SAVE Group

Half-Year Financial Report at 30 June 2017

2017

SAVE Group

Consolidated Half-Year Report
at June 30, 2017

Contents

SAVE S.p.A.
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

Based on the shareholders' register, through communications received in accordance with Article 120 of Legislative Decree No. 58/98 and other information available to the company, the shareholders of SAVE S.p.A. with holdings of greater than 3% at June 30, 2017 were the following (in addition to treasury shares held at that date):

	% held
MARCO POLO HOLDING S.R.L.	51.23
ATLANTIA S.P.A.	22.10
AGORA' INVESTIMENTI SPA	7.82
METROPOLITAN CITY OF VENICE	4.78
MARKET	12.88
SAVE SPA	1.19

The share percentage holdings of Companies belonging to Finanziaria Internazionale Holding S.p.A. as the majority shareholder are reported below.

	% held
MARCO POLO HOLDING SRL	51.23
AGORA' INVESTIMENTI SPA	7.82
FINANZIARIA INTERNAZIONALE HOLDING SPA	0.59
TOTAL	**59.64**

Board of Directors

The Board of Directors appointed by the Shareholders' AGM of April 21, 2015 and in office at June 30, 2017 were:

Name	**Office**
Enrico Marchi	Chairman & CEO
Monica Scarpa	CEO
Alberto Angeloni	Director *
Luigi Brugnaro	Director
Maurizio Cereda	Director * (B)
Massimo Colli	Director *
Alberto Donzelli	Director (B)
Maria Leddi	Director *
Francesco Lorenzoni	Director
Giorgio Martorelli	Director * (A)
Paola Tagliavini	Director * (A)
Sandro Trevisanato	Director * (A)

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

On June 21, 2017, the Independent Director Mr. Ronald P. Spogli resigned from the company's Board.
On July 18, 2017, the Independent Director Mr. Massimo Colli resigned from the company's Board.
On July 19, 2017, the Board of Directors co-opted Mr. Francesco De Lorenzi, in accordance with Article 2386 of the Civil Code, as a new Independent Director of the company.

Board of Statutory Auditors

The Board of Statutory Auditors appointed by the Shareholders' AGM of April 21, 2015 and in office at June 30, 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)

Interim Directors' Report

Share performance

The Save share performance in H1 2017 is outlined below and tracked against the FTSE IT All-Share index. The official price at June 30, 2017 was Euro 20.766 per share.
The Stock market capitalisation at this date was approx. Euro 1,149 million.
The performance of the Save share in comparison with the FTSE All Share index is outlined below.

Save

Save - FTSE All Share

Consolidated Financial Highlights

(Euro millions)	H1 2017	H1 2016	Cge. %	2016
Revenue	91.6	86.0	6.5%	188.2
EBITDA	40.8	36.6	11.5%	87.7
EBIT	26.4	25.3	4.5%	63.9
Net Profit	17.9	16.0	12.1%	62.0
Fixed Capital Employed	524.9	525.8	-0.2%	501.3
Net operating working capital	(65.9)	(67.4)	-2.2%	(76.5)
Net capital employed from Discontinued Operations				65.2
Net capital employed	**459.1**	**458.5**	**0.1%**	**489.9**
- Own Funds	202.4	196.5	3.0%	222.5
- Minority shareholders	9.5	29.1	-67.4%	29.3
SHAREHOLDERS' EQUITY	**211.9**	**225.6**	**-6.1%**	**251.8**
NET FINANCIAL POSITION	**247.2**	**232.9**	**6.1%**	**238.2**
EBIT/Revenues (ROS)	28.9%	29.4%		34.0%
Passengers (VCE TSF airport system)	6,070,853	5,575,351	8.9%	12,259,145

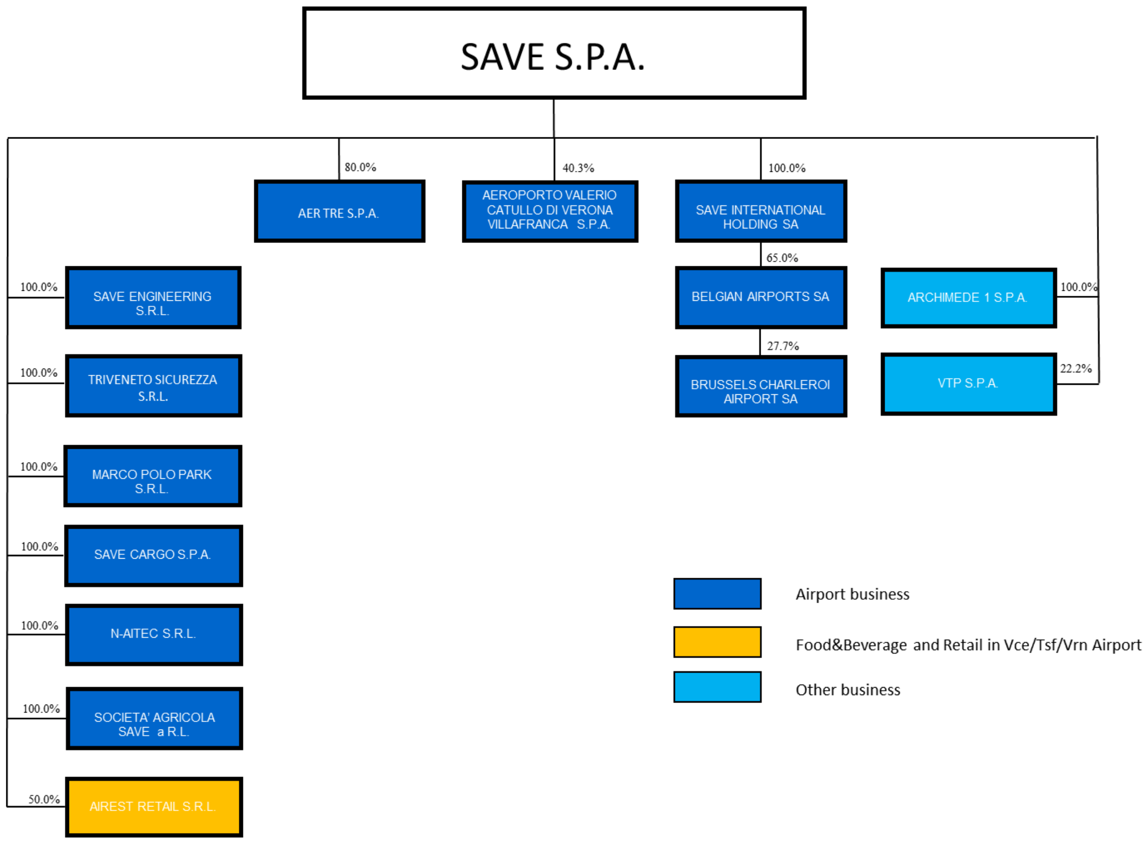
The application of IFRS 5 to the investment in Centostazioni S.p.A. resulted in the restatement of the comparative income statement, through reclassification of the related economic effects to "Profit/Loss from discontinued oeprations/assets held-for-sale". This accounting treatment is in line with the agreement signed on November 15, 2016 with Ferrovie dello Stato Italiane S.p.A. for the disposal of the 40% holding 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.

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.

The SAVE Group

SAVE S.p.A. (“Save” or “Parent Company”) is an investment holding company which principally operates as an airport management. 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).
Save also holds airport sector and related services sector companies.

We report below the structure of the principal operating companies of the SAVE Group at June 30, 2017.



Market performance

The 2017 general economic performance has substantially been in line with the previous year. Signs of a stable global recovery are clouded by uncertainties which impede accurate forecasting.
Growing trade across most countries and reduced financial market volatility are countered by global economic policy uncertainties, largely concerning the new US administration and continued geopolitical tensions in the Middle East.

In Europe, although the French elections have strengthened the European Union the issue of Brexit remains, with its economic and political repercussions yet to materialise. The ECB - against favourable economic growth indications and surprisingly lower than forecast inflation - continues to maintain a significantly accommodating monetary policy in order to ensure inflation in line with long-term objectives.

The Italian economy is outperforming expectations, with ISTAT revising its growth estimates upwards and the Bank of Italy significantly raising GDP growth forecasts for the 2017-2019 period (1.4%, 1.3% and 1.2% respectively) in view of the buoyancy at the beginning of the year, in addition to stronger overseas demand and on the energy raw materials markets[1].

European traffic, as communicated by ACI Europe, following a strong average increase in the first quarter of 6.9% (+7.2% EU airports and +5.9% non-EU airports) continued to improve in the months of April and May (particularly at non-EU airports) on the back of recovering Russian tourism (in May the two main Russian capital airports grew 19.1% and 17.2%).
European traffic is increasingly dominated by the low cost airlines, with the leaders in terms of passengers carried Ryanair and Easyjet growing significantly stronger than the traditional carriers.
In Italy, major difficulties once again emerged at the national carrier in May. It is hoped that the commissioners appointed to manage the crisis reach a long-term solution to guarantee stability and growth for the highly strategic transport sector, with tourism increasingly central to the entire domestic economy.
Our airports - having for some time shifted dependency away from the national carriers - will not be particularly impacted by any major crisis at Alitalia as the few routes served would quickly be taken on by alternative carriers.

H1 significant events

During the period, the Group concluded the reorganisation undertaken to focus on the airport management business. In fact, on January 30, 2017, following receipt of authorisation from the Anti-trust Authority, the disposal of this investment in Centostazioni S.p.A. to Ferrovie dello Stato Italiane S.p.A. was completed.

As announced by the press release subsequently filed at Consob, on April 2, 2017, with regards to the chain of control of our company, Enrico Marchi and the companies controlled by him concluded an agreement with Andrea De Vido concerning the ownership of Finanziaria Internazionale Holding spa, holding company of the parent SAVE S.p.A..

The agreement stipulates the acquisition of the 50% stake in Finint held by Andrea De Vido, who therefore divests from the company and is subject to a number of conditions to be fulfilled by July 30, extendable to August 31, 2017.

As part of this operation, STAR Holdings B.V., the company indirectly held by Morgan Stanley Infrastructure, commits to sell its indirect holding in SAVE S.p.A. simultaneously and subordinately to the completion of the above operation.

Immediately following the signing of the agreement, Enrico Marchi and the companies controlled by him signed an agreement with leading European infrastructural funds - managed by Deutche Asset Management and Infravia Capital Partners - for the sale of a majority stake in SAVE S.p.A. to a newly incorporated company which will hold, directly and indirectly, a majority stake in SAVE comprising 33,577,629 shares (60.68% of the share capital). The agreement stipulates the launching of a mandatory takeover in accordance with Article 106, paragraph 1 of the CFA, on the totality of the remaining Save shares in circulation (the "Mandatory Takeover") at the price implied by the valuation of SAVE shares under the Investment Agreement of Euro 21.00 per share.

Consolidated Operational Overview

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

Euro/000	H1 2017		H1 2016		CHANGE	
Operating revenue and other income	**91,556**	**100.0%**	**85,964**	**100.0%**	**5,592**	**6.5%**
Raw materials and goods	1,137	1.2%	818	1.0%	319	39.0%
Services	18,447	20.1%	19,016	22.1%	(569)	-3.0%
Lease and rental costs	4,792	5.2%	4,607	5.4%	185	4.0%
Personnel costs	25,599	28.0%	24,251	28.2%	1,348	5.6%
Other operating charges	803	0.9%	694	0.8%	109	15.7%
Total operating costs	**50,778**	**55.5%**	**49,386**	**57.4%**	**1,392**	**2.8%**
EBITDA	**40,778**	**44.5%**	**36,578**	**42.6%**	**4,200**	**11.5%**
Amortisation & write-down of intangible assets	6,812	7.4%	4,814	5.6%	1,998	41.5%
Depreciation & write-down of tangible assets	4,613	5.0%	3,810	4.4%	803	21.1%
Replacement provision	2,500	2.7%	2,160	2.5%	340	15.7%
Losses & doubtful debt provision	252	0.3%	116	0.1%	136	117.2%
Provision for risks and charges	182	0.2%	407	0.5%	(225)	-55.3%
Total amort., depreciation, provisions and write-downs	**14,359**	**15.7%**	**11,307**	**13.2%**	**3,052**	**27.0%**
EBIT	**26,419**	**28.9%**	**25,271**	**29.4%**	**1,148**	**4.5%**
Financial income and (charges)	(1,876)	-2.0%	(1,840)	-2.1%	(36)	-2.0%
Profit/losses from Associates & JV's carried at equity	313	0.3%	(113)	-0.1%	426	377.0%
Profit before taxes	**24,856**	**27.1%**	**23,318**	**27.1%**	**1,538**	**6.6%**
Income taxes	6,919	7.6%	7,815	9.1%	(896)	-11.5%
Profit from Continuing Operations	**17,937**	**19.6%**	**15,503**	**18.0%**	**2,434**	**15.7%**
Profit from Discontinued Operations/Held-for-sale		0.0%	503	0.6%	(503)	-100.0%
Net Profit	**17,937**	**19.6%**	**16,006**	**18.6%**	**1,931**	**12.1%**
Minorities	(242)	-0.3%	(335)	-0.4%	93	27.8%
Group Net Profit	**17,695**	**19.3%**	**15,671**	**18.2%**	**2,024**	**12.9%**

The application of IFRS 5 to the investment in Centostazioni S.p.A. resulted in the restatement of the comparative income statement, through reclassification of the related economic effects to "Profit/Loss from discontinued oeprations/assets held-for-sale".

Revenue in the first half of the year totalled Euro 91.6 million, up 6.5% on H1 2016. These principally derive from Group operations at Venice and Treviso airports and is broken down as follows:

	H1 2017				H1 2016				Change				Change %
Euro/000	Total	Venice	Treviso	Others	Total	Venice	Treviso	Others	Total	Venice	Treviso	Others	Total
Aviation fees & tariffs	59,664	52,773	6,891	0	56,384	50,131	6,253	0	3,280	2,642	638	0	5.8%
Cargo Handling Depot	1,391	1,390	1	0	1,408	1,407	1	0	(17)	(17)	0	0	-1.2%
Handling	1,248	562	686	0	1,046	439	607	0	202	123	79	0	19.3%
Aviation revenue	**62,303**	**54,725**	**7,578**	**0**	**58,838**	**51,977**	**6,861**	**0**	**3,465**	**2,748**	**717**	**0**	**5.9%**
Ticketing	46	16	30	0	42	14	28	0	4	2	2	0	9.5%
Parking	7,706	6,831	875	0	6,654	5,908	746	0	1,052	923	129	0	15.8%
Advertising	1,221	1,146	75	0	965	909	56	0	256	237	19	0	26.5%
Commercial	14,691	13,096	1,595	0	13,897	12,535	1,362	0	794	561	233	0	5.7%
Non-Aviation revenue	**23,664**	**21,089**	**2,575**	**0**	**21,558**	**19,366**	**2,192**	**0**	**2,106**	**1,723**	**383**	**0**	**9.8%**
Other income	**5,589**	**2,185**	**224**	**3,180**	**5,568**	**2,758**	**170**	**2,640**	**21**	**(573)**	**54**	**540**	**0.4%**
Total Revenue	**91,556**	**77,999**	**10,377**	**3,180**	**85,964**	**74,101**	**9,223**	**2,640**	**5,592**	**3,898**	**1,154**	**540**	**6.5%**

The most significant events impacting revenue were:

- *Aviation revenue* growth approx. Euro 3.5 million (+5.9%), substantially due to increased system passenger traffic of 8.9% alongside a greater number of promo fares sold by certain airlines. Handling revenue grew on the back of general aviation traffic (+28.9%), in turn improving due to the Venice Biennial Arts Festival; cargo handling revenues remained stable.

