,713**	**12.9%**
Post-employment benefits	(2,140)	(2,261)	121	-5.4%
Provision for liabilities and deferred taxes	(30,882)	(30,899)	17	-0.1%
FIXED CAPITAL	**585,738**	**514,887**	**70,851**	**13.8%**
Inventories	1,202	1,036	166	16.0%
Trade receivables	33,107	27,758	5,349	19.3%
Tax assets	3,693	3,843	(150)	-3.9%
Other receivables and other current assets	6,705	2,178	4,527	207.9%
Trade payables and advances	(57,464)	(71,729)	14,265	-19.9%
Tax payables	(1,613)	(3,577)	1,964	-54.9%
Payables to social security institutions	(2,070)	(1,850)	(220)	11.9%
Other payables	(35,652)	(29,921)	(5,731)	19.2%
TOTAL WORKING CAPITAL	**(52,092)**	**(72,262)**	20,170	-27.9%
TOTAL CAPITAL EMPLOYED	**533,646**	**442,625**	**91,021**	**20.6%**
SHAREHOLDERS' EQUITY	**234,945**	**222,504**	**12,441**	**5.6%**
Cash and current assets	(12,357)	(22,492)	10,135	-45.1%
Current bank payables	0	37,823	(37,823)	-100.0%
Non-current bank payables	246,631	209,676	36,955	17.6%
Other lenders	66	316	(250)	-79.1%
Financial receivables from group companies	(696)	(16,076)	15,380	-95.7%
Financial payables to group companies	65,057	10,874	54,183	498.3%
TOTAL NET FINANCIAL POSITION	**298,701**	**220,121**	78,580	35.7%
TOTAL FINANCING SOURCES	**533,646**	**442,625**	**91,021**	**20.6%**

The **fixed capital employed** increased in the year Euro 70.9 million due to investments made of approx. Euro 67.2 million, the acquisition of the minority holding in the subsidiary Archimede 1 S.p.A. for Euro 19.8 million and the measurement at equity of the financial investments.

The **net working capital**, negative for Euro 52.1 million, reduced its negative balance due to the lower suppliers' balance as a result of payments in 2017 on investments made in the final months of 2016 and an increase of approx. Euro 5.3 million in the "Trade Receivables" account against increased operational volumes.

Shareholders' equity amounts to approx. Euro 235 million, increasing approx. Euro 12.4 million on the restated figure, to take account of the measurement at equity of the financial investments at the end of 2016. The main movement in the year related to the distribution of dividends of Euro 38 million.

Net Financial Position

(Euro thousands)	Dec-31-17	Dec-31-16
Cash and cash equivalents	12,357	22,492
Financial assets	-	-
Financial receivables from group companies	696	16,076
Current assets	**13,053**	**38,568**
Bank payables	0	37,823
Other financial liabilities – current portion	41	250
Financial payables to group companies	16,557	10,874
Current liabilities	**16,598**	**48,947**
Bank payables – less current portion	246,631	209,676
Financial payables to group companies	48,500	-
Other lenders – less current portion	25	66
Non-current liabilities	**295,156**	**209,742**
Net Financial Position	**(298,701)**	**(220,121)**
of which net liabilities for derivative contracts carried at fair value	0	209
Total gross payables to banks	246,631	247,499

The net financial position with banks and other lenders, including Group financial receivables and payables, was a net debt of Euro 298.7 million compared to a net debt of Euro 220.1 million at the end of the previous year.

On November 28, 2017, the parent company SAVE S.p.A. obtained a new five-year credit line of Euro 580 million to re-finance existing funding and in support of the major 2018-21 parent company investment plan.
Consequently, on December 22, 2017 the medium-term loan was repaid for Euro 220 million, with Euro 250 million issued on the new credit line.

The Net financial position of the parent company includes Euro 48.5 million regarding Archimede 1 S.p.A.; the pro-forma recalculation of the Net Financial Position of the parent company at December 31, 2017, to take into account the proposed merger by incorporation of the subsidiary into SAVE S.p.A., would increase the net debt to approx. Euro 249.2 million, rising Euro 29.2 million on December 2016.

Reconciliation of equity and the net result

As already illustrated, the company from the current financial statements adopted the net equity method to measure investments in associates and subsidiaries in the separate financial statements, as permitted by IAS 27 in recent updates. Therefore, in view of the application of this criterion, the net equity and the result for the year of the company coincides with the net equity and consolidated result for the year of the Group.

Management and co-ordination

SAVE undertook the verifications required as per Article 2497 of the civil code, establishing the absence of significant indicators - according to statute and jurisprudence - of the exercise of management and co-ordination as per Article 2497 and subsequent of the civil code.

Financial Risks

The management of financial risks is carried out by the Parent Company, in line with Company objectives and focuses on the minimisation of interest rate risk and the relative optimisation of the cost of debt, the credit risk and the liquidity risk. The management of these risks is made in accordance with prudent principles and "best market practices". For further information, reference should be made to Note 38 "Type and management of financial risk" of the Explanatory Notes to the Consolidated Financial Statements.

Other principal risks and uncertainties to which SAVE S.p.A. and the Group are exposed

Risks associated with economic conditions

The economic and financial situation of the Group is affected by various factors related to the general economic environment (including the increase or the decrease of GDP, the level of consumer and business confidence, interest rates for consumer credit, the cost of raw materials and the unemployment rate) in the countries in which the Group operates.
The present report contains a number of forward looking statements. These statements are based on current Group expectations and projections concerning future events, including the general conditions of the economy described above, subject to an intrinsic degree of risk and uncertainty and, by their nature, outside of the Group's control.

Risks deriving from a reduction in the number of passengers or the quantity of cargo transported through airports managed by the Group

The volume of passenger traffic and cargo in transit at the SAVE Group managed airports represents a key factor in the results achieved by the Group. In particular, any reduction or interruption to flights by one or more airlines (particularly those operating at the airports managed by the SAVE Group), also as a result of the continued economic - financial difficulties of such airlines, the stoppage or alteration to connections with destinations with a particularly high level of passenger numbers, the discontinuation or alteration of airline alliances or the occurrence of events which may impact upon the general quality perception of users, of services provided at the airports managed by the SAVE Group (due, for example, to a reduction in service quality standards provided by the handling companies operating at the airports, or the interruption to the activities exercised), in addition to the occurrence of unforeseeable natural events, may result in a decrease in traffic, with a consequent impact on the activities and the results of the Group.
The Group however, based on past experience, considers that - although no certainty may be assured - the risk of a reduction or suspension of flights by one or more airlines operating out of the airports managed by the SAVE Group does not pose a significant threat, also in consideration of the redistribution of passengers among airlines present on the market and the capacity of the SAVE Group to attract new airlines to the airports managed by the Group.

However, such redistribution of traffic may require a certain period of time and may temporarily affect traffic volumes.

Risks connected with the importance of certain key figures

The success of the SAVE Group depends on a number of key figures who have contributed significantly to the Group's development. The Group considers that it has in place an adequate operational and managerial structure to ensure continuity of general and operational management. However, in the case where such key figures discontinued their working relationship with the SAVE Group, there is no guarantee that a suitable replacement may be found in such a time period so as to ensure the same contribution in the short-term, with consequent possible implications for the SAVE Group.

Risks concerning the regulatory framework

The SAVE Group operates within a sector governed by an extensive domestic and international regulatory framework. Any change to the regulatory framework (and in particular any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results.
For greater details on the principal amendments to the regulatory framework and sector developments, reference should be made to the dedicated paragraph of the Directors' Report.

Treasury shares or parent company shares in portfolio

In accordance with Article 2428, paragraphs 2, 3 and 4 of the Civil Code, it is communicated that the Company and the Group hold at December 31, 2017, directly through SAVE S.p.A., 658,470 treasury shares. The nominal value of shares held amounts to Euro 0.4 million (1.19% of the share capital); the book value is Euro 5.8 million.
In 2017, SAVE S.p.A. did not acquire any treasury shares.

Corporate Governance

SAVE's corporate governance system is based on the traditional model; the main corporate bodies are therefore:

- the Shareholders' AGM,
- the Board of Directors;
- the Board of Statutory Auditors;

In accordance with the By-Laws, the Board of Directors is composed of no less than 11 and no more than 13 members, at the discretion of the Shareholders' Meeting.

In accordance with law and the By-Laws, the Board of Statutory Auditors is comprised of five Statutory Auditors and two Alternate Auditors; the Ministry for Infrastructure and Transport and the Ministry for the Economy and Finance each appoint a Statutory Auditor, while the remaining three Statutory Auditors and the two Alternate Auditors are appointed by the Shareholders' Meeting on the basis of slates presented by shareholders.

In accordance with law, the statutory audit is executed by an audit firm appointed by the Shareholders' Meeting in compliance with law and the By-Laws.

The Shareholders' Meeting of October 24, 2017, in accordance with law and the By-Laws, elected the Board of Directors in office for the 2017-2019 three-year period, until the Shareholders' Meeting for the approval of the 2019 Annual Accounts; the mandate of the Board of Statutory Auditors appointed by the Shareholders' Meeting of April 21, 2015, in office for the 2015-2017 three-year period, will conclude however with the Shareholders' Meeting for the approval of the 2017 Annual Accounts.

Finally, at the same date the mandate of the Supervisory Board as per Legislative Decree 231/2001, appointed by the Board of Directors on June 4, 2015 and in office for the same three-year period, will also conclude.

Organisation, Management and Control Model as per Legs. Decree No. 231/2001

The Organisation, Management and Control Model as per Legislative Decree 231/2001 of the Company was adopted with SAVE Board of Directors' motion of June 30, 2009 and subsequently updated on a number of occasions – latterly on July 28, 2016 – in particular in line with the introduction of new offenses and the changes to the corporate structure.

The current Supervisory Board of SAVE was appointed by the Board of Directors' meeting of June 4, 2015 and comprises an external member in the role of Chairman, the Chairman of the Board of Statutory Auditors and the Internal Audit Manager.

The Supervisory Board was appointed in particular, in line with Legislative Decree 231/2001, to oversee the operation and compliance of the Model, ensuring its continuous updating and that all parties receive and are aware of the model, also through training activities.

The Organisation, Management and Control Model as per Legislative Decree 231/2001 of SAVE comprises a *General Part* which illustrates the principal organisational and functional components of the Model[3] and a *Special Part* comprising two sections concerning control protocols to prevent the commission of the various types of offenses established by the Decree, in relation to which the Company decided to adopt specific prevention measures.

A cornerstone of Model 231 is the Ethics and Conduct Code of the SAVE Group, adopted in 2004 and subsequently updated in 2013, whose conduct principles and criteria, applicable to all Group companies, ensure the correctness and transparency of business and corporate conduct.

Inter-company and other related party transactions

Reference should be made to the specific paragraph of the Explanatory Notes to the consolidated financial statements for information concerning transactions undertaken during the year with subsidiaries, associated companies and related parties.

Subsequent events

Subsequent to year-end, as previously indicated, the deed for the merger by incorporation of Archimede 1 S.p.A. into SAVE S.p.A. was signed. The tax and accounting effects of the merger shall run from January 1, 2018.

Outlook

The development of the airport business, with the rolling out of the major Venice airport investment plan and increased traffic, is the key operating objective for 2018 for our Group and which we expect to deliver further growth to shareholders.

Allocation of the result for the year

The Board of Directors proposes to Shareholders the distribution of a dividend totalling Euro 60,000,000, utilising the entire profit of the parent company and for the remainder Other reserves and retained earnings, amounting to Euro 1.08421 for each share with profit rights, excluding therefore treasury shares held by the Company in compliance with Article 2357-ter, paragraph 2 of the Civil Code and whose dividend will proportionally increase that of the other shares.

Dear Shareholders,

we trust that you will be in agreement with the criteria for the preparation of the financial statements for the year ended December 31, 2017 and we invite you to approve them.

The Chairman of the Board of Directors
Mr. Enrico Marchi

[3] The "general part" of Model 231 illustrates in particular the regulatory framework, the governance and organisation of the SAVE Group, the objectives and functioning of the model, the duties of the Supervisory Board, the governance system, the training and communication plan and the means for the updating and adjustment of the Model.

Consolidated Financial Statements at December 31, 2017

Consolidated Balance Sheet
Consolidated Income Statement
Consolidated Comprehensive Income Statement
Consolidated Cash Flow Statement
Statement of changes in Consolidated Shareholders' Equity

Consolidated Balance Sheet

Assets (Euro thousands)	NOTE	12/31/2017	12/31/2016
Cash and cash equivalents	1	13,275	23,827
Other financial assets	2	0	172
of which related parties	2	*0*	*172*
Tax assets	3	3,811	4,180
Other receivables	4	6,956	1,537
of which related parties	4	*0*	*0*
Trade receivables	5-30	40,618	34,282
of which related parties	5-30	*8,359*	*6,825*
Inventories	6	1,397	1,239
Total current assets		66,057	65,237
Assets held-for-sale		0	65,600
Property, plant & equipment	7	68,226	63,505
Airport concession rights	8	398,872	358,989
Other intangible fixed assets with finite useful life	8	4,722	4,591
Goodwill - other intangible fixed assets with indef. useful life	8	6,977	6,977
Equity investments in associates and JV's	9	84,386	78,178
Other equity investments	9	1,144	1,144
Other assets	10	2,926	2,910
Deferred tax assets	11	29,288	27,425
Total non-current assets		596,541	543,719
TOTAL ASSETS		662,598	674,556

Liabilities (Euro thousands)	NOTE	12/31/2017	12/31/2016
Trade payables	12	65,758	72,842
of which related parties	12	*774*	*2,793*
Other payables	13	45,182	37,337
of which related parties	13	*2,822*	*1,315*
Tax payables	14	2,792	4,053
Social security institutions	15	4,047	3,547
Bank payables	16	754	40,483
Other financial liabilities – current portion	17	42	7,071
of which related parties	17	*0*	*6,821*
Total current liabilities		118,575	165,333
Liabilities related to assets held-for-sale		0	399
Bank payables – less current portion	18	255,814	214,573
Other lenders – less current portion	19	25	66
Deferred tax liabilities	20	10,339	10,319
Post-employment benefits and other employee provisions	21	3,651	3,696
Other provisions for risks and charges	22-32-33	29,486	28,416
Total non-current liabilities		299,315	257,070
TOTAL LIABILITIES		417,890	422,802

Shareholders' Equity (Euro thousands)	NOTE	12/31/2017	12/31/2016
Share capital	23	35,971	35,971
Share premium reserve	23	57,851	57,851
Legal reserve	23	7,194	7,194
Reserve for treasury shares in portfolio	23	(5,839)	(5,839)
Other reserves and retained earnings	23	89,663	85,278
Net Profit	23	50,105	42,049
Total Group shareholders' equity		234,945	222,504
Shareholders' equity - minority interest	23	9,763	29,250
TOTAL SHAREHOLDERS' EQUITY	23	244,708	251,754
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		662,598	674,556

Consolidated Income Statement

(Euro thousands)	NOTE			2017	2016
Operating revenue	24			189,064	178,509
Other income	24			10,068	9,657
Total operating revenue and other income				199,132	188,166
Costs of Production					
Raw and ancillary materials, consumables and goods	25			2,601	1,839
Services	26			37,598	38,764
Lease and rental costs	27			10,476	9,986
Personnel costs:					
wages & salaries and soc. security charges	28			49,555	44,990
post-employment benefits	28			2,305	2,143
other costs	28			608	1,287
Amortisation, depreciation & write-downs					
amortisation	29			15,520	10,428
depreciation	29			9,479	7,908
Write-downs of current assets	30-5			942	209
Cge. in invent. of raw & anc. mat., consum. & goods	31			(152)	36
Provisions for risks	32-22			480	613
Replacement provision	33-22			4,033	4,621
Other charges	34			1,616	1,399
Total costs of production		**0**	**0**	135,061	124,223
EBIT		**0**	**0**	64,071	63,943
Financial income and revaluation of financial assets	35			90	735
Interest, other fin. charges & write-down of fin. assets	35			(4,587)	(4,554)
Profit from Associates & JV's carried at equity	35			6,629	1,954
				2,132	(1,865)
Profit before taxes				66,203	62,078
Income taxes	36			15,576	19,412
current				*17,429*	*20,223*
deferred				*(1,854)*	*(812)*
Profit on Continuing Operations				50,627	42,666
Profit/(loss) from Discontinued Operations/Held-for-sale	37			0	(99)
Net Profit				50,627	42,567
Minority interest				522	518
Group Net Profit				50,105	42,049

Consolidated Comprehensive Income Statement

(Euro thousands)	Note	2017	2016
Net Profit		50,627	42,567
Continuing Operations			
Hedging instruments (cash flow hedges)	38	152	6
Total Gains on other comprehensive income statement items net of taxes which may be reclassified to the income statement		152	6
Actuarial losses of employee defined plans	21	(16)	(87)
Total Losses on other comprehensive income statement items net of taxes which may not be reclassified to the income statement		(16)	(87)
Total comprehensive income		50,763	42,486
Minority comprehensive income		521	516
Total comprehensive income pertaining to the Group		50,242	41,970

Consolidated Statement of Cash Flows

(Euro thousands)	2017	2016	Note
Operating activities			
Profit on continuing operations	50,105	42,148	
Profit on discontinued operations/held-for-sale		(0)	36
Amortisation, depreciation & write-downs	24,999	18,336	29
Net changes in post-employment benefit provisions	(61)	(22)	21 - 28
Net changes in provisions for risks and charges	3,392	4,502	22 - 32 - 33
Losses on disposal of assets	(5)	(92)	
Income from securities and other financial assets	1,045	707	
Valuation of investments under the equity method	(5,677)	(1,089)	35
Change in deferred taxes	(1,844)	(801)	11 - 20
Sub-total self-financing (A)	**71,954**	**63,689**	
Decrease (increase) in trade receivables	(6,336)	(768)	5 - 30
Decrease (increase) in other current assets	(5,420)	1,431	4 - 6 - 10
Decrease (increase) in tax assets/liabilities	(892)	(1,235)	3 - 14
Increase (decrease) in trade payables	12,363	5,004	12
Increase (decrease) in social security payables	500	443	15
Increase (decrease) in other liabilities	8,366	3,884	13
Sub-total (B)	**8,580**	**8,759**	
CASH FLOW FROM OPERATING ACTIVITIES (A + B) = (C)	80,535	72,448	
Investing activities			
(Acquisition) of property, plant & equipment	(12,633)	(10,906)	7 - 29
Divestments of property, plant & equipment	36	186	7 - 29
(Acquisition) of intangible fixed assets	(59,599)	(83,846)	8 - 29
Divestments of intangible fixed assets	17	32	8 - 29
Change in Trade payables for investments	(19,447)	920	9
Decrease in financial fixed assets	()	0	9
(Increase) in financial fixed assets	(383)	0	9
(Acquisition) of minority interests in subsidiaries	(19,808)	0	23
CASH FLOW FROM INVESTING ACTIVITIES (D)	(111,818)	(93,614)	
Financing activities			
New loans from other lenders	()	409	17 - 19
(Repayment) to other lenders	(6,861)	(43)	17 - 19
(Repayment) and other changes in loans	(256,116)	(37,594)	16 - 18
New loans proceeds	256,509	39,916	16 - 18
(Increase)/Decrease in financial assets		13	2
Dividends paid	(38,000)	(30,000)	23
Purchase of treasury shares		(927)	23
Change in net debt arising from change in consolidation scope	0	44	
CASH FLOW FROM FINANCING ACTIVITIES (E)	(44,468)	(28,182)	
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	65,201	3,550	
NET CASH FLOW FOR THE YEAR (C+D+E+F)	(10,550)	(45,797)	
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	23,825	69,622	
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	13,274	23,825	

Additional information:		
Interest paid	2,970	3,724
Taxes paid	17,392	21,151

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Refer to Note 23

(Euro thousands)	Share capital	Legal reserve	Share premium reserve	Treasury shares reserve	Other reserves and retained earnings	Group Shareholders' Equity	Minority interest	Total Net Equity
Balance at January 1, 2016	35,971	7,194	57,851	(4,912)	115,358	211,462	28,733	240,195
Result of separate income statement					42,049	42,049	518	42,567
Other comprehensive profit/losses					(79)	(79)	(2)	(81)
Result of comprehensive income statement					41,970	41,970	516	42,486
Distribution dividends					(30,000)	(30,000)		(30,000)
Acquisition of minority interest in subsidiaries						0		0
Treasury shares				(927)		(927)		(927)
Balance at December 31, 2016	35,971	7,194	57,851	(5,839)	127,328	222,504	29,250	251,754

(Euro thousands)	Share capital	Legal reserve	Share premium reserve	Treasury shares reserve	Other reserves and retained earnings	Group Shareholders' Equity	Minority interest	Total Net Equity
Balance at January 1, 2017	35,971	7,194	57,851	(5,839)	127,328	222,504	29,250	251,754
Result of separate income statement					50,105	50,105	522	50,627
Other comprehensive profits / losses					137	137	(1)	136
Result of comprehensive income statement					50,242	50,242	521	50,764
Distribution dividends					(38,000)	(38,000)		(38,000)
Other changes					200	200	(20,008)	(19,808)
Balance at December 31, 2017	35,971	7,194	57,851	(5,839)	139,770	234,945	9,763	244,708

Notes to the Consolidated Financial Statements at December 31, 2017

Group activities

SAVE S.p.A. ("Save" or the "Parent Company") is an investment holding company which principally operates as an airport manager. It directly manages Venice Marco Polo Airport and controls Treviso Antonio Canova Airport. The company also has significant holdings in Verona Valerio Catullo Airport and in Charleroi Airport (Belgium), in addition to airport management and related services companies.
The Parent Company's registered offices are in Tessera (Venice), at Viale G. Galilei No. 30/1.

Accounting Standards adopted for the preparation of the Consolidated Financial Statements at December 31, 2017

Basis of preparation

The present consolidated financial statements concern the year ended December 31, 2017.
The consolidated financial statements were prepared under the historic cost convention, except for derivative financial instruments and financial assets held-for-sale, which were recognised at fair value, and in accordance with the going concern principle.
The consolidated financial statements are presented in Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

Compliance with IAS/IFRS and the enacting provisions of Article 9 of Legislative Decree 38/2005

The consolidated financial information at December 31, 2017 was prepared in compliance with International Financial Reporting Standards (IFRS), adopted by the European Union and in force at the preparation date of the financial statements.

Content and form of the consolidated financial statements

The present financial statements were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to December 31, 2017.
For comparative purposes, the financial statements are presented with the comparative balance sheet at December 31, 2016 and the 2016 income statement.
The company opted to apply the Separate and Comprehensive Income Statements, as permitted by IAS 1, considering such more representative of operations. In particular, the balance sheet was broken down between current and non-current assets and liabilities, the income statement with allocation of income and charges by type and the cash flow statement using the indirect method, with breakdown of operating, investing and financing activities.

Consolidation Scope

Subsidiaries

The consolidated financial statements at December 31, 2017 include, through the line-by-line method, the companies in which the Parent Company SAVE S.p.A. holds, directly or indirectly, control, as defined by IFRS 10, or the majority of share capital and voting rights.

All inter-company balances and transactions, including any unrealised gains and losses deriving from transactions between Group companies, are fully eliminated.
The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control and ceases to be consolidated at the date on which the Group no longer has control.
The book value of the investments included in the consolidation scope is eliminated against the net equity of the investee companies according to the line-by-line method. Any difference between the acquisition cost and the book value of the net equity of the investees on the acquisition of the investment, is allocated to the specific assets, liabilities or contingent liabilities of the acquired companies, based on their fair value at the acquisition date and for the residual part, where fulfilling the requirements, to Goodwill. In this case, these amounts are not amortised but subject to an impairment test at least annually and where indicators of impairment exist.
Minority interests represent the part of profits or losses and of net assets not held by the Group and are shown in a separate income statement account and in the balance sheet under equity, separately from the Group net equity. The acquisition of minority interests in previous years are recognised utilising the "parent entity extension method", on the basis of which the difference between the price paid and the book value of the share of net assets acquired is recorded as goodwill. Changes in ownership not resulting in a loss of control were treated as equity transactions and therefore recognised to net equity. The Group holds investments in subsidiaries which however are not consolidated as currently not considered operative, whose balance sheet and income statement effects from full consolidation would substantially be in line with the carrying value in the financial statements of the Group.
The companies included in the consolidation scope through the line-by-line method are listed below:

			Group % holding	
Company	Cur	Share Capital	12/31/2017	12/31/2016
PARENT COMPANY:				
SAVE S.p.A.	Euro	35,971,000		
its subsidiaries:				
Marco Polo Park S.r.l.	Euro	516,460	100	100
Save International Holding SA	Euro	7,450,000	100	100
its subsidiary:				
Belgian Airports SA	Euro	5,600,000	65	65
Save Engineering S.r.l.	Euro	100,000	100	100
N-AITEC S.r.l.	Euro	50,000	100	100
Aer Tre S.p.A.	Euro	13,119,840	80	80
Società Agricola Save a r.l.	Euro	75,000	100	100
Triveneto Sicurezza S.r.l.	Euro	100,000	93	93
Archimede 1 S.p.A.	Euro	25,000,000	100	60
Save Cargo S.p.A.	Euro	1,000,000	100	100
Archimede 3 S.r.l.	Euro	50,000	100	100
its subsidiary:				
Idea 2 S.r.l. (*)	Euro	10,000	-	100

(*) Merged by incorporation into the Parent Company Archimede 3 S.r.l.

There were no significant changes in the consolidation scope during the year compared to December 31, 2016; the investment however in Archimede 1 S.p.A., amounting to 60% at December 31, 2016, on February 7, 2017 was increased to 100% through the acquisition by the parent company of the minority holdings from the shareholders Manutencoop Soc. Coop., Banco Popolare Soc. Coop and Pulitori ed Affini S.p.A.. Archimede 1 S.p.A. is the vehicle company which until January 30, 2017 held 40% of Centostazioni S.p.A.. This investment, as previously mentioned, was in fact thereafter sold by Archimede 1 S.p.A. to Ferrovie dello Stato Italiane S.p.A.. The company Idea 2 S.r.l. was merged by incorporation into its parent company Archimede 3 S.r.l..

Associates and JV's

Where control of an activity is assigned jointly to two or more operators a Joint Arrangement is deemed to be in place and as such is classified as a Joint Operation (JO) or as a Joint Venture (JV) on the basis of the contractually-established underlying rights and obligations. In particular, a JV is a Joint Arrangement in which the participants, although having control over the main strategic and financial decisions through voting mechanisms which provide for the unanimous approval of decisions, do not have significant legal rights over the individual assets and liabilities of the JV. In this case, joint control concerns the net assets of the JV. This form of control is represented in the financial statements through valuation at equity. Joint Operations are however Joint Arrangements in which the participants have rights upon assets and direct obligations for the liabilities. In this case, the individual assets and liabilities and the relative costs and revenues are recognised to the financial statements of the participant on the basis of the rights and obligations of each, independently of the interest held. The Group's Joint Arrangements have all been classified as Joint Ventures.

