

# Consolidated Half-Year Financial Report at June 30, 2018

AEROPORTO G. MARCONI DI BOLOGNA S.P.A.



Consolidated Half-Year Financial Report  
Aeroporto Guglielmo Marconi di Bologna Group  
at June 30, 2018

This document is a courtesy translation from Italian into English.  
In case of any inconsistency between the two versions, the Italian original version shall prevail.

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Aeroporto Guglielmo Marconi di Bologna Spa  
Via Triumvirato, 84 - 40132 Bologna  
Bologna Economic and Administrative Register No.: 268716  
Bologna Company Registration Office, Tax and VAT No.: 03145140376  
Share capital: Euro 90,314,162.00 fully paid-in

## **Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A.**

According to the shareholder register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at June 30, 2018:

<b>SHAREHOLDER</b>	<b>% held</b>
BOLOGNA CHAMBER OF COMMERCE	37.53%
ATLANTIA S.P.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%

The following have been considered in presenting the Parent Company's ownership structure:

- interests held by the party reporting the holding, or by the party at the head of the chain of control of the holding
- interests deriving from notices submitted by shareholders or notices relating to significant shareholdings pursuant to Article 152 of the CONSOB Issuers' Regulation.

Furthermore, on June 5, 2018 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce (collectively, the "Public Shareholders") entered into a shareholders' agreement (the "Shareholders' Agreement") governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A.. This Shareholders' Agreement, filed at the Bologna Companies Registration Office on June 8, 2018 and sent to Consob on June 9, 2018, includes provisions on voting and transfer restrictions, binding the following interests at the publication date of the Shareholders' Agreement:

<b>PUBLIC SHAREHOLDERS</b>	<b>% Share Capital subject to Voting Agreement</b>
BOLOGNA CHAMBER OF COMMERCE	37.53%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%

REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA CHAMBER OF COMMERCE	0.22%
REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

<b>PUBLIC SHAREHOLDERS</b>	<b>% Share Capital subject to Transfer Restriction Agreement</b>
BOLOGNA CHAMBER OF COMMERCE	37.53%
MUNICIPALITY OF BOLOGNA	3.85%
METROPOLITAN CITY OF BOLOGNA	2.30%
REGION OF EMILIA ROMAGNA	2.02%
MODENA CHAMBER OF COMMERCE	0.08%
FERRARA CHAMBER OF COMMERCE	0.06%
REGGIO EMILIA CHAMBER OF COMMERCE	0.04%
PARMA CHAMBER OF COMMERCE	0.03%

## Board of Directors

The Board of Directors at the approval date of the Interim Directors' Report at June 30, 2018 comprised:

<b>Name</b>	<b>Office</b>
Enrico Postacchini	Chairman
Nazareno Ventola	Chief Executive Officer (*)
Sonia Bonfiglioli	Director (A) (B)
Livio Fenati	Director (**)
Giada Grandi	Director
Luca Mantecchini	Director (A)
Laura Pascotto	Director (A) (B)
Giorgio Tabellini	Director
Domenico Livio Trombone	Director (B) (***)

(A) Member of the Remuneration Committee (Chairman: Luca Mantecchini)

(B) Member of the Control and Risks Committee (Chairperson: Sonia Bonfiglioli)

(\*) Chief Executive Officer appointed by the Board of Directors on May 9, 2016. He has also been appointed as Director responsible for the Internal Control and Risk Management System. In addition, he is the General Manager.

(\*\*) On January 29, 2018, the Board of Directors co-opted, in replacement of Director Arturo Albano who resigned on October 30, 2017, the Director Livio Fenati. This co-option was ratified by the Shareholders' Meeting of April 24, 2018.

(\*\*\*) On October 30, 2017, the Board of Directors co-opted, in replacement of Director Gabriele Del Torchio who resigned on September 4, 2017, the Director Domenico Livio Trombone. This co-option was ratified by the Shareholders' Meeting of April 24, 2018.

With the exception of the two directors whose co-option was ratified by the Shareholders' Meeting of April 24, 2018, the other Board members were appointed by the Shareholders' Meeting of April 27, 2016. All directors hold office until the approval date of the financial statements as at December 31, 2018.