- *non-aviation revenue* growth of approx. Euro 2.1 million (+9.8%) outperformed the traffic improvement following particularly strong parking revenue (+15.8%), commercial revenue (+5.7%) and advertising revenue (+26.5%) as they begin to benefit from the additional spaces available following the completion of investments;
- *Other revenue* was stable.

EBITDA totalled Euro 40.8 million, up 11.5% on the first half of 2016. The improved result, with the EBITDA margin increasing approx. two percentage points on H1 2016, follows higher revenue against operating costs which increased Euro 1.4 million (+2.8%), mainly due to increased personnel costs (+Euro 1.3 million) due to the strengthened Group operating structure. Savings of approx. Euro 1.2 million were made on operating costs in terms of traffic promotion, substantially absorbed by higher maintenance and cleaning costs due to the additional spaces available and the company policy to improve the quality standards of our airports.

EBIT amounted to Euro 26.4 million, compared to Euro 25.3 million in the first half of 2016 (+4.5%). The increased EBITDA was partially absorbed by higher amortisation, depreciation and provisions of approx. Euro 3 million against new assets entering into use, in particular in the second half of 2016.

Net financial charges amounted to Euro -1.6 million compared to approx. Euro -2.0 million in H1 2016. The result substantially relates to the improved contribution from associates from a net loss of Euro 0.1 million to a net profit of Euro 0.3 million, thanks in particular to Airest Retail and Aeroporto Valerio Catullo di Verona Villafranca, both improving on H1 2016.

The **profit before taxes** therefore was approx. Euro 24.9 million, compared to Euro 23.3 million in the first half of 2016 (+6.6%).

The Group **net profit** totalled Euro 17.7 million, compared to approx. Euro 15.7 million in the first half of 2016.

Group Reclassified Balance Sheet

Euro/000	06/30/2017	12/31/2016	Change	06/30/2016
Property, plant & equipment	61,210	63,505	(2,295)	58,232
Airport concession rights	386,090	358,989	27,101	324,353
Intangible fixed assets	11,293	11,568	(275)	11,079
Financial fixed assets	82,588	82,232	356	146,073
Deferred tax assets	28,318	27,425	893	26,665
TOTAL FIXED ASSETS	**569,499**	**543,719**	**25,780**	**566,402**
Post-employment benefits	(3,798)	(3,696)	(102)	(3,597)
Provision for liabilities and deferred taxes	(40,769)	(38,735)	(2,034)	(36,982)
Other non-current financial assets	0	0	0	7
Fixed Capital Employed from assets held-for-sale	**0**	**65,600**	**(65,600)**	**0**
FIXED CAPITAL EMPLOYED	**524,932**	**566,888**	**(41,956)**	**525,830**
Inventories	1,347	1,239	108	1,360
Trade receivables	41,941	34,282	7,659	44,666
Tax assets	3,055	4,180	(1,125)	3,331
Other receivables and other current assets	3,708	1,537	2,171	2,592
Trade payables and advances	(60,591)	(72,842)	12,251	(63,219)
Tax payables	(12,028)	(4,053)	(7,975)	(13,474)
Payables to social security institutions	(3,718)	(3,547)	(171)	(3,275)
Other payables	(39,591)	(37,337)	(2,254)	(39,343)
Net working capital from assets held-for-sale	**0**	**(399)**	**399**	
TOTAL NET WORKING CAPITAL	**(65,877)**	**(76,940)**	**11,063**	**(67,362)**
TOTAL CAPITAL EMPLOYED	**459,055**	**489,948**	**(30,893)**	**458,468**
Group Net Equity	202,402	222,504	(20,102)	196,502
Minority interest	9,483	29,250	(19,767)	29,065
SHAREHOLDERS' EQUITY	**211,885**	**251,754**	**(39,869)**	**225,567**
Cash and current assets	(5,223)	(23,827)	18,604	(52,398)
Current bank payables	228,631	40,483	188,148	45,993
Non-current bank payables	23,726	214,573	(190,847)	232,338
Other lenders	237	316	(79)	424
Financial receivables from group & related companies	(201)	(172)	(29)	(188)
Financial payables to group & related companies	0	6,821	(6,821)	6,732
TOTAL NET FINANCIAL POSITION	**247,170**	**238,194**	**8,976**	**232,901**
TOTAL FINANCING SOURCES	**459,055**	**489,948**	**(30,893)**	**458,468**

The Group's balance sheet in terms of Capital Employed was impacted by the disposal of the investment in Centostazioni, recognised at December 31, 2016 for Euro 65.6 million, therefore reducing Fixed Capital by approx. Euro 40 million. The major investment plan developed by the Group over the last 12 months (approx. Euro 37 million in the second half alone of 2017) however brought this figure in line with June 30, 2016.

Specifically, **investments** in the period amounted to approx. Euro 36 million (Euro 36.6 million including cyclical maintenance investments), compared to Euro 43 million in the first six months of 2016 and principally include the works at Venice airport, of which approx. Euro 27.2 million for the design, extension and alterations to Lot 1 of the Venice terminal.

Working capital was negative for Euro 65.9 million, increasing approx. Euro 10 million on December 31, 2016 due to seasonal movements. In fact, the balance was substantially in line with H1 2016.

Shareholders' equity totalled Euro 211.9 million, compared to approx. Euro 225.6 million at June 30, 2016. Compared to approx. Euro 251.8 million at December 2016, the principal movements concerned:

- the payment of dividends to shareholders in the first half of the year of Euro 38 million;

- the acquisition by SAVE S.p.A. in February 2017 of minority holdings in Archimede 1 S.p.A. for approx. Euro 19.8 million, therefore reducing minority interest shareholders' equity by a similar amount;
- the net profit, excluding minority interests, of approx. Euro 17.9 million.

Net Financial Position

The Group **net debt** increased from Euro 238.2 million at December 31, 2016 to Euro 247.2 million at June 30, 2017 (Euro 232.9 million at June 30, 2016).

	(EURO THOUSANDS)	06/30/2017	12/31/2016	06/30/2016
	Cash and cash equivalents	5,223	23,827	52,398
	Other financial assets	201	172	188
	Financial assets	**5,424**	**23,999**	**52,586**
**	Bank payables	228,631	40,483	45,993
*	Other financial liabilities – current portion	191	7,071	7,069
	Current liabilities	**228,822**	**47,554**	**53,062**
**	Bank payables – less current portion	23,726	214,573	232,338
	Other lenders – less current portion	46	66	87
	Non-current liabilities	**23,772**	**214,639**	**232,425**
	Net Financial Position	**(247,170)**	**(238,194)**	**(232,901)**
*	of which liabilities for derivative contracts carried at fair value	150	209	297
**	Total gross payables to banks	252,357	255,056	278,331

Current assets available totalled Euro 5.4 million, reducing approx. Euro 18.6 million on December 2016.

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 approx. Euro 38.6 million, from a positive approx. Euro 23.8 million at the end of 2016 to a negative approx. Euro 14.8 million at June 30, 2017. Bank loan repayments totalled approx. Euro 23.1 million, with third party repayments of Euro 6.8 million. Operating activities generated cash flows of approx. Euro 32.6 million, substantially from self-financing activities.
Tangible and intangible asset investment absorbed Euro 48.7 million, with Euro 19.8 million employed for the acquisition of minority holdings in subsidiaries substantially compensated by the flow generated by the disposal of the holding in Centostazioni S.p.A..

An additional outflow was the payment of dividends totalling Euro 38 million in May 2017.

Net payables for the fair value measurement of interest rate risk hedging amounted to Euro 150 thousand, compared to net payables of Euro 209 thousand at the end of the previous year and are categorised as "Other current financial liabilities".
Group bank loans, measured under the amortised cost method, totalled Euro 232.4 million. The portion maturing in the coming 12 months amounted to Euro 208.6 million, of which Euro 205.9 million concerning the Parent Company. Loans due beyond one year totalled Euro 23.7 million, of which none due beyond five years.
The significant increase in short-term maturities relates to the natural maturity of outstanding loans. The Group's capital structure, together with its present and future

earnings capacity, permits their refinancing. The company has already initiated negotiations with the lending institutions in this regard.
At the reporting date, IRS's on medium/long-term loans were in place against interest rate increases for approx. 12.9% of their total capital value.

Guarantees granted

The following table summarises the guarantees granted by the SAVE Group at June 30, 2017.

Guarantees granted (Euro thousands)	Amount
Sureties:	**205**
- as a guarantee for lease contracts	64
- as a guarantee for public grants	-
- as a guarantee for public body receivables/payables	103
- other	38
Mortgages	-
Total guarantees granted	**205**

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 at June 30, 2017	06/30/2017		12/31/2016		06/30/2016		Cge. 6/30 - 12/31		Cge. 06/17 - 06/16	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Executives	21	0	20	0	20	0	1	0	1	0
Managers	53	1	49	1	47	1	4	0	6	0
White-collar	600	269	542	211	537	264	58	58	63	5
Blue-collar	141	145	139	65	142	98	2	80	(1)	47
Apprentices	0	0	0	0	0	0	0	0	0	0
TOTAL	**815**	**415**	**750**	**277**	**746**	**363**	**65**	**138**	**69**	**52**
TOTAL WORKFORCE	**1,230**		**1,027**		**1,109**		**203**		**121**	

Employees at June 30, 2017, including both full-time and part-time, in addition to fixed contract employees, reached 1,230, increasing 203 compared to December 31, 2016.
The full-time equivalent of the total airport activity workforce at June 30, 2017 was 1,129 employees, compared to 935 at December 31, 2016.
The expanded workforce on the same period of 2016 derives from the strengthening of the technical, operational and security areas alongside infrastructural development, following the major investment which has been rolled out at the terminal and the increased passenger traffic.

Airport Management Review

Traffic performance

The half-year figures published by Assaeroporti on Italy's airports highlight a rise in traffic of 6.8% on H1 2016, with over 80 million passengers transported at domestic airports and more than 720 thousand movements (+2.8% on the previous year).

Italian airports - Breakdown of passenger traffic by category

	H1 2017	Cge. % '17/'16
Intercontinental Gateways *	34,075,679	4.8%
Airports with mainly ultra low-cost traffic **	24,623,957	7.0%
Others ***	21,762,608	10.0%
Total	80,462,244	6.8%

*Intercontinental Gateways: Rome Fiumicino, Milan Malpensa, Venice

** Airports with >50% ultra low-cost traffic (Ryanair & Wizz Air): Bari, Bergamo, Bologna, Brindisi, Lamezia Terme, Palermo, Pisa, Rome Ciampino, Treviso

*** Remaining Airports: Cagliari, Catania, Florence, Milan Linate, Naples, Turin, Trieste, Verona

The European market over recent years has seen the embedding and proliferation of low cost carriers such as Ryanair, easyJet, Wizz Air, Vueling, Germanwings, Air Berlin and Volotea.
In response, the traditional carriers such as Lufthansa, Air France and British Airways have invested in their low cost divisions, both by promoting existing airlines (such as Vueling for IAG, Eurowings for the Lufthansa Group and Transavia for the Air France-KLM Group) and launching new airlines (such as Joon for Air France).
In view of these developments, domestic traffic has been broken down into the following new airport categories:
"Intercontinental Gateways" comprising three major terminals formally recognised as intercontinental: Milan Malpensa, Rome Fiumicino and Venice.
"Predominantly ultra low cost traffic airports" comprising terminals where ultra-low cost traffic accounts for more than 50% (Ryanair & Wizz Air).
"Others" comprising the remaining Italian airports.
This breaks down the airports predominantly comprising ultra-low cost carriers and those with a differing network/point-to-point traffic mix.

The traffic breakdown highlights the major growth of the Milan Malpensa intercontinental gateway (+14.7% in 2016) following the transfer of Air France-KLM operations from Milan Linate and the opening of the new Ryanair base. Venice grew ahead of the national average at 6.8% thanks to the consolidation of the easyJet base. Rome Fiumicino contracted (-0.2% on 2016), principally due to the downscaling of the Vueling base, in addition to a slight contraction for easyJet and Alitalia traffic.

Most of Ryanair's growth did not stem from airports in which it has a significant presence, but rather from its focus on operations from Malpensa, Naples and Bergamo with the domestic market, increasing therefore market share in the rest of Italy.

Venice-Treviso Airport System

The Venice Airport System carried over 6 million passengers in the first six months of 2017, up 8.9% on the previous year, for over 53 thousand movements (+4.1% on 2016).

The following table reports the key traffic data for H1 2017 (compared to H1 2016):

VENICE AIRPORT SYSTEM

Year-to-date June

	H1 2017	% of system	H1 2016	% of system	CGE. % '17/'16
SAVE					
Movements	42,951	80%	41,782	81%	2.8%
Passengers	4,620,162	76%	4,327,477	78%	6.8%
Tonnage	2,945,270	83%	2,949,721	85%	-0.2%
Cargo (Tonnage)	30,006	100%	28,567	100%	5.0%
AERTRE					
Movements	10,481	20%	9,531	19%	10.0%
Passengers	1,450,691	24%	1,247,874	22%	16.3%
Tonnage	602,503	17%	532,614	15%	13.1%
Cargo (Tonnage)	0	0%	0	0%	-100.0%
SYSTEM					
Movements	53,432		51,313		4.1%
Passengers	6,070,853		5,575,351		8.9%
Tonnage	3,547,773		3,482,335		1.9%
Cargo (Tonnage)	30,006		28,567		5.0%

The breakdown of traffic by type was as follows:

VENICE AIRPORT SYSTEM

Year-to-date June

	H1 2017	Cge. % '17/'16
Commercial Aviation		
Scheduled + Charter		
Movements (no.)	48,140	2.8%
Passengers (no.)	6,061,140	8.9%
Cargo (tonnes)	29,753	4.3%
Mail (tonnes)	252	426.9%
Aircraft (tonnes)	3,477,282	1.5%
General Aviation		
Movements (no.)	5,292	18.2%
Passengers (no.)	9,713	18.7%
Aircraft (tonnes)	70,491	27.8%
Overall		
Movements (no.)	53,432	4.1%
Passengers (no.)	6,070,853	8.9%
Cargo/Mail (tonnes)	30,006	5.0%
Aircraft (tonnes)	3,547,773	1.9%

Venice

Venice passenger numbers in H1 2017 totalled over 4.6 million, increasing 6.8% on the first half of 2016, for nearly 43 thousand movements (+2.8% on 2016).

International traffic expanded 8.1% in the first six months of the year, against a 1.5% domestic passenger contraction.
The international component accounts for 87% (according to Assaeroporti's figures the national average was 64% in the January-May period). In particular, non-Schengen passenger numbers increased 9% on 2016, with nearly 1.5 million passengers in the first half of the year and a market share of 32%.

26% of passengers departing from Venice connected with an intermediate airport for onward travel in the first half of the year. Frankfurt was the main intermediate airport, followed by Rome FCO and Paris CDG.

North American and Asian long-haul passengers numbered over 350 thousand in the first six months of the year, in line with the previous year. Mid-range traffic improved 6%, with nearly 75 thousand passengers carried by the airlines operating on direct routes between Venice and Israel, Morocco and Tunisia.

A significant number of new operations were launched in summer 2017.
Easyjet, based in Venice from the first half of 2016, located an additional aircraft at the airport from May 2017 (5 aircrafts in total), operating new domestic and international destinations: Alghero, Lille, Marseilles, Palma de Mallorca, Toulouse, Zurich.
Volotea, also based at Venice, extended its range of direct destinations, introducing operations with Cephalonia and Malaga.