The companies over which significant influence is exercised, generally accompanied by a holding of between 20% and 50% (investments in associates) and Joint Ventures (as previously qualified) are valued at equity.
For the application of the equity method the value of the investment is aligned with the adjusted equity, where necessary, to reflect the application of international financial reporting standards and includes the recognition of the higher amount paid and subject of the purchase price allocation identified on acquisition, and the effects of the adjustments required by the standards relating to the preparation of the consolidated financial statements.
In the case in which the Group establishes losses in value in the investment greater than already recognised through the equity method, the existence of an impairment is assessed to be recognised to the income statement, as the difference between the recoverable amount of the investment and its carrying amount.

The associates and JV's are detailed below:

Company	Cur	Share capital	Group % holding 12/31/2017	Group % holding 12/31/2016
Associates				
Airest Retail S.r.l.	Euro	1,000,000	50	50
GAP S.p.A.	Euro	510,000	49.87	49.87
Venezia Terminal passeggeri S.p.A.	Euro	3,920,020	22.18	22.18
Nicelli S.p.A.	Euro	1,987,505	-	40.23
Brussels South Charleroi Airport SA (**)	Euro	7,735,740	27.65	27.65
Joint Ventures				
2A - Airport Advertising S.r.l.	Euro	10,000	50	50
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	Euro	52,317,408	40.82	40.3
Centostazioni S.p.A. (*)	Euro	8,333,335	-	40

(*) through Archimede 1 S.p.A.

(**) through Belgian Airport SA

On November 15, 2016, a contract was signed with Ferrovie dello Stato Italiane S.p.A. for the disposal of the 40% investment in Centostazioni S.p.A.. On January 30, 2017, following the receipt of authorisation from the Anti-trust Authority the disposal of this investment to Ferrovie dello Stato Italiane S.p.A. was completed.

On May 12, 2017, all Nicelli S.p.A. shares were sold and the investment in Aeroporto Valerio Catullo di Verona Villafranca S.p.A. increased to 40.82%.

CONSOLIDATION PRINCIPLES

Change of accounting standards

The accounting standards adopted for the preparation of the consolidated financial statements conform with those for the preparation of the annual financial statements of the Group at December 31, 2016, with the exception of the adoption of the new standards and interpretations applicable from January 1, 2016, listed below.

IFRS standards, amendments and interpretations applied from January 1, 2017

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2017:

- Amendment to **IAS 7** "**Disclosure Initiative**" (published on January 29, 2016). The document provides clarifications to improve disclosure on financial liabilities. In particular, the amendments require the provision of disclosure which enables readers of the financial statements to understand the changes to liabilities following funding operations.
- Amendment to **IAS 12** "**Recognition of Deferred Tax Assets for Unrealised Losses**" (published on January 19, 2016). The document provides clarifications on the recognition of deferred tax assets on unrealised losses in the measurement of "Available for Sale" financial assets on the occurrence of certain circumstances and on estimates of assessable income for future years. The adoption of these amendments does not have any effects on the Group consolidated financial statements.

IFRS and IFRIC Accounting Standards, Amendments and Interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at December 31, 2017

- Standard **IFRS 15 – Revenue from Contracts with Customers** (published on May 28, 2014 and supplemented with further clarifications on April 12, 2016) which replaces IAS 18 - Revenue and IAS 11 - Construction Contracts, in addition to the interpretations IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenues-Barter Transactions Involving Advertising Services. The standard establishes a new revenue recognition model, which will apply to all contracts with clients, with the exception of those falling under the application of other IAS/IFRS such as leasing, insurance contracts and financial instruments. The essential issues for the recognition of revenues according to the new model are:
  - the identification of the contract with the client;
  - the identification of the performance obligations of the contract;
  - the establishment of the price;
  - the allocation of the price to the performance obligations of the contract;
  - the recognition criteria of the revenue where the entity satisfies the performance obligations.

  The standard is applicable from January 1, 2018. The amendments to IFRS 15, Clarifications to IFRS 15– Revenue from Contracts with Customers were endorsed by the European Union on November 6, 2017. Based on the analysis undertaken, the directors consider that the application of IFRS 15 will not have a significant impact on the amounts recognised as revenues and on the relative disclosure in the Group consolidated financial statements.

- Final version of **IFRS 9 - Financial Instruments** (published on July 24, 2014). The document incorporates the results of the IASB project to replace IAS 39:
  - introduces new criteria for the classification and measurement of financial assets and liabilities (together with the measurement of the non-significant adjustments of the financial liabilities);
  - The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model, utilising supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures;
  - introduces a new hedge accounting model (increase in the types of transactions eligible for hedge accounting, changes in the accounting method of forward contracts and options when included in a hedge accounting relationship, change in the effectiveness test).

  The new standard must be applied for financial statements beginning on or after January 1, 2018.
  Based on the analysis undertaken, the directors consider that the application of IFRS 9 will not have a significant impact on the amounts and on the relative disclosure in the Group consolidated financial statements.
- **IFRS 16 - Leases** (published on January 13, 2016) which replaces IAS 17 – Leases, as well as the interpretations IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.
  The new standard provides a new definition of leases and introduces a criterion based on control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying essential differences: the identification of the asset, the right of replacement of the asset, the right to obtain substantially all the economic benefits from the use of the asset and the right to use the asset underlying the contract.
  The standard establishes a single model to recognise and measure leasing contracts for the leasee (lessees) which provides also for the recognition of operating leases under assets with a related financial payable, providing the possibility not to be recognise as leasing contracts "low-value assets" and leasing contracts less than 12 months. This Standard does not contain significant amendments for lessors.
  The standard is effective from January 1, 2019, although advance application is permitted, only for companies which have already applied IFRS 15 - Revenue from Contracts with Customers. The directors expect that the application of IFRS 16 may have an impact on the amounts and on the disclosure reported in the consolidated financial statements of the Group. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis of the relative contracts.

- "**Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts**" (published on September 12, 2016). For entities primarily involved in insurance activities, the amendments clarify the considerations deriving from application of the new IFRS 9 (from January 1, 2018) to financial assets, before the replacement by the IASB of the current IFRS 4 with the new standard currently under discussion, under which however financial liabilities are measured.
  The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

IFRS Standards, Amendments and Interpretations not yet approved by the European Union

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On May 18, 2017, the IASB published **IFRS 17 - Insurance Contracts** which replaces IFRS 4 - Insurance Contracts.
  The new standard ensures that an entity provides pertinent information which accurately presents the rights and obligations under insurance contracts. The IASB developed the standard in order to eliminate inconsistencies and weaknesses in the existing accounting policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- Amendment to **IFRS 2 "Classification and measurement of share-based payment transactions** (published on June 20, 2016) which contains clarifications upon the recognition of the effects of vesting conditions in the presence of cash-settled share-based payments, on the classification of share-based payments with characteristics of net settlement and the recognition of the amendments to the terms and conditions of a share-based payment which changes the classification from cash-settled to equity-settled. These changes will be applied from January 1, 2018. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- "**Annual Improvements to IFRSs**: **2014-2016 Cycle**", published on December 8, 2016 (including IFRS 1 First-Time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters, IAS 28 Investments in Associates and Joint Ventures – Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice, IFRS 12 Disclosure of Interests in Other Entities – Clarification of the scope of the Standard) which partially integrates the pre-existing standards. The majority of changes will be applied from January 1, 2018. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- **Interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration**" (published on December 8, 2016). The interpretation provides guidelines for transactions in foreign currencies where advances or non-monetary payments on account are recorded in the financial statements, before the recognition of the relative asset, cost or revenue. This document provides indications on how an entity should determine the date of a transaction, and consequently, the exchange rate to be utilised concerning operations in foreign currencies concerning payments made or received in advance. IFRIC 22 is applicable from January 1, 2018. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- Amendment to **IAS 40 "Transfers of Investment Property"** (published on December 8, 2016). These amendments clarify the transfers of a building to, or from, investment property. In particular, an entity shall reclassify a building to, or from, investment property only when there is a clear indication of a change in the use of the building. This change must be attributable to a specific event and shall not therefore be limited to only a change in intention by management of the entity. These amendments are applicable from January 1, 2018. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- On June 7, 2017, the IASB published the interpretative document **IFRIC 23 – Uncertainty over Income Tax Treatments.** The document deals with uncertainties on the tax treatment to be adopted for income taxes.
  It establishes that uncertainties in the calculation of tax liabilities or assets are reflected in the financial statements only where it is probable that the entity will pay or recover the amount in question. In addition, the document does not contain any new disclosure obligations, but underlines that an entity should establish whether it will be necessary to provide information on considerations made by management and the relative uncertainty concerning the accounting of income taxes, in accordance with IAS 1.
  The new interpretation applies from January 1, 2019, although early application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- Amendment to **IFRS 9 "Prepayment Features with Negative Compensation** (published on October 12, 2017). This document specifies that instruments which provide for an advance repayment could comply with the "SPPI" test also in the case where the "reasonable additional compensation" to be paid in the event of advance repayment is a "negative compensation" for the lender. The amendment applies from January 1, 2019, although early application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- Amendment to **IAS 28 "Long-term Interests in Associates and Joint Ventures**" (published on October 12, 2017)". This document clarifies the need to apply IFRS 9, including the impairment requirements, to other long-term interests in associates and joint ventures for which the equity method is not applied. The amendment applies from January 1, 2019, although early application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- Document **"Annual Improvements to IFRSs 2015-2017 Cycle"**, published on December 12, 2017 (among which IFRS 3 Business Combinations and IFRS 11 Joint Arrangements – Remeasurement of previously held interest in a joint operation, IAS 12 Income Taxes – Income tax consequences of payments on financial instruments classified as equity, IAS 23 Borrowing costs Disclosure of Interests in Other Entities – Borrowing costs eligible for capitalisation) which include the amendments to some standards within the annual improvement process. The amendments are applicable from January 1, 2019, although advance application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- On September 11, 2014, the IASB published an amendment to **IFRS 10 and IAS 28 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture"**. The document was published in order to resolve the current conflict between IAS 28 and IFRS 10 relating to the measurement of the gain or loss from the sale or conferment of a non-monetary asset to a joint venture or associate in exchange for a share of the capital of this latter. Currently, the IASB has suspended the application of this amendment.

- Standard **IFRS 14 - Regulatory Deferral Accounts** (published on January 30, 2014) which permits only those adopting IFRS for the first time to continue to recognise amounts concerning Rate Regulation Activities according to the previous accounting standards adopted. As the Group is a first-time adopter, this standard is not applicable.

Seasonal activities

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the second and third quarters rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period and the maximum usage levels of the directly managed infrastructure (airports).

Significant accounting estimates

The key future assumptions and those concerning other important sources of uncertainty in the estimates at the reporting date, that could result in adjustments to the carrying value of the assets and liabilities within the next financial year, are illustrated below.

Impairment on goodwill and other intangible assets
An impairment test is carried out on goodwill on an annual basis; this test requires an estimate of the value in use from the cash generating units of the cash flows to which the goodwill is attributed, in turn based on the expected future cash flows of the unit and discounted in accordance with an adequate discount rate. At December 31, total goodwill recognised amounted to Euro 7 million, principally concerning Aer Tre S.p.A.; for further details, reference should be made to Note 8.
The group undertakes an impairment test on goodwill recognised in the financial statements in accordance with the methods described in the paragraph "Impairments of intangible assets and property, plant and equipment". The cash flows of the cash generating units attributable to the individual goodwill recognised was taken from the Business Plan approved by the Board of Directors.
In relation to the other intangible assets with finite useful life, an impairment test was carried out annually on the residual value, resulting from the allocation of the higher value paid on acquisition.
For more in-depth information and analysis of the impairment tests undertaken at December 31 on the individual goodwill amounts and other intangible assets, reference should be made to the paragraph "Tests on the recoverability of assets and groups of assets", illustrated in the accounting principles.

Deferred tax assets
Deferred tax assets refer to the temporary differences between the amounts recorded in the financial statements and those recorded for tax purposes, attributable to the deferred deductibility of costs, principally relating to risk provisions, and tax losses carried forward by some Group companies.
These assets are recognised in the financial statements on the basis of a discretional assessment by the Directors on the probability of their recovery, with particular regard to the capacity of the Parent Company and of the subsidiaries, also based on the effect of the "tax consolidation" option, to generate future assessable income. They must estimate the probable timeframe and amount of future assessable income.

The calculation was made based on the expected tax rates for the year in which the temporary differences are expected to reverse. At December 31, deferred tax assets amounted to Euro 29.3 million and further information is provided in Note 11.

Doubtful debt provision
The doubtful debt provision is based on a specific analysis of receivables in dispute and also an analysis of overdue receivables. The overall valuation of the realisable value of trade receivables requires estimates on the probability of recovery of the above-mentioned receivables and is therefore subject to uncertainty. At December 31, the doubtful debt provision amounted to Euro 2.7 million and further information is provided in Note 5.

Assets under concession replacement provision
A provision was established against buildings held under concession by a number of Group companies including the amounts necessary for the maintenance or replacement of assets constituting the infrastructure held which must be returned to the State in optimal operating condition at the end of the concession.
The Replacement Provision is updated annually based on a technical evaluation of the estimated future charges relating to the cyclical maintenance of the assets which will be returned free at the end of the concession and is utilised based on the maintenance undertaken during the year. At December 31, the provision amounted to Euro 24.3 million.

Pension provision and other post-employment benefits
The cost of defined benefit plans and post-employment benefits are determined utilising actuarial valuations. The actuarial valuations require the consideration of statistical hypothesis concerning discount rates, the expected return on plan assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty. Further details are shown at Note 21.

Current income taxes
Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Test on the recoverability of assets and group of assets

Impairment tests were undertaken to assess the existence of impairments on the amounts allocated to Goodwill or Concessions, recognised in the present and previous years.
The impairment test compares the carrying value of the asset or group of assets of the cash generating unit (CGU) with the recoverable value, arising from the higher between the fair value (net of selling costs) and the discounted net cash flows which are expected to be produced from the asset or group of assets of the CGU (value in use).

Value of goodwill from the acquisition of a further minority shareholding in Aer Tre S.p.A.

An impairment test was undertaken to determine the existence of any impairment loss on the Euro 6.9 million allocated to "Goodwill" on acquisition from third party shareholders, in 2007, of a 35% stake in the share capital of Aer Tre S.p.A..

The cash flows of the Cash Generating Unit were taken from the Business Plan which covers a time period between 2016 and 2052, based on the following key factors: (i) the presence of a forty-year full management concession, (ii) growth of commercial revenues, thanks to incisive investments, based on traffic development, (iii) the prudent consideration, in light of the continued challenging economic environment, of a number of growth drivers and related investments.

The period of the plan was broken down into two phases: the first phase (2018-2030) refers to the explicit cash flows prepared by SAVE S.p.A. Management, while the second phase (2031-2052) refers to the cash flows from the application of a "g" growth rate of 0.5% on revenues of the year 2030, until the conclusion of the Concession.

The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of taxes was 6.49%.
From the analyses, the value in use is double the carrying value of the CGU.
The identified value in use is Euro 60.3 million, compared to a carrying value of approx. Euro 24 million, which includes the value of the capital invested related to the CGU for approx. Euro 21.3 million. The sensitivity analysis applied to the changes in the discount rate within the Plan shows that the post-tax WACC rate which renders the value in use of the CGU equal to the relative carrying amount is approx. 12.2%.

Value of Concession from the acquisition of a further minority shareholding in Aeroporto Valerio Catullo S.p.A.

An impairment test was undertaken to establish the existence of any impairment loss on the Euro 15.7 million allocated to "Goodwill" on the undertaking of a stake in Aeroporto Valerio Catullo di Verona Villafranca S.p.A. ("Catullo S.p.A."), a company which holds concessions for the management of the Verona Villafranca and Brescia airports, between 2014 and 2015.

The operation, carried out through an initial acquisition from the Municipality of Villafranca of 2% of the Share Capital, with subsequent subscription to a share capital increase and finally the exercise of the pre-emption right on a further 5.3% following the exercise of the right to withdrawal by shareholders, resulted in a holding at December 31, 2015 of 40.31% in the company Aeroporto Valerio Catullo di Verona Villafranca S.p.A..

The cash flows of the Cash Generating Unit were taken from the 2018 budget approved by the Board of Directors of Catullo, upon which an economic plan was developed which covers a time period between 2018 and 2030, based on the following key factors: (i) development of Verona airport within its catchment area and the recovery therefore of a level of traffic in line with the regions potential through the entry of new carriers in a position to ensure significant traffic growth, the development of point-to-point destinations currently not served or significantly underserved (also through low-cost carriers), improved connectivity with hubs by network carriers; (ii) the improvement of operations at Brescia with increased courier traffic, the growth of the general cargo segment and the consolidation of postal traffic; (iii) the growth of commercial revenues, thanks to targeted investments on the basis of increased traffic.
The second reference period of the plan, which runs from 2031 to the conclusion of the Verona concession in 2046 concerns cash flows from the application of a "g" growth rate of 0.5% on revenues and costs of the year 2030, until the conclusion of the Concession.

The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of taxes was 6.49%.

From the analyses, the value in use is significantly higher than the carrying value of the CGU. The identified value in use is Euro 70.2 million, compared to a carrying value of approx. Euro 30.3 million. The sensitivity analysis applied to the change of the two discount rates utilised highlights that the values of the WACC's net of taxes which results in a value in use of the CGU equal to the relative carrying amount is approx. 10.3%.

Value of Concession relating to the minority investment in the Airest Group

Under the shareholder agreements with the Lagardère Group within the sale of the Airest Group, on May 6, 2015, LSTR Food Services Italia S.r.l. exercised the call option on 50% of Lagardère Food Services S.r.l., the company resulting from the spin-off from Airest S.p.A. on May 1, 2015 and including all of the Airest Group operations, excluding the commercial activities at the airports in which the SAVE Group operates. Airest S.p.A., in fact, following the corporate operations in 2015 controls three companies in the Food & Beverage and Retail sectors, operating at Venice, Treviso and Verona airports. In order to simplify the Airest Group structure, in 2016 a merger was undertaken by a number of companies resulting in Airest Retail becoming the parent company which wholly-owns Collezioni Venezia S.r.l..

The cash flows of the Cash Generating Unit were taken from the 2018 budget approved by the Board of Directors of Airest Retail, on the basis of which a finance plan was drawn up which covers a time period between 2018 and 2028, coinciding with the duration of the concession contract for the F&B and Retail spaces at Venice and Treviso airports.

The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of taxes was 6.42%. From the analyses, the value in use exceeds the carrying value of the CGU by approx. 26%.
The identified value in use is Euro 34.7 million, compared to a carrying value of approx. Euro 27.5 million. The sensitivity analysis applied to the changes in the discount rate within the Plan shows that the post-tax WACC rate which renders the value in use of the CGU equal to the relative carrying amount is approx. 11.7%.

Accounting policies

The IAS/IFRS accounting principles applied are illustrated below.

Intangible assets

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.
The useful life of the intangible assets is measured as finite or indefinite.
Intangible assets with a finite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.
The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.
The amortisation of finite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

The indefinite intangible assets undergo an impairment test for loss in value at individual level or at cash generating unit level.
The recoverability of the value recorded is verified adopting the criteria indicated below.
These assets are not amortised. The useful life of an indefinite intangible asset is reviewed on an annual basis in order to assess whether the conditions exist for it to remain in this classification.

The useful life of the various intangible asset categories is illustrated below:

Category	Amortisation period
Patents and intellectual property rights software	3 years
Airport Concession rights	Duration of Airport concession
Patents and intellectual property rights	5 years
Licences, brands and similar rights	Duration of contract

"Patents and intellectual property rights" principally refers to costs for the implementation and tailoring of operational software.

"Airport concession rights" refer to the amount recognised under intangible assets against the airport infrastructure assets held in relation to the concession rights acquired for the management of the infrastructures which permits the right to charge for the utilisation of such infrastructure, in execution of a public service, in accordance with the provisions of IFRIC 12 – Service Concession Arrangements.

Business combinations and goodwill

Business combinations before January 1, 2010
Business combinations are recorded in accordance with the purchase method. The cost of the business combination is measured as the aggregate of the present values, at the date of

exchange, of assets sold, liabilities incurred or assumed, and equity instruments issued by the purchaser, in exchange for control of the company acquired, plus any costs directly attributable to the business combination. The acquisition cost is allocated to the assets, liabilities and contingent liabilities of the company acquired measured at fair value at the acquisition date, which satisfy the criteria as per IFRS 3. The difference recorded between the business combination cost and the amount acquired at net fair value of the assets, liabilities and contingent liabilities is recorded as goodwill. Goodwill acquired in a business combination is not amortised; an impairment test is undertaken annually to verify any loss in value, or more frequently if specific events or changed circumstances indicate the possibility of an impairment, in accordance with IAS 36 "Impairment of assets". In the determination of the fair value of the assets and liabilities and the impairment tests, the evaluations of the Directors are supported by opinions from independent experts. The minority interests in the companies acquired are initially measured at the fair value of the assets, liabilities and contingent liabilities recognised.

Business combinations after January 1, 2010

Following the introduction of IFRS 3 Revised, from January 1, 2010, date of first prospective application of the standard, business combinations are recognised utilising the acquisition method. The acquisition cost is calculated as the total of the fair value at the date of acquisition and the value of any minority equity holding in the acquisition. For every business combination, the buyer must measure any minority holding at fair value or in proportion to the amount held in the identifiable net assets of the acquisition. The acquisition costs are expensed and classified under administration expenses. When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract. If the business combination is realised in a series of phases, the purchaser recalculates the fair value of the holding previously held and measures under the equity method and records to the income statement any resulting profit or loss. Every potential payment is recorded by the purchaser at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability will be recorded in accordance with IAS 39, in the income statement or in the statement of comprehensive income. If the potential payment is classified under equity, the value must not be recalculated until its elimination is recorded against equity. Goodwill is initially valued at cost calculated as the difference between the sum of the amount paid and the amount recognised for the minority interest holdings compared to the net identifiable assets acquired and liabilities assumed by the Group. If the amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recorded in the income statement. After initial recognition, goodwill is measured at cost, less any accumulated loss in value. For the purpose of impairment testing, goodwill acquired in a business combination must, from the acquisition date, be allocated to each of the Group's cash-generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units.

If the goodwill is allocated to a cash-generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash-generating unit.

Property, plant & equipment

Property, plant and equipment are initially recognised at purchase price or construction cost or, where deriving from business combinations, at fair value at the acquisition date; the value includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service. The assets held by third parties are measured at fair value on the basis of a specific valuation. The purchase price or construction cost is net of public grants which are recognised when the conditions for their concession are verified. Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life. Tangible assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life.

Losses in value are charged to the income statement under depreciation costs. Such losses are restated when the reasons for their write-down no longer exist.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.

Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Property, plant and equipment are depreciated on a straight-line basis based on the residual useful life of the asset, as follows:

Category	%
Buildings	3%
Runway vehicles and equipment	10% - 31.5%
Office machinery	12.5%
Other machinery/plant	15.0%
Communication plant	25.0%
Alarm systems	30.0%
Operating/loading/unloading machinery	10.0%
Equipment	35% - 15% - 12.5%
Motor vehicles	20% - 25%
Ordinary office machinery	12.0%
Furniture and fittings	15.0%
Telephones and EDP	20.0%

Leased fixed assets

Assets acquired through finance lease contracts, which substantially transfer the majority of the risks and benefits related to the ownership of an asset to the Group, are capitalised at commencement of the lease at the fair value of the asset or, if lower, at the present value of the minimum lease payments on the recording of a liability to the leasing company. Lease instalments are allocated to principal and interest to obtain application of a constant interest rate on the balance of the debt (principal). Financial expenses are charged to the income statement. Capitalised lease assets are depreciated over their estimated useful life.

Impairments on intangible assets and property, plant and equipment

The carrying amount of intangible assets and property, plant and equipment undergo an impairment test whenever there are signs internal or external to the entity which indicate the possibility of a loss in value of the assets or group of assets (defined as the Cash Generating Unit or CGU).
The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets.
If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Group at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset. In determining the fair value less selling costs, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.
The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.
At each reporting date, the Group also evaluates, in relation to the assets other than goodwill, the existence of indicators of a recovery in the loss of value previously recorded and, where these indicators exist, makes an estimate of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery of value cannot exceed the book value which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation gain.
The value of goodwill may not be reversed following an increase in the recoverable value.

The following criteria are utilised for the recording of impairments on specific categories of assets:

Goodwill
The Group undertakes an impairment test on goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value.
The loss in value on such intangible assets is determined through a valuation of the recoverable value of the cash-generating unit (or group of units) to which they relate. When the recoverable value of the cash-generating unit (or group of units) is lower than the carrying value of the cash-generating unit (or group of cash-generating units) to which the intangible assets are allocated, a loss in value is recognised.
The decrease in the value of goodwill cannot be restated in future years.
The Group undertakes the annual impairment test on the value of the above-mentioned intangible assets close to the end of the year.
The impairment test compares the carrying amount of the asset or of the cash-generating unit (CGU) with the recoverable value of the asset, arising from the higher between the fair value

(net of selling costs) and the value of the net discounted cash flows which are expected to arise from the asset or from the CGU.
Each unit or Group of units to which the intangible asset is allocated represents the lowest level within the Group to which the goodwill is monitored at internal management level.
The conditions and the methods for any write-back of an asset previously written down applied by the Group, excluding in any case any recovery in the value of goodwill, are those as per IAS 36.

Non-current assets held-for-sale and discontinued operations

Non-current assets and discontinued groups classified as held-for-sale are measured at the lower of their carrying value and the fair value less selling costs. Non-current assets and discontinued groups are classified as held-for-sale when the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions. Management must be committed to the sale, whose completion must be expected within one year from the date of the classification.
In the consolidated income statement, the gains and losses of discontinued operations must be classified separately from profits and losses from continuing operations, shown after taxes, even when the Group maintains a minority interest in the subsidiary after the sale. The resulting profit or loss, after income taxes, is shown separately in the income statement.
Plant, property and equipment and intangible assets once classified as held-for-sale are no longer amortised or depreciated.

Other financial assets

IAS 39 provides for the following types of financial instruments: financial assets measured at fair value with changes recorded in the Income Statement, loans and receivables, investments held to maturity and assets available-for-sale.
Initially all the financial assets are recorded at fair value. In the case of assets other than those valued at fair value with changes recorded in the Income Statement, the fair value is increased by accessory charges. On subscription, the Group considers if a contract contains embedded derivatives.
The embedded derivatives are separated from the host contract if this is not valued at fair value when the analysis shows that the economic characteristics and the risks of the embedded derivative are not strictly correlated to the host contract.
The Group determines the classification of its financial assets after the initial recording and, where appropriate and permitted, reviews this classification at the end of each year.