## **Board of Statutory Auditors**

The Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 27, 2016 and in office until the approval date of the financial statements as at December 31, 2018 are:

<b>Name</b>	<b>Office</b>
Pietro Floriddia	Chairman
Anna Maria Fellegara	Statutory Auditor
Matteo Tiezzi	Statutory Auditor
Carla Gatti	Alternate Auditor
Giovanna Conca	Alternate Auditor

## **Independent Audit Firm**

E&Y S.p.A. was appointed as the independent audit firm by the Shareholders' Meeting of May 20, 2015 for the financial years 2015-2023.

**Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A.  
Group at June 30, 2018**

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## INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the six months ended June 30, 2018, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004.

The Group's structure at June 30, 2018 and a brief description of the type and businesses of its subsidiaries and associates is presented below:



- Tag Bologna S.r.l. (hereinafter also “TAG”), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector;
- Fast Freight Marconi S.p.A. (hereinafter also “FFM”), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna S.p.A. with effect from April 1, 2017), with share capital of Euro 10 thousand, subsequently increased to Euro 520 thousand following the contribution by the single shareholder of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009;
- Ravenna Terminal Passeggeri S.r.l. (hereinafter also “RTP”), formed in 2009 together with various public and private shareholders operating in the cruise industry to carry out activities related to the concession for managing the Porto Corsini Maritime Station Service (Ravenna).

The amounts in the tables in this Directors' Report are in thousands of Euro, whereas those in the comments are in millions of Euro, unless otherwise indicated. The data is from internal company sources unless otherwise indicated.

## Business Description

Airport business may be divided into aviation and non-aviation activities. Aviation activities primarily consist of managing, maintaining and developing airports, which also includes security checks and surveillance, as well as aviation services for passengers, other users and airport operators and marketing activities to develop passenger and cargo traffic. Non-aviation activities primarily consist of developing airport real estate and commercial potential.

Based on the nature of operations, the Group manages the airport through the following Strategic Business Units (SBU's):

- Aviation Strategic Business Unit
- Non-Aviation Strategic Business Unit.

### Aviation SBU

The Aviation SBU's main activities involve managing and developing airport infrastructure and in particular of:

- providing customers and operators with efficient access to all infrastructure, both land side (terminal, baggage sorting, car parking, traffic and cargo storage) and air side (aircraft runways and aprons);
- providing security services and services for passengers with reduced mobility (PRM's);
- informing the public and airport users;
- developing, revamping and expanding airport infrastructure, including installations and equipment, ensuring compliance with applicable legislation.

Consideration for such services takes the form of airport charges of the following types paid by airlines, airport operators and passengers:

- passenger service fees: these fees are due for the use of infrastructure, installations and common areas required for passenger boarding, disembarkation and hospitality and are based on the number of departing passengers, as well as whether they are bound for destinations within or outside the EU, with reductions for minors;
- take-off and landing fees: these fees are due for all aircraft that take off and land and are calculated on the basis of the aircraft's maximum authorised weight at take-off and the type of flight (commercial or general aviation);
- aircraft parking fees, calculated according to maximum weight at take-off;
- freight fees for boarding and disembarking cargos based on the weight of the cargo carried by aircraft;
- refuelling fees, assessed per cubic metre of fuel supplied to aircraft.

The Aviation SBU's other major revenue sources are:

- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;

- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;
- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- fees for the exclusive use of premises: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;
- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

## **Non-Aviation SBU**

The Non-Aviation SBU's main activities relate to parking management, retail sub-concessions, advertising, services for passengers and real estate management.

### **Parking**

Bologna airport's directly operated paid parking areas offer approximately 5,400 available car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away. The airport's increasing popularity in recent years has also driven a number of private companies to enter the market, creating competing parking lots in the vicinity of the airport, with shuttle bus services to the terminal.

### **Retail**

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,500 m<sup>2</sup> and includes 42 shops. The airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources.

### **Advertising**

Advertising is managed using digital and large-format back-lit displays located in areas of the terminal's interior and exterior where the advertisements are highly visible. Campaigns involving the personalisation of particular areas or furnishings located in the airport are sometimes conducted.