Transavia connected Venice to Rotterdam from April (the new route replaces the carrier's Amsterdam operations).
Flybe introduced a new flight to London Southend in May.
Air Serbia began flights between Venice and Belgrade in June, and Alitalia connecting Venice with St. Petersburg; adding to its Russian market operations, Ural Airlines has launched flights to Moscow Domodedovo.
In terms of the long-haul network, seasonal operations with Canada (Montreal, Toronto) were confirmed, and with the United States (Atlanta, New York EWR, New York JFK, Philadelphia), in addition to Middle Eastern destinations (Abu Dhabi, with a move to wide-body aircraft between June and September, Doha, Dubai). Air Transat introduced an additional flight to Montreal. Furthermore, Delta Air Lines will extend direct operations between Venice and Atlanta until September. Asiana connects Venice to Seoul from June, with 2 weekly charters extended until October.

General aviation traffic at Venice was up 28.9% in the first half of 2017: this principally stems from the hosting of the Venice Arts Biennial.

Total cargo traffic improved 5% on the first half of 2016 (couriers and mail). Emirates was confirmed as the leading cargo airline, with quantities carried increasing 17% on 2016. Courier traffic also grew (+7% on the previous year).

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

Origin/destination areas - Venice
Year-to-date June

	H1 2017	CGE. % '17/'16
Domestic traffic	592,947	-1.5%
EU Traffic	3,121,898	9.8%
Non-EU Traffic	897,402	2.3%
Total commercial aviation	4,612,247	6.7%
General Aviation	7,915	28.9%
Total	4,620,162	6.8%

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-date June

Country	H1 2017	Cge. % '17/'16
France	791,268	10.6%
Great Britain	722,859	16.0%
Germany	619,483	3.0%
Italy	592,947	-1.5%
Spain	309,024	7.1%
Netherlands	238,529	-5.7%
Switzerland	165,177	0.5%
UAE	144,139	-6.1%
Turkey	124,629	-13.5%
Belgium	101,549	21.2%
Others	802,643	16.1%
General Aviation	7,915	28.9%
Total	4,620,162	6.8%

France was confirmed as the leading destination in the first six months of 2017, with traffic up 10.6%, particularly thanks to Easyjet and Vueling's operations between Venice and Paris CDG. The English market follows, improving 16% on the previous year: all airlines operating between Venice and Great Britain reported growth, while Ryanair was fully operative with Bristol and Flybe introduced operations with London Southend. Domestic traffic accounted for 13% of the total in the first half of the year (-1.5% on the previous year, +1.7% in the second quarter).

Non-EU traffic accounted for 19% of total traffic in the first half of 2017 (nearly 900 thousand passengers). A breakdown by destination/origin follows:

- Over 130 thousand passengers utilised the direct connections between Venice and the United States in the first half of 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, Etihad Airways for Abu Dhabi, Qatar Airways for Doha) numbered nearly 220 thousand in the first 6 months of 2017);
- Nearly 4 thousand passengers were carried by Asiana from Seoul to Venice in June (first month of operations);
- Passengers travelling to Russia increased 13% during the period (over 85 thousand) thanks to Aeroflot and Ural Airlines operations to Moscow and Alitalia's to St. Petersburg;
- Nearly 50 thousand passengers were carried to the Ukraine and Moldova in the first half of the year on flights operated by Ukraine International Airlines, Air Moldova and Flyone;
- From June, Venice was also connected to Belgrade by Air Serbia, with nearly 2 thousand passengers carried in the first month of operations;
- Turkish Airlines carried nearly 125 thousand passengers between Venice and Istanbul between January and June 2017; the suspension of operations by the airline with Istanbul Sabiha cut traffic 13% on the previous year; Istanbul was confirmed

also in the first half of the year as the third largest connecting airport (after Doha and Dubai) for indirect flights to Asian final destinations and the second largest hub (after Rome FCO) for final African continent destinations;
- Over 23 thousand passengers were carried between Venice and Israel (Tel Aviv) by El Al direct operations;
- Direct passengers between Venice and Morocco (Casablanca) numbered nearly 39 thousand in the first half of the year, thanks to flights operated by Air Arabia Maroc and Royal Air Maroc, in addition to over 11 thousand passengers carried on Tunisair flights with Tunis.

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

Principal Venice airlines
Year-to-date June

Airline	H1 2017	Cge. % '17/'16
Easyjet	1,230,369	18.2%
Alitalia	257,655	-29.4%
Volotea	251,974	-1.5%
British Airways	250,004	22.9%
Lufthansa	232,101	7.5%
Air France	223,333	-5.3%
Vueling	176,097	20.9%
Klm	160,616	-1.3%
Iberia	146,665	8.9%
Turkish Airlines	124,629	-13.4%
Others	1,558,804	10.0%
General Aviation	7,915	28.9%
Total	4,620,162	6.8%

The airlines based at Venice (easyJet and Volotea) accounted for 32% of traffic, with nearly 1.5 million passengers carried. Easyjet was confirmed as the leading airline with over 1.2 million passengers in the first half of 2017, up 18% on the same period of 2016, thanks also to the additional aircraft located at the airport from May.
The drop in Alitalia traffic (-29%) relates to the transfer of Abu Dhabi operations to Etihad Airways.
Vueling reported a strong performance (+21% between January and June): the airline connects Venice to Barcelona and from May 2016 has operated also between Venice and Paris CDG.

Treviso

Treviso airport carried over 1.4 million passengers in the first half of 2017, up 16.3% on H1 2016 (for over 10 thousand movements, +10% on the previous year).
The airport accounts for 24% of total System traffic.

Ryanair carried over 1.2 million passengers in the first half of the year, increasing 15% on 2016 and with a total market share of 86%. The domestic market particularly grew (+12%, also thanks to the new Naples operations), in addition to the German market (+79%, thanks to operations with Hamburg and the additional flights with Berlin SXF). Ryanair operated the new destinations of Hamburg, Krakow and Naples from the summer season at Treviso.
Wizzair traffic also increased (+20%), thanks to the performance with Romania (+22%, related in particular to new operations with Craiova and Suceava), in addition to Moldova (+29%).

Garda Airport System

Verona

Verona airport reports a 12.5% improvement on the previous year, with over 1.35 million passengers carried. Movements totalled nearly 14 thousand (+14.9% on 2016).
Scheduled passenger traffic performed strongly (+18% on the previous year), also thanks to new operations introduced from summer season 2017. Among the numerous new flights, Ryanair extended its range of destinations, introducing connections with Hamburg, Berlin, Cagliari, Madrid and Nuremberg, with Volotea flying from Verona to Cork, Lampedusa, Mikonos and Minorca and CSA operating direct flights between Verona and Prague.
The leading airlines in the first 6 months of 2017 were Ryanair (+68% on 2016) and Volotea (+13% YoY), each with a 16% market share. Neos follows, consolidating its position as the third largest airline in terms of passenger traffic in the first half (+23% on 2016 for over 110 thousand passengers). S7 also consolidated traffic with Moscow DME (+39% on 2016 for over 50 thousand passengers, also thanks to the introduction of additional flights).
Domestic traffic accounts for 32%, improving 10% on 2016 thanks to the new Volotea and Ryanair flights. International passenger numbers increased 23%: this was also supported by the new routes of Hamburg, Berlin and Nuremberg, contributing to the 32% German market improvement. Growth was assisted also by the leisure segment, with strong outgoing long haul destination results, in particular for Egypt and Cuba, in addition to the new Neos connections with Jamaica and the Maldives.

Brescia

H1 2017 Brescia airport cargo improved 29.5% for over 15 thousand tonnes of cargo/mail carried.
Air cargo, with nearly 4 thousand tonnes carried, improved over 5-fold on 2016. This follows the launch of 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 reforwarding of products delivered from China for the online sales platforms.
Truck volumes grew 25% at the airport (thanks to the strong Lufthansa Cargo performance).

Mail, representing more than 50% of overall cargo volumes, contracted 5.6% in the first 6 months of the year. This partly relates to the restructuring of the Mistral Air and Alitalia fleets and the use of lower cargo capacity aircraft.

SAVE Group development plans

Venice

✈ The positive response to the additional capacity, together with improved flight loads, enables us to boost growth rates with the addition of aircraft and the extension of the number of destinations served and the new operations to the European hubs;

✈ In terms of international traffic, we continue to extend the long haul operating season. In addition, we expect that a certain number of destinations are ready to launch non-stop flights - both to North America and the Far East. The strong economic prospects for these regions, together with the low cost of fuel and a greater availability of aircraft generates optimism in this regard.

Treviso

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. These factors facilitated the strong performance in the first half of 2017.

Verona

Scheduled traffic at Verona has begun to grow thanks to the new operations opened over the last year, based also on strong leisure segment development and a partial recovery for Red Sea traffic, in addition to major long haul destination growth.
On this basis, we are working to:

✈ increase incoming flights from destinations with significant interest in the region (Russia and Great Britain);

✈ increase outgoing operations, in synergy with Volotea (airline based at the airport);

✈ improve the airport's connectivity;

✈ take advantage of the introduction of Neos' Boeing 787 at year-end to develop new markets.

Brescia

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 H1 2017 numbered approx. 3.6 million (up 3% on the same period of the previous year).
The main airline at the airport is Ryanair, with a market share of 80% and carrying over 2.8 million passengers. Ryanair's operations at June 30, 2017 comprised 79 regular destinations. Ryanair announced that from October 2017 the current offer will be supplemented with two weekly flights for Eilat (Israel).
Wizzair, operating out of the airport with 9 routes, in H1 2017 carried approx. 344 thousand passengers, up 5% on the same period of the previous year.
Jetairfly (TUI fly Airlines Belgium) in H1 2017 operated 28 regular routes and carried over 302 thousand passengers. The Belgian airline TUI fly announced the addition in 2017 of two new routes from next winter: Sharm El Sheikh (Egypt) and Murcia (Spain).

Investments at Venice and Treviso airports

Investments totalled Euro 36.6 million, of which approx. Euro 0.6 million allocated to the assets under concession replacement provision.
The main investments in the first half of 2017 included:
Euro 27.2 million for the design, extension and adjustment of Lot 1 of the Venice terminal which was completed in the period and opened to the public on June 17, 2017; Euro 3.3 million for existing airport infrastructure works; Euro 1.8 million for the development of runways and aircraft stand; Euro 1.1 million for works carried out at Treviso airport; Euro 0.8 million for hydraulics works and territorial protection and environmental design and works; Euro 0.9 million for hardware and software investment; Euro 0.5 million for parking upgrade works.

Regulatory framework developments

Regulatory Agreement

As previously stated, 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. ENAC recognised the applicability of the regulation to Venice, based on the Venice/Treviso System, as also recognised by Italian and European legislation.
With Presidential Decree of December 28, 2012, published in the Official Gazette No. 303/2012, the Regulatory Agreement signed on October 26, 2012 between ENAC and SAVE was approved. In accordance with the above-stated Presidential Decree, ENAC and SAVE signed an Additional Agreement which introduced the conditions of the President of the Governmental Council of Ministers. The new tariff system entered into force on March 11, 2013 and from February 1, 2017 the new regulatory fees for the second tariff sub-period 2017-2021 entered into force.
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. Assaeroporti, which represents the major Italian airports, among others, intervened in defence of SAVE and the other cited parties. 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.
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. The request for information from the European Commission concerns the obligation for full collaboration by member states under Article 4, paragraph 3 on the European Union treaty and the right of the Commission to launch an infraction procedure in accordance with Article 258 of the TFEU for any non-compliance with this obligation. In October 2014, in order to avoid the opening of an infraction procedure, ENAC adopted the Guidelines for the consultation procedure between the manager and airport users for the supplementary regulatory agreements. In the initial months of 2015, the General Mobility and Transport section of the European Commission requested the Italian Authorities to provide additional information, which was communicated in the letter of April 24, 2015.
Latterly, 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 and in relation to which the Italian Government has been invited within two months to communicate observations with regard to the contestations put forward. In particular, the Commission does not consider Italian law compatible with the European directive as disputes between managers and airport users may not be submitted before the Oversight Authority with regard to the airports of Rome, Milan and Venice. In addition, according to the Commission, there will be no legal basis for ENAC to continue its oversight functions in the area of airport fees for airports subject to the directive, following the beginning of operations of the TRA in January 2014.
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.
Ministry of Infrastructure and Transport Guidelines No. 267 of August 5, 2016 clarified (Article 6, paragraph 2) that "...*ENAC acts as the Oversight Authority, in accordance with Directive 2009/12/EC of March 11, 2009, for the setting of the long-term tariff levels applicable to airports operating under regulatory agreements, following verification of the state of advancement of investments set out under such contracts and of operating costs and associated increases*".
Where the State does not agree with the opinion of the Commission, a dispute phase of the infraction procedure may be initiated, which would be held before the Court of Justice (Article 258, section 2, TFUE). In the case in which the EU court agrees with the assessment of the Commission, the judgement would declare the existence of an infraction and the State will be held to comply, adopting the necessary measures to adjust Italian law to that of the Union (Article 260, section 1, TFUE). Where the European directives are not incorporated, the Commission may request the Court to declare non-fulfilment of an obligation and to judge payment against the non-compliant State of a monetary sanction or a non-performance penalty before completion of any subsequent pre-litigation phase.

As yet the Commission has not yet expressed its view.

Airport fees

As stated above, from February 1, 2017, SAVE has applied the airport fees established by the Regulatory Agreement, approved by Presidential Decree of December 28, 2012, for the second tariff sub-period 2017-2021. On April 20, 2015, an extraordinary appeal was notified to SAVE by the Head of State, proposed by AICAI (Associazione Italiana Corrieri Aerei Internazionali) and the major carriers, for the cancellation, following suspension of efficacy, of 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. SAVE notified opposition to the extraordinary appeal in accordance with Article 10 of Presidential Decree No. 1199/1971, so that the appeal should be decided before the Veneto Regional Administrative Court, where SAVE may put forward the inadmissibility and lack of foundation of the appeal. With deed notified on July 1, 2015, the appeal was transposed before the Veneto Regional Administrative Court, with re-preposition of the suspension of the challenged provisions. Following the application of the plaintiffs for the reconsideration of the case (i.e. the suspension), the Veneto Regional Administrative Court, at the hearing of October 7, 2015 postponed further consideration to a later date.
The fees are updated annually in accordance with Article 15 of the Regulatory Agreement. The latest tariff update entered into force on February 1, 2017.

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. Publication in the Official Gazette of the Italian Republic on the referral ruling to the Constitutional Court is currently awaited. Ahead of its pronouncement, the Cassation judgement has been suspended.