Financial assets at fair value with changes recognised to the income statement
This category includes financial assets held-for-trading and assets designated on first recognition as financial assets valued at fair value with changes recorded to the Income Statement.
The assets held-for-trading are all assets acquired to be sold in the short-term. The derivatives, including underlying derivatives, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Gains or losses on assets held for trading are recognised to the Income Statement.
Where a contract contains one or more incorporated derivatives, the entire hybrid contract can be designated as a financial asset valued at fair value with changes recorded to the Income Statement, with exception for those cases in which the implicit derivative does not significantly change the cash flows or it is evident that the separation of the derivative is not permitted.

On initial recognition, the financial assets can be classified as financial assets valued at fair value with changes recorded in the income statement where the following conditions exist: (i) the designation eliminates or significantly reduces the treatment which would otherwise result from valuing the assets or recording the gains and losses which the assets generate, in accordance with a different criteria; or (ii) the activities are a part of a group of financial assets managed and their return is valued on the basis of their fair value, based on a documented risk management strategy; or (iii) the financial assets contain an embedded derivative which must be separated and recorded separately.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. After initial recognition, these assets are measured in accordance with the amortised cost criteria using the effective discount rate method net of all provisions for loss in value.
The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is a loss in value, also through the amortisation process.

Available-for-sale financial assets
The financial assets available-for-sale are those financial assets, excluding derivative financial instruments, which were designated as such or are not classified in any of the other preceding categories. After initial recognition, the financial assets held for sale are measured at fair value and the gains and losses are recorded in a separate equity reserve. The fair value is determined with reference to the market value (bid price) at the reporting date; in the case of non-quoted instruments they are determined through technical financial valuation methods commonly used. When the assets are eliminated, the gains or losses accumulated in equity are recognised in the Income Statement. Interest matured or paid on these investments is recorded as interest income or expense, utilising the effective interest rate. Dividends matured on these investments are recognised in the Income Statement as “dividends received” when the right for collection arises.

Fair value
In the case of shares widely traded in regulated markets, the fair value is determined with reference to the stock market prices recorded at the end of trading at the reporting date. For the investments for which no active market exists, the fair value is determined through valuation techniques based on recent transaction prices between independent parties; the current market value of a substantially similar instrument; the analysis of the discounted cash flows; option pricing models.

Loss in value of financial assets

The Group at each reporting date assesses whether a financial asset or group of financial assets has incurred a loss in value.

Assets measured under the amortised cost criteria
If there is any indication that a loan or receivable recorded at amortised cost has incurred a loss in value, the amount of the loss is measured as the difference between the book value of the asset and the present value of the estimated future cash flows (excluding losses on future

receivables not yet incurred) discounted at the original effective interest rate of the financial asset (the effective interest rate calculated at date of the initial recognition). The book value of the asset is reduced through the use of a provision and the amount of the loss recognised in the income statement.
The Group evaluates the existence of indications of loss in value at individual level for the financial assets which are individually significant and at individual or collective level for the financial assets which are not. In the absence of indications of loss in value for a financial asset valued individually, whether it is significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and this group is assessed for loss in value collectively. The assets measured at individual level - and for which a loss in value is recorded or continues to be the recorded - will not be included in the collective valuation.
If, in a subsequent year, the size of the loss in value is reduced and this reduction can be identified as an event occurring after the recording of the loss in value, the previous value reduced is restated. Any restated value is recorded in the income statement - not greater than the amortised cost of the asset at the restated date.
With reference to trade receivables, a doubtful debt provision is recorded when there are clear indications (such as, for example, the probability of insolvency or significant financial difficulties of the debtor) that the Group will not be able to recover all the amounts due according to the original conditions of the invoice. The carrying value of the receivable is reduced through an appropriate provision. Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

AFS financial assets
When there is a loss in value of a financial asset available-for-sale, the amount is transferred from equity to the income statement equal to the difference between its cost (net of the repayment of the principal and interest) and its present value, net of any loss in value previously recorded in the income statement.
The restatement relating to capital instruments classified as available-for-sale is not recorded in the income statement. The recovery in value of debt instruments is recorded in the income statement if the increase in the fair value of the instrument can be attributable to an event which occurred after the recording of the loss in the income statement.

Treasury shares

Treasury shares acquired are recorded at cost and as a reduction of shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the carrying value and the payment received is recorded in the share premium reserve. The voting rights related to treasury shares are cancelled, as are the rights to receive dividends. In the case of the exercise of options on shares in the period, such are settled with treasury shares.

Inventories

Inventories, excluding contract work-in-progress, are recorded at the lower of purchase or production cost and realisable value represented by the amount that the Company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method.
Contract work-in-progress is measured on the basis of the payments agreed in relation to the advancement of the work, determined utilising the cost-to-cost method. The payments on account paid by clients are deducted from inventories up to the payments matured; the

remaining part is recorded under liabilities. Any losses deriving from the completion of the contracts are recognised fully in the period in which such is ascertained.

Cash and cash equivalents

Cash and cash equivalents include those values which are available on demand at short notice, certain in nature and with no payment expenses.

Employee benefits

The benefits guaranteed to employees paid on the conclusion of employment or other long-term benefits are recognised in the period the right matures.
The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method. The amount not only reflects the payables matured at the consolidated balance sheet date (only for companies with less than 50 employees) but also the future salary increases and related statistical data.

Provisions for risks and charges

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present consolidated balance sheet date. The provisions are recorded when:
(i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event;
(ii) it is probable that compliance with the obligation will result in a charge;
(iii) the amount of the obligation can be estimated reliably.
Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the balance sheet date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".
If the liability relates to a tangible asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.
The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

Trade payables and other non-financial liabilities

Payables, which mature within the normal commercial terms, are recognised at cost (their nominal value). The payables in foreign currencies are recorded at the transaction exchange rate and, subsequently, translated at the year-end rate. The gains and losses deriving from the conversion are recorded in the income statement.
The other liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability.
After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).
All gains and losses are recognised in the income statement when the liability is settled, in addition through the amortisation process.

Derecognition of financial assets and liabilities

Financial assets
Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised from the financial statements when:
• the right to receive the financial flows of the asset terminate;
• the Group retains the contractual right to receive the cash flows from the asset, but assumes a contractual obligation to pay the cash flows fully and without delay to a third party;
• the Group has transferred its right to receive the cash flows from the asset and (a) has transferred substantially all of the risks and rewards of ownership of the financial asset or (b) has not transferred or retained substantially all of the risks and rewards of the asset, but has transferred control over same.
Where the Group has transferred all the contractual rights to receive the cash flows from an asset and has not transferred or withheld substantially all of the risks and rewards or has not lost control, the asset is recorded in the financial statements of the Group up to the amount of its residual holding in the asset. Residual involvement that takes the form of a guarantee on the transferred asset is valued at the asset's initial book value or the maximum consideration that the Group could be required to pay, whichever is less.

Financial liabilities
A financial liability is derecognised from the financial statements when the underlying liability is settled or cancelled.

Derivative financial instruments and hedging operations

The Group during the year held financial derivatives in order to cover its exposure to interest rate risk regarding specific liabilities.
In line with the strategy chosen, the Group does not carry out operations and derivatives for speculative purposes. However, in the case where these operations may not be accounted for as hedging operations, they are recorded as speculative operations.
The derivatives are classified as hedging instruments when the relation between the derivative and the hedged item is formally documented and the effectiveness of the hedge, periodically verified, is high. When the hedged derivatives cover the risk of change of the fair value of the instruments hedged (fair value hedge; e.g. hedge in the variability of the fair value of asset/liabilities at fixed rate), these are recorded at fair value through the income statement; therefore, the hedging instruments are adjusted to reflect the changes in fair value associated to the risk covered. When the derivatives hedge the risk of changes in the cash flows of the hedge instrument (cash flow hedge; e.g. coverage of changes in cash flow of asset/liabilities at variable interest rate due to changes in the interest rates), the changes in the fair value are initially recognised under equity and subsequently through the income statement in line with the economic effects produced from the operation hedged.
The changes in the fair value of the derivatives compared to their initial value, which do not satisfy the conditions for hedge accounting, are recorded through the income statement.

Measurement of income components

Revenues are recognised to the extent that their fair value can be reliably calculated and based on the probability that their economic benefits will be received.
According to this type of operation, the revenues are recognised on the basis of the specific criteria indicated below:
- revenues from the sale of goods are recognised when the significant risks and benefits of the ownership of the assets are transferred to the purchaser;
- revenues deriving from services are recognised when the service is rendered;
- revenues from services related to contract work-in-progress are recorded with reference to the stage of completion of the activities on the basis of the same criteria as work-in-progress on orders.

Revenues are recorded net of returns, discounts and premiums and promotional charges directly related to the sales revenue, in addition to direct sales taxes.
Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.
Royalties are recorded based on the accruals principle in accordance with the contracts in force.
Interest income is recognised in accordance with the accruals principle, which takes into account the effective yield of the assets to which it refers.
Dividends are recorded when the shareholders have the right to receive them.

Measurement of costs and expenses

Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Income taxes

Current income taxes
Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred taxes
Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present consolidated financial statements. Deferred tax liabilities derive from all temporary timing differences, except for the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the profit for the year calculated for the financial statements or on the profit or loss calculated for tax purposes.
The reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.
Deferred tax assets are recorded against all temporary deductible differences and fiscal losses carried forward, up to the amount it is probable there exists adequate future assessable profits against the utilisation of the temporary deductible differences and of the assets or liabilities carried forward, except in the case where the deferred tax asset related to the temporary deductible differences derives from the initial recording of an asset or a liability in a transaction that is not a business combination and that, at the time of the transaction, does not impact on the profit of the period calculated for the accounts or on the losses calculated for tax purposes.
In the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

The rates utilised for the calculation of deferred taxes, which reflect the expected rates on the basis of national legislation in force, are mainly the following:
IRES 24%
IRAP 4.20% (Airport Companies)
IRAP 3.90%

Translation of accounts in foreign currencies

The present consolidated financial statements are presented in Euro, which is the Company's operational currency. Each Group company decides the operative currency to be used to value the accounts in the financial statements. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the consolidated balance sheet date. All exchange differences are recognised in the income statement. Non-monetary items valued at historical cost in foreign currency are translated by using the exchange rates in effect on the date the transaction was first recorded. Non-monetary items recorded at fair market value in foreign currency are translated by using the exchange rate on the date the value was calculated.

Operating Segment information

The Group operating segments in accordance with IFRS 8 – Operating Segments relate to the two locations in which the group operates as airport manager, Venice and Treviso, and the investments in other airports.

The Save Group, in application of IFRS 8, identified its operating segments as the business areas which generate revenues and costs, whose results are periodically reviewed by the highest decision-making level in order to evaluate the outcome of the decisions concerning the allocation of resources and for which separate financial statements are available.
The Group operational segments are as follows:
- Venice (Marco Polo Airport);
- Treviso (Canova Airport);
- Other Airports.
- Other: where residually the group assets are allocated and not directly concerning airport management activities.

In relation to the Venice and Treviso operating segments, the Group evaluates their performance based on passenger revenues, separating those concerning the aviation sector from those concerning the non-aviation sector and analysing the figures for the two locations independently.
Non-aviation revenues include parking management revenues at the two locations, which is carried out through Marco Polo Park S.r.l..
The Group in addition evaluates the performance of the operating segments based on the "Operating result" of the respective two locations. Operating costs on the one hand consider costs related to parking management at the two locations and on the other security costs, activities which are carried out at the differing locations through the company Triveneto Sicurezza S.r.l..
The other airports operating segment principally concerns the investment in the company B.S.C.A. s.a., which manages Charleroi Airport and the investment in Valerio Catullo di Villafranca S.p.A., which manages Verona Airport. These investments in associates/joint ventures are carried at equity and the relative income statement effect recognised to the financial management result.
The account "Other" residually includes those businesses not directly attributable to the identified segments.
For Group operations, financial income and charges and taxes are not allocated to the individual operating segments; within each operating segment in addition, financial income and charges and income taxes are not separately categorised in terms of ordinary, investing and financing activities.

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities. The segment Liabilities are those which derive directly from segment operating activities and those reasonably allocated based on operating activities.
The segment assets and liabilities presented are measured utilising the same accounting standards adopted for the presentation of the Group consolidated financial statements.

For a detailed analysis of the income statement and the segments, reference should be made to the Directors' Report. The balance sheet by segment and the key profitability indicators are reported below.

Euro / 1000	2017 Venice	2017 Treviso	2017 Other	2017 Elim. / Adjust.	2017 Total Consolidated	2016 Venice	2016 Treviso	2016 Other	2016 Elim. / Adjustments	2016 Total Consolidated	Total Change	% Total Change
Aviation Revenues	121,007	15,586	0	0	136,593	115,738	14,494	0	0	130,232	6,361	4.9%
Non-Aviation Revenues	45,387	5,400	0	(181)	50,607	42,027	4,701	0	(134)	46,593	4,013	8.6%
Other Revenue	6,380	414	6,649	(1,511)	11,932	6,489	394	5,700	(1,242)	11,341	592	5.2%
Total Revenues	**172,774**	**21,401**	**6,649**	**(1,692)**	**199,132**	**164,254**	**19,588**	**5,700**	**(1,376)**	**188,166**	**10,966**	**5.8%**
Total Costs	85,693	15,590	5,016	(1,692)	104,607	82,705	15,098	4,017	(1,376)	100,444	4,163	4.1%
EBITDA	**87,080**	**5,811**	**1,633**	**0**	**94,525**	**81,549**	**4,490**	**1,683**	**0**	**87,722**	**6,803**	**7.8%**
	50.4%	27.2%	24.6%	0.0%	47.5%	49.6%	22.9%	29.5%	0.0%	46.6%		
EBIT	**59,329**	**3,387**	**1,356**	**0**	**64,071**	**60,455**	**2,022**	**1,466**	**0**	**63,943**	**128**	**0.2%**
	34.3%	15.8%	20.4%	0.0%	32.2%	36.8%	10.3%	25.7%	0.0%	34.0%		
Profit before taxes					**66,203**					**62,078**	**4,125**	**6.6%**
					33.2%					33.0%		
Profit from Continuing Operations					**50,627**					**42,666**	**7,961**	**18.7%**
					25.4%					22.7%		

Euro/1000 at December 31, 2016	Venice	Treviso	Other Airports	Other	Eliminations / Adjustments	Total Consolidated
Total fixed assets	448,840	46,020	48,585	11,426	(11,152)	543,719
Fixed capital employed	**411,632**	**41,428**	**48,585**	**10,796**	**(11,153)**	**501,288**
Total working capital	(71,310)	(6,060)	137	691		(76,541)
Net working capital - discontinued operations				65,201		65,201
Total capital employed	**340,321**	**35,368**	**48,722**	**76,688**	**(11,151)**	**489,948**
Non-current assets & liabilities held-for-sale					0	0
Total net financial position	217,171	12,192	(3,942)	23,925	(11,152)	238,194
Total financing sources	**340,322**	**35,369**	**48,722**	**141,889**	**(76,353)**	**489,948**
Total assets	521,542	53,168	53,780	83,949	(37,884)	674,556
Total liabilities	398,392	29,992	1,117	31,186	(37,884)	422,802

Euro/1000 at December 31, 2017	Venice	Treviso	Other Airports	Other	Eliminations / Adjustments	Total Consolidated
Total fixed assets	498,118	48,897	49,359	10,229	(10,060)	596,542
Fixed capital employed	**460,922**	**43,354**	**49,359**	**9,492**	**(10,060)**	**553,066**
Total working capital	(53,298)	(12,886)	153	1,035		(64,997)
Net working capital - discontinued operations						
Total capital employed	**407,624**	**30,468**	**49,512**	**10,527**	**(10,062)**	**488,069**
Non-current assets & liabilities held-for-sale					0	0
Total net financial position	294,330	4,959	(5,128)	(40,742)	(10,060)	243,360
Total financing sources	**407,624**	**30,468**	**49,512**	**10,527**	**(10,062)**	**488,069**
Total assets	562,456	61,518	54,649	65,039	(74,351)	669,312
Total liabilities	449,162	36,009	9	13,770	(74,348)	424,602

Information concerning the Principal Clients

Approx. 10.4% of the total revenues for 2017 of the Parent Company SAVE S.p.A. derived from the airline easyJet; the subsidiary Aer Tre S.p.A. derive however approx. 62.4% of revenues from the airline Ryanair and approx. 9.8% from Wizz Air.

Net Financial Position

The breakdown of the net financial position is as follows:

(Euro thousands)	12/31/2017	12/31/2016
Cash and cash equivalents	13,275	23,827
Other financial assets	0	172
Financial assets	**13,275**	**23,999**
Bank payables	754	40,483
Other financial liabilities – current portion	41	7,071
Current liabilities	**795**	**47,554**
Bank payables – less current portion	255,814	214,573
Other lenders – less current portion	25	66
Non-current liabilities	**255,839**	**214,639**
Net Financial Position	**(243,359)**	**(238,194)**
of which liabilities for derivative contracts carried at fair value	0	209
Total gross payables to banks	256,568	255,056

ANALYSIS OF THE MAIN BALANCE SHEET ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

ASSETS

Current Assets

The components of the above-stated account are as follows:

at		
12.31.2017	€	66,057
12.31.2016	€	65,237
Change	€	820

1. Cash and cash equivalents

at		
12.31.2017	€	13,275
12.31.2016	€	23,827
Change	€	(10,552)

These concern the bank current accounts available and cash and cash equivalents at the reporting date. The principal asset balances are held by the parent company with Euro 12.4 million.

Cash and cash equivalents are reported at their book value, which is considered a reasonable approximation of the fair value at the date of the present consolidated financial statements.

2. Other financial assets

at		
12.31.2017	€	-
12.31.2016	€	172
Change	€	(172)

In the previous year the balance comprised a financial receivable from a Group company.

3. Tax receivables

at		
12.31.2017	€	3,811
12.31.2016	€	4,180
Change	€	369

The account includes for Euro 2.5 million the receivable relating to the IRES repayment request from IRAP for the 2007-2011 period, presented by SAVE S.p.A. as the parent company of the tax consolidation in accordance with Article 2, paragraph 1-*quater* of Legislative Decree No. 201/2011.

The account also includes Euro 0.2 million concerning the receivable for the tax break on new investments under Legislative Decree No. 91 of June 24, 2014 (so-called Tremonti Quater) and Euro 0.8 million for VAT in the year.

4. Other receivables

at		
12.31.2017	€	6,956
12.31.2016	€	1,537
Change	€	5,419

The analysis is as follows:

(Euro thousands)	12.31.17	12.31.16	CGE.
Veneto region for grants	664	619	45
Suppliers for advances	1,041	449	592
Up-front fee payments	4,523	-	4,523
Misc. receivables	728	469	259
Total other receivables	**6,956**	**1,537**	**5,419**

Receivables from the Region of Veneto for grants approved under Decree No. 59/2009 concern the "Completion of the Rainwater runoff system and the First flush treatment system within the airport" for the part of the works completed at Venice.
An asset was recorded in the period of Euro 4.5 million corresponding to up-front fees relating to credit lines not yet utilised.

5. Trade receivables

at		
12.31.2017	€	40,618
12.31.2016	€	34,282
Change	€	6,336

The breakdown of trade receivables is outlined below:

(Euro thousands)	12.31.17	12.31.16	CGE.
Trade receivables – third parties	32,259	27,457	4,802
Trade receivables - related parties	8,359	6,825	1,534
Total trade receivables	**40,618**	**34,282**	**6,336**

This principally concerns receivables from airlines for aviation activities and receivables from sub-agents for commercial spaces.

The table below illustrates the trade receivables and the relative doubtful debt provision:

(Euro thousands)	12.31.17	12.31.16	CGE.
Trade receivables	34,995	29,133	5,862
Doubtful debt provision	(2,736)	(1,676)	(1,060)
Total trade receivables	**32,259**	**27,457**	**4,802**

The Group doubtful provision amounts to Euro 2.7 million; this considers both the analysis of individual positions, for a number of which a credit recoverability risks exists, and an analysis concerning the aging of the receivable. This is in line with the valuation methods applied over time.

The movements in the doubtful debt provision during the year were as follows:

(Euro thousands)	
Balance at 12/31/2016	**(1,676)**
Utilisations and other movements	53
Reclassifications	(171)
Provisions	(942)
Balance at 12/31/2017	**(2,736)**

An analysis of the aging of the Group's net trade receivables from third parties at December 31, 2017 is reported below (in thousands of Euro):

Trade receiv. from third parties	Total	Not yet due	Due < 30 days	Due 30-60 days	Due 60-90 days	Due 90-120 days	Due > 120 days
12/31/2017							
Net receivables	**32,259**	14,345	6,810	2,126	3,765	2,671	2,543

Trade receiv. from third parties	Total	Not yet due	Due < 30 days	Due 30-60 days	Due 60-90 days	Due 90-120 days	Due > 120 days
12/31/2016							
Net receivables	**27,457**	13,677	7,615	1,956	1,571	394	2,244

The monitoring and reminder activities continued in order to limit credit risk.
It is considered in fact that, following the actions, also of a legal nature, undertaken for credit protection and receipt, based on the information currently available, supported by the legal experts handling the relative disputes and in view of the guarantees received, including sureties, the net value indicated above prudently reflects the expected realisable value.
Trade receivables are reported at their book value net of write-downs; it is considered that this value reasonably approximates the fair value of such receivables, as at Group level there are no medium/long-term receivables which require discounting.

Trade receivables from related parties entirely concern investee companies not consolidated line-by-line:

(Euro thousands)	12.31.17	12.31.16	CGE.
Airest Group	7,292	5,740	1,552
2A - Airport Advertising S.r.l.	840	677	163
Nicelli S.p.A.	-	169	(169)
Aeroporto Valerio Catullo S.p.A.	217	224	(7)
Aeroporto Civile di Padova S.p.A. in liquidation	-	5	(5)
Other minor	10	10	-
Total	**8,359**	**6,825**	**1,714**

6. Inventories

at		
12.31.2017	€	1,397
12.31.2016	€	1,239
Change	€	158

The value of inventories substantially relates to the Parent Company and concerns material inventories for airport activities.

Assets held-for-sale

at		
12.31.2017	€	-
12.31.2016	€	65,600
Change	€	(65,600)

At December 31, 2016 the account included the sales value of the investment in Centostazioni S.p.A..
The closing was on January 30, 2017 and stipulated consideration of Euro 65.6 million, which was received on the same date.
In addition, on February 7, 2017, the parent company acquired the 40% minority holding of Archimede 1 from the shareholders Manutencoop Soc. Coop., Banco Popolare Soc. Coop and Pulitori ed Affini S.p.A. for an amount in line with the net equity at December 31, 2016 of the company totalling Euro 19.8 million.

Non-current assets

at		
12.31.2017	€	596,541
12.31.2016	€	543,719
Change	€	52,822

The account is comprised as follows:

7. Property, plant & equipment

at		
12.31.2017	€	68,226
12.31.2016	€	63,505
Change	€	4,721

The increase relates mainly to new investments of approx. Euro 12.6 million, net of depreciation.
The composition of these tangible assets is outlined in Attachment "B", which highlights the historic cost, accumulated depreciation and net values, for each asset category.

8. Intangible assets

at		
12.31.2017	€	410,571
12.31.2016	€	370,557
Change	€	40,014

The accounts "Airport Concession rights", "Intangible assets with finite useful life" and "Goodwill - other intangible assets with indefinite useful life" are reported separately.

In particular:

(Euro thousands)	**12.31.17**	**12.31.16**	**Cge.**
Airport Concession rights	398,872	358,989	39,883
Other intangible fixed assets with finite useful life	4,722	4,591	131
Goodwill – other intangible assets with indefinite life	6,977	6,977	-
Total intangible assets	**410,571**	**370,557**	**40,014**

The composition of these intangible assets is outlined in Attachment "A", which highlights the historic cost, accumulated amortisation and net values, for each asset category. In relation to significant investments in the year, reference should be made to the Directors' Report.

The breakdown of Goodwill is as follows:

(Euro thousands)	12.31.17	12.31.16	CGE.
Aer Tre S.p.A.	6,937	6,937	-
N-Aitec S.r.l.	40	40	-
Total Goodwill	**6,977**	**6,977**	-

The account comprises:

- for Euro 6,937 thousand, the higher value paid compared to net equity, entirely allocated to "Goodwill" on acquisition from minority shareholders of 35% of the investment held by the Group in the company Aer Tre S.p.A. in 2007. The Group therefore increased its investment in the company to 80%;
- for Euro 40 thousand the higher amount paid in 2006, compared to the relative share of net equity, deriving from the acquisition from minority shareholders of 49% of N-aitec S.r.l.. The Group therefore increased its investment in the company to 100%.

In order to establish the recoverability of the principal amounts, the Company carried out impairment tests, the results of which are outlined in the paragraph "Recoverability of assets or group of assets", to which reference should be made.

9. Investments

at		
12.31.2017	€	85,530
12.31.2016	€	79,322
Change	€	6,208

The "Investments in companies carried at equity" and "Other investments" are reported separately.

(Euro thousands)	12.31.17	12.31.16	CGE.
Investments in associates and joint ventures	84,386	78,178	6,208
Other investments	1,144	1,144	-
Total investments	**85,530**	**79,322**	**6,208**

"Investments in associates & JV's carried at equity" are outlined below.

(Euro thousands)	% HELD	12.31.17	12.31.16	CGE.
Nicelli S.p.A.	49.23	-	41	(41)
Venezia Terminal Passeggeri S.p.A.	22.18	8,335	8,335	-
GAP S.p.A.	49.87	319	310	9
Brussels South Charleroi Airport SA	27.65	17,921	17,701	220
2A – Airport Advertising S.r.l.	50	9	45	(36)
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	40.82	30,314	29,761	553
Airest Retail S.r.l.	50	27,488	21,986	5,502
Tot. Investments carried at equity		**84,386**	**78,178**	**6,208**

The account benefits from the improvement in the results of Airest, with an increase in the contribution from Euro 1.0 million to Euro 5.5 million, thanks to better operating results and to the recognition of a tax exemption in 2017, resulting in a pro-quota share of approx. Euro 3.4 million.
The investment in Aeroporto Valerio Catullo di Verona Villafranca S.p.A. increased during the year to 40.82% through the acquisition of minority holdings totalling approx. Euro 0.4 million.

10. Other Assets

at		
12.31.2017	€	2,926
12.31.2016	€	2,910
Change	€	16

The breakdown of the account is as follows:

(Euro thousands)	12.31.17	12.31.16	CGE.
Other guarantee deposits	50	34	16
ENAC guarantee deposits	2,876	2,876	-
Total	**2,926**	**2,910**	**16**

ENAC guarantee deposits concerns the receivable for the amounts paid to ENAC by Aer Tre S.p.A. under advanced airport occupancy and totals approx. Euro 2.9 million, calculated as 10% of the monthly fees. The Directors, despite the delay in the receipt of this deposit from ENAC and supported by the opinion of the legal consultants involved in the case, still consider it collectible.