### **Passenger services**

Passenger services include a business lounge operated directly by the Parent Company. The *Marconi Business Lounge* (MBL) is an exclusive, comfortable environment used mostly by business passengers travelling with major airlines. In addition, the "You First" service provides arriving and departing passengers with access to exclusive services such as check-in and baggage collection assistance, portage, gate assistance and priority boarding.

The other services available to passengers include car rentals. Ten rental companies are based at Bologna airport, offering a total of 16 specialised brands and 484 vehicles available at the airport.

### **Real Estate**

Real estate activity is divided into two general areas: sub-concession revenues for aviation-related commercial activities, above all express couriers, and sub-concession revenues for handling services, which are subject to regulated tariffs.

The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas.

## 1 STRATEGIES AND RESULTS

### 1.1 AIR TRANSPORT GENERAL SECTOR AND PERFORMANCE: G. MARCONI AIRPORT OVERVIEW AND POSITIONING

The short-term outlook for the global economy overall remains favourable, despite the slowdown in global trade. In the first three months of the year, global trade - although continuing to grow - in fact slowed on the particularly strong growth evident in the preceding period. Against a pick up in emerging economy imports, those of the advanced economies significantly dropped off.

At global level, the risks of a possible intensification of economic and policy uncertainty have increased. The tensions triggered by the protectionist measures announced and implemented by the United States and the threats of retaliation by its trading partners could undermine business confidence. Geopolitical risks have also flared, owing in part to the announcement of the United States' withdrawal from the nuclear agreement with Iran. The uncertainty regarding future economic relations between the United Kingdom and EU remains very high, in light of the limited progress of Brexit negotiations.

Despite the slowdown of the leading advanced economies in the first three months of 2018, short-term prospects overall remain favourable.

In the first quarter of 2018, Eurozone GDP increased by 0.4% on the previous period, slowing on the relatively strong 2017 result. The performance continued to be driven by domestic demand - and above all by private consumption. Net exports were a negative contributor. The slowdown in the first quarter was particularly marked in France and Germany. On the basis of forecasts by the Eurosystem's central banks published in June, GDP is expected to increase by 2.1% overall in 2018.

Although slowing, economic activity in Italy continued to expand in the initial months of 2018 (+0.3% on Q1 2017). Slightly reduced GDP growth is forecast for the second quarter (+0.2%) (*source: Economic Bulletin, Bank of Italy, July 2018*).

Within this general economy, in the first half of 2018 **global** passenger traffic was up 7.0%, outperforming the general sector - although slightly slowing on H1 2017 growth (+8.3%). Global cargo traffic also performed strongly, with volumes up 4.7%, despite potential risks from international trade tensions.

In **Europe**, passenger traffic advanced 6.3% in the first half of 2018, thanks to the strong general economy. Cargo traffic also performed well, with volumes up 4.1% in the first half of 2018, despite a slowing market over recent months due to reduced order growth impacting exports. (*Air Passenger Market Analysis and Air Freight Market Analysis, June 2018*).

The **Italian** market in the same period saw passenger traffic growth of 6.0% (*Source: Assaeroporti, June 2018*). Bologna Airport in the first half of 2018 reported 5.3% growth.

## **1.2 STRATEGIC OBJECTIVES**

The Group in 2018 continues to pursue the strategic objectives underlying all operations. The core strategic guidelines are:

### **“Connect”**

The Group seeks to maintain a varied range of flight offerings suited to various types of users by adding to the number of airlines operating out of the airport, while continuing to maintain good margins also on the new traffic generated. In terms of traffic development, the Group targets the adding of routes, with the introduction of new Eastern and long-haul destinations, while boosting frequencies to existing destinations. The Group also focuses on improving airport accessibility, through the development of ground connections and the expansion of its catchment area.

### **“Develop”**

The investments outlined in the Master Plan and Regulatory Agreement are fundamental to the development of the company's business. The strategy in question calls for an efficient use of the existing infrastructure's capacity and modular implementation of new investments to ensure that infrastructure capacity keeps pace with expected traffic development. The passenger terminal expansion project is a key part of the infrastructure development plan, permitting the development of - in particular - the security control areas and the boarding gates, in addition to extending dedicated commercial space.