Municipal surtax

The Decree of the Ministry for Infrastructure and Transport, together with the Ministry for the Economy and Finance, of October 29, 2015, No. 357, published in Official Gazette No. 300 of 28-12-2015, quantified the amount of the municipal surtax increase on passenger fees to be allocated to the INPS, as per Article 13, paragraph 23 of Legislative Decree No. 145 of December 23, 2014, converted into Law No. 9 of February 21, 2014, as Euro 2.50 per paying passenger from January 1, 2016, Euro 2.42 for 2017 and Euro 2.34 for 2018.
The new Article 13-*ter* of Legislative Decree No. 113/2016, Local Entities Decree, inserted through Conversion Law No. 160 of August 7, 2016, suspended (paragraph 1) the application of the municipal surtax on passenger fees (in accordance with Article 13, paragraph 23 of Legislative Decree No. 145 of December 23, 2013, converted, with amendments, by Law No. 9145/2016 of February 21, 2014) for the period between September 1 and December 31, 2016. The provision has the objective of supporting air sector growth and reducing passenger charges.
For 2019, the municipal surtax on passenger fees, as per Article 6-*quater*, paragraph 2 of Legislative Decree No. 7 of January 31, 2005, converted with amendments by Law No. 43 of March 31, 2005, increased Euro 0.32. This increase may be recalculated downwards in view of air transport and airport system sector Solidarity Fund inflows and benefits.
On September 13, 2016, judgment No. 9692/2016 was filed, under which the Lazio Regional Administrative Court partially accepted the appeals presented by Easyjet and Ryanair for the repeal of Ministerial Decree of October 29, 2015. The judgement repealed the Ministerial Decree with regards to the section concerning the application of the municipal surtax for the January 1, 2016 - February 20, 2016 period, as incompatible with Article 3, paragraph 21 of Law No. 212/2000 which states that "*tax provisions may not establish requirements upon contributors whose deadline precedes the sixtieth day following its entry into force or the adoption of the expressly established enactment provisions*". An appeal was proposed before the Council of State against the judgment (rg 1873/2017) by the General State Prosecutor.
Finally, Article 1, paragraph 378 of Law No. 232 of December 11, 2016 (State budget for financial year 2017 and long-term budget for the 2017-2019 three-year period) established that *"In order to support air sector growth and reduce passenger charges, the increase of the municipal surtax on passenger fees established in accordance with Article 13, paragraph 23 of Legislative Decree No. 145 of December 23, 2013, converted, with amendments, by Law No. 9 of February 21, 2014, is suspended from January 1, 2017".*

National Airport Development Plan

Decree No. 201 of the President of the Republic of September 17, 2015 entered into force from January 2, 2016, concerning the identification of airports of national interest (the "Airports Plan"). Decree of the President of the Republic No. 201 of September 17, 2015 (Official Gazette No. 294 of 18/12/2015), in application of the criteria established by Article 698 of the navigation code, identified the airports and airport systems of national interest, as essential hubs for the exercise of exclusive authority of the State, for each of the ten traffic basins identified in the national network, as specified below.
Airport traffic basins of national interest:
- North West (Milan Malpensa, Milan Linate, Turin, Bergamo, Genoa, Brescia, Cuneo);
- North East (Venice, Verona, Treviso, Trieste);
- Central North (Bologna, Pisa, Florence, Rimini, Parma, Ancona);
- Central Italy (Rome Fiumicino, Ciampino, Perugia, Pescara);
- Campania (Naples, Salerno);
- Mediterranean/Adriatic (Bari, Brindisi, Taranto);
- Calabria (Lamezia Terme, Reggio Calabria, Crotone);
- Eastern Sicily (Catania, Comiso);
- Western Sicily (Palermo, Trapani, Pantelleria, Lampedusa);
- Sardinia (Cagliari, Olbia, Alghero).

Within the above-stated airports of national interest, the following airports have particular strategic importance, on the basis of the criteria established by Article 698 of the navigation code:
- North West (Milan Malpensa, Turin);
- North East (Venice);
- Central North (Bologna, Pisa /Florence);
- Central Italy (Rome Fiumicino);
- Campania (Naples);
- Mediterranean/Adriatic (Bari).

The following airports are considered as intercontinental gateways due to their capacity to respond to the demand of extensive traffic basins and their high degree of connectivity with European and international destinations:
a) Rome Fiumicino, main national hub;
b) Milan Malpensa;
c) Venice.

The airports of national interest, excluding those of particular strategic importance, should satisfy the following conditions:
- exercise a well-defined role within the basin, with a specialisation and a recognisable commitment to the area served, ensuring its promotion;
- demonstrate, through an industrial plan, together with a financial plan, the achievement of financial equilibrium, even on a year-on-year basis, and adequate solvency indicators, over at least a three-year period.

Airport management fees
The Decree of the State Property Office of December 14, 2015 (Official Gazette No. 296 of 21.12.2015) concerns the "Establishment of airport management fees for the 2016-2018 three-year period". The Decree confirms, also for the 2016-2018 three-year period, the method for the quantification of the fees due by airport management companies, as per Article 1 of inter-departmental decree of June 30, 2003, based on Work Load Units.

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.
The means to guarantee the widest possible transparency and accessibility of incentives which do not satisfy the MEO test remain substantially unchanged. Managers in particular are held to: publish on a half-yearly basis on their website the complete programme of incentives which do not satisfy the MEO test and which they intend to introduce for the year or subsequent years; in the case of changes, update the programme; ensure mandatory publication following the granting of an incentive.
Compliance with the transparency and competition principles is verified under the law in question by the Transport Regulation Authority and ENAC subject to, naturally, the powers of the Anti-trust Authority within its respective areas of authority.
Following the amendment of the Guidelines for the incentivised introduction and development of air routes by airlines, sent on August 8, 2016 by the Ministry for Infrastructure and Transport, the Transport Regulation Authority published its position on September 9, 2016. In assessing the legal profiles, the Authority, noting that "the Ministry seems intent on exempting airport managers and airlines from the obligation to adopt, for those incentive systems which pass the MEO test, the procedures established by the 2014 Guidelines", stated that differing domestic and EU provisions exist which establish the principle of non-discrimination among airlines by an airport manager. Among the mentioned provisions, the Transport Regulation Authority firstly recalls its incorporating law, in addition to various provisions of Legislative Decree No. 1/2012 enacting Directive 2009/12/EC and in particular Articles 75, 79 and 80. According to the Transport Regulation Authority, it is the Authority's duty to broadly assess the actions of airport managers in terms of the incentivisation and development of air

routes and its oversight function should not be limited to incentives which have not passed the MEO test. For this, the Authority, in exercising its oversight power upon the obligation for transparency and equal access to all airline incentive schemes, requires: the investigatory documentation proving both favourable and non-favourable results of the MEO tests; the documentation concerning the incentive granting procedures. Finally, the Transport Regulation Authority reserves the right to provide airport operators with additional operating indications and those required by the MEO test in order to facilitate the exercise of the above oversight functions.

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, 78/2014, 94/2015 and 139/2016 and to undertake any related requirement.

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. The dispute is still in progress. In March 2017, the Commission accepted the intervention request in the Sowaer case. BSCA presented its conclusions. The hearing of 6.07.2017 has been fixed and the judgement is expected within 2 to 5 months.

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.

The "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.

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. Management of these risks is based on the principle of prudence and in line with best market practices. For further information, reference should be made to Note 38 "Type and management of financial risk" of this consolidated half-year report.

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 various 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 related to Group results

All general economic events, such as a significant contraction in one of the main markets, the volatility of the financial markets and the consequent deterioration of the capital markets, an increase in commodity prices, unfavorable movements in specific sector variables such as interest rates, susceptible to causing impacts in the sector in which the Group operates, may significantly impact the Group outlook, in addition to the results and financial position. The profitability of the activities of the Group is also subject to risks related to interest rate and inflation fluctuations, the solvency of the counterparties, as well as the general economic conditions of the countries in which these activities are undertaken.

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 Interim 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 June 30, 2017, directly through SAVE S.p.A., 658,470[1] 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 the first half of 2017, SAVE S.p.A. did not acquire any treasury shares.

[1] The number of treasury shares held at June 30, 2017 of 658,470 was unchanged in the period and was also the amount held at March 31, 2017. The amount of 731,113 was stated in the interim report at that date due to a printing error.

Shares held by Directors and Statutory Auditors

Based on the legally required communications, the Directors and Statutory Auditors of SAVE S.p.A. directly and/or indirectly holding shares at June 30 were:

- Directors:
    - Enrico Marchi (Chairman of the Board of Directors): 573,756 shares;
    - Francesco Lorenzoni (Director): 1,239 shares.

Inter-company and other related party transactions

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

Subsequent events

No significant events which could substantially alter the current balance sheet and financial situation or which would require amendments or supplements to the financial statements took place after the reporting date.

Outlook

Traffic and earnings in the first half-year confirm our expectations of improving Group results in 2017.

Venezia Tessera, August 1, 2017

The Chairman of the Board of Directors
Mr. Enrico Marchi

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT JUNE 30, 2017

FINANCIAL STATEMENTS

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

Consolidated Balance Sheet

Assets (Euro thou	NOTE	06/30/2017	12/31/2016
Cash and cash equivalents	1	5,223	23,827
Other financial assets	2	201	172
of which related parties	2	*201*	*172*
Tax assets	3	3,055	4,180
Other receivables	4	3,708	1,537
of which related parties	4	*13*	*0*
Trade receivables	5-30	41,941	34,282
of which related parties	5-30	*6,637*	*6,825*
Inventories	6	1,347	1,239
Total current assets		55,475	65,237
Assets held-for-sale		0	65,600
Property, plant & equipment	7	61,210	63,505
Airport concession rights	8	386,090	358,989
Other intangible fixed assets with finite useful life	8	4,316	4,591
Goodwill - other intangible fixed assets with indef. useful life	8	6,977	6,977
Equity investments in associates and JV's	9	78,507	78,178
Other equity investments	9	1,144	1,144
Other assets	10	2,937	2,910
Deferred tax assets	11	28,318	27,425
Total non-current assets		569,499	543,719
TOTAL ASSETS		624,974	674,556

Liabilities (Euro thou	NOTE	06/30/2017	12/31/2016
Trade payables	12	60,591	72,842
of which related parties	12	*1,134*	*2,793*
Other payables	13	39,591	37,337
of which related parties	13	*1,302*	*1,315*
Tax payables	14	12,028	4,053
Social security institutions	15	3,718	3,547
Bank payables	16	228,631	40,483
Other current financial liabilities	17	191	7,071
of which related parties	17	*0*	*6,821*
Total current liabilities		344,750	165,333
Liabilities related to assets held-for-sale		0	399
Bank payables – less current portion	18	23,726	214,573
Other lenders – less current portion	19	46	66
Deferred tax liabilities	20	10,332	10,319
Post-employment benefits and other employee provisions	21	3,798	3,696
Other provisions for risks and charges	22-32-33	30,437	28,416
Total non-current liabilities		68,339	257,070
TOTAL LIABILITIES		413,089	422,802

Shareholders' Equity	NOTE	06/30/2017	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	89,530	85,278
Net Profit	23	17,695	42,049
Total Group shareholders' equity		202,402	222,504
Shareholders' equity - minority interest	23	9,483	29,250
TOTAL SHAREHOLDERS' EQUITY	23	211,885	251,754
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		624,974	674,556

Consolidated Income Statement

(Euro thousands)	NOTE	H1 2017	H1 2016
Operating revenue	24	86,766	81,008
Other income	24	4,790	4,956
Total operating revenue and other income		91,556	85,964
Costs of Production			
Raw and ancillary materials, consumables and goods	25	1,173	835
Services	26	18,447	19,016
Lease and rental costs	27	4,792	4,607
Personnel costs:			
wages and salaries & social sec. charges	28	24,204	22,120
post-employment benefits	28	1,187	1,055
other costs	28	208	1,076
Amortisation, depreciation & write-downs			
amortisation	29	6,812	4,814
depreciation	29	4,613	3,810
Write-downs of current assets	30-5	252	116
Change in inv. raw & anc. materials, consum. & goods	31	(36)	(17)
Provisions for risks	32-22	182	407
Replacement provision	33-22	2,500	2,160
Other charges	34	803	694
Total costs of production		65,137	60,693
EBIT		26,419	25,271
Financial income and revaluation of financial assets	35	51	498
Interest, other fin. charges & write-down of fin. assets	35	(1,927)	(2,338)
Profit/losses from Associates & JV's carried at equity	35	313	(113)
		(1,563)	(1,953)
Profit before taxes		24,856	23,318
Income taxes	36	6,919	7,815
current		*7,800*	*8,113*
deferred		*(881)*	*(298)*
Profit on Continuing Operations		17,937	15,503
Profit/(loss) from Discontinued Operations/Held-for-sal	37	0	503
Net Profit		17,937	16,006
Minority interest		242	335
Group Net Profit		17,695	15,671
Earnings per share			
- not diluted		0.323	0.286
- diluted		0.323	0.286
Earnings per share excluding discontinued operations			
- not diluted		0.323	0.281
- diluted		0.323	0.281

The application of IFRS 5 to the investment in Centostazioni S.p.A. resulted in the restatement of the comparative income statement, through reclassification of the related economic effects to "Profit/Loss from discontinued oeprations/assets held-for-sale".

Consolidated Comprehensive Income Statement

(Euro thousands)	Note	H1 2017	H1 2016
Net Profit		17,937	16,006
Continuing Operations			
Hedging instruments (cash flow hedges)	38	45	(62)
Total Gains/(Losses) on other comprehensive income statement items net of taxes which may be reclassified to the income statement		45	(62)
Actuarial gains/(losses) of employee defined plans	21	(44)	21
Total Gains/(Losses) on other comprehensive income statement items net of taxes which may not be reclassified to the income statement		(44)	21
Total comprehensive income		17,938	15,965
Minority comprehensive income		241	331
Total comprehensive income pertaining to the Group		17,697	15,634

Consolidated Cash Flow Statement

(Euro thousands)	H1 2017	H1 2016	Note
Operating activities			
Profit on continuing operations	17,937	15,503	
Profit on discontinued operations/held-for-sale		503	36
Amortisation and depreciation	11,424	8,624	29
Net changes in post-employment benefit provisions	59	0	21 - 28
Net changes in provisions for risks and charges	2,543	2,502	22 - 32 - 33
(Gains)/Losses on disposal of assets	(21)	(88)	
(Income)/Charges from securities and other financial assets	381	374	
Valuation of investments under the equity method	(313)	(450)	35
Change in deferred taxes	(880)	(302)	11 - 20
Sub-total self-financing (A)	**31,130**	**26,666**	
Decrease (increase) in trade receivables	(7,659)	(11,153)	5 - 30
Decrease (increase) in other current assets	(2,307)	251	4 - 6 - 10
Decrease (increase) in tax assets/liabilities	9,100	9,019	3 - 14
Increase (decrease) in trade payables	(67)	2,741	12
Increase (decrease) in social security payables	171	171	15
Increase (decrease) in other liabilities	2,239	5,371	13
Sub-total (B)	**1,477**	**6,401**	
CASH FLOW FROM OPERATING ACTIVITIES (A + B) = (C)	**32,607**	**33,067**	
Investing activities			
(Acquisition) of property, plant & equipment	(2,345)	(2,185)	7 - 29
Divestments of property, plant & equipment	47	146	7 - 29
(Acquisition) of intangible fixed assets	(34,215)	(41,172)	8 - 29
Divestments of intangible fixed assets		12	8 - 29
Change in Trade payables for investments	(12,184)	(6,440)	9
Decrease in financial fixed assets	60	0	9
(Acquisition) of minority interests in subsidiaries	(19,808)	0	23
CASH FLOW FROM INVESTING ACTIVITIES (D)	**(68,445)**	**(49,639)**	
Financing activities			
New loans from other lenders		320	17 - 19
(Repayment) to other lenders	(6,841)	(16)	17 - 19
(Repayment) and other changes in loans	(23,097)	(13,873)	16 - 18
New loans proceeds		39,816	16 - 18
(Increase)/Decrease in financial assets	(29)	(3)	2
Dividends paid	(38,000)	(30,000)	23
Purchase of treasury shares		(595)	23
Change in net debt arising from change in consolidation scope	0	44	
CASH FLOW FROM FINANCING ACTIVITIES (E)	**(67,967)**	**(4,307)**	
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	**65,201**	**3,652**	
NET CASH FLOW FOR THE PERIOD (C+D+E+F)	**(38,604)**	**(17,227)**	
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**23,825**	**69,622**	
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**(14,779)**	**52,395**	

Additional information:			
Interest paid	1,519	2,033	
Taxes paid	-	-	

The application of IFRS 5 to the investment in Centostazioni S.p.A. resulted in the restatement of the comparative period, through reclassification of the related effects to "Cash flows from discontinued operations".