11. Deferred tax assets

at		
12.31.2017	€	29,288
12.31.2016	€	27,425
Change	€	1,863

Deferred tax assets have a total value of Euro 29.3 million and are fully utilisable in the medium/long-term period. The principally temporary differences on which deferred tax assets are recognised concern:

- deferred tax assets on the realignment of the higher tax values of the investments in application of Article 15, paragraphs 10 *bis* and 10 *ter* of Legislative Decree No. 185/2008;
- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the doubtful debt provision;
- tax losses carried forward;
- adjustments related to the application of international accounting standards (principally non-capitalised non-current charges);
- write-down of intangible assets and other amortisation deductible in subsequent periods;
- adjustments relating to the discounting of pension provisions in line with international accounting standards;
- other consolidation adjustments which generate deferred tax assets.

The tables below outline the categories which result in the recognition of deferred tax assets, broken down between IRES and IRAP.
Deferred tax assets were calculated at the IRES rate of 24% applicable from 01/01/2017, as per paragraph 61 of Law No. 208 of December 28, 2015 (2016 Stability Law).

(amounts in thousands)

	ASSESSABLE				TAX			
Rate 24%	**12/31/2016**	**INCREASES**	**DECREASES**	**12/31/2017**	**12/31/2016**	**INCREASES**	**DECREASES**	**12/31/2017**
Doubtful debt provision	1,387	980	3	2,364	377	242	5	615
Amortisation, depreciation & write-downs	6,241	3,038	95	9,183	1,483	729	23	2,190
Deferred charges	2,149	3,288	885	4,552	514	789	210	1,094
Tax losses carried forward	2,665	-	770	2,665	640	-	185	455
Assets under concession replacement provision	19,594	2,741	618	21,717	5,070	653	148	5,575
Risks provision and other future deductible costs	4,925	2,935	1,457	7,360	1,205	291	368	1,128
Goodwill amortisation	6,937	-	-	6,937	1,686	-	-	1,686
Concessions amortisation	62,877	-	-	62,877	15,092	-	-	15,091
Post-employment benefits	205	-	17	188	52	-	4	48
Other	80	-	56	24	23	-	15	8
IRES Deferred tax assets	**107,060**	**12,981**	**3,900**	**117,868**	**26,142**	**2,705**	**958**	**27,889**

(amounts in thousands)

	ASSESSABLE				TAX			
Rate 3.9% - 4.2%	**12/31/2016**	**INCREASES**	**DECREASES**	**12/31/2017**	**12/31/2016**	**INCREASES**	**DECREASES**	**12/31/2017**
Amortisation, depreciation & write-downs	5,714	2,480	2	8,192	240	104	0	344
Deferred charges	722	-	43	679	30	-	2	27
Assets under concession replacement provision	14,245	3,887	2,744	15,389	651	162	115	697
Risks provision and other future deductible costs	2,093	-	653	1,440	88	-	27	60
Goodwill amortisation	6,937	-	-	6,937	271	-	-	271
Concessions amortisation	-	-	-	-	-	-	-	-
Other	124	-	124	-	5	-	6	- 0
IRAP Deferred tax assets	**29,835**	**6,367**	**3,565**	**32,637**	**1,283**	**267**	**151**	**1,398**
TOTAL MOVEMENTS IN DEFERRED TAX ASSETS					27,425	2,971	1,108	29,288

LIABILITIES

Current Liabilities

at		
12.31.2017	€	118,575
12.31.2016	€	165,333
Change	€	(46,758)

The account is comprised as follows:

12. Trade payables

at		
12.31.2017	€	65,758
12.31.2016	€	72,842
Change		(7,084)

Trade payables principally concern Italian suppliers and are reported at their book value, which approximates their reasonable fair value, as at Group level the amount of medium/long-term payables are insignificant and therefore do not require discounting processes.
The breakdown of trade payables is shown below:

(Euro thousands)	12.31.17	12.31.16	CGE.
Trade payables – third parties	64,984	70,049	(5,065)
Trade payables - related parties	774	2,793	(2,019)
Total trade payables	**65,758**	**72,842**	**(7,084)**

The breakdown of trade payables to related parties is as follows:

(Euro thousands)	12.31.17	12.31.16	CGE.
Airest Group	762	714	48
2A - Airport Advertising S.r.l.	-	1,896	(1,896)
Brussels South Charleroi Airport (BSCA) SA	-	1	(1)
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	3	175	(172)
Other related parties	9	7	2
Total	**774**	**2,793**	**(2,019)**

13. Other payables

at		
12.31.2017	€	45,182
12.31.2016	€	37,337
Change		7,845

The account is comprised as follows:

(Euro thousands)	12.31.17	12.31.16	CGE.
Payables to related parties	2,822	1,315	1,507
Payments on account	198	200	(2)
Personnel for deferred compensation	6,510	5,260	1,250
Airport concession fee	22,060	19,633	2,427
Municipal surtax	10,142	8,929	1,213
Other payables	3,450	2,000	1,450
Total	**45,182**	**37,337**	**7,845**

Payables to related parties are broken down as follows:

(Euro thousands)	12.31.17	12.31.16	CGE.
Payables to the Airest Group	1,257	1,315	(58)
Agorà Investimenti S.p.A.	1,565	-	1,565
Total other payables to related parties	**2,822**	**1,315**	**1,507**

The payable to Agorà Investimenti S.p.A. relates to the tax consolidation undertaken with some companies of the Group.

14. Tax payables

at		
12.31.2017	€	2,792
12.31.2016	€	4,053
Change	€	(1,261)

(Euro thousands)	12.31.17	12.31.16	CGE.
Employee withholding taxes	1,076	789	287
Other tax payables	1,076	830	246
Payables for direct taxes/income taxes	640	2,434	(1,794)
Total	**2,792**	**4,053**	**(1,261)**

The decrease in tax payables relates to the tax consolidation of Agorà Investimenti S.p.A. during the year.

15. Payables to social security institutions

at		
12.31.2017	€	4,047
12.31.2016	€	3,547
Change	€	500

16. Bank payables

at		
12.31.2017	€	754
12.31.2016	€	40,483
Change	€	(39,729)

The account is comprised as follows:

(Euro thousands)	12.31.17	12.31.16	Cge.
Ordinary current accounts	1	3	(2)
Current portion of bank loans	753	40,480	(39,727)
Total	**754**	**40,483**	**(39,729)**

The portion of loans due within 12 months totals Euro 0.8 million.

The following table provides a breakdown of bank credit lines utilised and available at December 31, 2017.

TYPE	Granted	Used	Residual
Cash credit facilities	27,107	0	27,107
Endorsement credit	1,195	(60)	1,135
Cash and credit commitment	32,500	0	32,500
Leasing	66	(66)	0
Mortgages / loans	590,000	(260,000)	330,000
Total	**650,869**	**(260,126)**	**390,742**

17. Other financial liabilities – current portion

at		
12.31.2017	€	42
12.31.2016	€	7,071
Change	€	(7,029)

The account relates to payables of the subsidiary Archimede 1 S.p.A. to minority shareholders for loans for a total of Euro 6.8 million.

The following table provides a breakdown of the account:

(Euro thousands)	12.31.17	12.31.16	Cge.
Fin. payables fair value deriv. instruments	-	209	(209)
Fin. payables leasing contracts – current portion	42	41	1
Payables to minority shareholders for loans	-	6,821	(6,821)
Total	**42**	**7,071**	**(7,029)**

Liabilities related to assets held-for-sale

at		
12.31.2017	€	-
12.31.2016	€	399
Change	€	(399)

As previously stated, in the previous year the investment in Centostazioni S.p.A. was categorised and presented as per IFRS 5, resulting in the classification of the investment to "Assets held-for-sale" and the related liabilities to "Liabilities related to assets held-for-sale" in accordance with IFRS 5.

Non-current liabilities

at		
12.31.2017	€	299,315
12.31.2016	€	257,070
Change	€	42,225

The account is comprised as follows:

18. Bank payables – less current portion

at		
12.31.2017	€	255,814
12.31.2016	€	214,573
Change	€	41,241

Non-current bank payables comprise the medium/long-term portion of loans undertaken by the Group and outstanding at December 31, 2017.

The value of loan instalments due within one year totals Euro 0.8 million and beyond one year amount to Euro 255.8 million, of which none beyond five years.
Medium-long-term bank loans, including the portion maturing within 12 months, amount overall to Euro 256.6 million, inclusive of Euro 3.4 million for up-front fees paid on the signing of loan contracts and recognised as a reduction in value of such loans, based on the amortised cost criterion.

During the year loans were repaid totalling Euro 256.1 million and new loans drawn down of Euro 260 million of which Euro 250 million relating to the parent company on a total credit line of Euro 580 million.

The breakdown, by calendar year, of medium-long-term loans including the current portion, was as follows:

MATURITY	CAPITAL PORTION	UP-FRONT FEES	INTEREST PORTION	TOTAL
12/31/2018	769	(659)	4,125	4,236
12/31/2019	1,539	(666)	4,102	4,975
12/31/2020	1,539	(682)	4,119	4,976
12/31/2021	1,539	(732)	4,055	4,861
12/31/2022	251,539	(688)	3,668	254,519
12/31/2023	1,539	(5)	19	1,553
12/31/2024	1,539	(2)	8	1,545
TOTAL	**260,000**	**(3,433)**	**20,096**	**276,664**

In December 2017 Save S.p.A. entirely repaid the residual debt on all existing loans. Simultaneously a syndicated loan was underwritten with 13 banks, with Banca IMI Spa and Unicredit Spa as "Mandated Lead Arranger" involving a total credit line of Euro 580 million.
The loan is divided into three tranches: Euro 250 million to refinance current debt, Euro 300 million to finance investment plans and Euro 30 million as a revolving line over 1/3/6 months. The line expires on November 28, 2022 and provides for a bullet repayment on maturity for the amounts utilised.
The interest is calculated at a variable rate linked to the 6-month Euribor rate increased by a spread.
On issue, an up-front fee was recognised to the financial statements in line with the application of the amortised cost criterion. Euro 4.5 million was recorded under assets in relation to the amount of the credit lines available and not yet utilised and Euro 3.4 million as reduction of the gross debt.
The loan provides for financial covenants calculated on the consolidated financial statements of the Group.

• In November 2017 Aer Tre S.p.A. entirely repaid the residual debt relating to two existing loans drawn down in 2012 respectively for Euro 6 million and Euro 11.5 million. Simultaneously the company subscribed a new loan with Mediocredito Italiano totalling Euro 10 million with equal half-yearly repayments from September 30, 2018 and final payment on September 30, 2024. The interest is calculated at a variable rate linked to the 6-month Euribor increased by a spread. On issue, an up-front fee recognised to the financial statements in line with the valuation of financial liabilities at amortised cost was paid. In guarantee of these loans, Save S.p.A. committed to repay in full the residual payable.

19. Other lenders – less current portion

at		
12.31.2017	€	25
12.31.2016	€	66
Change	€	(41)

The balance relates to long-term lease payments.

20. Deferred tax liabilities

at		
12.31.2017	€	10,339
12.31.2016	€	10,319
Change	€	20

Deferred tax liabilities amount to Euro 10.3 million.
The principal reasons for recognition of deferred tax liabilities include:

- adjustments concerning the first-time adoption of IFRIC 12 "Service Concession Arrangements";
- adjustments concerning the measurement of leases according to the finance criterion under IAS 17;
- amortisation & depreciation and other future deductible costs.

The following table highlights the basis for the recognition of deferred tax liabilities, broken down between IRES and IRAP.
Deferred tax liabilities were calculated at the IRES rate of 24% applicable from 01/01/2017, as per paragraph 61 of Law No. 208 of December 28, 2015 (2016 Stability Law).

(amounts in thousands)

	ASSESSABLE				TAX			
Rate 27.5% - 24%	**12/31/2016**	**UTILISATION**	**INCREASES**	**12/31/2017**	**12/31/2016**	**UTILISATIONS**	**INCREASES**	**12/31/2017**
Leasing	7,567	312	-	7,255	1,830	75	-	1,756
Other amortisation & depreciation	412	20	-	392	113	5	-	108
Assets under concession accumulated amortisation	28,501	488	793	28,806	6,846	117	254	6,981
Other provisions and other future deductible costs	148	6	-	142	38	4	-	34
IRES Deferred tax liabilities	**36,628**	**826**	793	**36,595**	**8,827**	**201**	254	**8,880**

(amounts in thousands)

	ASSESSABLE				TAX			
Rate 3.9% - 4.20%	**12/31/2016**	**UTILISATION**	**INCREASES**	**12/31/2017**	**12/31/2016**	**UTILISATIONS**	**INCREASES**	**12/31/2017**
Leasing	7,556	312	11	7,255	292	13	-	279
Assets under concession accumulated amortisation	28,501	488	-	28,501	1,196	20	-	1,176
Other Provisions	97	6	-	97	4	-	-	4
IRAP Deferred tax liabilities	**36,154**	**806**	11	**35,853**	**1,492**	**33**	-	**1,459**
TOTAL DEFERRED TAX LIABILITIES					10,319	234	254	10,339

21. Post-employment benefits and other employee provisions

at		
12.31.2017	€	3,651
12.31.2016	€	3,696
Change	€	(45)

The change in the post-employment benefit liabilities at December 31, 2017 are outlined below:

(Euro thousands)	
Balance at 12/31/2016	**3,696**
Utilisations and other changes	(105)
Advances granted in period and transfers	(139)
Payments to suppl. provision and INPS Treasury	(2,020)
Substitute tax	(12)
Provisions and revaluations	2,210
Change due to actuarial calculation	21
Balance at 12/31/2017	**3,651**

The actuarial estimates of post-employment benefits is carried out on the basis of the “benefits accrued" using the Projected Interest Credit Method, as per IAS 19. Under this method the valuation is based on the average present value of the pension obligations matured based on the employment service up to the time of the valuation, without projecting the remuneration of the employee in accordance with the regulatory modifications introduced by the Pension Reform.
The method can be divided into the following components:
- projection for each employee in service at the measurement date, of the post-employment benefit already provisioned which will mature up to the payment date;
- determination for each employee of the probable post-employment benefit payments which will be made by the company in the case of the employee leaving due to dismissal, resignation, injury, death or pension, as well as the advanced payments requested;
- discounting, at the measurement date, of each probable payment.
For the actuarial calculation of the post-employment benefit provision, the Group utilised the valuations of an independent actuary, carried out on the basis of the following fundamental assumptions:

- mortality rate: table IPS55
- inability rate: table INPS - 2000
- employee turnover: 1.5%
- discount rate: 1.30%
- growth rate of salaries: 1.5%
- rate of advances: 1%
- inflation rate: airline inflation 1%

22. Other provisions for risks and charges

at		
12.31.2017	€	29,486
12.31.2016	€	28,416
Change	€	1,070

The account comprises:

(Euro thousands)	12.31.17	12.31.16	CGE.
Provisions for risks and charges	5,176	5,499	(323)
Assets under concession replacement provision	24,310	22,917	1,393
Total other provisions for risks and charges	**29,486**	**28,416**	**1,070**

Provision for risks and charges

The movements in the provision during the year were as follows:

(Euro thousands)	
Balance at 12/31/2016	**5,499**
Utilisations and other changes	(803)
Provisions for risks and future charges	480
Balance at 12/31/2017	**5,176**

This account concerns the provisions to cover contingent liabilities of the company, principally potential and current disputes.
The provisions are considered sufficient to cover legal case and dispute risks of a specific nature where the Group is plaintiff or respondent, based on a reasonable estimate according to the available information and having consulted with legal experts.

Assets under concession replacement provision

at		
12.31.2017	€	24,310
12.31.2016	€	22,917
Change	€	1,393

A provision was established against buildings held under concession by a number of Group companies including the amounts necessary for the maintenance or replacement of assets constituting the infrastructure held which must be returned to the State in optimal operating condition at the end of the concession.
The Replacement Provision is updated annually based on a technical evaluation of the estimated future charges relating to the cyclical maintenance of the assets which will be returned free at the end of the concession and is utilised based on the maintenance undertaken during the year. The entire provision concerns restoration and maintenance at the Venice and Treviso airports.

Shareholders' Equity

23. Shareholders' Equity

at		
12.31.2017	€	244,708
12.31.2016	€	251,754
Change	€	(7,046)

The Shareholders' Equity comprises the Group Shareholders' equity of Euro 234.9 million and Minority interest shareholders' equity for Euro 9.8 million.
The Group Shareholders' equity is broken down as follows:

Share capital

at		
12.31.2017	€	35,971
12.31.2016	€	35,971
Change	€	-

The share capital, amounting to Euro 36 million, comprises 55,340,000 shares of a nominal value of Euro 0.65 and is fully paid-in.

Share premium reserve

at		
12.31.2017	€	57,851
12.31.2016	€	57,851
Change	€	-

This comprises the share premium recognised and paid following the initial public offering of 2005, net of the costs incurred for the stock market listing and the extraordinary distribution of Net Equity reserves approved by the Shareholders' Meeting of November 19, 2013.

Legal reserve

at		
12.31.2017	€	7,194
12.31.2016	€	7,194
Change		-

Treasury shares reserve

at		
12.31.2017	€	(5,839)
12.31.2016	€	(5,839)
Change		-

In accordance with Article 2428, paragraphs 2, 3 and 4 of the Civil Code, it is communicated that the Company and the Group hold at December 31, 2017, directly through SAVE S.p.A., 658,470 treasury shares. The nominal value of shares held amounts to Euro 0.4 million (1.19% of the share capital); the book value is Euro 5.8 million.
In 2017, SAVE S.p.A. did not acquire any treasury shares.

The table below shows the reconciliation of the number of shares outstanding at the beginning and at the end of the period, as required by IAS 1, paragraph 79 (the nominal values of the shares in circulation are expressed in units of Euro):

	Total number of shares (A)	Treasury shares held (B)	Outstanding shares (C) = (A - B)	Par value per share D	Total par value of outstanding shares E = C*D
At 12/31/2016	55,340,000	658,470	54,681,530	0.65	35,542,995
Shares acquired in the year		0	0	0.65	0
At 12/31/2017	55,340,000	658,470	54,681,530	0.65	35,542,995

Other reserves and retained earnings

at		
12.31.2017	€	89,663
12.31.2016	€	85,278
Change		4,385

The movement in "Other reserves and retained earnings" principally concerns the net profit in 2016 for Euro 42 million and the distribution of dividends approved by the Shareholders' Meeting of April 21, 2017 for Euro 38 million.

Minority interest shareholders' equity

The Minority interest shareholders' equity concerns the share of Shareholders' equity and the net result for the year of the subsidiaries not fully held.

at		
12.31.2017	€	9,763
12.31.2016	€	29,250
Change		(19,487)

Minority interest shareholders' equity movements principally concerned the reduction following the acquisition of the minority investments in the subsidiary Archimede 1 S.p.A. by the parent company for approx. Euro 20 million, in addition to the net profit for the year.

Reconciliation between Parent Company and Consolidated net equity and net profit

As already illustrated, the company from the current financial statements adopted the net equity method to measure investments in associates and subsidiaries in the separate financial statements, as permitted by IAS 27 in recent updates. Therefore in view of the application of this criterion, the net equity and the result for the year of the company coincides with the net equity and consolidated result for the year of the Group.

ANALYSIS OF THE PRINCIPAL INCOME STATEMENT ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

OPERATING REVENUE AND OTHER INCOME

24. Operating revenue and other income

2017	€	199,132
2016	€	188,166
Change	€	10,966

Operating revenue

2017	€	189,064
2016	€	178,509
Change	€	10,555

Other income

2017	€	10,068
2016	€	9,657
Change	€	411

This account principally includes revenues from the use of the airport spaces and the recharging of condominium costs to sub-licensees.
For a detailed analysis of revenues and income, reference should be made to the Director's Report.

COSTS OF PRODUCTION

2017	€	135,061
2016	€	124,223
Change	€	10,838

The costs of production are broken down in the following table:

25. Raw materials and goods

2017	€	2,601
2016	€	1,839
Change	€	762

26. Services

2017	€	37,598
2016	€	38,764
Change	€	(1,166)

Below is shown the details of service costs:

(Euro thousands)	2017	2016	Cge.
Utilities	5,229	6,751	(1,522)
Maintenance	8,720	7,752	968
Professional fees	4,686	4,834	(148)
Cleaning and waste removal	4,781	4,178	603
Development charges and traffic promo	1,727	3,505	(1,779)
Other general services	3,048	3,124	(76)
Corporate board fees	1,828	1,566	262
Other personnel charges	1,834	1,653	181
Recovery of expenses	1,719	1,291	428
Insurance	1,254	1,196	58
Operating services	877	817	61
IT Systems	774	846	(72)
Other sales expenses	1,121	1,250	(129)
Total	**37,598**	**38,764**	**(1,166)**

The following table reports the fees concerning the auditing of accounts and other services provided in relation to the 2017 financial statements of the SAVE Group by the Independent Audit Firm and its network.

(in Euro/1000)			
Type of service	Party providing the service	Company	Total Group
Audit	Deloitte & Touche S.p.A.	Parent Company	92
Audit	Deloitte & Touche S.p.A.	Subsidiaries	49
Audit	Deloitte Bedrijfsrevisoren/Reviseurs d' entreprises	Subsidiaries	7
Other services	Deloitte & Touche S.p.A.	Parent Company	46
Other services	Deloitte & Touche S.p.A.	Subsidiaries	15
Total Remuneration			**208**

27. Lease and rental costs

2017	€	10,476
2016	€	9,986
Change	€	490

They consist of:

(Euro thousands)	2017	2016	Cge.
Airport concession fee	10,005	9,439	566
Rentals and other	471	547	(76)
Tot. Lease and rental costs	**10,476**	**9,986**	**490**

28. Personnel costs

2017	€	52,468
2016	€	48,420
Change	€	4,048

29. Amortization, depreciation & write-downs

2017	€	24,999
2016	€	18,336
Change	€	6,663

This account is divided as follows:

(Euro thousands)	2017	2016	Cge.
Amortisation & write-down of intangible assets	15,520	10,428	5,092
Amortisation & write-down of tangible assets	9,479	7,908	1,571
Total depreciation, amortisation & write-downs	**24,999**	**18,336**	**6,663**

30. Write down of current assets

2017	€	942
2016	€	209
Change	€	733

The account "write-down of current assets" includes the doubtful debt provisions; in calculating the allocation, further account was taken of the provision compared to total overdue receivables.
The provisions cover the risk concerning specific positions for which payment difficulties may arise.

31. Changes in inventories of raw materials and goods

at		
2017	€	(152)
2016	€	36
Change	€	(188)

Change in inventories principally concerns consumable material stores.

32. Provisions for risks

2017	€	480
2016	€	613
Change	€	(133)

Reference should be made to the note "Other risks and charges provisions" for further comment.

33. Assets under concession replacement provision

2017	€	4,033
2016	€	4,621
Change	€	(588)

34. Other charges

2017	€	1,616
2016	€	1,399
Change	€	217

Other operating charges comprise:

(Euro thousands)	**2017**	**2016**	**Cge.**
Sector association contributions	368	332	36
Taxes	685	554	131
Charitable donations	115	108	7
Other costs	448	405	43
Total other charges	**1,616**	**1,399**	**217**

FINANCIAL INCOME AND CHARGES AND PROFIT/LOSSES FROM ASSOCIATES & JV'S CARRIED AT EQUITY

35. Financial income and charges

2017	€	2,132
2016	€	(1,865)
Change	€	3,997

"Financial income and charges" are broken down as follows:

(Euro thousands)	2017	2016	CGE.
Financial income and revaluation of financial assets	90	735	(645)
Interest, other financial charges and write-down of financial assets	(4,587)	(4,554)	(33)
Profit/losses from associates carried at equity	6,629	1,954	4,675
Total financial income and charges	**2,132**	**(1,865)**	**3,997**

For a further breakdown of the nature of the accounts included in the previous categories, reference should be made to the following tables.

Financial income and revaluation of financial assets

(Euro thousands)	2017	2016	CGE.
Interest income from bank accounts	12	496	(484)
Other interest income (including in arrears)	58	229	(171)
Fair value measurement of hedging instruments recorded to P&L	0	7	(7)
Gain on sale of securities	19	-	19
Interest income from Group companies	1	3	(2)
Total	**90**	**735**	**(645)**

Interest, other financial charges and write-down of financial assets

(Euro thousands)	2017	2016	CGE.
Interest charges on bank current accounts	(21)	(4)	(17)
Other interest charges (including in arrears)	(45)	(74)	29
Interest expense on loans	(3,078)	(3,568)	490
Other financial expense	(1,442)	(907)	(535)
Exchange gains/losses	(1)	(1)	-
Total	**(4,587)**	**(4,554)**	**(33)**

Financial charges are substantially in line with the previous year due to the combined effects of a decrease in interest expense on loans and an increase in other financial charges principally attributable to the up-front fees on the loans settled.

The change in profit and losses concerning associates carried at equity is provided in the following table:

Profit/losses from associates and JV's carried at equity

(Euro thousands)	2017	2016	Cge.
Valuation at equity of GAP S.p.A.	9	3	6
Valuation at equity of VTP S.p.A.	857	702	155
dividends received from VTP S.p.A.	*857*	*702*	*155*
Valuation at equity of BSCA SA	316	526	(210)
dividends received from BSCA SA	*96*	*163*	*(67)*
Valuation at equity of 2A	(226)	(75)	(151)
Valuation at equity of Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	171	(152)	323
Write-down of Nicelli S.p.A.	-	(26)	26
Valuation at equity of Airest Retail S.r.l.	5,502	976	4,526
Total	**6,629**	**1,954**	**4,675**

Reference should be made to the comments on investments at Note 9.

INCOME TAXES

36. Income taxes

at		
2017	€	15,576
2016	€	19,412
Change	€	(3,836)

Income taxes for the year are broken down as follows:

(Euro thousands)	2017	2016	CGE.
Current taxes	17,429	20,223	(2,794)
Deferred tax income & charges	(1,854)	(811)	(1,042)
Total income taxes	**15,576**	**19,412**	**(3,836)**

The analysis of tax adjustments, resulting in a change in the effective tax rate compared to the notional rate, is outlined in the following table.