The Group also plans to develop non-aviation business with the opening of new stores, new car spaces and the extension of the range of services available to passengers.

### **“Experience”**

The Group is focused on ensuring the constant improvement of the services offered to airport users in its fields of operation, both directly and indirectly, while also constantly improving its standards of security, quality and respect for the environment. In order to support and improve all aspects of operations and generate Customer loyalty, the Group considers it key to develop a culture of innovation which revolves around the installation of technology that facilitates greater interaction with passengers and optimises the airport travelling experience.

### **“Care”**

The Group is committed to all aspects of sustainability, ranging from those of an environmental nature to compliance with ethical and social principles, in view of the important role which Bologna airport plays as a vital hub for the region. The Group also strives to develop those who work at the Airport and build an organisation which responds to the evolving demands of the market and which supports the individual in their work.

The Group has furthermore identified two overarching guidelines to the strategic objectives identified above which are viewed as a touchpoint for company operations:

### **“Maximise financial performance”**

The Group is focused on consistently improving the financial performance and on ensuring an adequate return for shareholders.

### **“Performing corporation”**

In order to boost company performances, the Group seeks to improve the efficiency and efficacy of its processes and its internal structure through projects which increasingly involve the interested parties.

### 1.3 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.

The following graphs present:

- the share performance between January 1, 2018 and June 30, 2018;
- tracking of the company's share performance against the FTSE Italia all-share index.

On June 30, 2018, the official share price was Euro 15.22 per share, resulting in an AdB Group market capitalisation of Euro 550 million at that date.

**AdB Share performance (01/01/2018-30/06/2018)**



**AdB and FTSE Italia All-Share performance (01/01/2018-30/06/2018)**



## 2. KEY OPERATING RESULTS

### 2.1 AVIATION STRATEGIC BUSINESS UNIT

#### 2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The first half of 2018 featured strong traffic growth at Bologna airport. Passengers numbered 4,029,949 in fact in the first six months of the year, including transits and General Aviation - up 5.3% on the same period of 2017. **Movements** (34,327, -0.1%) remained substantially unchanged, while **tonnage** (2,233,615, +2.9%) rose due to the increased size of legacy carrier aircraft. This performance was supported by the introduction of new destinations and the development of existing routes. The average load factor also rose, from 80.1% in H1 2017 to 81.0% in H1 2018, as a result of the passenger number increase outstripping the additional number of seats offered.

**Cargo traffic** in the first half of 2018 amounted to 26,671,236 KG, reducing 5.0% on 2017. This follows an absence of extraordinary volumes, evident in the comparative period.

	January – June 2018	January – June 2017	% Change
Passengers	4,029,949	3,827,982	5.3%
Movements	34,327	34,374	-0.1%
Tonnage	2,233,615	2,171,435	2.9%
Cargo	26,671,236	28,088,373	-5.0%

*Data includes General Aviation and transits*

*Note: the General Aviation figures were recalculated considering only paying traffic*

Passenger traffic growth stems from the development of both of the key components – legacy traffic and low-cost traffic.

**Legacy** traffic was up 6.5% in passenger volume terms in the first half of 2018, thanks to the introduction of new routes and the addition of flights to existing routes by some of the main international carriers. In particular, new flights have been introduced to Athens (Aegean Airlines, with two weekly flights from May 18), to Kiev (Ernst Airlines, with two weekly flights from June 23) and to six Russian destinations (Ural Airlines, with a weekly flight from April 7). In addition, flight additions included two weekly connections introduced by Alitalia to Olbia from June.

Ongoing investment by the **low-cost** carriers at the airport continued, with Ryanair extending its operations (continuing also during Summer 2018 the Winter 2017/2018 connections introduced to Bratislava, Cologne, Naples and Prague), alongside Wizzair. Vueling added connections on its Bologna-Barcelona route (from 7 to 12 weekly flights) from May 1, 2018. In the first half of 2018, the low-cost component grew 4.1% overall.

Charter segment traffic increased slightly thanks to a cautious recovery of flights to Egypt.

The contribution of this segment to overall airport traffic remained however marginal.