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 shareholders' 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					15,671	15,671	335	16,006
Other comprehensive profits / losses					(37)	(37)	(4)	(41)
Result of comprehensive income statement					15,634	15,634	331	15,965
Distribution dividends					(30,000)	(30,000)		(30,000)
Treasury shares				(594)		(594)		(594)
Balance at June 30, 2016	35,971	7,194	57,851	(5,506)	100,992	196,502	29,065	225,567

(Euro thousands)	Share capital	Legal reserve	Share premium reserve	Treasury shares reserve	Other reserves and retained earnings	Group Shareholders' Equity	Minority interest	Total shareholders' 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					17,695	17,695	242	17,937
Other comprehensive profits / losses					2	2	(1)	1
Result of comprehensive income statement					17,697	17,697	241	17,938
Distribution dividends					(38,000)	(38,000)		(38,000)
Other movements					200	200	(20,009)	(19,809)
Balance at June 30, 2017	35,971	7,194	57,851	(5,839)	107,225	202,402	9,483	211,885

Notes to the Condensed Consolidated Half-Year Financial Statements at June 30, 2017

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 AT JUNE 30, 2017

Group activities

SAVE S.p.A. ("Save" or "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).
Save in addition holds investments in companies operating in the airport management sector. 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 Condensed Consolidated Half-Year Financial Statements at June 30, 2017

Basis of preparation

These condensed consolidated financial statements of the Group concern the period ended June 30, 2017.
The condensed consolidated half-year 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 condensed consolidated half-year financial statements are presented in Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousand of Euro, where not otherwise indicated.

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

The condensed consolidated half-year financial statements were prepared in compliance with IFRS adopted by the European Union and in force at the preparation date of the financial statements, in addition to the provisions issued in enactment of Article 9 of Legislative Decree 38/2005 (Consob Motions No. 15519 and 15520 of July 27, 2006).

The publication of the condensed consolidated half-year financial statements of Save S.p.A. for the first half of 2017 was approved by the Board of Directors on August 1, 2017.

Content and form of the condensed consolidated half-year financial statements

These explanatory notes were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to June 30, 2017. For comparative purposes, the financial statements are presented with the comparative balance sheet at December 31, 2016 and the H1 2016 income statement. The company opted to apply the Separate and Comprehensive Income Statements, the Balance Sheet, the Cash Flow Statement and the Statement of changes in Shareholders' Equity, 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 Group condensed consolidated financial statements at June 30, 2017 include, through the line-by-line method, the companies in which Save 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:

Company	Currency	Share Capital	Group % holding 06/30/2017	Group % holding 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	100

The investment 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 of 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., which was subsequently sold to Ferrovie dello Stato Italiane S.p.A..

Subsidiaries 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.

A breakdown of the companies consolidated at equity (associates and JV's) are reported below.

Company	Currency	Share Capital	Group % holding 06/30/2017	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	40.3	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.

Consolidation principles

Change of accounting standards

The accounting standards adopted for the preparation of the condensed consolidated half-year financial statements conform with those for the preparation of the annual financial statements of the Group at December 31, 2016.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at June 30, 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 will be effective from January 1, 2018, although advance application is permitted. The amendments to IFRS 15, Clarifications to IFRS 15– Revenue from Contracts with Customers, published by the IASB on April 12, 2016, have not yet been approved by the European Union. The directors do not consider that the application of IFRS 15 may have a significant impact on the amounts recognized as revenues and on the relative disclosure in the Group consolidated financial statements. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis.

• 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:

- the standard introduces new criteria for the classification and measurement of financial assets and 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.

The directors do not consider that the application of IFRS 9 may have a significant impact on the amounts and the relative disclosure in the consolidated financial statements. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis.

IFRS standards, amendments and interpretations not yet approved by the European Union

At the date of the present Half-Year Report, the relevant bodies of the European Union have not yet concluded the process necessary for the implementation of the amendments and standards described below.

- **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 consider that the application of IFRS 16 may have a significant impact on the recognition of leasing contracts and on the relative disclosure in the Group consolidated financial statements. However, it is not possible to provide a reasonable estimate of the effects until the Group has completed a detailed analysis. The directors have not yet agreed the approach to be adopted under IFRS 16.

- 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 standard is effective from January 1, 2021, although advance application is permitted, only for entities applying IFRS 9 – Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The Directors do not expect this standard to have a significant impact on the Group consolidated financial statements.

- "**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.

- 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 on the occurrence of certain circumstances and on estimates of assessable income for future years. These amendments, published by the IASB in January 2016 and applicable from January 1, 2017, not having been endorsed by the European Union, had not been adopted by the Group at June 30, 2017. The Directors currently do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- 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. These amendments, published by the IASB in January 2016 and applicable from January 1, 2017, not having been endorsed by the European Union, had not been adopted by the Group at June 30, 2017. 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. The amendments are effective from January 1, 2018, although advance application is permitted. 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 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, but advance application is permitted. 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. The amendments are applicable from January 1, 2018, although advance application is permitted. 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.
- 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.

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. Air traffic is concentrated in June-September, during the peak summer vacation period and the maximum usage levels of the directly managed infrastructure.

Significant accounting estimates

The key future assumptions and those concerning other important sources of uncertainty in the estimates at the reporting date of the present condensed consolidated half-year financial statements 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 June 30, total goodwill recognised amounted to approx. Euro 7 million, principally concerning Aertre S.p.A.; for further details, reference should be made to Note 8.

In order to identify any impairments on goodwill, the Group carried out an update at June 30, 2017 of the valuations undertaken as at December 31, 2016 by independent experts.

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 June 30, deferred tax assets amounted to Euro 28.3 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 June 30, the doubtful debt provision amounted to Euro 1.9 million.

Assets under concession replacement provision
The Replacement provision, in line with the contractual obligations in place, includes the allocations for maintenance and restoration on assets comprising infrastructure on the Balance Sheet which must be returned to the state in perfect operating condition on conclusion of the concession.
The 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 (2041) and is utilised based on the maintenance undertaken during the year. At June 30, the estimate of this provision was Euro 24.7 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. Actuarial profits and losses concerning defined benefit plans are recognised to the comprehensive income statement and are not subsequently recognised to the income statement; the cost for interest is however recognised to the income statement. 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 condensed consolidated half-year financial statements. Current income taxes relating to items recorded directly in net equity are charged directly to equity and not to the income statement.

Accounting policies

The 2017 condensed consolidated half-year financial statements were prepared in accordance with IAS 34 Interim Financial Reporting.

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 intangible assets are 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 period 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	%
Runway vehicles and equipment	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 of the SAVE Group 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.

Investments in subsidiaries and associates

The Group may hold some investments in subsidiaries or associates which however are not consolidated as not considered operative and/or significant, whose balance sheet and income statement effects from full consolidation or consolidation at equity would substantially be in line with the carrying value in the financial statements of the Group.

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.
In the consolidated income statement and the previous year comparative period, 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.

AFS 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 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 condensed half-year 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 condensed half-year 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)".
Where the liability relates to an intangible asset (infrastructure), it includes the amounts necessary for initial maintenance or replacement of all assets comprising the infrastructure held, necessary for the proper maintenance of the asset conditions until the conclusion of the concession.

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 eliminated from the financial statements when the underlying liability is settled or cancelled.

Derivative financial instruments and hedging operations

The Group holds 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.
Depending on the 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 the following:
IRES 24%
IRAP 4.2% (Airport Companies)
IRAP 3.9%

Translation of accounts in foreign currencies

The present condensed half-year 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 condensed half-year 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.

Earnings per share

The earnings per share is calculated by dividing the net profit for the period attributable to the Group's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.
In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted assuming the conversion of all shares with potential dilution effect. The Group's net result is also adjusted to account for the effects of conversion, net of taxes.
There were no share-based payment operations (stock option plans).

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", not distinguishing between aviation and non-aviation, but exclusively according to the 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 is currently not fully consolidated as the holding totals 27.65% and is therefore valued at equity and the investment in the company Valerio Catullo di Verona Villafranca S.p.A., also not fully consolidated as the holding in the company is 40.3%. The result was included in 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 thousands at June 30, 2017	Venice	Treviso	Other Airports	Other	Eliminations / Adjustments	Total Consolidated
Total fixed assets	474,405	46,527	48,342	11,379	(11,153)	569,499
Fixed capital employed	**435,664**	**41,405**	**48,341**	**10,674**	**(11,154)**	**524,932**
Total working capital	(59,286)	(7,158)	139	427		(65,877)
Net working capital - discontinued operations						
Total capital employed	**376,379**	**34,248**	**48,480**	**11,102**	**(11,153)**	**459,055**
Non-current assets & liabilities held-for-sale					0	0
Total net financial position	293,976	9,940	(3,929)	(41,663)	(11,154)	247,170
Total financing sources	**376,380**	**34,248**	**48,480**	**11,102**	**(11,154)**	**459,055**
Total assets	525,519	55,201	53,530	67,079	(76,355)	624,974
Total liabilities	443,116	30,894	1,121	14,314	(76,355)	413,089

Euro thousands 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**	**(11,153)**	**489,946**
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**	**(76,352)**	**489,949**
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

	H1 2017					H1 2016						
Euro / 1000	Venice	Treviso	Other	Eliminations / Adjustments	Total Consolidated	Venice	Treviso	Other	Eliminations / Adjustments	Total Consolidated	Total Change	% Total Change
Aviation Revenue	54,725	7,578	0	0	62,303	51,977	6,861	0	0	58,838	3,465	5.9%
Non-Aviation Revenue	21,175	2,575	0	(86)	23,664	19,414	2,192	0	(48)	21,558	2,105	9.8%
Other Revenue	3,007	237	3,307	(962)	5,589	3,344	170	2,687	(633)	5,569	20	0.4%
Total Revenue	**78,908**	**10,389**	**3,307**	**(1,048)**	**91,556**	**74,735**	**9,223**	**2,687**	**(681)**	**85,965**	**5,591**	**6.5%**
Total Costs	41,571	7,716	2,540	(1,049)	50,778	40,582	7,519	1,967	(681)	49,387	1,391	2.8%
EBITDA	**37,337**	**2,673**	**768**	**0**	**40,778**	**34,153**	**1,704**	**720**	**0**	**36,578**	**4,200**	**11.5%**
	47.3%	25.7%	23.2%	0.0%	44.5%	45.7%	18.5%	26.8%	0.0%	42.5%		
EBIT	**24,295**	**1,506**	**618**	**0**	**26,419**	**24,072**	**579**	**619**	**0**	**25,271**	**1,148**	**4.5%**
	30.8%	14.5%	18.7%	0.0%	28.9%	32.2%	6.3%	23.0%	0.0%	29.4%		
Profit before taxes					**24,856**					**23,318**	**1,538**	**6.6%**
					27.1%					27.1%		
Profit from Continuing Operations					**17,937**					**15,503**	**2,434**	**15.7%**
					19.6%					18.0%		

Regional overview

The Group focus on Airport operations resulted in the *de facto* concentration of the business in Italy, therefore no longer requiring disclosure upon the main geographic areas.

Main clients

Approx. 10.8% of the total revenue for the first half of 2017 of the Parent Company SAVE S.p.A. derives from the airline easyJet; the subsidiary Aer Tre S.p.A. derives however approx. 61.8% of its revenue for H1 2017 from the airline Ryanair and approx. 10% from Wizz Air.

Net Financial Position

The net financial position according to Consob Communication 6064293, which follows Consob Motion 15519 of July 27, 2006, is reported below.

	(EURO THOUSANDS)	06/30/2017	12/31/2016	06/30/2016
	Cash and cash equivalents	5,223	23,827	52,398
	Other financial assets	201	172	188
	Financial assets	**5,424**	**23,999**	**52,586**
**	Bank payables	228,631	40,483	45,993
*	Other current financial liabilities	191	7,071	7,069
	Current liabilities	**228,822**	**47,554**	**53,062**
**	Bank payables – less current portion	23,726	214,573	232,338
	Other lenders – less current portion	46	66	87
	Non-current liabilities	**23,772**	**214,639**	**232,425**
	Net Financial Position	**(247,170)**	**(238,194)**	**(232,901)**
*	of which liabilities for derivative contracts carried at fair value	150	209	297
**	Total gross payables to banks	252,357	255,056	278,331

ANALYSIS OF THE MAIN BALANCE SHEET ACCOUNTS

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

ASSETS

Current Assets

at		
06.30.2017	€	55,475
12.31.2016	€	65,237
cge.		(9,762)

The items of the above stated account are as follows:

1. Cash and cash equivalents

at		
06.30.2017	€	5,223
12.31.2016	€	23,827
cge.		(18,604)

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 4.5 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 condensed half-year consolidated financial statements.

2. Other financial assets

at		
06.30.2017	€	201
12.31.2016	€	172
cge.		29

The balance at June 30 comprises a financial receivable from a non-consolidated group company.

3. Tax receivables

at		
06.30.2017	€	3,055
12.31.2016	€	4,180
cge.		(1,125)

4. Other receivables

at		
06.30.2017	€	3,708
12.31.2016	€	1,537
cge.		2,171

The analysis is as follows:

(Euro thousands)	06.30.17	12.31.16	Cge.
Veneto region for grants	1,792	619	1,173
Suppliers for advances	1,115	449	666
Social security institution receivables	240	4	236
Misc. receivables	561	465	96
Total other receivables	**3,708**	**1,537**	**2,171**

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. Other receivables include receivables from related parties for Euro 13 thousand.

5. Trade receivables

at		
06.30.2017	€	41,941
12.31.2016	€	34,282
cge.		7,659

The breakdown of trade receivables is outlined below:

(Euro thousands)	06.30.17	12.31.16	Cge.
Trade receivables – third parties	35,304	27,457	7,847
Trade receivables - related parties	6,637	6,825	(188)
Total trade receivables	**41,941**	**34,282**	**7,659**

This principally concerns receivables from airlines for aviation activities and receivables from sub-agents for commercial spaces.
Trade receivables increased on December 31, 2016 by Euro 7.7 million, principally due to the seasonality of airport operations.

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

(Euro thousands)	06.30.17	12.31.16	CGE.
Trade receivables	37,223	29,133	8,090
Doubtful debt provision	(1,919)	(1,676)	(243)
Total trade receivables	**35,304**	**27,457**	**7,847**

The Group doubtful provision amounts to Euro 1.9 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:

BALANCE AT 12/31/2016	**(1,676)**
Utilisations and other movements	9
Provisions in the half-year	(252)
BALANCE AT 06/30/2017	**(1,919)**

An analysis of the aging of trade receivables of the Group at June 30, 2017 is reported below:

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
06/30/2017							
Net receivables	**35.304**	29.657	894	1.316	1.464	607	1.366

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
06/30/2016							
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.
In relation to trade receivables, it is considered 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)	06.30.17	12.31.16	Cge.
Airest Group	5,690	5,740	(50)
2A - Airport Advertising S.r.l.	818	677	141
Nicelli S.p.A.	-	169	(169)
Aeroporto Valerio Catullo S.p.A.	85	224	(139)
Aeroporto Civile di Padova S.p.A. in liquidation	5	5	-
B.S.C.A. SA	30	3	27
Other minor	9	7	2
Total	**6,637**	**6,825**	**(188)**

6. Inventories

at		
06.30.2017	€	1,347
12.31.2016	€	1,239
cge.		108

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

Non-current assets

at		
06.30.2017	€	569,499
12.31.2016	€	543,719
cge.		25,780

The account is comprised as follows:

7. Property, plant & equipment

at		
06.30.2017	€	61,210
12.31.2016	€	63,505
cge.		(2,295)

The balance reduced on December 31, 2016, with depreciation and write-downs of approx. Euro 2.3 million. The composition of these assets is outlined in Attachment "B", which highlights the historic cost, accumulated depreciation and net values, for each asset category.