Tax rate *(Euro thousands)*	2017	%	2016	%
Profit before taxes	66,203		62,078	
Profit/(Loss) on Discontinued Operations			-397	
Reclassified profit before taxes	66,203		61,681	
Notional taxes	15,889	24.00%	16,962	27.50%
Effective taxes	15,576		19,412	
Effective taxes on net profit on Discontinued Operations			-298	
Reclassified effective taxes	15,576	23.53%	19,114	30.99%
Net Profit on Continuing Operations	50,627		42,666	
Net Profit	50,627		42,567	
Difference from effective tax rate of 24%	-313	-0.47%	2,152	3.49%
Permanent differences:				
i) IRAP and other local taxes	3,052	4.61%	2,848	4.62%
ii) Tax agency dispute settlement				
iii) exempt dividends	-147	-0.22%	-1,108	-1.80%
iii) other non-deductible costs / exempt income	-425	-0.64%	-46	-0.07%
iv) income taxes of prior years			-21	-0.03%
v) valuation of investments at equity	-1,363	-2.06%	393	0.64%
vi) exempt gains and losses	-4	-0.01%	-190	-0.31%
vii) adjustment IRES rate to 24% on deferred taxes	20	0.03%		
vii) tax receivables	-34	-0.05%		
viii) change in IRES rate on deferred taxes			276	0.45%
ix) GOP remuneration ceded to CNM	-1,412	-2.13%		
	-313	-0.47%	2,152	3.49%

The lower effective rate equal to 23.53% compared to the theoretical IRES rate of 24%, is principally due to the exemption of taxation on dividends received, to the measurement of investments, to the remuneration of the excess Gross Operating Profit (GOP) which the

Group has transferred to the parent company Agorà Investimenti Spa in accordance with new tax consolidation agreements underwritten between the parties following the option to apply the Group taxation regime for the three-year period 2017-2019, and in part offset by the level of IRAP in the year.

RESULT FOR THE YEAR

2017	€	50,627
2016	€	42,567
Change	€	8,060

The Group and minority interest results are broken down as follows:

(Euro thousands)	2017	2016	CGE.
Consolidated Net Profit	50,627	42,567	8,060
Minority interest loss (profit)	(522)	(518)	(4)
Group Net Profit	**50,105**	**42,049**	**8,056**

37. Profit/loss on discontinued operations/held-for-sale

2017	€	-
2016	€	(99)
Change	€	99

(Euro thousands)	2017	2016	CGE.
Airest S.p.A.	-	(805)	805
Centostazioni S.p.A.	-	706	(706)
Total profit/(loss) on discontinued operations	-	**(99)**	**99**

The profit/loss from discontinued operations/assets held-for-sale was a loss of Euro 0.1 million, due for approx. Euro 0.7 million to the gain from the valuation of the disposed investment in Centostazioni and for approx. Euro 0.8 million to the provision for risks, net of the tax effect, on the guarantees issued to the Lagardère Group against the disposal of the investment in the Airest Group.

38. Types of financial risks and management

The Group strategy for the management of financial risks is based on the Company objectives and focuses on the minimisation of interest rate risk and the relative optimisation of the cost of debt, the credit risk and the liquidity risk.
The management of these risks is undertaken in compliance with the principles of prudence and market best practices, with all risk management operations managed centrally.

Interest rate risk
The pre-fixed Group objectives concern:

- hedging of the interest rate risk and financial liabilities;
- compliance with, in the hedging of risk, the general balance criteria between loans and usages for the Group (variable rate and fixed rate portion, short-term and medium/long-term portion).

Cash flow sensitivity analysis
The Company prepared a cash flow analysis concerning loans in place. The analysis begins with the market position at December 31, 2017 and on the basis of interest rate increases/decreases of 0.25% and of 0.50%.
The impact of these changes on future cash flows is Euro +/-3.3 million for a 0.25% interest rate increase/decrease, while Euro +/-6.5 million for an increase/decrease in the interest rate of 0.50%.

Credit risk
This concerns the risk that either of the parties undertaking a contract, which provides for deferred settlement over a period, does not fulfil a payment obligation, resulting therefore in a financial loss for the other party.
This risk may therefore give rise to more strictly technical-commercial or administrative-legal repercussions (disputes on the nature/quantity of supply, on the interpretation of the contractual clauses, on the supporting invoices etc.), in addition to issues of a typically financial nature, i.e. the credit standing of the counterparty.
For the Group, exposure to credit risk is principally related to the commercial activities concerning the sale of aviation services and real estate activities.
In order to control this risk, the Group has implemented procedures and actions under which the customers may be evaluated according to the assigned level of attention.
The credit risk concerning other financial assets of the Group, which comprise cash and cash equivalents, presents a maximum value equal to the book value of these activities in the case of insolvency of the counterparty.

Liquidity risk
The liquidity risk management policy, i.e. the strategy put in place to avoid cash flow difficulties constituting a problem for the Group is considered prudent. The minimal objective is to ensure at all times access for the company to the funding necessary to repay debt maturing in the coming 12 months. Unutilised bank credit lines (including both cash and endorsement credit commitments) at December 31, 2017 for the Group, totalled Euro 60.6 million and are considered sufficient to meet the commitments in place.
For the breakdown of loans in place at December 31, 2017, reference should be made to the notes to the consolidated financial statements and the paragraph dedicated to "Bank payables - less current portion".

39. Investments in subsidiaries, associates and other companies

The figures reported below are based on the financial statements at year-end of the respective companies, prepared in accordance with the accounting standards adopted by each company. Reference should be made to the supplementary table Attachment D for the key quantitative disclosure required by IFRS 12.

Subsidiaries

- **Marco Polo Park S.r.l.**

Holding: 100%
The company manages airport parking under sub-concession from SAVE and Aer Tre.
A value of production of approx. Euro 16.2 million was reported in 2017, and a pre-tax profit of Euro 2.2 million.

- **Save International Holding SA**

Holding: 100%
The company was incorporated in 2009 as a vehicle company for the acquisition of Brussels South Charleroi Airport SA in December 2009.
The company holds the investment in Belgian Airport SA, through which the acquisition was made together with minority shareholders.

- **Belgian Airport SA**

Holding: 65%
The company was incorporated in the fourth quarter of 2009, also as a vehicle company for the acquisition of Brussels South Charleroi Airport SA in December 2009.
The company incorporates the investment in Brussels South Charleroi Airport SA, consolidated at equity.

- **Save Engineering S.r.l.**

Holding: 100%
The company is involved in the design and coordination of works concerning the airport development programmes carried out by the Parent Company SAVE as part of the Airport Masterplan.
In 2017, the value of production totalled Euro 4.6 million; the company reported a pre-tax profit of Euro 0.5 million.

- **Nord Est Airport I.T. S.r.l. (N-AITEC)**

Holding: 100%
The company is involved in the implementation of IT projects for airports in the operational and administrative management areas. The company also develops and commercialises software products in this field.
A value of production of Euro 3.3 million was reported in 2017, with a pre-tax profit of Euro 1 million.

- **Aeroporto di Treviso AER TRE S.p.A.**

Holding: 80%
The Company Aer Tre S.p.A. holds the concession for the management of Treviso airport.

The value of production totalled Euro 27.6 million, increasing Euro 3.4 million on the previous year; a pre-tax profit of Euro 2.8 million was reported for 2017.

• Società Agricola Save a r.l.
Holding: 100%
The company is wholly-owned by the Parent Company, following the spin-off of Agricola Cà Bolzan a r.l. in 2013 and is exclusively involved in the activities established by Article 2135 of the Civil Code. The value of production amounted to Euro 0.3 million, with a pre-tax loss of Euro 23 thousand.

• Triveneto Sicurezza S.r.l.
Holding: 93%
The Company carries out airport security control in accordance with Ministerial Decree No. 85 of January 29, 1999.
The value of production amounted to Euro 15 million, with a pre-tax profit of Euro 0.1 million.

• Archimede 1 S.p.A.
Holding: 100%
The vehicle company which until January 30, 2017 has held 40% of Centostazioni S.p.A.; as previously illustrated, this investment was in fact sold to Ferrovie dello Stato Italiane S.p.A.. On February 7, 2017, the parent company acquired the 40% minority holding from the shareholders Manutencoop Soc. Coop., Banco Popolare Soc. Coop and Pulitori ed Affini S.p.A., increasing its holding to 100%.

• Archimede 3 S.r.l.
Holding: 100%
The company was acquired in 2004. This company did not record significant revenues or costs in the year; during the year the company Idea 2 S.r.l. was merged by incorporation into its parent company Archimede 3 S.r.l..

• Save Cargo S.p.A.
Holding: 100%
The company provides cargo and postal assistance services at Venice's Marco Polo airport. In 2016, the parent company conferred the "Cargo" business unit to the subsidiary Save Cargo S.p.A..
The value of production amounted to Euro 3.2 million, with a pre-tax loss of Euro 0.1 million.

Associates and joint ventures

The key financial highlights of the joint ventures and associated companies considered significant are reported. The figures reported below are based on the financial statements at year-end of the respective companies, prepared in accordance with the accounting standards adopted by each company.
Reference should be made to the supplementary table Attachment D for the key quantitative disclosure required by IFRS 12.

• Airest Retail S.r.l.
Holding: 50%

The company manages food & retail sales points within the airports where the Save Group operates at Venice, Treviso and Verona and wholly-owns the company Airest Collezioni Venezia S.r.l. which manages through sub-license some retail sales points at the Venice airport.
The value of the investment at the present consolidated reporting date of Euro 27.5 million includes the increased value of Euro 23.9 million allocated to "Concessions"; this amount is reported net of amortisation in the year. The effect of the valuation at equity resulted in a revaluation of Euro 5.5 million recognised to the income statement. The investment is considered an associate as the shareholder agreements establish that control is exercised exclusively by the shareholder Lagardére.

• **Aeroporto Valerio Catullo di Verona Villafranca S.p.A.**
Holding: 40.82%.

The value of the investment at the present consolidated reporting date of Euro 30.3 million includes the value of Euro 15.1 million, identified on the allocation at the acquisition date to "Concessions"; this amount is reported net of amortisation in the year. The effect of the valuation at equity resulted in a revaluation of Euro 0.2 million recognised to the income statement. The shareholder agreements provide for joint control of the company.

• **Brussels South Charleroi Airport S.A.**
Holding: 27.65% through Belgian Airport SA.

The company manages Charleroi airport. The company was consolidated at equity and the value of the investment of Euro 17.9 million, including Euro 4.1 million allocated to "Concessions" on acquisition in 2009, of a holding of 27.65% in the company by Belgian Airport SA, in turn held, with a share of 65%, by Save International Holding S.A..

• **V.T.P. S.p.A. (Venezia Terminal Passeggeri)**
Holding: 22.18%.

The company, founded by the Venice Port Authority, provides embarkation/disembarkation services for cruise ships, ferries, hydrofoils, recreational craft and all other passenger vessels using Venice Port.
It was consolidated at equity; the investment was recognised for Euro 8.3 million.

• **G.A.P. S.p.A.**
Holding: 49.87%
The company, held 49.87%, operates in the airport sector, principally carrying out land assistance activities at Pantelleria Airport.

• **2A – Airport Advertising S.r.l.**
Holding: 50%
The company was incorporated in 2012 for the management of advertising spaces. The shareholder agreements provide for joint control of the company.

Transactions with Related Parties

The consolidated financial statements at December 31, 2017 include the financial statements of SAVE S.p.A. and its subsidiaries, as indicated in the paragraph "Consolidation scope".
The transactions with associated companies and related parties were undertaken at the respective average market values for similar services and of a similar quality.
In relation to transactions in the year, reference should be made to the comments of the Balance Sheet and Income Statement accounts of the Explanatory Notes and attachment C for payable/receivable and cost/revenue transactions.

Supplementary Statements

Supplementary Statements
Attachment A
Statement of changes in intangible assets and relative amortisation
(In Euro/000)

	Historical cost						Accumulated depreciation					
	Value at 01/01/17	Purchases	Decreases	Grants	Reclassification & other movements	Value at 12/31/17	Value at 01/01/17	Increases	Utilisations	Reclassification & other movements	Value at 12/31/17	Net Intangible assets
Airport concession rights	387,046	35,097	(38)	0	53,806	475,911	95,514	13,047	(21)	0	108,541	367,371
Assets in progress and payments on account	67,457	20,129	0	(651)	(55,433)	31,501						31,501
Sub-total airport concession rights	**454,503**	**55,226**	**(38)**	**(651)**	**(1,627)**	**507,413**	**95,514**	**13,047**	**(21)**	**0**	**108,541**	**398,872**
Concessions	**2**	**0**	**0**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**1**	**0**
Other intangible fixed assets with finite useful life	19,235	1,600	0		143	20,977	15,018	2,473	0	0	17,491	3,486
Assets in progress and payments on account	374	976	0		(114)	1,236	0	0	0	0	0	1,236
Subtotal other intangible fixed assets with finite useful life	**19,609**	**2,576**	**0**	**0**	**29**	**22,214**	**15,018**	**2,473**	**0**	**0**	**17,491**	**4,722**
Goodwill and other intangible assets with indefinite useful life	**6,977**	**0**	**0**	**0**	**0**	**6,977**	**0**	0	0	0	0	**6,977**
Total intangible assets	**481,091**	**57,802**	**(38)**	**(651)**	**(1,598)**	**536,605**	**110,534**	**15,520**	**(21)**	**0**	**126,033**	**410,572**

Additional Statements
Attachment B
Statement of changes in tangible assets and relative depreciation
(In Euro/000)

	Historical cost						Accumulated depreciation					
	Value at 01/01/17	Purchases	Decreases	Grants	Reclassification & other movements	Value at 12/31/17	Value at 01/01/17	Increases	Utilisations	Reclassification & other movements	Value at 12/31/17	Net tangible assets
Land and Buildings	43,956	117	0		0	44,073	736	522	0	0	1,258	42,815
Plant and machinery	57,480	6,828	(427)		1,911	65,792	40,603	4,163	(377)	0	44,390	21,402
Industrial & commercial equipment	6,176	1,223	(21)		32	7,411	4,679	451	(20)	0	5,111	2,300
Other assets	21,408	3,279	(70)		1,180	25,797	15,978	1,889	(118)	0	17,750	8,047
Impairment							5,076	2,480	0	0	7,556	(7,556)
Assets in progress and payments on account	1,557	1,186	0		(1,525)	1,218						1,218
Total tangible assets	**130,577**	**12,633**	**(518)**	**0**	**1,598**	**144,291**	**67,073**	**9,506**	**(514)**	**0**	**76,064**	**68,226**

Attachment C1

Balance sheet accounts
with group companies included in the financial statements
and associates

amounts stated in Euro\1000

amounts stated in Euro\1000	Other Receivables	Trade receivables	Trade payables	Other payables
Agorà Investimenti S.p.A.	-			
Airest Retail S.r.l.		6,806	762	1,258
Airest Collezioni Venezia S.r.l.		487		
Agorà Investimenti S.p.A.				1,565
2A - Airport Advertising S.r.l.		840		
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.		217		
Gabriele D'Annunzio Handling S.p.A.		1		
Brussels South Charleroi Airport (BSCA) SA		4		
GAP S.p.A. Aeroporto di Pantelleria		3	3	
Finanziaria Internazionale Holding S.p.A. (PC)			0	
Finint & Wolfson Associati S.r.l. (PC)			8	
Total	**-**	**8,358**	**774**	**2,822**

Attachment C2

Income statement transactions
with group companies included in the financial statements

amounts stated in Euro\1000	Operating revenue	Other income	Raw and ancillary materials, consumables and goods	Services	Rent, leasing and similiar	Other Charges	Financial income
Airest Retail S.r.l.	10,067	593	1	1,641		25	
2A - Airport Advertising S.r.l.	2,710	64				2	
Airest Collezioni Venezia S.r.l.	1,553	6					
Airest S.p.A.	953						
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	91	150	1	32			
Gabriele D'Annunzio Handling S.p.A.	5	1					
Brussels South Charleroi Airport (BSCA) SA	29	15					
Venezia Terminal Passeggeri (VTP) S.p.A.	4	11		4			
GAP S.p.A. Aeroporto di Pantelleria	2	1					
Finanziaria Internazionale Holding S.p.A.		0					
Finint & Wolfson Associati S.r.l.				8			
Finvest Fiduciarias S.r.l.				11			
Centostazioni S.p.A.		5					
Aeroporto Civile di Padova S.p.A.		6				1	1
Nicelli S.p.A. Aeroporto del Lido di Venezia		2					
Banca Finint S.p.A. (PC)					16.25		
Total	15,414	855	1	1,696	16	28	1

Supplementary Statements
Attachment D1
Key Financial Highlights of the subsidiaries with minority holdings at
December 31, 2017

(in Euro/1000 as per IFRS before inter-company eliminations)	Aertre S.p.A. 12 31 2017	Aertre S.p.A. 12 31 2016	Belgian Airport SA 12 31 2017	Belgian Airport SA 12 31 2016
Dividends paid to minority interests	0	0	0	0
current assets	0	6,819	717	638
assets held-for-sale				
non-current assets	47,754	38,011	11,249	11,248
current liabilities	21,621	20,716	6	11
assets held-for-sale				
non-current liabilities	14,189	9,003	1	0
revenues	20,970	19,215	0	0
profit on continuing operations	2,512	1,158	84	144
profit/(loss) on discontinued operations				

Supplementary Statements
Attachment D2
Key Financial Highlights of the associates/Joint Ventures communicated to the Parent Company at December 31, 2017

	Aeroporto Valerio Catullo di Verona Villafranca S.p.A.(*)		Venezia Terminal Passeggeri S.p.A. (*)		Brussels South Charleroi Airport SA (*)		Airest Retail S.p.A (*)	Airest Retail S.p.A (*)
(in Euro/1000)	12 31 2017	12 31 2016	05 31 2017	05 31 2016	12 31 2017	12 31 2016	12 31 2017	12 31 2016
Dividends received from joint ventures or associates		0		0		0	0	0
Dividends paid to joint ventures or associates		0	3,863	3,165	96	591	0	0
Key Financial Highlights								
current assets	38,957	33,170	19,684	14,859	84,503	50,883	19,219	16,883
non-current assets	65,463	79,444	26,855	30,423	40,998	60,504	68,979	72,968
current liabilities	(50,645)	(51,139)	(5,899)	(5,342)	(66,067)	(57,749)	(23,281)	(22,189)
non-current liabilities	(16,618)	(13,994)	(792)	(793)	(16,774)	(12,177)	(12,681)	(26,842)
net equity	(37,157)	(47,481)	(39,848)	(39,147)	(42,660)	(41,461)	(52,237)	(40,820)
Revenues	44,689	38,615	33,658	33,374	105,217	99,296	85,298	75,104
Raw materials and goods	(1,243)	(1,206)	(121)	(137)	(561)	(474)	(33,235)	(30,605)
Services	(21,336)	(19,094)	(14,352)	(14,733)	(58,493)	(55,761)	(10,452)	(8,935)
Lease and rental costs	(2,462)	(1,305)	(5,453)	(5,461)			(13,936)	(11,778)
Personnel costs	(11,257)	(7,436)	(3,407)	(3,206)	(34,794)	(32,682)	(14,112)	(12,640)
Other charges	(718)	(618)	(103)	(139)	(2,146)	(2,028)	(403)	(493)
EBITDA	7,674	8,956	10,222	9,698	9,223	8,351	13,160	10,653
Amortisation, depreciation & write-downs	(5,219)	(5,483)	(4,571)	(4,661)	(5,940)	(4,637)	(7,317)	(6,684)
Provisions	(991)	(1,466)	(36)		(857)		(16)	(128)
EBIT	1,463	2,007	5,615	5,037	2,426	3,714	5,827	3,841
Financial income	98	45	33	75	40	29	17	22
Financial charges	(243)	(263)	(10)		(404)	(403)	(455)	(543)
Impairments on financial assets and write-downs	(58)	592	(142)	(322)			400	891
Extraordinary income and charges				(131)	10	6		
Profit before taxes	1,260	2,381	5,494	4,659	2,072	3,340	5,789	4,211
Income taxes	(7)	(2,186)	(1,631)	(1,494)	(999)	(1,276)	5,630	(1,095)
profit on continuing operations	1,253	195	3,863	3,165	1,073	1,503	11,419	3,116
profit (loss) on discontinued operations/held-for-sale								
Net Profit	1,253	195	3,863	3,165	1,073	1,503	11,418	3,116
Cash and cash equivalents	16,611	13,202	13,099	7,318		31,629	1,104	876
Financial receivables							3,940	1,994
Current financial liabilities	(500)	(500)	(3)	0		(650)	(69)	(69)
Non-current financial liabilities	(500)	(1,000)	0	0		(9,679)	(5,000)	(15,000)
Financial position	15,611	11,702	13,096	7,318	0	21,300 0	(25) 0	(12,199)

(*) Local GAAP

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

To the Shareholders of
Save S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Save S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Deloitte.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto
Partner

Treviso, Italy
April 4, 2018

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

Financial Statements of SAVE S.p.A.
at December 31, 2017

Balance Sheet
Income Statement
Comprehensive Income Statement
Cash Flow Statement
Statement of Changes in Shareholders' Equity

Balance Sheet of Save S.p.A.

(Euro thousands)	NOTE	12/31/2017	12/31/2016 Restated
Cash and cash equivalents	1	12,357	22,492
Assets and financial receivables	2	696	16,076
Tax assets	3	3,693	3,843
Other receivables	4	6,705	2,178
Trade receivables	5	33,107	27,758
Inventories	6	1,202	1,036
Total current assets		**57,760**	**73,383**
of which related parties		*9,499*	*23,968*
Property, plant & equipment	7	56,084	51,099
Airport concession rights	8	354,684	317,223
Other intangible fixed assets with finite useful life	8	4,081	3,994
Investments	9	181,638	155,310
Other assets	10	10,093	10,077
Deferred tax assets	11	12,180	10,344
Total non-current assets		**618,760**	**548,047**
of which related parties		*10,060*	*10,060*
Total assets		676,520	621,430

Liabilities

(Euro thousands)	NOTE	12/31/2017	12/31/2016 Restated
Trade payables	12	57,464	71,729
Other payables	13	35,652	29,921
Tax payables	14	1,613	3,577
Social security institutions	15	2,070	1,850
Bank payables	16	0	37,823
Other financial liabilities and payables	17	16,599	11,124
Total current liabilities		**113,398**	**156,024**
of which related parties		*24,159*	*21,493*
Bank payables – less current portion	18	246,631	209,676
Other lenders – less current portion	19	48,525	66
Deferred tax liabilities	20	7,019	7,158
Post-employment benefits and other employee provisions	21	2,140	2,261
Other provisions for risks and charges	22	23,863	23,740
Total non-current liabilities		**328,177**	**242,902**
of which related parties		*48,500*	
Total liabilities		441,575	398,926

Shareholders' Equity

(Euro thousands)	NOTE	12/31/2017	12/31/2016 Restated
Share capital	23	35,971	35,971
Share premium reserve	23	57,851	57,851
Legal reserve	23	7,194	7,194
Reserve for treasury shares in portfolio	23	(5,839)	(5,839)
Other reserves and retained earnings	23	89,663	85,278
Profit for the period	23	50,105	42,049
Total equity		**234,945**	**222,504**
Total liabilities and equity		676,520	621,430

For comparative purposes, the financial statements of the Parent Company are presented with the comparative financial statements at December 31, 2016 "restated" following the adjustment of the opening net equity in accordance with IAS 27.

Separate Income Statement of Save S.p.A.

(Euro thousands)	NOTE	2017	2016 RESTATED
Operating revenue	24	159,023	151,053
Other income	24	7,533	7,448
Total operating revenue and other income		**166,556**	**158,501**
of which related parties		*27,152*	*23,398*
Costs of Production			
Raw and ancillary materials, consumables and goods	25	2,038	1,325
of which related parties		*1*	*2*
Services	26	43,728	42,867
of which related parties		*14,718*	*13,859*
Rent, leasing and similar	27	9,117	8,737
of which related parties		*16*	
Personnel costs:			
wages and salaries and social security charges	28	24,443	23,207
post-employment benefits	28	1,218	1,173
other costs	28	438	1,098
Amortisation, depreciation & write-downs			
amortisation	29	13,884	8,878
depreciation	29	8,499	6,985
Write-downs of current assets	30	906	200
Change in inventories of raw and ancillary materials, consumables & goods	31	(166)	23
Provisions for risks	32	281	401
Replacement provision	33	3,066	3,630
Other charges	34	1,342	1,336
of which related parties		*71*	*187*
Total costs of production		**108,793**	**99,861**
EBIT		**57,763**	**58,640**
Financial income and revaluation of financial assets	35	113	1,074
Interest, other financial charges and write-down of financial assets	35	(5,279)	(4,205)
Profit/losses from companies valued at Equity	35	11,025	5,024
		5,860	**1,893**
of which income and charges from related parties		*4,387*	*3,085*
Profit before taxes		**63,623**	**60,533**
Income taxes	36	13,518	17,679
current	36	15,551	18,860
deferred	36	(2,033)	(1,181)
Net profit from continuing operations		**50,105**	**42,854**
Profit/(loss) from Discontinued Operations/Held-for-sale	37	0	(805)
Net Profit		**50,105**	**42,049**

For comparative purposes, the financial statements of the Parent Company are presented with the comparative financial statements at December 31, 2016 "restated" following the adjustment of the opening net equity in accordance with IAS 27.

Comprehensive income statement

(Euro thousands)	Note	2017	2016 Restated
Net Profit for the year		50,105	42,049
Other comprehensive income (expenses)	22		
Hedging instruments (Cash flow hedges)		152	6
Total Gains on other comprehensive income statement items net of taxes which may be reclassified to the income statement		152	6
Actuarial losses of employee defined plans	22	(16)	(85)
Total Losses on other comprehensive income statement items net of taxes which may not be reclassified to the income statement		(16)	(85)
Total comprehensive income		50,241	41,971

For comparative purposes, the financial statements of the Parent Company are presented with the comparative financial statements at December 31, 2016 "restated" following the adjustment of the opening net equity in accordance with IAS 27.

Cash Flow Statement

(Euro thousands)	2017	2016 Restated	Note
Operating activities			
Profit on continuing operations	50,105	42,854	
Profit/(loss) from Discontinued Operations/Held-for-sale	0	(703)	
- Amortisation, depreciation & write-downs	22,382	15,864	29
- Net changes in post-employment benefit provisions	(122)	(32)	21 - 28
Net changes in provisions for risks and charges	2,379	4,735	22 - 32 - 33
- Losses on disposal of assets	(4)	(101)	
- (Revaluation) Write-down of investments & financial (income) and charges	(4,702)	(1,516)	35
Sub-total self-financing (A)	**70,038**	**61,101**	
Decrease (increase) in trade receivables	(5,349)	336	5 - 30
Decrease (increase) in other current assets	(4,709)	848	4 - 6 - 10
Decrease (increase) in tax assets/liabilities	(3,847)	(2,900)	3 - 11 - 14 - 20
Increase (decrease) in trade payables	5,400	6,444	12
Increase (decrease) in social security payables	220	142	15
Increase (decrease) in other liabilities	5,732	2,797	13
Sub-total (B)	**(2,553)**	**7,667**	
CASH FLOW FROM OPERATING ACTIVITIES (A + B) = (C)	**67,485**	**68,768**	
Investing activities			
(Acquisition) of property, plant & equipment	(11,940)	(9,977)	7 - 29
Decrease of property, plant & equipment	58	155	7 - 29
(Acquisition) of intangible fixed assets	(55,285)	(82,494)	8 - 29
Divestments of intangible fixed assets	0	36	8 - 29
Trade payables for investments	(19,666)	825	
(Increase) in financial fixed assets	(574)	(575)	9
(Acquisition) of minority interests in subsidiaries	(19,808)		
CASH FLOW FROM INVESTING ACTIVITIES (D)	**(107,216)**	**(92,029)**	
Financing activities			
Acquisition / Increase in payables to other lenders			17-19
(Repayment) / Decrease in payables to other lenders	(41)	(43)	17-19
(Repayment) and other changes in medium/long-term loans	(248,500)	(31,003)	18 - 16
Granting of new medium/long term loans	246,574	39,916	18 - 16
(Increase)/Decrease in financial assets	69,563	(702)	2 - 4
Dividends paid	(38,000)	(30,000)	23
Change in treasury shares	0	(927)	23
Other			
CASH FLOW FROM FINANCING ACTIVITIES (E)	**29,597**	**(22,759)**	
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	**0**	**(102)**	
NET CASH FLOW FOR THE YEAR (C+D+E+F)	**(10,134)**	**(46,122)**	
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**22,490**	**68,612**	1 -16
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**12,357**	**22,490**	1 -16
Additional information:			
Interest paid	2,859	3,467	
Taxes paid	17,265	20,962	

For comparative purposes, the financial statements of the Parent Company are presented with the comparative financial statements at December 31, 2016 "restated" following the adjustment of the opening net equity in accordance with IAS 27.