Passenger traffic breakdown	January – June 2018	% of total	January – June 2017	% of total	% Change
Legacy	1,688,150	41.9%	1,585,840	41.4%	6.5%
Low cost	2,303,292	57.2%	2,211,595	57.8%	4.1%
Charter	30,808	0.8%	23,507	0.6%	31.1%
Transits	4,097	0.1%	2,952	0.1%	38.8%
<b>Total Commercial Aviation</b>	<b>4,026,347</b>	<b>99.9%</b>	<b>3,823,894</b>	<b>99.9%</b>	<b>5.3%</b>
General Aviation	3,602	0.1%	4,088	0.1%	-11.9%
<b>Total</b>	<b>4,029,949</b>	<b>100.0%</b>	<b>3,827,982</b>	<b>100.0%</b>	<b>5.3%</b>

Bologna airport has an increasingly international profile: in the first half of 2018, passengers travelling on international flights accounted for 76.2% of the total (75.9% in the first half of 2017).

Breakdown of Commercial Aviation passenger traffic	January - June 2018	January - June 2017	% Change
EU	3,465,054	3,326,492	4.2%
Non-EU	561,293	497,402	12.8%
<b>Total Commercial Aviation</b>	<b>4,026,347</b>	<b>3,823,894</b>	<b>5.3%</b>
General Aviation	3,602	4,088	-11.9%
<b>Total</b>	<b>4,029,949</b>	<b>3,827,982</b>	<b>5.3%</b>

Approximately one quarter of Bologna passenger traffic is domestic, while Spain (with 14.0%) was confirmed as the second largest contributor of passenger numbers.

Passenger traffic by country	January - June 2018	% of total	January - June 2017	% of total	% Change
Italy	957,647	23.8%	921,215	24.1%	4.0%
Spain	565,090	14.0%	559,617	14.6%	1.0%
Germany	379,385	9.4%	402,918	10.5%	-5.8%
UK	349,091	8.7%	334,173	8.7%	4.5%
France	228,969	5.7%	224,038	5.9%	2.2%
Romania	209,906	5.2%	216,325	5.7%	-3.0%
Netherlands	157,941	3.9%	136,195	3.6%	16.0%
Turkey	135,401	3.4%	124,069	3.2%	9.1%
Poland	96,090	2.4%	94,616	2.5%	1.6%
UAE	91,989	2.3%	85,428	2.2%	7.7%
Other	858,440	21.3%	729,388	19.1%	17.7%
<b>Total</b>	<b>4,029,949</b>	<b>100.0%</b>	<b>3,827,982</b>	<b>100.0%</b>	<b>5.3%</b>

In terms of routes operated, Catania is the main destination in terms of passenger traffic volumes, followed by Barcelona, Rome FCO (reporting significant growth on 2017), Paris CDG and Frankfurt.

The main destinations again reflect the solidity of the traffic mix as at the same time acting as hubs for the traditional carriers and point to point destinations of the low-cost carriers.

Main passenger traffic routes	January-June 2018	January-June 2017	% Change
Catania	190,833	175,629	8.7%
Barcelona	155,884	143,290	8.8%
Rome FCO	154,319	115,325	33.8%
Paris CDG	149,957	140,417	6.8%
Frankfurt	148,306	150,222	-1.3%
Madrid	146,379	144,108	1.6%

Main passenger traffic routes	January-June 2018	January-June 2017	% Change
London LHR	141,037	126,936	11.1%
Palermo	132,314	135,330	-2.2%
London STN	116,207	116,606	-0.3%
Amsterdam	114,303	96,715	18.2%

*Passenger traffic including transits*

Ryanair contributed 45.7% to total passenger traffic in the first half of 2018. Wizzair again held second place, with Alitalia third - having seen volumes grow by over 35% on 2017. The strong performances of British Airways, KLM and Turkish Airlines are also noted.