8. Intangible assets

at		
06.30.2017	€	397,383
12.31.2016	€	370,557
cge.		26,826

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)	06.30.17	12.31.16	CGE.
Airport Concession rights	386,090	358,989	27,101
Other intangible fixed assets with finite useful life	4,316	4,591	(275)
Goodwill – other intangible assets with indefinite life	6,977	6,977	-
Total intangible assets	**397,383**	**370,557**	**26,826**

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.
A net increase of Euro 26.8 million was reported in the period, with amortisation of approx. Euro 6.8 million.

The breakdown of the account Goodwill, with reference to the cash-generating units deriving from the acquisition operations which generated the value, is outlined below:

(Euro thousands)	06.30.17	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**	**-**

No changes occurred. 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 Aertre 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 holding to 100%.

9. Investments

at		
06.30.2017	€	79,651
12.31.2016	€	79,322
cge.		329

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

(Euro thousands)	06.30.17	12.31.16	Cge.
Investments in companies carried at equity	78,507	78,178	329
Other investments	1,144	1,144	-
Total investments	**79,651**	**79,322**	**329**

"Investments in companies carried at equity" are outlined below.

(Euro thousands)	% HELD	06.30.17	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	17,866	17,701	165
2A – Airport Advertising S.r.l.	50	-	45	(45)
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	40.3	29,352	29,761	(409)
Airest Retail S.p.A.	50	22,635	21,986	649
Tot. Investments carried at equity		**78,507**	**78,178**	**329**

The interest in Nicelli S.p.A. was sold in the period, with the valuation at equity due to the pro-quota revaluation following the net profit reported in the period.

10. Other Assets

at		
06.30.2017	€	2,937
12.31.2016	€	2,910
cge.		27

This account principally includes a receivable for guarantees paid to ENAC by Aer Tre S.p.A. under advanced airport occupancy 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.

A breakdown is provided in the following table:

(Euro thousands)	06.30.17	12.31.16	CGE.
Other guarantee deposits	61	34	27
ENAC guarantee deposits	2,876	2,876	-
Total	**2,937**	**2,910**	**27**

11. Deferred tax assets

at		
06.30.2017	€	28,318
12.31.2016	€	27,425
cge.		893

Deferred tax assets have a total value of Euro 28.3 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 controlling investments allocated to goodwill and concessions, in application of Article 15, paragraphs 10 *bis* and 10 *ter* of Legislative Decree No. 185/2008 and the Tax Agency provision of November 22, 2011;
- 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);
- other expense items concerning subsequent periods;
- other consolidation adjustments which generate deferred tax assets.

LIABILITIES

Current Liabilities

at		
06.30.2017	€	344,750
12.31.2016	€	165,333
cge.		179,417

The account is comprised as follows:

12. Trade payables

at		
06.30.2017	€	60,591
12.31.2016	€	72,842
cge.		(12,251)

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)	06.30.17	12.31.16	CGE.
Trade payables – third parties	59,457	70,049	(10,592)
Trade payables - related parties	1,134	2,793	(1,659)
Total trade payables	**60,591**	**72,842**	**(12,251)**

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

(Euro thousands)	06.30.17	12.31.16	CGE.
Airest Group	771	714	57
2A - Airport Advertising S.r.l.	334	1,896	(1,562)
Brussels South Charleroi Airport (BSCA) SA	16	1	15
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	2	175	(173)
Other related parties	11	7	4
Total	**1,134**	**2,793**	**(1,659)**

13. Other payables

at		
06.30.2017	€	39,591
12.31.2016	€	37,337
cge.		2,254

The following table provides greater details on the account "Other Payables"

(Euro thousands)	06.30.17	12.31.16	CGE.
Payables to related parties	1,302	1,315	(13)
Customer advances	160	200	(40)
Personnel for deferred compensation	4,960	5,260	(300)
Airport concession fee	20,731	19,633	1,098
Municipal surtax	9,862	8,929	933
Other payables	2,576	2,000	576
Total	**39,591**	**37,337**	**2,254**

14. Tax payables

at		
06.30.2017	€	12,028
12.31.2016	€	4,053
cge.		7,975

For a breakdown of the account reference should be made to the following table:

(Euro thousands)	06.30.17	12.31.16	CGE.
Employee withholding taxes	1,153	789	364
Other tax payables	951	830	121
Payables on direct taxes	9,924	2,434	7,490
Total	**12,028**	**4,053**	**7,975**

15. Payables to social security institutions

at		
06.30.2017	€	3,718
12.31.2016	€	3,547
cge.		171

16. Bank payables

at		
06.30.2017	€	228,631
12.31.2016	€	40,483
cge.		188,148

The account is comprised as follows:

(Euro thousands)	06.30.17	12.31.16	Cge.
Ordinary current accounts	1	3	(2)
Current portion of bank loans	208,630	40,480	168,150
Short-term advances	20,000	-	20,000
Total	**228,631**	**40,483**	**188,148**

The nominal portion of loans due within 12 months totals Euro 209.2 million.
The following table provides a breakdown of bank credit lines utilised and available at June 30, 2017.

TYPE	Granted	Used	Residual
Cash credit facilities	45,127	(15,000)	30,127
Endorsement credit	11,075	(111)	10,964
Cash and credit commitment	22,500	(5,000)	17,500
Leasing	97	(97)	0
Mortgages / loans	233,019	(233,019)	0
Total	**311,818**	**(253,227)**	**58,591**

17. Other financial liabilities – current portion

at		
06.30.2017	€	191
12.31.2016	€	7,071
cge.		(6,880)

The account reflects the settlement in the period of the payable to the former minority shareholders of the subsidiary Archimede 1 S.p.A. for Euro 6.8 million.

The following table provides a breakdown of the account:

(Euro thousands)	06.30.17	12.31.16	Cge.
Fin. payables fair value deriv. instruments	150	209	(59)
Fin. payables leasing contracts – current portion	41	41	-
Payables to minority shareholders for loans	-	6,821	(6,821)
Total	**191**	**7,071**	**(6,880)**

The Group holds financial derivatives in order to cover its exposure to interest rate risk regarding specific liabilities.
In line with the strategy adopted, 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 accounting policies applied establish that derivative financial instruments are recorded in accordance with the "hedge accounting" method only when at the beginning of the hedge the formal designation and documentation relating to the hedge exists and it is presumed that the hedge is highly effective initially and over the accounting periods. In the absence of these requirements, if the hedge accounting cannot be applied, the profits or losses deriving from the fair value of the derivative financial instruments are immediately recognised in the income statement, as per IAS 39.
For a breakdown of derivative instruments at Group level, reference should be made to Note 38 concerning "Type and management of financial risks".

Non-current liabilities

at		
06.30.2017	€	68,339
12.31.2016	€	257,070
cge.		(188,731)

The account is comprised as follows:

18. Bank payables – less current portion

at		
06.30.2017	€	23,726
12.31.2016	€	214,573
cge.		(190,847)

Non-current bank payables comprise the medium/long-term portion of loans undertaken by the Group and outstanding at June 30, 2017.
The value of loan instalments due within one year totals Euro 209.2 million and beyond one year amount to Euro 23.8 million, of which all within five years.
Medium-long-term bank loans, including the portion maturing within 12 months, amounts to Euro 232.4 million, inclusive of Euro 0.7 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.
Medium/long-term loans are subject to hedging against interest rate risk for approx. 12.9% of their overall capital portion value.
In the first half of 2017, loans of Euro 23.1 million were repaid. The additional change concerns the transfer from long to short-term of loans with irregular payment schedules.

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
30/06/2018	209,192	(563)	2,513	211,142
30/06/2019	16,192	(85)	181	16,288
30/06/2020	7,635	(15)	30	7,650
Total medium/long term bank loans	**233,019**	**(663)**	**2,724**	**235,080**

(*) the interest indicated is estimated based on the last rate applied to the various loans outstanding.

Bank payables are broken down below; at the reporting date, all financial covenants stipulated by the respective loans had been complied with.

• in October 2012, a loan was drawn down by Save S.p.A. amounting to Euro 35 million. The loan will be repaid in 13 half-yearly instalments, beginning October 9, 2013 and concluding October 9, 2019. An up-front fee was paid upon issue, calculated at amortised cost. The interest rate applied is based on the Euribor increased by a spread. The loan provides for the compliance with financial covenants concerning (i) an NFP and equity ratio lower than or equal to 1 (ii) an NFP and EBITDA ratio lower than or equal to 3 and (iii) an EBITDA and gross financial charges ratio of above or equal to 5. Unsecured or secured guarantees were not issued against this loan. In December 2014 this loan was renegotiated, reducing the spread, with the total residual loan amounting to Euro 30 million, repayment through 10 half-yearly instalments concluding on December 2, 2019 and amendment, finally, also of the first two financial covenants with new parameters for point (i) of 1.2 and point (ii) of 3.5. Against these amendments, a commission was paid. At June 30, 2017, the residual payable amounted to Euro 15 million;

• Aer Tre S.p.A. drew down at the end of 2012 two loans respectively of Euro 6 million and Euro 11.5 million, fully disbursed in the year. Both loans provide for repayment over 7 years through half-yearly instalments and interest calculated at a variable rate based on the Euribor at 6 months increased by a spread; the loan of Euro 6 million issued with support of EIB funds provides however for a lower spread than the other loan. On issue, an up-front fee recognised to the Consolidated 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 up to 50% of the residual debt. There are no related covenants. The residual value at June 30, 2017 respectively was Euro 1.8 million and Euro 4.4 million;

• on May 28, 2014, Save S.p.A. undertook a medium-term loan with bullet repayment on May 31, 2018. The loan, totalling Euro 183 million, comprises a number of tranches with various usage periods: in 2015 the loan was partially repaid and therefore at June 30, 2017 Euro 130 million had been disbursed. The interest rate applied is based on the Euribor increased by a spread. The loan provides for financial covenants concerning (i) a Net Debt to Net Equity ratio of equal to or lower than 1.2; (ii) a Net Debt to EBITDA ratio of equal to or below 3.5. Unsecured or secured guarantees were not issued against this loan;

• in June 2015, Save S.p.A. undertook a medium-term loan with bullet repayment on May 31, 2018. The loan, for a total of Euro 53 million, was issued in a single payment in June 2015. The interest rate applied is based on the Euribor increased by a spread. The loan provides for financial covenants concerning (i) a Net Debt to Net Equity ratio of equal to or lower than 1.2; (ii) a Net Debt to EBITDA ratio of equal to or below 3.5. Unsecured or secured guarantees were not issued against this loan;

• on December 2, 2014, Save S.p.A. undertook a loan contract for Euro 30 million, which may be disbursed in a single payment by December 2015 and is repayable in 8 half-yearly instalments beginning 2016, with the final payment in 2019. An up-front fee was paid on undertaking the loan. The interest rate applied is based on the Euribor increased by a spread. The loan provides for the compliance with financial covenants concerning (i) a Net Debt and Net Equity ratio lower than or equal to 1.2 (ii) a Net Debt and EBITDA ratio lower than or equal to 3.5 and (iii) an EBITDA and gross financial charges ratio of above or equal to 5. Unsecured or secured guarantees were not issued against this loan. The residual value at June 30, 2017 was Euro 18.8 million;

• on December 22, 2014 Save S.p.A. signed a loan agreement for a total maximum amount of Euro 40 million, which may be issued in a number of tranches by June 2016 and repayable subsequently in 3 half-yearly instalments, with final maturity in December

2017. An up-front fee was paid on undertaking the loan. The interest rate applied is based on the Euribor increased by a spread. The loan provides for financial covenants concerning (i) a Net Debt to Net Equity ratio of equal to or lower than 1.2; (ii) a Net Debt to EBITDA ratio of equal to or below 3.5. Unsecured or secured guarantees were not issued against this loan. The residual value at June 30, 2017 was Euro 10 million;

19. Other lenders – less current portion

at		
06.30.2017	€	46
12.31.2016	€	66
cge.		(20)

The change in financial payables to other lenders less the current portion relates to the change in the consolidation scope.

20. Deferred tax liabilities

at		
06.30.2017	€	10,332
12.31.2016	€	10,319
cge.		13

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

- adjustments to IFRIC 12 - *"Service concession arrangements"*;
- adjustments concerning the measurement of leases according to the finance criterion under IAS 17;

21. Post-employment benefits and other employee provisions

at		
06.30.2017	€	3,798
12.31.2016	€	3,696
cge.		102

The post-employment benefits at June 30, 2016 are reported in the following table. The change is based on the movements reported below:

Balance at 12/31/2016	**3,696**
Utilisations and other changes	(33)
Advances granted in period and transfers	(71)
Payments to suppl. provision and INPS Treasury	(1,039)
Provisions and revaluations	1,187
Change due to actuarial calculation	58
Balance at 06/30/2017	**3,798**

22. Other provisions for risks and charges

at		
06.30.2017	€	30,437
12.31.2016	€	28,416
cge.		2,021

The account comprises:

(Euro thousands)	06.30.17	12.31.16	Cge.
Provisions for risks and charges	5,632	5,499	133
Assets under concession replacement provision	24,748	22,917	1,831
Coverage of losses on investees reserve	57	-	57
Total other provisions for risks and charges	**30,437**	**28,416**	**2,021**

Provision for risks and charges

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

Balance at 12/31/2016	**5,499**
Utilisations and other changes	(49)
Provisions for risks and future charges	182
Balance at 06/30/2017	**5,632**

The account comprises provisions to cover the estimated risk undertaken by the Group companies, principally against disputes with suppliers and ex-employees. 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		
06.30.2017	€	24,748
12.31.2016	€	21,917
cge.		2,831

This concerns an estimate for the necessary maintenance and replacement on assets under concession, which require free transfer to the state in optimal working condition on the conclusion of the Group airport concession. The entire provision concerns cyclical restoration and maintenance at the Venice and Treviso airports.
The Replacement Provision is updated based on a technical evaluation of the estimated future charges relating to the 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 period. The provision was increased by Euro 2.5 million in the period for the allocation concerning the period and utilised for Euro 0.7 million.

Shareholders' Equity

23. Shareholders' Equity

at		
06.30.2017	€	211,885
12.31.2016	€	251,754
cge.		(39,869)

The Shareholders' Equity comprises the Group Shareholders' equity of Euro 202.4 million and Minority interest shareholders' equity for Euro 9.5 million.

The Group Shareholders' equity is broken down as follows:

Share capital

at		
06.30.2017	€	35,971
12.31.2016	€	35,971
cge.		-

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		
06.30.2017	€	57,851
12.31.2016	€	57,851
cge.		-

It comprises the share premium recognised and paid following the initial public offering of 2005, less the costs incurred for the stock market listing and the extraordinary distribution of dividends in 2013.