Statement of changes in Shareholders' Equity

(Euro thousands)	Share capital	Legal reserve	Share premium reserve	Treasury shares reserve	Other reserves & retained earnings	Total reserves	Net profit/(loss) for the year	Total Equity
Balance at December 31, 2015	35,971	7,194	57,851	(4,912)	38,739	134,844	30,296	165,139
First Time Application effects of the Equity Method					47,388	47,388	(1,068)	46,320
Balance at December 31, 2015	35,971	7,194	57,851	(4,912)	86,127	182,232	29,228	211,462
Allocation of result of separate income statement					29,228	29,228	(29,228)	0
Result of separate income statement							42,049	42,049
Other comprehensive profits/losses					(79)	(79)		(79)
Other changes						0		0
Distribution dividends					(30,000)	(30,000)		(30,000)
Treasury shares acquired				(927)		(927)		(927)
Balance at December 31, 2016	35,971	7,194	57,851	(5,839) 0	85,278	180,455	42,049	222,504
Allocation of result of separate income statement					42,049	42,049	(42,049)	0
Result of separate income statement							50,105	50,105
Other comprehensive profits/losses					136	136		136
Other changes					200	200		200
Distribution dividends					(38,000)	(38,000)		(38,000)
Balance at December 31, 2017	35,971	7,194	57,851	(5,839)	89,663	184,841	50,105	234,945

SAVE S.p.A.
Registered Office: Viale G. Galilei n. 30/1
30173 Tessera Venice
Share capital: Euro 35,971,000.00 fully paid-in
Venice REA No.: 201102
Venice Company Registration Office No.: 29018, Tax Code and VAT No.: 02193960271

EXPLANATORY NOTES

COMPANY PROFILE: ACTIVITIES

SAVE S.p.A. ("Save" or the "Parent Company") is an investment holding company which principally operates as an airport manager. It directly manages Venice Marco Polo Airport and controls Treviso Antonio Canova Airport. The company also has significant holdings in Verona Valerio Catullo Airport and in Charleroi Airport (Belgium), in addition to airport management and related services companies.
The Parent Company's registered offices are in Tessera (Venice), at Viale G. Galilei No. 30/1.

IAS/IFRS ADOPTED FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

Basis of preparation

The financial statements were prepared under the historic cost convention, except for derivative financial instruments, and in accordance with the going concern principle. They are presented in thousands of Euro and all the amounts are rounded to the nearest thousandth, unless otherwise specified.

Compliance with IAS/IFRS and the enacting provisions of Article 9 of Legislative Decree 38/2005

The financial information at December 31, 2017 was prepared in compliance with IFRS adopted by the European Union and in force at the preparation date of the financial statements.

Form and content

The present financial statements were prepared by the Board of Directors on the basis of the accounting records updated to December 31, 2017.
For comparative purposes, the financial statements are presented with the comparative balance sheet at December 31, 2016 "restated" and the comparative 2016 income statement "restated" following the adjustment of the opening net equity in accordance with IAS 27.
In August 2014, the IASB issued modifications to "IAS 27 - Separate financial statements: Equity method in the separate financial statements". The amendments permit entities to apply the equity method, described in "IAS 28 Investments in associates and joint ventures", in their respective separate financial statements, of investments in subsidiaries, joint ventures and associates. The company has opted to utilise the equity method in the measurement of its investments in subsidiaries and associates. The effects of the application of this standard are analytically illustrated in the paragraphs relating to "Investments" and resulted in a change in the statements based on the retrospective application of the standard, as of January 1, 2016, in accordance with IAS 8 "Changes in standards, estimates and errors".

The company opted to apply the income statement format as indicated in IAS 1, considering such more representative of operations.
The balance sheet was broken down between current and non-current assets and liabilities, the income statement with allocation of income and charges by type and the cash flow statement with the breakdown of operating, investing and financing activities.

Significant accounting estimates

The key future assumptions and those concerning other important sources of uncertainty in the estimates at the reporting date, that could result in adjustments to the carrying value of the assets and liabilities within the next financial year, are illustrated below.

Deferred tax assets
Deferred tax assets refer to temporary differences on costs which will be deductible in future periods, principally concerning provisions for risks and assets under concession replacement provision.
These assets are recognised on the basis of a discretional assessment by the Directors on the probability of their recovery, with particular regard to the capacity of the Company to generate future assessable income. They must estimate the probable timeframe and amount of future assessable income.
The calculation was made based on the expected tax rates for the year in which the temporary differences are expected to reverse.
Further details are provided in the explanatory notes.

Doubtful debt provision
The doubtful debt provision is based on a specific analysis of receivables in dispute and also an analysis of overdue receivables. The overall valuation of the realisable value of trade receivables requires estimates on the probability of recovery of the above-mentioned receivables and is therefore subject to uncertainty. At December 31, 2017, the doubtful provision with third parties amounted to Euro 2.5 million.

Assets under concession replacement provision
A specific maintenance and replacement provision was recognised on the assets under concession recorded in the balance sheet, which must be returned to the State in optimal operating condition at the end of the concession.
The provision is updated annually based on a technical evaluation of the estimated future charges relating to the maintenance of the assets which will be returned at the end of the concession (2041) and is utilised based on the maintenance undertaken during the year. At December 31, the replacement provision amounted to Euro 20.4 million.

Pension provision and other post-employment benefits
The cost of defined benefit plans and post-employment benefits are determined utilising actuarial valuations. The actuarial valuations require the consideration of statistical hypothesis concerning discount rates, the expected return on plan assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty. Further details are shown at Note 20.

Accounting policies

The IAS/IFRS accounting principles applied are illustrated below.

Intangible assets

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.
The useful life of the intangible assets is measured as finite or indefinite.
Intangible assets with a finite useful life are recorded at acquisition or production cost, including accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.
Amortisation is applied systematically over the useful life of the asset. The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.
The amortisation of finite intangible assets is recorded in the income statement in the category of costs relating to intangible assets.
The indefinite intangible assets undergo an impairment test for loss in value at individual level or at cash generating unit level. The recoverability of the value recorded is verified adopting the criteria indicated below.
These assets are not amortised. The useful life of an indefinite intangible asset is reviewed on an annual basis in order to assess whether the conditions exist for it to remain in this classification.
The useful life of the various intangible asset categories is illustrated below:

Category	Amortisation period
Patents and intellectual property rights software	3 years
Airport Concession rights	Duration of Airport concession

"Patents and intellectual property rights" principally refers to costs for the implementation and tailoring of operational software.

"Airport concession rights" refer to the amount recognised under intangible assets against the airport infrastructure assets held in relation to the concession rights acquired for the management of the infrastructures which permits the right to charge for the utilisation of such infrastructure, in execution of a public service, in accordance with the provisions of IFRIC 12 – Service Concession Arrangements.

In the presence of current obligations for demolition, the removal and restoration of assets, the carrying amount of the assets includes the estimated costs (discounted) to be incurred at the time of the relinquishment of the structures.

Property, plant & equipment

Property, plant and equipment are initially recognised at purchase price or construction cost and includes the price paid to acquire or construct the asset (net of discounts) and any directly

attributable costs to the acquisition and necessary for the asset to enter into service. The assets held by third parties are measured at fair value on the basis of a specific valuation.
The purchase price or construction cost is net of public grants which are recognised when the conditions for their concession are verified.
Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life.
Tangible assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life.
The replacement costs of components relating to complex assets are allocated as assets and depreciated over their residual useful life while the residual value of the component subject to replacement is recorded in the income statement.
The residual value and the useful life of tangible fixed assets are reviewed at least annually to ascertain possible losses in value, if events or circumstances indicate that the book value cannot be recovered. If there is an indication of this type and in the case where the carrying value exceeds the realisable value, the assets must be written down to their realisable value. The realisable value of the property, plant and equipment is the higher between the net sales price and the value in use.
Losses in value are charged to the income statement under depreciation costs. Such losses are restated when the reasons for their write-down no longer exist.
At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.
Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.
Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

The annual depreciation rates applied to the principal tangible fixed assets are as follows:

CATEGORY	RATES
Buildings	3%
Runway equipment	10% - 31.5%
Operating machinery	10%
Communication plant	25%
Equipment	15%
Transport/Motor vehicles	20% - 25%
EDP	20%
Office furniture and equipment	15% - 20%

Leased fixed assets

Assets acquired through finance lease contracts, which substantially transfer the majority of the risks and benefits related to the ownership of an asset to the Company, are capitalised at commencement of the lease at the fair value of the asset or, if lower, at the present value of the minimum lease payments on the recording of a liability to the leasing company.

Lease instalments are allocated to principal and interest to obtain application of a constant interest rate on the balance of the debt (principal). Financial expenses are charged to the income statement.
Capitalised lease assets are depreciated over their estimated useful life.

Impairments on intangible assets and property, plant and equipment

The carrying amount of intangible assets and property, plant and equipment of the Company undergo an impairment test whenever there are signs internal or external to the entity which indicate the possibility of a loss in value of the assets or group of assets (defined as the Cash Generating Unit or CGU).
The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets.
If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Company at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset. In determining the fair value less selling costs, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.
The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.
At each reporting date the Company evaluates any indicators of a recovery in the loss in value previously recorded (or reduction) and, where these indicators exist, an estimate is made of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery value cannot exceed the book value which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation gain.

Investments in subsidiaries and associates

Subsidiaries are companies in which SAVE has the power to determine the strategic choices in order to receive the relative benefits. Control is generally presumed when the company holds, directly or indirectly, more than half of the votes exercisable at Shareholders' Meetings.
Associates are companies in which SAVE exercises a significant influence in the strategic choices of the company, although without control; significant influence is presumed when the company holds, directly or indirectly, more than 20% of votes exercisable at Shareholders' Meetings.
Investments in subsidiaries, associates and joint ventures are recorded at equity, as permitted by IAS 27 and in accordance with IAS 28 (Investments in associates and joint ventures). Subsidiaries, associates and joint ventures are included from the date in which control, significant influence or joint control begins and until the discontinuation of such. The financial statements of subsidiaries, associates and joint ventures were reclassified and adjusted, where necessary, in order to apply uniform international accounting standards and uniform classifications within the Group. Under the equity method, the investment in a subsidiary, associate or joint venture is initially recognised at cost and the carrying amount is increased or decreased to recognise the investee's share of the profit or loss after the date of acquisition. The

share of profits (losses) of the investment is recognised to the separate income statements. Dividends received from the investee reduce the book value of the investment. The adjustments to the book value of the investments are also due to changes in other comprehensive income items of the investee. The share of these changes, pertaining to the investment, is recognised under other comprehensive income items.

Other financial assets

IAS 39 provides for the following types of financial instruments: financial assets measured at fair value with changes recorded in the Income Statement, loans and receivables, investments held to maturity and assets available-for-sale.
Initially all the financial assets are recorded at fair value. In the case of assets other than those valued at fair value with changes recorded in the Income Statement, the fair value is increased by accessory charges. On subscription, the Company considers if a contract contains embedded derivatives.
The embedded derivatives are separated from the host contract if this is not valued at fair value when the analysis shows that the economic characteristics and the risks of the embedded derivative are not strictly correlated to the host contract.
The Company determines the classification of its financial assets after the initial recording and, where appropriate and permitted, reviews this classification at the end of each year.

Financial assets at fair value with changes recognised to the income statement
This category includes financial assets held-for-trading and assets designated on first recognition as financial assets valued at fair value with changes recorded to the Income Statement.
The assets held-for-trading are all assets acquired to be sold in the short-term. The derivatives, including underlying derivatives, are classified as financial instruments held for trading unless they are designated as effective hedging instruments. Gains or losses on assets held for trading are recognised to the Income Statement.
Where a contract contains one or more incorporated derivatives, the entire hybrid contract can be designated as a financial asset valued at fair value with changes recorded to the Income Statement, with exception for those cases in which the implicit derivative does not significantly change the cash flows or it is evident that the separation of the derivative is not permitted.
On initial recognition, the financial assets can be classified as financial assets valued at fair value with changes recorded in the income statement where the following conditions exist: (i) the designation eliminates or significantly reduces the treatment which would otherwise result from valuing the assets or recording the gains and losses which the assets generate, in accordance with a different criteria; or (ii) the activities are a part of a group of financial assets managed and their return is valued on the basis of their fair value, based on a documented risk management strategy; or (iii) the financial assets contain an embedded derivative which must be separated and recorded separately.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. After initial recognition, these assets are measured in accordance with the amortised cost criteria using the effective interest rate method net of all provisions for loss in value.
The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is a loss in value, also through the amortisation process.

Available-for-sale financial assets
The financial assets available-for-sale are those financial assets, excluding derivative financial instruments, which were designated as such or are not classified in any of the other three preceding categories. After initial recognition, the financial assets held for sale are measured at fair value and the gains and losses are recorded in a separate equity reserve. The fair value is determined with reference to the market value (bid price) at the reporting date; in the case of non-quoted instruments they are determined through technical financial valuation methods commonly used. When the assets are eliminated, the gains or losses accumulated in equity are recognised in the Income Statement. Interest matured or paid on these investments is recorded as interest income or expense, utilising the effective interest rate. Dividends matured on these investments are recognised in the Income Statement as "dividends received" when the right for collection arises.

Fair value
In the case of shares widely traded on regulated markets, the fair value is determined with reference to the stock market prices recorded at the end of trading at the reporting date. For the investments for which no active market exists, the fair value is determined through valuation techniques based on recent transaction prices between independent parties; the current market value of a substantially similar instrument; the analysis of the discounted cash flows; option pricing models.

Loss in value of financial assets

The company at each reporting date assesses whether a financial asset, or group of financial assets, has incurred a loss in value.

Assets measured under the amortised cost criteria
If there is any indication that a loan or receivable recorded at amortised cost has incurred a loss in value, the amount of the loss is measured as the difference between the book value of the asset and the present value of the estimated future cash flows (excluding losses on future receivables not yet incurred) discounted at the original effective interest rate of the financial asset (the effective interest rate calculated at date of the initial recognition). The book value of the asset is reduced through the use of a provision and the amount of the loss recognised in the income statement.
The Company evaluates the existence of indications of loss in value at individual level, for the financial assets which are individually significant and, then, at individual or collective level for the financial assets which are not. In the absence of indications of loss in value for a financial asset valued individually, whether it is significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and this group is assessed for loss in value collectively. The assets measured at individual level - and for which a loss in value is recorded or continues to be the recorded - will not be included in the collective valuation.
If, in a subsequent year, the size of the loss in value is reduced and this reduction can be identified as an event occurring after the recording of the loss in value, the previous value reduced is restated. Any restated value is recorded in the income statement - not greater than the amortised cost of the asset at the restated date.
With reference to trade receivables, a doubtful debt provision is recorded when there are clear indications (such as, for example, the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to recover all the amounts due according to the original conditions of the invoice. The carrying value of the receivable is

reduced through an appropriate provision. Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

Available-for-sale financial assets
When there is a loss in value of a financial asset available-for-sale, the amount is transferred from equity to the income statement equal to the difference between its cost (net of the repayment of the principal and interest) and its present value, net of any loss in value previously recorded in the income statement.
The restatement relating to capital instruments classified as available-for-sale is not recorded in the income statement. The recovery in value of debt instruments is recorded in the income statement if the increase in the fair value of the instrument can be attributable to an event which occurred after the recording of the loss in the income statement.

Treasury shares

Equity instruments, such as treasury shares should be deducted from the share capital. No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of equity instruments. Consideration paid is recognised directly to equity.

Inventories

Inventories are recorded at the lower of purchase cost and realizable value represented by the amount that the Company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method.

Cash and cash equivalents

Cash and cash equivalents include those values which are available on demand at short notice, certain in nature and with no payment expenses.

Employee benefits

The benefits guaranteed to employees paid on the conclusion of employment or other long-term benefits are recognised in the period the right matures.
The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method.
The amount not only reflects the payables matured at the balance sheet date (only for companies with less than 50 employees) but also the future salary increases and related statistical data.
Following the amendments to post-employment benefits introduced by Law No. 296 of December 27, 2006 (Budget Law 2007) and subsequent Decrees and Regulations, the post-employment benefits of Italian companies with more than 50 employees matured from January 1, 2007, or from the option date chosen by the employee, is included under defined contribution plans, both in the case of supplementary pension options and in the case of allocation to the INPS (Italian Social Security Agency) Treasury Fund. The accounting treatment of such post-employment benefit is therefore the same as other contribution payments.

Provisions for risks and charges

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain as of the balance sheet date. The provisions are recorded when:
(i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event;
(ii) it is probable that compliance with the obligation will result in a charge;
(iii) the amount of the obligation can be estimated reliably.

Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the balance sheet date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".
If the liability relates to a tangible asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.
The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

Trade payables and other non-financial liabilities

Payables, which mature within the normal commercial terms, are not discounted and are recognised at cost (identified by their nominal value). The payables in foreign currencies are recorded at the transaction exchange rate and, subsequently, translated at the year-end rate. The gains and losses deriving from the conversion are recorded in the income statement.
The other liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability.
After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).
All gains and losses are recognised in the income statement when the liability is settled, in addition through the amortisation process.

Derecognition of financial assets and liabilities

Financial assets
Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised when:

• the right to receive the financial flows of the asset terminate;
• the company retains the right to receive cash flows from the asset, but has a contractual obligation to pay them fully and without delay to a third party;
• the company has transferred its right to receive cash flows from the asset and (a) has transferred substantially all of the risks and rewards of ownership of the financial asset or (b) has not transferred or retained substantially all of the risks and benefits of the asset, but has transferred control over same.
Where the Company has transferred all the rights to receive the cash flows of an asset and has not substantially transferred or withheld all of the risks and rewards or has not lost control, the asset is recorded up to the amount of its residual holding in the asset. Residual involvement that takes the form of a guarantee on the transferred asset is valued at the asset's initial book value or the maximum consideration that the Company could be required to pay, whichever is less.

Financial liabilities
A financial liability is derecognised when the underlying liability is settled or cancelled.

Derivative financial instruments and hedging operations

The Company utilises financial derivatives in order to cover its exposure to interest rate risk regarding specific liabilities.
In line with the strategy chosen, the Company does not carry out operations and derivatives for speculative purposes. However, in the case where these operations may not be accounted for as hedging operations, they are recorded as speculative operations.
The derivatives are classified as hedging instruments when the relation between the derivative and the hedged item is formally documented and the effectiveness of the hedge, periodically verified, is high. When the hedged derivatives cover the risk of change of the fair value of the instruments hedged (fair value hedge; e.g. hedge in the variability of the fair value of asset/liabilities at fixed rate), these are recorded at fair value through the income statement; therefore, the hedging instruments are adjusted to reflect the changes in fair value associated to the risk covered. When the derivatives hedge the risk of changes in the cash flows of the hedge instrument (cash flow hedge; e.g. coverage of changes in cash flow of asset/liabilities at variable interest rate due to changes in the interest rates), the changes in the fair value are initially recognised under equity and subsequently through the income statement in line with the economic effects produced from the operation hedged.
The changes in the fair value of the derivatives compared to their initial value, which do not satisfy the conditions for hedge accounting, are recorded through the income statement.

Measurement of income components

Revenues are recognised to the extent that their fair value can be reliably calculated and based on the probability that their economic benefits will be received.
According to this type of operation, the revenues are recognised on the basis of the specific criteria indicated below:
- revenues from the sale of goods are recognised when the significant risks and benefits of the ownership of the assets are transferred to the purchaser;
- revenues deriving from services are recognised when the service is rendered.
Revenues are recorded net of returns, discounts and premiums and promotional charges directly related to the sales revenue, in addition to direct sales taxes.
Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.

Royalties are recorded based on the accruals principle in accordance with the contracts in force. Interest income is recognised in accordance with the accruals principle, which takes into account the effective yield of the assets to which it refers.
Dividends are recorded when the shareholders have the right to receive them.

Measurement of costs and expenses

Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Income taxes

Current income taxes
Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those in force at the reporting date. Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred taxes
Deferred taxes are calculated using the liability method on temporary differences between values recognised for fiscal purposes and the assets and liabilities reported in the Financial Statements.
Deferred tax liabilities derive from all temporary timing differences, except for the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the profit for the year calculated for the financial statements or on the profit or loss calculated for tax purposes.
Deferred tax assets are recorded against all temporary deductible differences and fiscal losses carried forward, up to the amount it is probable there exists adequate future assessable profits against the utilisation of the temporary deductible differences and of the assets or liabilities carried forward, except in the case where the deferred tax asset related to the temporary deductible differences derives from the initial recording of an asset or a liability in a transaction that is not a business combination and that, at the time of the transaction, does not impact on the profit of the period calculated for the accounts or on the losses calculated for tax purposes.
The rates utilised for the calculation of deferred taxes, which reflect the expected rates on the basis of national legislation in force, are mainly the following:

IRES	24%
IRAP	4.20%

Net financial position

The breakdown of the net financial position is as follows

(Euro thousands)	Dec-31-17	Dec-31-16
Cash and cash equivalents	12,357	22,492
Financial assets	-	-
Financial receivables from group companies	696	16,076
Current assets	**13,053**	**38,568**
Bank payables	0	37,823
Other financial liabilities – current portion	41	250
Financial payables to group companies	16,557	10,874
Current liabilities	**16,598**	**48,947**
Bank payables – less current portion	246,631	209,676
Financial payables to group companies	48,500	-
Other lenders – less current portion	25	66
Non-current liabilities	**295,156**	**209,742**
Net Financial Position	**(298,701)**	**(220,121)**
of which net liabilities for derivative contracts carried at fair value	0	209
Total gross payables to banks	246,631	247,499

The net financial position with banks and other lenders, including Group financial receivables and payables, was a net debt of Euro 298.7 million compared to a net debt of Euro 220.1 million at the end of the previous year.

Segment information

The company does not identify segments by region or by type of activity.

Main clients

In 2017, approx. 10.4% of total revenues derived from the airline easyJet.

ANALYSIS OF THE MAIN BALANCE SHEET ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

ASSETS

Current Assets

at		
12.31.2017	€	57,760
12.31.2016	€	73,383
cge.		(15,623)

The components of the above stated account are as follows:

1. Cash and cash equivalents

at		
12.31.2017	€	12,357
12.31.2016	€	22,492
cge.		(10,135)

These concern the bank current accounts available and cash and cash equivalents at the reporting date.

Cash and cash equivalents are reported at their book value, which is considered a reasonable approximation of the fair value at the reporting date.

2. Financial Assets

at		
12.31.2017	€	696
12.31.2016	€	16,076
cge.		(15,380)

Financial assets include current financial receivables, principally relating to cash pooling with the companies of the Group.

	12.31.17	12.31.16	CGE.
Archimede 1 S.p.A.	-	10,231	(10,231)
Aer Tre S.p.A.	-	5,081	(5,081)
ACP in liquidazione S.p.A.	-	172	(172)
Archimede 3 S.r.l.	394	363	31
Società Agricola Save a r.l.	302	229	73
Total receivables from subsidiaries	**696**	**16,076**	**(15,380)**

3. Tax receivables

at		
12.31.2017	€	3,693
12.31.2016	€	3,843
cge.		(150)

The analysis is as follows:

	12.31.17	12.31.16	CGE.
VAT receivables	800	969	(169)
Other tax receivables	262	381	(119)
IRES tax receivables	2,590	2,493	
IRAP tax receivables	41	-	
Total tax receivables	**3,693**	**3,843**	

Tax receivables decreased on the previous year by Euro 0.1 million. The IRES tax receivable relates to a IRES reimbursement request for IRAP presented by the Group in previous years within the tax consolidation; Other tax receivables include Euro 0.2 million relating to tax credits on new investments under Law Decree No. 91 of June 24, 2014 (so-called Tremonti Quater).

4. Other receivables

at		
12.31.2017	€	6,705
12.31.2016	€	2,178
cge.		4,527

The analysis is as follows:

	12.31.17	12.31.16	CGE.
Related parties	287	1,121	(834)
Vs. Public entity loans	664	619	45
Vs. Suppliers for advances	878	288	590
Up-front fee payments	4,523		4,523
Misc. receivables	353	150	203
Total other receivables	**6,705**	**2,178**	**4,527**

Receivables from the Region of Veneto for grants approved under Decree No. 59/2009 concern the “Completion of the Rainwater runoff system and the First flush treatment system within the airport” for the part of the works completed at Venice.
An asset was recorded in the year of Euro 4.5 million corresponding to up-front fees relating to credit lines not yet utilised.

Receivables from related parties were as follows:

	12.31.17	12.31.16	CGE.
Tax consolidation	50	963	(913)
VAT receivables	237	158	79
Total receivables from subsidiaries	**287**	**1,121**	**(834)**

5. Trade receivables

at		
12.31.2017	€	33,107
12.31.2016	€	27,758
cge.		5,349

The breakdown of trade receivables is outlined below:

	12.31.17	12.31.16	CGE.
Trade receivables – third parties	24,591	20,987	3,604
Trade receivables from Group companies	8,516	6,771	1,745
Total trade receivables	**33,107**	**27,758**	**5,349**

Trade receivables from third parties concerns receivables from airlines for aviation activities and receivables from sub-agents for commercial spaces.

The table below illustrates the trade receivables and the relative doubtful debt provision:

	12.31.17	12.31.16	CGE.
Trade receivables	27,072	22,402	4,670
Doubtful debt provision	(2,481)	(1,415)	(1,066)
Total trade receivables	**24,591**	**20,987**	**3,604**

Trade receivables at December 31, 2017 mainly refer to the domestic market and amount to Euro 24.6 million net of the doubtful debt provision and increased on December 2016 by Euro 3.6 million.