Passenger traffic by airline	January-June 2018	% of total	January-June 2017	% of total	% Change
Ryanair	1,842,427	45.7%	1,773,640	46.3%	3.9%
Wizz air	236,161	5.9%	215,258	5.6%	9.7%
Alitalia	220,156	5.5%	162,765	4.3%	35.3%
Air France	149,524	3.7%	140,287	3.7%	6.6%
Lufthansa	148,306	3.7%	150,264	3.9%	-1.3%
British Airways	141,245	3.5%	127,349	3.3%	10.9%
KLM	113,648	2.8%	96,594	2.5%	17.7%
Air Dolomiti	107,244	2.7%	101,812	2.7%	5.3%
Turkish	92,381	2.3%	81,419	2.1%	13.5%
Emirates	91,415	2.3%	85,428	2.2%	7.0%
Other	887,442	22.0%	893,166	23.3%	-0.6%
<b>Total</b>	<b>4,029,949</b>	<b>100.0%</b>	<b>3,827,982</b>	<b>100.0%</b>	<b>5.3%</b>

## Cargo Traffic

(in KG)	January-June 2018	January-June 2017	% Change
<b>Air cargo</b> of which	20,088,801	20,886,958	-3.8%
<b>Cargo</b>	20,056,554	20,824,086	-3.7%
<b>Mail</b>	32,247	62,872	-48.7%
<b>Road cargo</b>	6,582,435	7,201,415	-8.6%
<b>Total</b>	<b>26,671,236</b>	<b>28,088,373</b>	<b>-5.0%</b>

In the first half of 2018, cargo traffic amounted to 26,671,236 KG, reducing 5.0% on the same period of 2017. This follows in particular an absence of extraordinary volumes, evident in the comparative period.

## 2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change	% Change
Passenger Revenues	25,107	23,626	1,481	6.3%
Carrier Revenues	10,821	10,845	(24)	-0.2%
Airport Operator Revenues	1,658	1,530	128	8.4%
Traffic Incentives	(11,430)	(11,425)	(5)	0.0%
Construction Service Revenues	1,946	1,576	370	23.5%
Other revenues	723	700	23	3.3%
Aviation and FSC Revenue Reduction	0	(125)	125	n.a.
<b>Total AVIATION SBU Revenues</b>	<b>28,825</b>	<b>26,727</b>	<b>2,098</b>	<b>7.8%</b>

The Aviation Strategic Business Unit's revenues consist of fees paid by users (passengers and airlines) and airport operators for the use of the infrastructure and services provided on an exclusive basis by the Group for landing, take-off, lighting, aircraft parking and passenger and cargo operations, in addition to centralised infrastructure and exclusive-use premises.

Given the public utility aspect of airport services, airport charges are regulated by both national and EU legislation. The new regulations and implementation measures – including the models approved by the Transport Regulation Authority – require that changes to the system or amount of airport fees be made with the consent, on the one hand, of the airport manager, and of the airport's users on the other.

The increase in the first quarter of 2018 over the same period in 2017 is due to a number of factors, including the differing increase in the main drivers of traffic and construction service revenues.

Group revenues from the Aviation Strategic Business Unit were overall up 7.8% on 2017. The individual accounts broke down as follows:

- Passenger Revenues (+6.3%): the growth in passenger revenues outstripped the increase in passenger traffic (+5.3%) due to the tariff update applied from January 1, 2018, which resulted in a slight increase in tariffs for this category of revenues;
- Carrier Revenues (-0.2%): Carrier revenues increased proportionally less than total tonnage, mainly due to the reduction in cargo traffic;
- Airport Operator Revenues: growth of 8.4% following an increase in subsidiary warehousing and aviation fuel service revenues;
- Incentives: in line with 2017 despite traffic growth due to contractual renegotiations;
- Construction Service Revenues: growth (23.5%) related to greater investment than the same period of the previous year.

## 2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

### 2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change	% Change
Retail and Advertising	6,709	6,255	454	7.3%
Parking	7,768	7,092	676	9.5%
Real Estate	1,187	1,123	64	5.7%
Passenger services	2,707	2,459	248	10.1%
Construction Service Revenues	1,115	572	543	94.9%
Other Revenues	1,340	985	355	36.0%
<b>Total NON-AVIATION SBU Revenues</b>	<b>20,826</b>	<b>18,486</b>	<b>2,340</b>	<b>12.7%</b>

Total non-aviation business revenues in the period rose 12.7%, with all the main revenue items increasing. The individual areas of this business unit performed as follows.