Legal reserve

at		
06.30.2017	€	7,194
12.31.2016	€	7,194
cge.		-

Treasury shares reserve

at		
06.30.2017	€	(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 June 30, 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 the first half of 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 76 (the nominal values of the shares in circulation are expressed in units of Euro):

	Total number of shares	Treasury shares held	Outstanding shares	Par value per share	Total par value of outstanding shares
	(A)	(B)	(C) = (A - B)	D	E = C*D
At 12/31/2016	55,340,000	658,470	54,681,530	0.65	35,542,995
Shares acquired in the period		0	0	0.65	0
At 06/30/2017	55,340,000	658,470	54,681,530	0.65	35,542,995

Other reserves and retained earnings

at		
06.30.2017	€	89,530
12.31.2016	€	85,278
cge.		4,252

The movement in "Other reserves and retained earnings" principally concerns the net profit in 2016 and the distribution of dividends of Euro 38 million.

Minority interest shareholders' equity

at		
06.30.2017	€	9,483
12.31.2016	€	29,250
cge.		(19,767)

The Minority interest shareholders' equity concerns the share of Shareholders' equity and the net result for the period of the subsidiaries not fully held.
Minority interest shareholders' equity movements principally concerned the reduction following the acquisition of the minority investments in the subsidiary Archimede 1 by the parent company for approx. Euro 20 million, in addition to the net profit for the period.

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

OPERATING REVENUE AND OTHER INCOME

24. OPERATING REVENUE AND OTHER INCOME

H1 2017	€	91,556
H1 2016	€	85,964
cge.		5,592

Operating revenues

H1 2017	€	86,766
H1 2016	€	81,008
cge.		5,758

Other income

H1 2017	€	4,790
H1 2016	€	4,956
cge.		(166)

For a detailed analysis of revenues and income, reference should be made to the Interim Directors' Report.

COSTS OF PRODUCTION

H1 2017	€	65,137
H1 2016	€	60,693
cge.		4,444

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

25. Raw materials and goods

H1 2017	€	1,173
H1 2016	€	835
cge.		338

26. Services

H1 2017	€	18,447
H1 2016	€	19,016
cge.		(569)

The principal factors affecting the result were as follows.

(Euro thousands)	H1 2017	H1 2016	Cge.
Utilities	3,106	3,483	(377)
Maintenance	4,153	3,435	718
Professional fees	1,955	2,411	(456)
Cleaning and waste removal	2,334	2,056	278
Development charges and traffic promo	782	1,968	(1,186)
Other general services	1,667	1,458	209
Corporate board fees	853	767	86
Other personnel charges	941	838	103
Recharges	660	769	(109)
Insurance	636	591	45
Operating services	446	416	30
IT Systems	408	387	21
Other sales expenses	506	437	69
Total	**18,447**	**19,016**	(569)

27. Lease and rental costs

H1 2017	€	4,792
H1 2016	€	4,607
cge.		185

They consist of:

(Euro thousands)	H1 2017	H1 2016	Cge.
Airport concession fee	4,562	4,341	221
Rentals and other	230	266	(36)
Tot. Lease and rental costs	**4,792**	**4,607**	**185**

28. Personnel costs

H1 2017	€	25,599
H1 2016	€	24,251
cge.		1,348

29. Amortization, depreciation & write-downs

H1 2017	€	11,425
H1 2016	€	8,624
cge.		2,801

This account is divided as follows:

(Euro thousands)	H1 2017	H1 2016	Cge.
Amortisation & write-down of intangible assets	6,812	4,814	1,998
Depreciation & write-down of tangible assets	4,613	3,810	803
Total amortisation & depreciation	**11,425**	**8,624**	**2,801**

30. Write down of current assets

H1 2017	€	252
H1 2016	€	116
cge.		136

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

H1 2017	€	(36)
H1 2016	€	(17)
cge.		(19)

Change in inventories principally concerns consumable material stores.

32. Provisions for risks

H1 2017	€	182
H1 2016	€	407
cge.		(225)

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

33. Assets under concession replacement provision

H1 2017	€	2,500
H1 2016	€	2,160
cge.		340

34. Other charges

H1 2017	€	803
H1 2016	€	694
cge.		109

Other charges comprise:

(Euro thousands)	H1 2017	H1 2016	Cge.
Sector association contributions	178	169	9
Taxes	350	318	32
Gifts and donations	67	24	43
Other costs	208	183	25
Total other charges	**803**	**694**	**109**

FINANCIAL INCOME AND CHARGES

35. Financial income and charges

H1 2017	€	(1,563)
H1 2016	€	(1,953)
cge.		390

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

(Euro thousands)	H1 2017	H1 2016	CGE.
Financial income and revaluation of financial assets	51	498	(447)
Interest, other financial charges and write-down of financial assets	(1,927)	(2,338)	411
Profit/losses from associates carried at equity	313	(113)	426
Total financial income and charges	**(1,563)**	**(1,953)**	**390**

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)	H1 2017	H1 2016	CGE.
Interest income from bank accounts	12	261	(249)
Other interest income (including in arrears)	19	236	(217)
Interest income from Group companies	1	1	-
Gain on sale of securities	19	-	19
Total	**51**	**498**	**(447)**

The principal changes in financial income compared to the previous year stemmed from a decrease in Group cash balances in the period and a further reduction in credit institution interest rates.

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

(Euro thousands)	H1 2017	H1 2016	CGE.
Other interest charges (including in arrears)	(10)	(32)	22
Interest expense on loans	(1,517)	(1,846)	329
Other financial charges	(400)	(460)	60

Total	**(1,927)**	**(2,338)**	**411**

Financial charges decreased overall Euro 0.4 million compared to the first half of 2016 due to the lower average debt in the period.
The change in profit and losses concerning associates carried at equity is provided in the following table:

Profit/losses from associates carried at equity

(Euro thousands)	**H1 2017**	**H1 2016**	**Cge.**
Valuation at equity of GAP S.p.A.	9	3	6
Valuation at equity of BSCA SA	165	430	(265)
Valuation at equity of Aeroporto Catullo di Verona Villafranca S.p.A.	(409)	(819)	410
Valuation of equity of 2A S.r.l.	(102)	(26)	(76)
Valuation at equity of Airest S.p.A.	649	339	310
Valuation at equity of Nicelli S.p.A.	-	(41)	41
Total	**313**	**(113)**	**426**

INCOME TAXES

36. Income taxes

H1 2017	€	6,919
H1 2016	€	7,815
cge.		(896)

Income taxes for the period are broken down as follows:

(Euro thousands)	H1 2017	H1 2016	Cge.
Current taxes	7,800	8,113	(313)
Deferred tax income & charges	(881)	(298)	(583)
Total income taxes	**6,919**	**7,815**	**(896)**

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)*	H1 2017	%	H1 2016	%
Profit before taxes	**24,856**		**23,318**	
Profit on Discontinued Operations			475	
Reclassified profit before taxes			23,793	
Notional taxes	**5,965**	24.00%	**6,543**	27.50%
Effective taxes			7,815	33.51%
Effective taxes on assets held-for-sale			-28	
Total effective taxes	**6,919**	29.67%	**7,787**	33.39%
Net Profit	**17,937**	76.92%	**16,006**	68.64%
Difference	**954**	4.09%	**1,244**	5.33%
Permanent differences:				
i) IRAP and other local taxes	1,285	5.51%	1,242	5.33%
ii) dividends	35	0.15%	(926)	-3.97%
iii) other non-deductible costs / exempt income	(252)	-1.08%	37	0.16%
iv) measurement investments at equity	(90)	-0.39%	869	3.73%
vi) gains on sale of equity investments	(4)	-0.02%		
vii) remuneration of capital employed (Ace)	(20)	-0.09%	(90)	-0.39%
viii) effect IRES rate to 24% on deferred taxes			112	0.48%
	954	**4.09%**	**1,244**	**5.33%**

The effective tax rate for the first half of 2017 was 29.67% of the pre-tax profit compared to 33.39% in the first half of 2016. This improvement is due to the 3.5% reduction in the IRES rate from 2017.

The difference between the effective and theoretical rate of 4.09% for the first half of 2017 principally concerns the impact of IRAP on the pre-tax profit.

37. Profit/(loss) from Discontinued Operations

H1 2017	€	-
H1 2016	€	503
cge.		(503)

The result in the first half of 2017 principally includes for Euro 0.5 million the contribution from the Centostazioni S.p.A. investment. This was restated in application of IFRS 5, as on November 15, 2016 an agreement was signed with Ferrovie dello Stato Italiane S.p.A. resulting in the subsequent disposal of the 40% investment in Centostazioni S.p.A. on January 30, 2017 following authorisation by the Anti-trust Authority.
The investment in Archimede 1 S.p.A., the vehicle company which until January 30, 2017 held 40% of Centostazioni S.p.A, on February 7, 2017 increased to 100% through the acquisition by the parent company of the minority holdings of the shareholders Manutencoop Soc. Coop., Banco Popolare Soc. Coop and Pulitori ed Affini S.p.A..

RESULT FOR THE PERIOD

H1 2017	€	17,937
H1 2016	€	16,006
cge.		1,931

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

(Euro thousands)	**H1 2017**	**H1 2016**	**Cge.**
Consolidated Net Profit	17,937	16,006	1,931
Minority interest loss (profit)	(242)	(335)	(93)
Group Net Profit	**17,695**	**15,671**	**2,024**

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).

The Group, in the pursuit of the above-stated objectives and in consideration of the current continually monitored market conditions, decided to implement hedges in the period, which at the date of the present Report overall accounted for 12.9% of the value of the loans.

The hedging operations are broken down as follows:
- the loan held by SAVE S.p.A. for an original value of Euro 130 million issued by Unicredit S.p.A., with a residual value at June 30, 2017 of Euro 130 million. In H1 2015 an interest rate swap contract was signed to hedge interest rate risk; at June 30, 2017, the loan had the interest cost blocked for 23.1% of the total amount;

The following table provides a breakdown of the derivative instruments in place at Group level at June 30, 2017:

Statement on the recording of hedging transactions (IFRS 7.22)

(Euro thousands; the positive values are receivables for the company, while the negative values are payables)

Type of instrument	Group company	Nature of hedged risk	Counterparty bank	Contract date	Maturity	Contract notional amount	Amount outstanding at 06/30/2017	Amount outstanding at 12/31/2016	Fair Value (Mark to Market) at 06/30/2017	Fair Value (Mark to Market) at 12/31/2016
IRS	Save S.p.A.	Change in interest rates	Unicredit SpA	25/06/2015	31/05/2018	30,000	30,000	30,000	(150)	(209)
Total						**30,000**	**30,000**	**30,000**	**(150)**	**(209)**

Cash flow sensitivity analysis

The Company prepared a cash flow analysis concerning loans in place and the related derivative financial instruments. The analysis begins with the market position at June 30, 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 +0.6/-0.4 million for a 0.25% interest rate change, while Euro +1.2/- 0.9 million for a change in the interest rate of 0.50%.

Derivative instrument fair value sensitivity analysis

The company prepared an analysis of the changes in the fair value of derivative hedging instruments at June 30, 2017. The analysis begins with the market position at June 30, 2017 and on the basis of interest rate increases/decreases of 0.25% and of 0.50%.
The effect of the fair value changes of derivative instruments in place is approx. Euro + /- 0.1 million for a change in interest rates of 0.25% and for a change 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 fulfill 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 property 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. The contingent situation at June 30 does not represent, in the view of the directors, a critical issue given credit market conditions and the company's income statement and balance sheet.
Credit lines (including both cash and endorsement credit commitments) unutilised of the banking system at Group level amount to Euro 58.6 million.
For the breakdown of the medium/long-term loans in place at June 30, 2017, reference should be made to the notes to the condensed consolidated financial statements and the paragraph "Bank payables less current portion".

Analysis by maturity of derivative instrument cash flows and medium/long term loans

The following table outlines the cash flows not discounted, broken down by maturity, of hedging instruments in place, which present a negative mark to market value at June 30, 2017.
On the basis of the same maturities, the table also presents a summary of cash flows for medium/long term loans outstanding at the consolidated reporting date, including capital and interest portions.

	Total estimated cash		within 1 year		from 1 to 5 years		over 5 years	
	06/30/2017	12/31/2016	06/30/2017	12/31/2016	06/30/2017	12/31/2016	06/30/2017	12/31/2016
Derivative instruments with negative MTM	(145)	(224)	(145)	(158)	0	(66)	0	0
Medium/long-term loans	(235,743)	(260,287)	(211,705)	(44,012)	(24,038)	(216,275)	0	0
Total	**(235,888)**	**(260,511)**	**(211,850)**	**(44,170)**	**(24,038)**	**(216,341)**	**0**	**0**

Fair value hierarchy levels

A list of derivative financial instruments at June 30, 2017, measured at fair value, is reported in the table of the "Interest rate risk" paragraph above.

In relation to the financial instruments recorded in the balance sheet at fair value, IFRS 7 requires that these values are classified based on the hierarchy levels which reflects the significance of the input utilised in the determination of fair value. The following levels are used:

- Level 1 - assets or liabilities subject to valuation listed on an active market;
- Level 2 - input based on prices listed at the previous point, which are directly observable (prices) or indirectly (derivatives from the prices) on the market;
- Level 3 - input which is not based on observable market data.

The derivative instruments measured at fair value at June 30, 2017 are classifiable to hierarchy Level 2 of the fair value measurement. During H1 2017, no transfers occurred from Level 1 to Level 2 or Level 3 or vice-versa. As previously outlined, the Group holds derivative financial instruments solely to hedge interest rate risk concerning the individual loans to which they refer (cash flow hedge).

The fair value measurement of the derivatives recognised to the financial statements was made through autonomous valuation models and based on the following market data at June 30, 2017:

- short-term interest rates and swaps based on the Euro;
- prices of three month Euribor future contracts;
- fixing of the Euribor rate to measure current period coupons.

39. Investments in subsidiaries, associates and other companies

The Parent Company controls the following companies, fully consolidated. The figures reported are based on the financial statements at period-end, prepared in accordance with the accounting standards adopted by each company.

• **Marco Polo Park S.r.l.**
Holding: 100%
The company manages airport parking under sub-concession from SAVE and AerTre.
A value of production of approx. Euro 7.7 million was reported in H1 2017, and a pre-tax profit of Euro 0.7 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 2009, also as a vehicle company for the acquisition of Brussels South Charleroi Airport SA in December 2009. The company therefore incorporates the investment in Brussels South Charleroi Airport SA, consolidated in the present condensed half-year financial statements 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 Master Plan. The company utilises know-how acquired in the completion and management of infrastructure development projects related to the passenger transport, such as for example, airports and railway stations.
In H1 2017, the value of production totalled Euro 2.5 million; the company reported a pre-tax profit of Euro 0.3 million in the period.

• 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 1.4 million was reported for the first half of 2017 and a pre-tax profit of Euro 0.4 million.

• Treviso Airport AERTRE S.p.A.
Holding: 80%
The Company Aer Tre S.p.A. holds the concession for the management of Treviso Antonio Canova airport.
A value of production of Euro 13.1 million was reported for the first half of 2017 and a pre-tax profit of Euro 1.5 million.

• Società Agricola Save a r.l.
Holding: 100%
The company is wholly-owned by the Parent Company and is exclusively involved in the activities established by Article 2135 of the Civil Code. A value of production of Euro 114 thousand was reported in H1 2017 and a pre-tax loss of Euro 63 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.
A value of production of Euro 7.1 million was reported for the first half of 2017, and a pre-tax loss of Euro 97 thousand.

• Save Cargo S.p.A.
Holding: 100%
The company provides cargo and postal assistance services at Venice's Marco Polo airport. During the year, the parent company in fact conferred the "Cargo" business unit to the subsidiary Save Cargo S.p.A..

A value of production of Euro 1.3 million was reported for the first half of 2017 and a pre-tax loss of Euro 0.3 million.