The monitoring and reminder activities continued in order to limit credit risk. It is considered in fact that, following the actions, also of a legal nature, undertaken for credit protection and receipt, based on the information currently available, supported by the legal experts handling the relative disputes and in view of the guarantees received, including sureties, the net value indicated above prudently reflects the expected realisable value.

At December 31, 2017, the doubtful provision amounted to Euro 2.5 million. The doubtful debt provision was calculated based on an analysis of specific positions in addition to an assessment on the aging of overall receivables. This is in line with the valuation methods applied over time.

Movements during the year in the allowance for doubtful accounts reserve are as follows:

Balance at 12.31.2016	**(1,415)**
Utilisations and other movements	5
Reclassifications	(165)
Allocation in the year	(906)
Balance at 12.31.2017	**(2,481)**

Trade receivables are reported at their book value net of write-downs; it is considered that this value reasonably approximates the fair value of such receivables, as there are no medium/long-term receivables which require discounting.
Trade receivables from Group companies mainly relate to receivables concerning sub-license contracts for commercial spaces and managerial services.

6. Inventories

at		
12.31.2017	€	1,202
12.31.2016	€	1,036
cge.		166

Non-Current Assets

at		
12.31.2017	€	618,760
12.31.2016	€	548,047
cge.		70,713

The account is comprised as follows:

7. Property, plant & equipment

at		
12.31.2017	€	56,084
12.31.2016	€	51,099
cge.		4,985

The composition of these tangible assets is outlined in Attachment "B", which highlights the historic cost, accumulated depreciation and net values, for each asset category.
Property, plant and equipment in the year increased Euro 5 million considering depreciation and write-downs totalling Euro 8.5 million.

8. Intangible Assets

at		
12.31.2017	€	358,765
12.31.2016	€	321,217
cge.		37,548

the breakdown is shown in the following table:

	12.31.17	12.31.16	CGE.
Other intangible assets	4,081	3,994	87
Airport Concession rights	354,684	317,223	37,461
Total intangible assets	**358,765**	**321,217**	**37,548**

The composition of these intangible assets is outlined in Attachment "B", which highlights the historic cost, accumulated depreciation and net values, for each asset category.
Intangible assets in the year increased Euro 37.6 million considering amortisation and write-downs totalling Euro 13.9 million.

9. Investments

at		
12.31.2017	€	181,638
12.31.2016	€	155,310
cge.		26,328

The balance mainly refers to investments in subsidiaries, associates and in other companies, as illustrated below.

The company adopted the "Amendment" of IAS 27 which permits the measurement, in the separate financial statements, of the investments in subsidiaries, associates and joint ventures, respectively at cost, in accordance with IAS 39, or under the equity method, in accordance with IAS 28. The Company, in particular, decided to utilise the cost method for the measurement of investments in minority shareholdings and the equity method for the measurement of investments in subsidiaries and associates.
Consequently, the investments in subsidiaries and associates are initially recognised at cost and, subsequent to acquisition, are adjusted based on the share of the net assets held in the investee. The share of profit or loss reflects the share held in the result for the period of the investee and the other comprehensive income items reflects the share held of the other comprehensive income items of the investee. Following the change outlined above, the 2016 financial statements were restated as prescribed by IAS 8. The effect of this "restatement" resulted in:
- a net equity effect at January 1, 2016 equal to Euro 46.3 million and
- a comprehensive income statement effect for the year 2016 of Euro 2.2 million.

Investments in subsidiaries

	% HELD	12.31.17	12.31.16	CGE.
Save Engineering S.r.l.	97	795	1,912	(1,118)
Aer Tre S.p.A.	80	21,347	19,679	1,667
Marco Polo Park S.r.l.	100	7,610	7,670	(60)
N-Aitec S.r.l.	100	2,181	2,159	22
Triveneto Sicurezza S.r.l.	65	652	1,454	(802)
Save Cargo S.p.A.	100	661	772	(110)
Archimede 1 S.p.A.	60	54,968	34,415	20,553
Archimede 3 S.r.l.	100	773	792	(19)
Agricola SAVE a r.l.	100	9,308	9,323	(15)
Save International Holding S.A.	99	16,877	16,654	223
Total investments in subsidiaries		**115,171**	**94,830**	**20,341**

Equity investments in associates and JV's

	% HELD	12.31.17	12.31.16	CGE.
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	40.30	30,314	29,761	553
Nicelli S.p.A.	49.23		41	(41)
Venezia Terminal Passeggeri S.p.A.	22.18	8,335	8,335	-
GAP S.p.A.	49.87	319	310	9
2A Airport Advertising S.r.l	50.0	9	45	(36)
Airest Retail S.r.l.	50.0	27,488	21,986	5,503
Total investments in associates		**66,465**	**60,477**	**5,988**

The change in the investments in subsidiaries and associates derives from the results reported by the investees in the year and the dividends received by the parent company respectively from:

- Marco Polo Park S.r.l. totalling Euro 1.4 million;
- Save Engineering S.p.A. totalling Euro 1.5 million;
- Venezia Terminal Passeggeri S.p.A. totalling Euro 0.9 million;
- N-Aitec S.r.l. totalling Euro 0.7 million;
- Triveneto Sicurezza S.r.l. totalling Euro 0.8 million.

Reference should be made to attachment C for a comparison between the carrying amount of each investment and the relative net equity; in relation to this we report as follows:

- Società Agricola Save a r.l.: the carrying amount of the investment is considered justified by the value of the land held by the company;

- Marco Polo Park S.r.l: the difference is justified by the adjustments made to the net equity of the subsidiary in accordance with the international accounting standards adopted by the parent company;
- Archimede 1: the difference is justified by the adjustments made to the net equity of the subsidiary in accordance with the international accounting standards adopted by the parent company;
- Aer Tre S.p.A.: the carrying amount of the investment is considered adequately supported by the results of the impairment test undertaken and outlined in the paragraph "Verification of the recoverability of the value of assets or group of assets" to which reference should be made and by the adjustments made to the net equity of the subsidiary with the international accounting standards adopted by the parent company;
- Aeroporto Valerio Catullo di Verona Villafranca S.p.A.: the carrying amount of the investment is considered adequately supported by the results of the impairment test undertaken and outlined in the paragraph "Verification of the recoverability of the value of assets or group of assets" to which reference should be made;
- Save Cargo S.p.A.: the carrying amount of the investment is considered justified by the expected future results of the company.
- SIH effect of the measurement at equity of its subsidiary Belgian Airport SA and of the investment in BSCA SA.
- Airest Retail S.r.l : the carrying amount of the investment is considered adequately supported by the results of the impairment test undertaken and outlined in the paragraph "Verification of the recoverability of the value of assets or group of assets" to which reference should be made;

Investments in other companies

	% HELD	12.31.17	12.31.16	CGE.
Consorzio Sive Formazione	=	1.6	1.6	
CONAI consortium	=	0.1	0.1	
MUSE Multiservices Consortium	=	0.3	0.3	
Total investments in other companies		**2**	**2**	

10. Other assets

at		
12.31.2017	€	10,093
12.31.2016	€	10,077
cge.		16

the breakdown is shown in the following table:

	12.31.17	12.31.16	CGE.
Archimede 1 S.p.A.	10,060	10,060	-
Guarantee deposits	33	17	16
Total other financial assets	**10,093**	**10,077**	**16**

11. Deferred tax assets

at		
12.31.2017	€	12,180
12.31.2016	€	10,344
cge.		1,836

The principally temporary differences on which deferred tax assets are recognised concern:

- franked taxes of the capital gain on acquisition of the holding in Aer Tre S.p.A. and allocated to goodwill, following application of Law Decree No. 98/2011;
- provisions deductible in future years such as the risks and charges provision and the doubtful debt provision for the amount exceeding 0.5% of the value of receivables;
- the application of IFRIC 12 "Service concession arrangements";
- other adjustments related to the application of international accounting standards (principally non-capitalised non-current charges);
- other costs which, in accordance with current fiscal provisions, will be deductible in future years.

The tables below outline the categories which result in the recognition of deferred tax assets, broken down between IRES and IRAP.
Deferred tax assets were calculated at the new IRES rate of 24% applicable from 01/01/2017, as per paragraph 61 of Law No. 208 of December 28, 2015 (2016 Stability Law).

in Euro thousands

	Assessable				Tax			
IRES rate 24%	**Balance 12.31.16**	**Increases**	**Utilizations**	**Balance 12.31.17**	**Balance 12.31.16**	**Increases**	**Utilizations**	**Balance 12.31.17**
Doubtful debt provision	1,197	965	0	2,162	325	238	0	563
Assets under concession replacement provision	16,341	1,182	84	17,439	4,249	284	20	4,513
Other deferred charges	871	0	35	836	209	0	8	201
Cyclical maintenance expenses deductible	1,416	3,288	831	3,872	340	789	199	930
Provisions for risk and charges and other future deductible costs	3,762	991	1,041	3,713	911	238	257	892
Amortisation, depreciation & write-downs	6,164	2,837	19	8,982	1,466	681	5	2,142
Franked tax Aer Tre investment	6,937	0	0	6,937	1,686	0	0	1,686
Post employ. ben. OCI	71	0	10	61	17	0	2	15
IRES deferred tax asset	**36,759**	**9,264**	**2,019**	**44,004**	**9,203**	**2,230**	**492**	**10,941**

	Assessable				Tax			
IRAP rate 4.20%	**Balance 12.31.16**	**Increases**	**Utilizations**	**Balance 12.31.17**	**Balance 12.31.16**	**Increases**	**Utilizations**	**Balance 12.31.17**
Assets under concession replacement provision	10,881	3,066	2,532	11,416	507	129	106	529
Provisions for risk and charges and other future deductible costs	2,087	0	651	1,436	88	0	27	61
Amortisation, depreciation & write-downs	5,714	2,480	2	8,192	240	104	0	344
Franked tax Aer Tre investment	6,937	0	0	6,937	271	0	0	271
Other deferred charges	871	0	35	836	36	0	1	35
IRAP deferred tax asset	**26,490**	**5,546**	**3,219**	**28,817**	**1,142**	**233**	**135**	**1,240**
TOTAL DEFERRED TAX ASSET MOVEMENTS					**10,344**	**2,463**	**627**	**12,180**

LIABILITIES

Current Liabilities

at		
12.31.2017	€	113,398
12.31.2016	€	156,024
cge.		(42,626)

The account is comprised as follows:

12. Trade payables

at		
12.31.2017	€	57,464
12.31.2016	€	71,729
cge.		(14,265)

The breakdown of trade payables is shown below:

(Euro thousands)	12.31.17	12.31.16	Cge.
Trade payables – third parties	53,566	64,254	(10,688)
Trade payables - related parties	3,898	7,475	(3,577)
Total trade payables	**57,464**	**71,729**	**(14,265)**

Trade payables at December 31, 2017 amount to Euro 57.5 million. These payables are substantially attributable to the domestic market. They are reported at their book value, which approximates their reasonable fair value, as the amount of medium/long-term payables are insignificant and therefore do not require discounting processes.

13. Other payables

at		
12.31.2017	€	35,652
12.31.2016	€	29,921
cge.		5,731

They include:

	12.31.17	12.31.16	CGE.
Payables to related parties	3,703	3,143	560
Personnel for deferred compensation	3,852	3,121	731
Other liabilities	2,772	1,431	1,341
Airport concession fee	3,713	3,572	141
Fire prevention services	14,040	12,267	1,773
Municipal surtax law 350/2003	7,572	6,387	1,185
Total other payables	**35,652**	**29,921**	**5,731**

Payables to related parties include for Euro 1.6 million those resulting from the tax consolidation of Agorà Investimenti S.p.A. in the current year.

14. Tax Payables

at		
12.31.2017	€	1,613
12.31.2016	€	3,577
cge.		(1,964)

"Tax payables" include withholding taxes on employees and consultants for Euro 0.6 million and landing and departure rights taxes for Euro 1 million. The decrease in tax payables relates to the tax consolidation of Agorà Investimenti S.p.A..

15. Payables to pension and social security institutions

at		
12.31.2017	€	2,070
12.31.2016	€	1,850
cge.		220

16. Bank payables

at		
12.31.2017	€	0
12.31.2016	€	37,823
cge.		(37,823)

They are broken down as follows:

	12.31.17	12.31.16	CGE.
Current portion of bank loans	-	38,500	(38,500)
Up-front fees	-	(679)	679
Other payables	-	2	(2)
Total	-	**37,823**	**(37,823)**

The following table provides a breakdown of bank credit lines utilised and available at December 31, 2017.

TYPE	GRANTED	USED	RESIDUAL
CASH CREDIT FACILITIES	27,030	0	27,030
ENDORSEMENT CREDIT	1,120	(37)	1,083
CASH AND CREDIT COMMITMENT	32,500	0	32,500
LEASING	66	(66)	0
MORTGAGES / LOANS	580,000	(250,000)	330,000
TOTAL	**640,716**	**(250,103)**	**390,613**

17. Other liabilities and payables

at		
12.31.2017	€	16,599
12.31.2016	€	11,124
cge.		5,475

Other financial liabilities include current financial payables, principally relating to cash pooling with the companies of the Group.

	12.31.17	12.31.16	CGE.
Cash Pooling	16,557	10,874	5,683
Other financial liabilities	42	250	(208)
Total	**16,599**	**11,124**	**5,475**

Non-current liabilities

at		
12.31.2017	€	328,177
12.31.2016	€	242,902
cge.		85,275

The account is comprised as follows:

18. Bank payables – less current portion

at		
12.31.2017	€	246,631
12.31.2016	€	209,676
cge.		36,955

Non-current bank payables comprise the medium/long-term portion of loans undertaken by the Group and outstanding at December 31, 2017.
The value of loan instalments due within one year amount to zero and beyond one year amounts to Euro 246.6 million, of which none beyond five years.

Medium-long-term bank loans, including the portion maturing within 12 months, amount overall to Euro 246.6 million, inclusive of Euro 3.4 million for up-front fees paid on the signing of loan contracts and recognised as a reduction in value of such loans, based on the amortised cost criterion.

The breakdown, by calendar year, of medium-long-term loans including the current portion, was as follows:

Maturity	Capital portion	Up-front fees	Interest portion (*)	Total
12/31/2018		(642)	4,056	3,413
12/31/2019		(655)	4,056	3,401
12/31/2020		(669)	4,067	3,398
12/01/2021		(722)	4,014	3,292
12/31/2022	250,000	(681)	3,638	252,957

In December 2017 Save S.p.A. entirely repaid the residual debt on all existing loans. Simultaneously a syndicated loan was underwritten with 13 banks, with Banca IMI Spa and Unicredit Spa as "Mandated Lead Arranger" involving a total credit line of Euro 580 million.
The loan is divided into three tranches: Euro 250 million to refinance current debt, Euro 300 million to finance investment plans and Euro 30 million revolving line over 1/3/6 months. The line expires on November 28, 2022 and provides for a bullet repayment on maturity for the amounts utilised.
The interest is calculated at a variable rate linked to the 6-month Euribor rate increased by a spread.
On issue, an up-front fee was recognised to the financial statements in line with the application of the amortised cost criterion. Euro 4.5 million was recorded under assets in relation to the amount of the credit lines available and not yet utilised and Euro 3.4 million as reduction of the gross debt.
The loan provides for financial covenants calculated on the consolidated financial statements of the Group.

19. Other lenders – less current portion

at		
12.31.2017	€	48,525
12.31.2016	€	66
cge.		48,458

20. Deferred tax liabilities

at		
12.31.2017	€	7,019
12.31.2016	€	7,158
cge.		(139)

The following table highlights the basis for the recognition of deferred tax liabilities, broken down between IRES and IRAP.

in Euro thousands

IRES rate 24%	Assessable				Tax			
	Balance 12.31.16	Utilizations	Increases	Balance 12.31.17	Balance 12.31.16	Utilizations	Increases	Balance 12.31.17
Dividends not received	0			0	0			0
Accumulated deprec. & other provisions	335	6		329	95	2		93
Assets under concession accumulated amortisation	25,018	488		24,530	6,006	117		5,889
IRES DEFERRED TAX LIABILITIES	**25,353**	**494**	**0**	**24,859**	**6,101**	**119**	**0**	**5,982**

IRAP rate 4.20%	Assessable				Tax			
	Balance 12.31.16	Utilizations	Increases	Balance 12.31.17	Balance 12.31.16	Utilizations	Increases	Balance 12.31.17
Accumulated deprec. & other provisions	97	6		91	5	0		5
Assets under concession accumulated amortisation	25,018	488		24,530	1,052	20		1,032
IRAP DEFERRED TAX LIABILITIES	**25,115**	**494**	**0**	**24,621**	**1,057**	**20**	**0**	**1,037**
TOTAL DEFERRED TAX LIABILITIES MOVEMENTS					**7,158**	**139**	**0**	**7,019**

Deferred tax liabilities were calculated at the new IRES rate of 24% applicable from 01/01/2017, as per paragraph 61 of Law No. 208 of December 28, 2015 (2016 Stability Law).

21. Post-employment benefits and other employee provisions

at		
12.31.2017	€	2,140
12.31.2016	€	2,261
cge.		(121)

The post-employment benefit provision at December 31, 2017 is outlined below:

(Euro thousands)	
Balance at 12/31/2016	**2,261**
Utilisations and other changes	(52)
Advances granted in period and transfers	(105)
Payments to suppl. provision and INPS Treasury	(1,176)
Substitute tax	(7)
Provisions and revaluations	1,218
Change due to actuarial calculation	1
Balance at 12/31/2017	**2,140**

22. Other provisions for risks and charges

at		
12.31.2017	€	23,863
12.31.2016	€	23,740
cge.		123

The account comprises:

	12.31.17	12.31.16	CGE.
Provision for risks and charges	3,454	3,950	(496)
Assets under concession replacement provision	20,409	19,790	619
Total provisions for risks and charges	**23,863**	**23,740**	**123**

Provision for risks and charges

The movements in the provision during the year were as follows:

(Euro thousands)

Balance at 12/31/2016	**3,950**
Utilisations and other changes	(777)
Provisions for risks and future charges	281
Balance at 12/31/2017	**3,454**

This account concerns the provisions to cover contingent liabilities of the company, principally potential and current disputes with employees and public bodies.
The provisions are considered sufficient to cover legal case and dispute risks of a specific nature where the company is plaintiff or respondent, based on a reasonable estimate according to the available information and having consulted with legal experts.

Assets under concession replacement provision

at		
12.31.2017	€	20,409
12.31.2016	€	19,790
cge.		619

The movements in the provision during the year were as follows:

Balance at 12.31.2016	**19,790**
Utilizations in the year	(2,447)
Provisions in the year	3,066
Balance at 12.31.2017	**20,409**

A provision was established against buildings held under concession by a number of Group companies including the amounts necessary for the maintenance or replacement of assets constituting the infrastructure held which must be returned to the State in optimal operating condition at the end of the concession.
The replacement provision concerning the airport of Venice is based on a technical valuation of the estimated future costs concerning the necessary maintenance of the assets for which free transfer must take place on conclusion of the concession and was utilised according to the maintenance carried out in the year.

Shareholders' Equity

23. Shareholders' Equity

at		
12.31.2017	€	234,945
12.31.2016	€	222,504
cge.		12,441

Shareholders' equity at December 31, 2017 is comprised of the following accounts. Reference should be made to Attachment "E" at the end of the present Explanatory Notes for the analysis on the availability and distribution of shareholder equity accounts.

Share capital

at		
12.31.2017	€	35,971
12.31.2016	€	35,971
cge.		-

The share capital, amounting to Euro 35,971,000, comprises 55,340,000 shares of a nominal value of Euro 0.65 and is fully paid-in.

Share premium reserve

at		
12.31.2017	€	57,851
12.31.2016	€	57,851
cge.		-

This comprises the share premium recognised and paid following the initial public offering of 2005, net of the costs incurred for the stock market listing and the extraordinary distribution of Net Equity reserves approved by the Shareholders' Meeting of November 19, 2013.

Legal reserve

at		
12.31.2017	€	7,194
12.31.2016	€	7,194
cge.		-

Treasury shares in portfolio reserve

at		
12.31.2017	€	(5,839)
12.31.2016	€	(5,839)
cge.		-

In accordance with Article 2428, paragraphs 2, 3 and 4 of the Civil Code, it is communicated that the Company and the Group hold at December 31, 2017, directly through SAVE S.p.A., 658,470 treasury shares. The nominal value of shares held amounts to Euro 0.4 million (1.19% of the share capital); the book value is Euro 5.8 million.
In 2017, SAVE S.p.A. did not acquire any treasury shares.

The table below shows the reconciliation of the number of shares outstanding at the beginning and at the end of the period, as required by IAS 1, paragraph 79 (the nominal values of the shares in circulation are expressed in units of Euro):

	Total number of shares (A)	Treasury shares held (B)	Outstanding shares (C) = (A - B)	Par value per share D	Total par value of outstanding shares E = C*D
At 12/31/2016	55,340,000	658,470	54,681,530	0.65	35,542,995
Shares acquired in the year		0	0	0.65	0
At 12/31/2017	55,340,000	658,470	54,681,530	0.65	35,542,995

Other reserves and retained earnings

at		
12.31.2017	€	89,663
12.31.2016	€	85,276
cge.		4,387

The other reserves consist of:

	12.31.17	12.31.16	CGE.
Revaluation reserve Law 431/91	15	15	-
Revaluation reserve Law 342/00	6,049	6,049	-
Extraordinary reserve	5,166	5,166	-
Other Reserves	57,700	55,750	1,950
Retained earnings	20,733	18,298	2,435
Total other reserves	**89,663**	**85,278**	**4,385**

Profit for the year

2017	€	50,105
2016	€	42,049
cge.		8,056

ANALYSIS OF THE PRINCIPAL INCOME STATEMENT ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

The principal income statement accounts are explained below and compared with the previous year below.

OPERATING REVENUE AND OTHER INCOME

24. Operating revenue and other income

2017	€	166,556
2016	€	158,501
cge.		8,055

The composition is shown in the following table:

Euro / 1000	2017	%.	2016	%.	Change	Change %
Aviation fees & tariffs	117,509	70.6%	112,675	71.1%	4,834	4.3%
Cargo Handling Depot	0	0.0%	1,093	0.7%	(1,093)	-100.0%
Handling	1,069	0.6%	893	0.6%	176	19.8%
Aviation revenue	**118,578**	**71.2%**	**114,660**	**72.3%**	**3,918**	**3.4%**
Ticketing	37	0.0%	33	0.0%	4	12.1%
Advertising	2,542	1.5%	2,037	1.3%	504	24.7%
Commercial	37,867	22.7%	34,322	21.7%	3,544	10.3%
Non-Aviation revenue	**40,445**	**24.3%**	**36,393**	**23.0%**	**4,052**	**11.1%**
Other income	**7,533**	**4.5%**	**7,448**	**4.7%**	**85**	**1.1%**
Total Revenues	**166,556**	**100.0%**	**158,501**	**100.0%**	**8,055**	**5.1%**

Operating revenues

2017	€	159,023
2016	€	151,053
cge.		7,970

Other income

2017	€	7,533
2016	€	7,448
cge.		85

They consist of:

EURO / 1000	2017	%.	2016	%.	CHANGE	CHANGE %
Recharge cost recoveries	4,147	55.1%	3,701	49.7%	446	12.1%
Professional fees	1,142	15.2%	1,240	16.7%	(98)	-7.9%
Seconded personnel	328	4.4%	141	1.9%	187	132.6%
GSE contribution	130	1.7%	170	2.3%	(40)	-23.5%
Capitalisation internal costs	637	8.5%	679	9.1%	(42)	-6.2%
Other revenue and income	1,149	15.3%	1,517	20.4%	(368)	-24.3%
Total	**7,533**	**100.0%**	**7,448**	**100.0%**	**85**	**1.1%**

COSTS OF PRODUCTION

2017	€	108,793
2016	€	99,861
cge.		8,932

the breakdown is shown in the following table:

25. Raw materials, consumables and goods

2017	€	2,038
2016	€	1,325
cge.		713

26. Services

2017	€	43,728
2016	€	42,867
cge.		861

(Euro thousands)	2017	2016	CGE.
Utilities	4,406	5,899	(1,493)
Maintenance	7,084	6,062	1,022
Professional fees	3,565	3,508	57
Cleaning and waste removal	3,931	3,427	504
Development charges and traffic promo	1,727	2,758	(1,031)
Other general services	2,207	1,911	296
Corporate board fees	1,642	1,370	272
Other personnel charges	858	776	82
Recovery of expenses	1,881	1,618	263
Insurance	1,083	1,028	55

Operating services	820	738	82
Airport security	12,768	12,033	735
IT Systems	928	910	18
Other sales expenses	828	828	(0)
Total	43,728	42,867	861

27. Leasing and rental costs

2017	€	9,117
2016	€	8,737
cge.		380

They consist of:

	2017	2016	CGE.
Airport concession fee	8,998	8,535	463
Rentals and other	119	202	(83)
Total rent, leases and similar costs	**9,117**	**8,737**	**380**

The airport concession fees consist of:

	2017	2016	CGE.
Airport concession fee	6,861	6,446	415
Addition fees Law 296/06 Article 1, paragraph 1328 (fire protection services)	1,772	1,748	24
Security fee	365	341	24
Total airport concession fees	**8,998**	**8,535**	**463**

The calculation of the principal fees is carried out with reference to the *WLU* (*Work Load Unit*) corresponding for the transport of passengers to a unit, and for the transport of goods to 100 kg of goods.
The change is related to the movements in these units.

28. Personnel costs

2017	€	26,099
2016	€	25,478
cge.		621

The account includes all costs for personnel including promotions, vacation days matured and not taken, provisions in accordance with law and collective contractual agreements.
The changes in the workforce during the year are illustrated in the table below:

Workforce	12-31-17		12-31-16		Change	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Executives	14	0	14	0	0	0
Managers	41	0	37	0	4	0
White-collar	206	27	200	25	6	2
Blue-collar	95	43	88	37	7	6
TOTAL	356	70	339	62	17	8
TOTAL WORKFORCE	426		401		25	

29. Amortisation, depreciation & write-downs

at		
2017	€	22,383
2016	€	15,863
cge.		6,520

This account is divided as follows:

	2017	2016	CGE.
Amortisation & write-downs of intangible assets	13,884	8,878	5,006
Depreciation and write-downs of tangible assets	8,499	6,985	1,514
Total depreciation, amortisation & write-downs	**22,383**	**15,863**	**6,520**

30. Write down of current assets

2017	€	906
2016	€	200
cge.		706

The account "write-down of current assets" includes the doubtful debt provisions; in calculating the allocation, further account was taken of the provision compared to total overdue receivables.
The provisions cover the risk concerning specific positions for which payment difficulties may arise.

31. Changes in inventories of raw materials and goods

2017	€	(166)
2016	€	23
cge.		(189)

32. Provisions for risks

2017	€	281
2016	€	401
cge.		(120)

Provisions for risks and charges are recorded in respect only of certain or probable losses or liabilities, the amount or due date of which could not be determined at year-end. These refer to potential liabilities deriving from legal cases and risks of disputes, including amounts which are uncertain both in amount and in their timing effect.