#### **Retail and Advertising**

Revenues from this component were up 7.3% on the same period of 2017, thanks in particular to Food&Beverage growth and the improved penetration of existing sales points, which benefitted from a greater focus on the range of options available.

#### **Parking**

Parking revenues grew 9.5% on the same period of the previous year, due to the increase in passenger numbers and the conversion of most of this growth, the slight increase in certain tariffs and the return of car spaces from the People Mover site.

#### **Real Estate**

This segment expanded 5.7% on the first half of 2017, due to the leasing of a number of buildings located off airport grounds which did not produce effects in the same period of the previous year, and the renegotiation of contracts at the end of 2017.

#### **Passenger services**

Passenger services were up 10.1% in the first half of 2018 on 2017, mainly due to premium (*lounge and accessory services*) and self-hire services, whose performance is outlined below.

#### **Premium services**

This business grew on the basis of increased passenger numbers which reflect also the gaining popularity of directly managed lounges and those managed through specialised airport lounge channels.

#### **Self-hire sub-concessions**

The entire car rental segment benefitted in the first half of the year from the traffic growth and the renegotiation of the sub-concession contracts.

#### **Construction Service Revenues**

This item's growth (94.9%) relates to increased investment in the business unit over the same period of the previous year.

**Other revenues:** this growth mainly owes to energy efficiency security sales revenues.

### **3 ANALYSIS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS:**

#### **3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS**

<i>in thousands of Euro</i>	<b>For the half year ended 30.06.2018</b>	<b>For the half year ended 30.06.2017</b>	<b>Change</b>	<b>% Change</b>
Revenues from aeronautical services	26,359	24,612	1,747	7.1%
Revenues from non-aeronautical services	19,660	18,150	1,510	8.3%
Revenues from construction services	3,062	2,148	914	42.6%
Other operating revenues and income	570	303	267	88.1%
<b>REVENUES</b>	<b>49,651</b>	<b>45,213</b>	<b>4,438</b>	<b>9.8%</b>
Consumables and goods	(951)	(938)	(13)	1.4%
Service costs	(10,423)	(8,688)	(1,735)	20.0%
Construction service costs	(2,916)	(2,046)	(870)	42.5%
Leases, rentals and other costs	(3,916)	(3,528)	(388)	11.0%
Other operating expenses	(1,580)	(1,793)	213	-11.9%
Personnel costs	(13,809)	(13,522)	(287)	2.1%
<b>COSTS</b>	<b>(33,595)</b>	<b>(30,515)</b>	<b>(3,080)</b>	<b>10.1%</b>
<b>EBITDA</b>	<b>16,056</b>	<b>14,698</b>	<b>1,358</b>	<b>9.2%</b>
Amortisation of concession rights	(2,878)	(2,750)	(128)	4.7%
Amortisation of other intangible assets	(458)	(330)	(128)	38.8%
Depreciation of tangible assets	(1,090)	(983)	(107)	10.9%
<b>DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>(4,426)</b>	<b>(4,063)</b>	<b>(363)</b>	<b>8.9%</b>
Provisions for doubtful accounts	(61)	36	(97)	n.a.
Provisions for renewal of airport infrastructure	(1,186)	(672)	(514)	76.5%
Provisions for other risks and charges	(154)	(208)	54	-26.0%
<b>PROVISIONS FOR RISKS AND CHARGES</b>	<b>(1,401)</b>	<b>(844)</b>	<b>(557)</b>	<b>66.0%</b>
<b>TOTAL COSTS</b>	<b>(39,422)</b>	<b>(35,422)</b>	<b>(4,000)</b>	<b>11.3%</b>
<b>OPERATING RESULT</b>	<b>10,229</b>	<b>9,791</b>	<b>438</b>	<b>4.5%</b>
Financial income	412	393	19	4.8%
Financial expenses	(317)	(439)	122	-27.8%
<b>RESULT BEFORE TAXES</b>	<b>10,324</b>	<b>9,745</b>	<b>579</b>	<b>5.94%</b>
<b>TAXES FOR THE PERIOD</b>	<b>(2,950)</b>	<b>(2,730)</b>	<b>(220)</b>	<b>8.1%</b>
<b>Profit (loss) for the period</b>	<b>7,374</b>	<b>7,015</b>	<b>359</b>	<b>5.1%</b>
<b>Profit (loss) for the period - Minority interests</b>	<b>72</b>	<b>96</b>	<b>(24)</b>	<b>-25.0%</b>
<b>Profit (loss) for the period – Group</b>	<b>7,302</b>	<b>6,919</b>	<b>383</b>	<b>5.5%</b>

The consolidated profit for the first half of 2018 was **Euro 7.4 million**, up 5.1% on **Euro 7 million** in 2017.