• **Archimede 1 S.p.A.**
Holding: 100%
The subsidiary was incorporated in 2001, under the By-Laws exclusively operating as a sub-holding of the investment in Centostazioni S.p.A..
The investment in Archimede 1 S.p.A., amounting to 60% at December 31, 2016, was increased to 100% through the acquisition by the parent company of the minority holdings of 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., which was subsequently sold to Ferrovie dello Stato Italiane S.p.A..

• **Archimede 3 S.p.A.**
Holding: 100%
The company was acquired in 2004. It did not report significant costs or revenues in the period.

• **Idea 2 S.r.l.**
Holding: 100%
The company is a wholly-owned indirect subsidiary of the Parent Company acquired in July 2005, also within the scope of potential investment projects. The company does not have significant costs or revenues.

The associated companies and joint ventures consolidated under the equity method are:

• **Airest Retail S.r.l.**
Holding: 50%
Airest Retail S.r.l., operating in the Food & Beverage and Retail sectors at Venice, Treviso and Verona airports, where the Save Group operates.

• **Brussels South Charleroi Airport SA**
Holding: 27.65% through Belgian Airport SA.
The company manages Charleroi airport (Belgium).

• **Aeroporto Valerio Catullo di Verona Villafranca S.p.A.**
Holding: 40.3%
The company manages Verona Villafranca and Brescia Montichiari airports.

• **VTP S.p.A.**
Holding: 22.18%
Founded by the Venice Port Authority, the company manages 10 multi-function terminals, 1 ship stores' depot, 5 parking lots and 7 docks, providing services for all vessels (cruise ships, pleasure boats, catamarans) which dock at Venice port.

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

• 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.

• Other holdings
The parent company holds further investments, including: Aeroporto Civile di Padova S.p.A. in liquidation (71.74%).

EARNINGS PER SHARE

Information on the data utilised for the calculation of the basic and diluted earnings per share is provided below.
The earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the number of shares. For the purposes of the calculation of the basic earnings per share, the net profit for the year was utilized, reduced by the minority share. There are no preference shares, privilege share conversions or other similar instruments that would entail the adjustment of the earnings due to shareholders. The diluted earnings per share equals the earnings per share as no potential ordinary shares or other instruments, such as options, warrants and their equivalents, if converted, may have a dilutive effect on the earnings per share. The following table reports the result and the number of ordinary shares used for the calculation of the basic earnings per share, determined in accordance with IAS 33.

	H1 2017	H1 2016
Group net profit	17,695	15,671
Weighted average number of outstanding shares		
- basic	54,711,228	54,738,453
- diluted	54,711,228	54,738,453
Earnings per share	0.323	0.286
Diluted earnings per share	0.323	0.286

The earnings per share, less the discontinued operations result, is reported below.

	H1 2017	H1 2016
Group net profit excluding the result of discontinued operations	17,695	15,393
Weighted average number of outstanding shares		
- basic	54,711,228	54,738,453
- diluted	54,711,228	54,738,453
Earnings per share	0.323	0.281
Diluted earnings per share	0.323	0.281

The average number of ordinary shares in circulation during the period was measured, adjusting the number of ordinary shares in circulation at the beginning of the period by the number of ordinary shares acquired, considering a temporal weighting.

Related party transactions

The consolidated financial statements at June 30, 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 period with Group Companies, 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.

The Group incurred during the period consultancy charges with companies belonging to the Finanziaria Internazionale Holding S.p.A. Group, related parties to the majority shareholder, totalling Euro 11 thousand concerning Idea 2 S.r.l.. At June 30, 2017, as not yet settled, these charges were recognised to trade payables to related parties.

Supplementary Statements

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

	Historical cost						Accumulated amortisation					
	Value at 01/01/17	Acquisi-tions	Decreases	Grants	Reclassifications/Other movements	Value at 06/30/17	Value at 01/01/17	Increases	Utilisations	Reclassifications/Other movements	Value at 06/30/17	Net Intangible assets
Airport concession rights	387,046	1,493	0	0	103	388,643	95,514	5,579	0	0	101,094	287,549
Assets in progress and payments on account	67,457	32,359	0	(1,172)	(103)	98,541						98,541
Sub-total airport concession rights	**454,503**	**33,853**	**0**	**(1,172)**	**0**	**487,184**	**95,514**	**5,579**	**0**	**0**	**101,094**	**386,090**
Concessions	**2**	**0**	**0**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**1**	**0**
Other intangible fixed assets with finite useful life	19,235	497	0		52	19,784	15,018	1,234	0	0	16,252	3,532
Assets in progress and payments on account	374	462	0		(52)	783	0	0	0	0	0	783
Subtotal other intangible fixed assets with finite useful life	**19,609**	**959**	**0**	**0**	**0**	**20,568**	**15,018**	**1,234**	**0**	**0**	**16,252**	**4,316**
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**	**34,811**	**0**	**(1,172)**	**0**	**514,730**	**110,534**	**6,813**	**0**	**0**	**117,347**	**397,383**

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

	Historical cost						Accumulated depreciation					
	Value at 01/01/17	Acquisi-tions	Decreases	Grants	Reclassifications/Other movements	Value at 06/30/17	Value at 01/01/17	Increases	Utilisations	Reclassifications/Other movements	Value at 06/30/17	Net tangible assets
Land and Buildings	43,956	20	0		0	43,976	736	259	0	0	996	42,980
Plant and machinery	57,480	842	(262)		1,476	59,537	40,603	2,137	(238)	0	42,501	17,036
Industrial & commercial equipment	6,176	283	(8)		0	6,452	4,679	194	(8)	0	4,866	1,586
Other assets	21,408	807	(43)		0	22,172	15,978	783	(40)	0	16,721	5,451
Impairment							5,076	1,240	0	0	6,316	(6,316)
Assets in progress and payments on account	1,557	394	0		(1,476)	474						474
Total tangible assets	**130,577**	**2,345**	**(313)**	**0**	**0**	**132,610**	**67,073**	**4,613**	**(286)**	**0**	**71,399**	**61,210**

Attachment C1
Balance Sheet accounts

concerning transactions with subsidiary and associated companies;
the amounts are reported in thousands of Euro

		N-AITEC S.r.l.	Nicelli S.p.A. Aeroporto del Lido di Venezia	Archimede 3 S.r.l.	Archimede 1 S.p.A.	Centostazioni S.p.A.	Società Agricola Save a r.l.	Idea 2 S.r.l.	Very Italian Food S.r.l.	Save Cargo S.p.A.	Save International Holding SA	Brussels South Charleroi Airport (BSCA) SA	Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	Gabriele D'Annunzio Handling S.p.A.	2A - Airport Advertising S.r.l.	Venice Gataway S.r.l.	Airest Collezioni Venezia S.r.l.	Save S.p.A.	Marco Polo Park S.r.l.	Aer Tre S.p.A.	Save Engineering S.p.A.	Aeroporto Civile di Padova S.p.A.	Airest S.p.A.	Triveneto Sicurezza S.r.l.	Airest Retail S.r.l.	Total
Save S.p.A.	Receivables	406	69	369	10,060		336	12		174			75	3	778	1	455		358	4,693	273	373	339	22	4,013	22,809
	Payables	2,085		6	49,049		23	7	35	301	4,511		1		334				1,649	88	3,401	9	17	2,567	1,985	66,067
Marco Polo Park S.r.l.	Receivables																	1,649						21	17	1,687
	Payables	52																358		335				23	15	783
Aer Tre S.p.A.	Receivables	27													40			10	335					1	865	1,279
	Payables	1																4,615			31			415		5,063
Triveneto Sicurezza S.r.l.	Receivables									3								2,567	23	415						3,007
	Payables																	22	21	1					2	46
Save Engineering S.p.A.	Receivables		4										23					3,330		30		5				3,392
	Payables																	256							8	265
N-AITEC S.r.l.	Receivables											30	9					2,066	52	1						2,158
	Payables											16						388		27						431
Idea 2 S.r.l.	Receivables																	7								7
	Payables			1,093														12								1,105
Società Agricola Save a r.l.	Receivables																	23								23
	Payables																	336								336
Save International Holding SA	Receivables																	4,511								4,511
Archimede 1 S.p.A.	Receivables					5												49,049								49,054
	Payables																	10,060								10,060
Archimede 3 S.r.l.	Receivables							1,093										6								1,099
	Payables																	369								369
Save Cargo S.p.A.	Receivables																	302								302
	Payables																	174						3	1	177
Nicelli S.p.A. Aeroporto del Lido di Venezia	Payables																	69			4					73
Centostazioni S.p.A.	Payables				5																					5
Very Italian Food S.r.l.	Receivables																	35								35
2A - Airport Advertising S.r.l.	Receivables																	334								334
	Payables																	778		40						818
Brussels South Charleroi Airport (BSCA) SA	Receivables	16																								16
	Payables	30																								30
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	Receivables																	1								1
	Payables	9																75			23					106
Gabriele D'Annunzio Handling S.p.A.	Payables																	3								3
Venice Gataway S.r.l.	Payables																	1								1
Aeroporto Civile di Padova S.p.A.	Receivables																	9								9
	Payables																	373			5					379
Airest Collezioni Venezia S.r.l.	Payables																	455								455
Airest S.p.A.	Receivables																	17								17
	Payables																	339								339
Airest Retail S.r.l.	Receivables									1								1,985	15		8			2		2,011
	Payables																	4,013	17	865						4,895
Other (Inarcassa)	Payables																	-54								-54
Grand total	Receivables	450	73	369	10,060	5	336	1,105	0	177	0	30	106	3	818	1	455	65,901	783	5,139	281	379	339	46	4,895	91,752
	Payables	2,176	0	1,099	49,054	0	23	7	35	301	4,511	16	1	0	334	0	0	22,643	1,687	1,356	3,464	9	17	3,007	2,011	91,752

Attachment C2
Income Statement accounts concerning transactions with subsidiary and associated companies;
the amounts are reported in thousands of Euro

		N-AITEC S.r.l.	Nicelli S.p.A. Aeroporto del Lido di	Archimede 3 S.r.l.	Archimede 1 S.p.A.	Venezia Terminal Passeggeri (VTP)	Centostazioni S.p.A.	Società Agricola Save a r.l.	Idea 2 S.r.l.	Save Cargo S.p.A.	Save International Holding	Brussels South Charleroi Airport	Aeroporto Valerio Catullo di Verona	Gabriele D'Annunzio Handling	2A - Airport Advertising S.r.l.	Airest Collezioni Venezia S.r.l.	Save S.p.A.	Marco Polo Park S.r.l.	Aer Tre S.p.A.	Save Engineering S.p.A.	Aeroporto Civile di Padova S.p.A.	Airest S.p.A.	Triveneto Sicurezza S.r.l.	Airest Retail S.r.l.	Total
Save S.p.A.	Revenue	35	6	4	25	13		30	2	531		3	62	3	1,177	722		4,731	411	266	3	339	318	4,002	12,683
	Costs	146			353	4				61	26		13						12	20			5,997	719	7,352
Marco Polo Park S.r.l.	Revenue																						38	12	50
	Costs																4,702		669				6		5,377
Aer Tre S.p.A.	Revenue														75		13	669					1	839	1,596
	Costs	28											1		2		411						1,081	1	1,523
Triveneto Sicurezza S.r.l.	Revenue									4							5,997	6	1,081						7,088
	Costs																319	38	1					5	363
Save Engineering S.p.A.	Revenue												7				2,559		33						2,600
	Costs																261							16	277
N-AITEC S.r.l.	Revenue											15	24	2			505	43	32						620
	Costs																35								35
Idea 2 S.r.l.	Costs																2								2
Società Agricola Save a r.l.	Costs																30								30
Save International Holding SA	Revenue																26								26
Archimede 1 S.p.A.	Revenue						5										353								358
	Costs																26								26
Archimede 3 S.r.l.	Costs																5								5
Save Cargo S.p.A.	Revenue																46								46
	Costs																517						4	1	522
Nicelli S.p.A. Aeroporto del Lido di V	Revenue																								0
	Costs																6								6
Venezia Terminal Passeggeri (VTP) S.	Revenue																4								4
	Costs																13								13
Centostazioni S.p.A.	Costs				5																				5
2A - Airport Advertising S.r.l.	Revenue																274		2						276
	Costs																1,177		75						1,251
Brussels South Charleroi Airport (BSC	Costs	15															3								18
Aeroporto Valerio Catullo di Verona V	Revenue																13		1						14
	Costs	24															62			7					93
Gabriele D'Annunzio Handling S.p.A.	Costs	2															3								5
Aeroporto Civile di Padova S.p.A.	Costs																3								3
Airest Collezioni Venezia S.r.l.	Costs																722								722
Airest S.p.A.	Costs																339								339
Airest Retail S.r.l.	Revenue									1							719		1	16			5		742
	Costs																4,002	12	839						4,853
Other (non-deductible VAT)	Costs																								-3
Capitalisations (*)	Costs																3,171	71	39	5					3,287
Grand total	Revenue	35	6	4	25	13	5	30	2	537	0	18	93	5	1,251	722	10,509	5,448	1,561	282	3	339	362	4,853	26,104
	Costs	216	0	0	358	4	0	0	0	61	26	0	14	0	2	0	15,807	121	1,634	33	0	0	7,088	742	26,104

(*) Capitalisations, of which:
- in Save S.p.A. Euro 2,539 thousand concerning Save Engineering S.p.A.; Euro 274 thousand concerning 2A - Airport Advertising S.r.l.; Euro 358 thousand concerning N-Aitec S.r.l..
- in Aer Tre S.p.A. Euro 4 thousand concerning N-Aitec S.r.l.; Euro 1 thousand concerning Save S.p.A.; Euro 33 thousand concerning Save Engineering S.r.l..
- in Marco Polo Park S.r.l. Euro 43 thousand concerning N-Aitec S.r.l.; Euro 29 thousand concerning Save S.p.A..
- in Save Engineering S.r.l. Euro 5 thousand concerning Save S.p.A..

Declaration of the Condensed Consolidated Half-Year Financial Statements as per Article 154- bis of Legs. Decree 58/98

1. The undersigned Monica Scarpa, as Chief Executive Officer, and Giovanni Curtolo, Executive responsible for the preparation of the corporate accounting documents of Save S.p.A., affirm, and also in consideration of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the adequacy in relation to the characteristics of the company and
- the effective application of the administrative and accounting procedures for the compilation of the condensed consolidated half-year financial statements in the first half-year of 2017.

2. The valuation of the adequacy of the accounting and administrative procedures for the preparation of the condensed consolidated half-year financial statements at June 30, 2017 is based on a process defined by Save in accordance with the Internal Control - Integrated Framework defined by the Committee of the Sponsoring Organisations of the Treadway Commission, which represents a benchmark framework generally accepted at international level.

3. We also state that:

3.1 The condensed consolidated half-year financial statements:

- were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- correspond to the underlying accounting documents and records;
- provides a true and correct representation of the capital, economic and financial situation of the issuer and of the other companies in the consolidation scope.

3.2 The Interim Report on operations includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. This Directors' Report also contains a reliable analysis of the significant transactions with related parties.

Venezia Tessera, August 1, 2017

Chief Executive Officer	**Executive Officer for Financial Reporting**
Monica Scarpa	Giovanni Curtolo

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SAVE S.p.A.

Introduction

We have reviewed the half-yearly condensed consolidated financial statements of SAVE S.p.A. and subsidiaries (the "SAVE Group"), which comprise the consolidated balance sheet as of June 30, 2017, the consolidated income statement, the consolidated comprehensive income statement, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the SAVE Group as at June 30, 2017 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Moretto
Partner

Treviso, Italy
August 2, 2017

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

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