33. Assets under concession replacement provision

2017	€	3,066
2016	€	3,630
cge.		(564)

This represents the Airport concession replacement provision, determined annually following independent expert reports.

34. Other charges

2017	€	1,342
2016	€	1,336
cge.		6

Other charges comprise:

	2017	2016	CGE.
Sector association contributions	281	269	12
Taxes	627	490	137
Charitable donations	108	104	4
Losses and prior year charges	34	112	(78)
Other charges	292	361	(69)
Total other charges	**1,342**	**1,336**	**6**

FINANCIAL INCOME AND CHARGES

35. Financial income and charges

2017	€	5,860
2016	€	1,893
cge.		3,967

(Euro thousands)	2017	2016	CGE.
Financial income and revaluation of financial assets	113	1,074	(961)
Interest, other financial charges and write-down of financial assets	(5,279)	(4,205)	(1,074)
Profit/loss from companies measured at equity	11,025	5,024	6,001
	5,860	1,893	3,967

FFinancial income is broken down as follows:

(Euro thousands)	2017	2016	CGE.
Gains on sale of equity investments	19		19
Other interest income	23	236	(213)
Interest on bank deposits	12	496	(484)
Interest from subsidiaries and cash pooling	59	341	(282)
Total	**113**	**1,074**	**(961)**

"Financial charges" are broken down as follows:

(Euro thousands)	2017	2016	CGE.
Interest charges	66	77	(11)
Interest from group companies	895	59	836
Interest expense on loans	2,961	3,209	(248)
Other financial expense	1,356	858	498
Exchange gains/(losses)	1	2	(1)
Total	**5,279**	**4,205**	**1,074**

Profits/losses from companies measured at equity reported the following results:

(Euro thousands)	2017	2016	CGE.
Save International Holding S.A.	223	345	(122)
Save Engineering S.r.l.	348	407	(59)
N-Aitec S.r.l.	721	726	(5)
Marco Polo Park S.r.l.	1,344	1,136	208
Archimede 1 S.p.A.	544	152	393
Aer Tre S.p.A.	1,668	942	726
Triveneto Sicurezza S.r.l.	9	88	(80)
Archimede 3 S.r.l.	(19)	(19)	(1)

Agricola SAVE a r.l.	(15)	38	(53)
Save Cargo S.p.A.	(109)	(219)	110
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	171	(152)	323
Airest Retail S.r.l.	5,502	976	4,526
2A Airport Advertising S.r.l	(226)	(74)	(151)
Venezia Terminal Passeggeri S.p.A.	857	702	155
GAP S.p.A.	9	3	6
Nicelli S.p.A.	-	(26)	26
Total	11,025	5,025	6,001

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INCOME TAXES

36. Income taxes

2017	€	13,518
2016	€	17,679
cge.		(4,161)

The income taxes for the year consist of:

	2017	2016	CGE.
Current taxes	15,551	18,860	(3,309)
Deferred tax income & charges	(2,033)	(1,181)	(852)
Total income taxes	**13,518**	**17,679**	**(4,161)**

The table below illustrates the effective tax rate on the pre-tax result, compared to the theoretical IRES tax rate of 24% in force in 2017.
The pre-tax result and the effective taxes in 2016 were restated for comparison with 2017.

Tax rate
In Euro thousands

	2017	%	2016	%
Profit before taxes	**63,623**		**60,533**	
Losses/profits on assets held for sale	0		(1,103)	
Reclassified profit before taxes	**63,623**		**59,430**	
Notional taxes	**15,270**	24.00%	**16,343**	27.50%
Effective taxes	**13,518**		**17,679**	
Effective taxes on losses/profits on Discontinued Operations	0		(298)	
Reclassified effective taxes	**13,518**	21.25%	**17,381**	29.25%
Difference explained by:	**(1,752)**	-2.75%	**1,038**	1.75%
1) tax losses considered recoverable in the year due to CNM effect	0	0.00%	(114)	-0.19%
2) permanent differences:				
i) IRAP and other local taxes	2,857	4.49%	2,842	4.78%
ii) taxes for previous years	17	0.03%	(39)	-0.07%
iii) exempt dividends	(1,191)	-1.87%	(732)	-1.23%
iv) other non-deductible costs / exempt income	(468)	-0.74%	(249)	-0.42%
v) deferred taxes on future deductible IRAP charges	(233)	-0.37%	(308)	-0.52%
vi) exempt gains	(4)	-0.01%	0	0.00%
vii) GOP remuneration ceded to CNM	(1,303)	-2.05%	0	0.00%
viii) tax receivables for investments	(34)	-0.05%	0	0.00%
ix) change IRES rate on DTA provision in year	0	0.00%	256	0.43%
x) revaluation of investments	(1,393)	-2.19%	(618)	-1.04%
Total difference	**(1,752)**	-2.75%	**1,038**	1.75%

The lower effective rate equal to 21.25% compared to the theoretical IRES rate of 24%, is principally due to the exemption of taxation on income and the revaluation of investments, and to the remuneration of the excess Gross Operating Profit (GOP) which the Company has transferred to the parent company Agorà Investimenti Spa in accordance with tax consolidation agreements for the three-year period 2017-2019, and in part offset by the level of IRAP in the year.

NET PROFIT FROM CONTINUING OPERATIONS

at		
2017	€	50,105
2016	€	42,854
cge.		7,251

37. Profit/loss on discontinued operations/held-for-sale

at		
2017	€	-
2016	€	(805)
cge.		805

In relation to the previous year the account mainly included the provision for risks deriving from the contractual mechanisms of the Rep & warranties included in the sales contract to the Lagardére Group of all commercial activities of the Airest Group, excluding those at the airports in which the SAVE Group operates.

NET PROFIT

2017	€	50,105
2016	€	42,049
cge.		8,056

38. Types of financial risks and management

The strategy for the management of financial risks is based on the Company objectives and focuses on the minimisation of interest rate risk and the relative optimisation of the cost of debt, the credit risk and the liquidity risk.
The management of these risks is undertaken in compliance with the principles of prudence and market best practices, with all risk management operations managed centrally.

Interest rate risk

The pre-fixed Company objectives concern:
- hedging of the interest rate risk and financial liabilities;
- compliance with, in the hedging of risk, the general balance criteria between loans and usages for the Company (variable rate and fixed rate portion, short-term and medium/long-term portion).

Cash flow sensitivity analysis

The Company prepared a cash flow analysis concerning loans in place. The analysis begins with the market position at December 31, 2017 and on the basis of interest rate increases/decreases of 0.25% and of 0.50%.
The impact of these changes on future cash flows is Euro +/-3.2 million for a 0.25% interest rate increase/decrease, while Euro +1/-6.3 million for an increase/decrease in the interest rate of 0.50%.

Credit risk

This concerns the risk that either of the parties undertaking a contract, which provides for deferred settlement over a period, does not fulfil a payment obligation, resulting therefore in a financial loss for the other party.
This risk may therefore give rise to more strictly technical-commercial or administrative-legal repercussions (disputes on the nature/quantity of supply, on the interpretation of the contractual clauses, on the supporting invoices etc.), in addition to issues of a typically financial nature, i.e. the credit standing of the counterparty.
For the Company, exposure to credit risk is principally related to the commercial activities concerning the sale of aviation services and real estate activities.
In order to control this risk, the Company has implemented procedures and actions under

which the customers may be evaluated according to the assigned level of attention.
The credit risk concerning other financial assets of the Company, which comprise cash and cash equivalents, presents a maximum risk equal to the book value of these activities in the case of insolvency of the counterparty.

Liquidity risk

The liquidity risk management policy, i.e. the strategy put in place to avoid cash flow difficulties constituting a problem for the Company is considered prudent. The minimal objective is to ensure at all times access for the company to the funding necessary to repay debt maturing in the coming 12 months. Unutilised bank credit lines (including both cash and endorsement credit commitments) totalled Euro 60.6 million and are considered sufficient to meet the commitments in place.
For the breakdown of the medium/long-term loans in place at December 31, 2017, reference should be made to the paragraph "Bank payables less current portion".

The following table summarises the guarantees granted by the Company at December 31, 2017.

Guarantees granted (Euro thousands)	Amount
Sureties:	10,038
- as a guarantee for lease contracts	
- as a guarantee for public grants	
- in guarantee of loans for Save Group companies	10,000
- other	38
Mortgages	
Total guarantees granted	**10,038**

At December 31, 2017, the guarantees granted by SAVE amounted to approx. Euro 10 million and mainly refer to guarantees issued (patronage) against loans subscribed by companies of the Group.

As part of the disposal of the investment in Centostazioni, SAVE S.p.A. provided a guarantee to the purchaser Ferrovie dello Stato Italiane S.p.A. through providing the subsidiary Archimede 1, the vendor, with the funding necessary to fulfil its obligations under the sales contract. This specifically concerns the usual guarantees granted as part of the disposal of a significant investment; these guarantees shall not however exceed 25% of the consideration.

Transactions with related parties

The transactions with companies belonging to the SAVE Group were undertaken at the respective average market values for similar services and of a similar quality. In relation to transactions in the year reference should be made to the comments of the Balance Sheet and Income Statement accounts of the Explanatory Notes and Attachment D for payable/receivable and cost/revenue transactions.

Supplementary Statements

Supplementary Statements

Annex A

Statement of changes in intangible assets and relative amortisation

(In Euro/000)

	Historical cost						Accumulated depreciation					
	01/01/2017	Purchases	Decreases	Grants	Reclassification & other movements	12/31/2017	01/01/2017	Increases	Utilisations	Reclassification & other movements	12/31/2017	Net Intangible assets
Airport concession rights	325,138	31,717			53,698	410,557	74,993	11,743			86,739	323,818
Assets in progress and payments on account	67,078	20,417		(651)	(55,976)	30,866					0	30,866
Sub-total airport concession rights	**392,215**	**52,134**		**(651)**	**(2,278)**	**441,423**	**74,997**	**11,743**			**86,739**	**354,684**
Concessions	**3**					**2**	**2**				**1**	**0**
Other intangible fixed assets with finite useful life	17,190	1,332			130	18,651	13,559	2,141			15,699	2,954
Assets in progress and payments on account	361	866			(101)	1,126					0	1,126
Subtotal other intangible fixed assets with finite useful life	**17,554**	**2,199**			**29**	**19,779**	**13,558**	**2,141**			**15,699**	**4,081**
Total intangible assets	**409,770**	**54,333**	**0**	**(651)**	**(2,249)**	**461,202**	**88,555**	**13,884**	**0**	**0**	**102,438**	**358,765**

Supplementary Statements

Annex B

Statement of changes in tangible assets and relative depreciation

(In Euro/000)

	Historical cost						Accumulated depreciation					
	01/01/2017	Purchases	Decreases	Grants	Reclassification & other movements	12/31/2017	01/01/2017	Increases	Utilisations	Reclassification & other movements	12/31/2017	Net Tangible assets
Land and Buildings	34,638	117				34,755	5,803	3,001			8,803	25,952
Plant and machinery	46,321	6,495	(137)		1,911	54,590	31,317	3,610	(87)		34,840	19,750
Industrial & commercial equipment	4,751	1,122			32	5,904	3,655	345			4,001	1,904
Other assets	18,240	3,294	(15)		912	22,431	13,623	1,569	(39)		15,153	7,276
Assets in progress and payments on account	1,547	1,179			(1,525)	1,201						1,201
Total tangible assets	**105496**	**12,209**	**(152)**		**1,330**	**118,882**	**54,397**	**8,525**	**(125)**		**62,797**	**56,084**

Supplementary Statements

Annex A1

Statement of changes in fixed assets in progress

(In Euro/000)

	Historical cost					Grants				
	Value at 01/01/2017	Purchases	Reclass. Other movements	Decreases	Value at 12/31/2017	Value at 01/01/2017	Increase in the year	Reclass. Other movements	Value at 12/31/2017	Fixed assets in progress net
Intangible assets in progress	**361**	**866**	**(101)**		**1,126**					**1,126**
Assets in progress for airport concession usage rights:										
cdp 1.01 Lot 1 Terminal Extension	51,290	116	(51,282)		124					124
cdp 1.04 Lot 2 Terminal Extension	8,051	5,289			13,340					13,340
cdp 2.22 Terminal/Traffic verification	83				83					83
cdp 4.06 AAMM apron	34	80			114					114
cdp 4.14 Runway development	1,772	5,890			7,662					7,662
cdp 5.01 Hydraulics works	250	1,111			1,361					1,361
cdp 6.03 Rainwater disposal system	3,755	1,571	(5,326)			(2,437)	(651)	3,090		
cdp 1.100.15 VIP Room Extension and upgrading	941		(941)							
cdp 1.100.16 PUA Terminal improvements	156	65	(156)		65					65
Other design works	3,183	6,295	(1,361)		8,117					8,117
Assets in progress for airport concession usage rights	**69,515**	**20,417**	**(59,066)**		**30,866**	**(2,437)**	**(651)**	**3,090**		**30,866**
Owned assets in progress	**1,547**	**1,179**	**(1,525)**		**1,201**					**1,201**
Total assets in progress	**71,423**	**22,462**	**(60,692)**		**33,193**	**(2,437)**	**(651)**	**3,090**		**33,193**

Supplementary Statements

Attachment C

List of directly held subsidiaries and associates at 12.31.2017

(in Euro/1000)

Company	Registered office		% held	Latest financial statements	Share capital	Net Equity	Net Profit/(Loss)	Book value	Share net equity	Difference
								B	A	A – B
Subsidiaries										
MARCO POLO PARK S.r.l.	Tessera Venezia	Viale G. Galilei 3	100.00%	12/31/2017 (**)	516	2,885	1,561	7,610	2,885	(4,725)
TRIVENETO SICUREZZA S.r.l. (****)	Tessera Venezia	Viale G. Galilei 3	65.00%	12/31/2017 (**)	100	1,013	13	652	658	6
SAVE ENGINEERING S.r.l. (*******)	Tessera Venezia	Viale G. Galilei 3	97.00%	12/31/2017 (**)	100	759	346	795	736	(59)
N-AITEC S.r.l.	Tessera Venezia	Viale G. Galilei 3	100.00%	12/31/2017 (**)	50	2,168	417	2,181	2,168	(13)
ARCHIMEDE 1 S.p.A. (*****)	Tessera Venezia	Viale G. Galilei 3	100.00%	12/31/2017 (**)	25,000	49,398	544	54,968	49,398	(5,570)
AER TRE S.p.A.	Treviso	Via Noalese 63	80.00%	12/31/2017 (**)	13,120	15,574	2,109	21,347	12,459	(8,888)
ARCHIMEDE 3 S.r.l.	Tessera Venezia	Viale G. Galilei 3	100.00%	12/31/2017 (**)	50	773	(19)	773	773	
SAVE CARGO S.p.A.	Tessera Venezia	Viale G. Galilei 3	100.00%	12/31/2017 (**)	1,000	667	(112)	661	667	6
SAVE INTERNATIONAL HOLDING S.A. (******)	Brussels (BE)	65 Avenue Louis	99.00%	12/31/2017 (**)	7,450	8,210	28	16,887	8,128	(8,759)
SOCIETA' AGRICOLA SAVE A R.L.	Tessera Venezia	Viale G. Galilei 3	100.00%	12/31/2017 (**)	75	1,048	(16)	9,308	1,048	(8,260)
Total subsidiaries					**47,461**	**82,495**	**4,871**	**115,182**	**78,921**	(36,261)
Associates and JV's										
G.A.P. S.p.A.	Pantelleria	Via Venezia 32	49.87%	12/31/2016 (*)	510	638	18	319	318	(1)
VENEZIA TERMINAL PASSEGGERI S.p.A.	Venice	Marittima Fabbri	22.18%	05/31/2017 (*)	3,920	38,848	3,863	8,335	8,616	281
2A AIRPORT ADVERTISING S.r.l.	Tessera Venezia	Viale G. Galilei 3	50.00%	12/31/2017 (**)	10	19	(452)	9	10	1
AEROPORTO "VALERIO CATULLO" DI VERONA VILLAFRANCA S	Sommacampagna Verona	Caselle Locality	40.82%	12/31/2016 (*)	52,317	47,395	109	30,314	19,347	(10,967)
AIREST RETAIL S.r.l.	Gaggio di Marcon	Via Fratelli Band	50.00%	12/31/2017 (**)	1,000	52,238	11,418	27,488	26,119	(1,369)
Total associates					**57,757**	**139,138**	**14,956**	**66,465**	**54,410**	**(12,055)**

(*): last financial statements approved by the Shareholders' Meeting

(**): last financial statements approved by the Board of Directors or Director

(***): financial statements provided by company management

(****): Save S.p.A. holds 65.00% of Triveneto Sicurezza S.r.l.; Aer Tre S.p.A. holds the remaining 35.00%. The net holding percentage of Save S.p.A. in Triveneto Sicurezza S.r.l. is 97.00%

(*****): Save S.p.A. holds 100% of Archimede 1 S.p.A.

on February 7, 2017, SAVE acquired the totality of Archimede 1's shares

(******): Save S.p.A. holds 99.00% of Save International Holding S.A.; Save Engineering S.r.l. holds the remaining 1.00%

(*******): Save S.p.A. holds 97.00%; N-Aitec S.r.l. holds the remaining 3.00%

Supplementary Statements

Attachment C1

List of indirectly held subsidiaries and associates at 12.31.2017

(in Euro/1000)

Company	Registered office		% held	Latest financial statements	Share capital	Net Equity	Net Profit/(Loss)	Book value	Share net equity	Difference
								B	A	A – B
Indirect subsidiaries										
Save International Holding S.A.										
BELGIAN AIRPORT S.A.	Gosselies	Rue des Frères V	65.00%	12/31/2017 (*)	5,600	11,959	84	3,640	7,773	4,133
Total indirect subsidiaries					**5,600**	**11,959**	**84**	**3,640**	**7,773**	**4,133**

(*): last financial statements approved by the Board of Directors or Director

Annex D

Balance sheet accounts
with group companies included in the financial statements
and associates

amounts stated in Euro\1000

amounts stated in Euro\1000	Financial assets and receivables	Other Receivables	Trade receivables	Non-current financial assets	Trade payables	Other payables	Other financial liabilities and payables	Other lenders – less current portion
2A - Airport Advertising S.r.l.			791					
Aer Tre S.p.A.			257			78	4,370	
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.			155		3			
Agorà Investimenti S.p.A.		-				1,565		
Airest Collezioni Venezia S.r.l.			487					
Airest Retail S.r.l.			5,870		749	1,258		
Archimede 1 S.p.A.			0	10,060			1,044	48,500
Archimede 3 S.r.l.	394					9		
Brussels South Charleroi Airport (BSCA) SA			4					
Finanziaria Internazionale Holding S.p.A.			0					
Finint & Wolfson Associati S.r.l.					8			
Gabriele D'Annunzio Handling S.p.A.			1					
GAP S.p.A. Aeroporto di Pantelleria			3					
Marco Polo Park S.r.l.		59	331		16		2,727	
N-AITEC S.r.l.		228	99		959	18	1,458	
Save Cargo S.p.A.			266			199	567	
Save Engineering S.p.A.			120		939	46	474	
Save International Holding SA							4,528	
Società Agricola Save a r.l.	301		15			42		
Triveneto Sicurezza S.r.l.			117		1,224	488	1,389	
Total	696	287	8,516	10,060	3,898	3,703	16,557	48,500

Attachment D1

Income statement transactions
with group companies included in the financial statements

Amounts stated in Euro\1000	Operating revenue	Other income	Raw and ancillary materials, consumables and goods	Services	Rent, leasing and similar	Other charges	Financial income	Dividends received	Financial charges	
2A - Airport Advertising S.r.l.	2,542	64								
Aer Tre S.p.A.	4	729		16			27			
Aeroporto Civile di Padova S.p.A.		2				1	1			
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	3	150		31						
Agorà Investimenti S.p.A.										
Airest Collezioni Venezia S.r.l.	1,553	6								
Airest Retail S.r.l.	9,395	449	1	1,592		24				
Archimede 1 S.p.A.		5					22		842	
Archimede 3 S.r.l.		7					4			
Banca Finint S.p.A. (PC)					16					
Brussels South Charleroi Airport (BSCA) SA		13								
Finanziaria Internazionale Holding S.p.A.		0								
Finint & Wolfson Associati S.r.l.				8						
Gabriele D'Annunzio Handling S.p.A.	0	1								
GAP S.p.A. Aeroporto di Pantelleria	2	1								
Marco Polo Park S.r.l.	9,072	844		10				1,400		
N-AITEC S.r.l.	1	59		293				700		
Save Cargo S.p.A.	746	274		0		46				
Save Engineering S.p.A.	105	414		33				1,455		
Save International Holding SA				20					53	
Società Agricola Save a r.l.	0	58					4			
Triveneto Sicurezza S.r.l.	272	366		12,712				811		
Venezia Terminal Passeggeri (VTP) S.p.A.	4	11		4				857		
Total	23,698	3,454	1	14,718	16	71	58	5,223	895	-

Supplementary Statements
ATTACHMENT E
Origin, Availability, Distributability and Utilisation of Net Equity pre-result
(In Euro/000)

Origin	Amounts 12.31.2017	Quota not available	Quota available	Quota distributable	Quota not distributable	Sum. of utilisation/mov. in last three yrs.			
						Capital increase	Coverage of losses	Distribution to share.	Other
	(a+b)	(a)	(b)	di b	di b				
Share capital	35,971	35,971							
Capital Reserves :									
Share premium reserve	57,851		57,851	57,851					
Retained earnings :									
Revaluation reserve	6,065		6,065	6,065					
Legal reserve	7,194	7,194							
Treasury shares in portfolio reserve	(5,839)		(5,839)	(5,839)					22,064
Cash Flow Hedge Reserve									
Other reserves and retained earnings	83,598		83,598	35,304	48,293			96,000	(25,504)
Total	184,840	43,165	141,675	93,381	48,293			96,000	(3,440)

Supplementary Statements
Attachment F
Restatement of Balance Sheet 2016

Assets

(Euro thousands)	NOTE	12/31/2016 Restated		12/31/2016
Cash and cash equivalents	1	22,492		22,492
Assets and financial receivables	2	16,076		16,076
Tax assets	3	3,843		3,843
Other receivables	4	2,178		2,178
Trade receivables	5	27,758		27,758
Inventories	6	1,036		1,036
Total current assets		73,383		73,383
of which related parties		*23,968*		*23,968*
Property, plant & equipment	7	51,099		51,099
Airport concession rights	8	317,223		317,223
Other intangible fixed assets with finite useful life	8	3,994		3,994
Investments	9	155,310	48,522	106,788
Other assets	10	10,077		10,077
Deferred tax assets	11	10,344		10,344
Total non-current assets		548,047	48,522	499,525
of which related parties		*10,060*		*10,060*
Total assets		621,430	48,522	572,908

Liabilities

(Euro thousands)	NOTE	12/31/2016 Restated	12/31/2016
Trade payables	12	71,729	71,729
Other payables	13	29,921	29,921
Tax payables	14	3,577	3,577
Social security institutions	15	1,850	1,850
Bank payables	16	37,823	37,823
Other financial liabilities and payables	17	11,124	11,124
Total current liabilities		156,024	156,024
of which related parties		*21,493*	*21,493*
Bank payables – less current portion	18	209,676	209,676
Other lenders – less current portion	19	66	66
Deferred tax liabilities	20	7,158	7,158
Post-employment benefits and other employee provisions	21	2,261	2,261
Other provisions for risks and charges	22	23,740	23,740
Total non-current liabilities		242,902	242,902
of which related parties			
Total liabilities		398,926	398,926

Shareholders' Equity

(Euro thousands)	NOTE	12/31/2016 Restated		12/31/2016
Share capital	23	35,971		35,971
Share premium reserve	23	57,851		57,851
Legal reserve	23	7,194		7,194
Reserve for treasury shares in portfolio	23	(5,839)		(5,839)
Other reserves and retained earnings	23	85,278	46,274	39,004
Profit for the year	23	42,049	2,248	39,801
Total equity		222,504	48,522	173,982
Total liabilities and equity		621,430	48,522	572,908

Supplementary Statements
Attachment F
Restatement of Income Statement 2016

(Euro thousands)	NOTE	2016 RESTATED		2016
Operating revenue	24	151,053		151,053
Other income	24	7,448		7,448
Total operating revenue and other income		**158,501**		**158,501**
of which related parties		*23,398*		*23,398*
Costs of Production				
Raw and ancillary materials, consumables and goods	25	1,325		1,325
of which related parties		*2*		*2*
Services	26	42,867		42,867
of which related parties		*13,859*		*13,859*
Rent, leasing and similar	27	8,737		8,737
of which related parties				
Personnel costs:				
wages and salaries and social security charges	28	23,207		23,207
post-employment benefits	28	1,173		1,173
other costs	28	1,098		1,098
Amortisation, depreciation & write-downs				
amortisation	29	8,878		8,878
depreciation	29	6,985		6,985
Write-downs of current assets	30	200		200
Change in inventories of raw and ancillary materials, consumables & g	31	23		23
Provisions for risks	32	401		401
Replacement provision	33	3,630		3,630
Other charges	34	1,336		1,336
of which related parties		*187*		187
Total costs of production		**99,861**		**99,861**
EBIT		**58,640**		**58,640**
Financial income and revaluation of financial assets	35	1,074	(2,100)	3,174
Interest, other financial charges and write-down of financial assets	35	(4,205)		(4,205)
Profit/losses from companies valued at Equity	35	5,024	4,348	676
		1,893	**2,248**	**(355)**
of which income and charges from related parties		*3,085*		*3,085*
Profit before taxes		**60,533**	**2,248**	**58,285**
Income taxes	36	17,679		17,679
current	36	18,860		18,860
deferred	36	(1,181)		(1,181)
Net profit from continuing operations		**42,854**	**2,248**	**40,606**
Loss from Discontinued Operations/Held-for-sale	37	**(805)**		**(805)**
Net Profit		**42,049**	**2,248**	**39,801**

Deloitte.

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

To the Shareholders of
Save S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Save S.p.A. (the Company), which comprise the balance sheet as at December 31, 2017, and the income statement, the comprehensive income, the statement of changes in shareholders' equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without modifying our opinion, we point out that the Directors, starting from the financial statements as at December 31, 2017, changed the valuation criteria for investments in subsidiaries and associates, moving from the cost criterion to the equity method, as permitted by the accounting principle adopted. The effects deriving from this choice as well as the adoption method of the new valuation criterion are described in the explanatory notes to which reference is made.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of Save S.p.A. are responsible for the preparation of the Directors' report of Save S.p.A. as at December 31, 2017, including its consistency with the related financial statements and its compliance with the law.

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

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

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

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto
Partner

Treviso, Italy
April 4, 2018

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

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