This result follows the increase in passenger traffic of 5.3% and the knock-on benefit for all the main business components, in terms of a multiplier effect on all the main results.

In particular, revenue growth was supported by the traffic mix, the measures taken to drive the margin and the development of the managed traffic units to maximise the impact also on the non-aviation component.

Operating **revenues** overall grew 9.8% on 2017. Specifically:

- **revenues from aeronautical services** were up 7.1%, mainly due to improved traffic and the tariff update;
- **revenues from non-aeronautical services** rose 8.3% due to the good performance of all category components, as outlined in the relative section;
- **revenues from construction services** increased 42.6% following the rolling out of investments in this category;
- **other operating revenues and income**: these revenues grew on 2017 (+88.1%) due to the presence of energy efficiency certificate sales revenues (absent in the comparative period).

Period **costs** overall rose 10.1% on the same period of 2017. These break down as follows:

- ✓ **consumables and goods** increased (+1.4%) mainly due to the consumption of runway deicing liquid as a result of weather events impacting the initial months of the year;
- ✓ **service costs** rose 20%, particularly due to:
  - maintenance in terms of increased works on buildings, signage and additional actions due also to snow;
  - the considerable increase in snow clearance operations on 2017, due to snowfalls and particularly harsh temperatures in February and March;
  - the PRM service due to the increased number of departing passengers;
  - the absence in the first half of 2018 of the reversal of “one off” System Charges for Adb's Cogeneration plant, recognised to the 2016 Annual Accounts for Euro 627 thousand and reversed, with a positive effect on H1 2017 costs;
- ✓ higher **construction service costs** (+42.5%) due to greater investment;
- ✓ the 11% increase in **lease, rentals and other costs** over 2017, mostly due to the increased traffic upon which the concession and security fees are calculated, in addition to increased fees for certain technology investments;
- ✓ **other operating expenses** reducing 11.9% on 2017, principally due to the absence of accessory charges and the exercise of the purchase option on a building in June 2017.

Reference should be made to the personnel costs section of this report for further details.

**EBITDA** was up Euro 1.4 million (+9.2%) in the first half of 2018 against the same period in 2017.

In terms of **overheads**, amortisation and depreciation (+8.9%) on the basis of the amortisation and depreciation schedule and new Group investments and provisions (+66%) rose, with the latter mainly concerning the higher provisions for renewal of airport infrastructure in execution of the 2019-2028 action plan update.

The 11.3% increase in overall costs against the 9.8% increase in revenues resulted in the **Operating Result** rising 4.5%: from Euro 9.8 million in the first six months of 2017 to Euro 10.2 million in H1 2018.

**Net financial income** amounted to Euro 0.1 million, compared to the slight net charge (Euro 0.05 million) in H1 2017. The improvement is due to the reduction in bank interest charges on the basis of a lower debt and the review of the financial conditions applied to the loan maturing in 2024, agreed on April 6, 2017.

As a result of that outlined above, the **Result before taxes** for H1 2018 was Euro 10.3 million, against Euro 9.7 million in H1 2017 (up 5.9%).

**Taxes for the period** of Euro 2.95 million compared to Euro 2.7 million in H1 2017, with the increase substantially owing to the higher result before taxes.

Finally, the period **profit** amounts to **Euro 7.4 million**, compared to Euro 7 million (+5.1%): the Group share was Euro **7.3 million**, against Euro 6.9 million in H1 2017.

In the first six months of 2018, investments relating to concession rights were slightly higher than in the same period of 2017.

The impact on financial results is evident in the following table presenting revenues, costs and EBITDA, adjusted respectively for the revenues, costs and margin for construction services and the reversal of "one-off" system charges in the comparative period.

<i>in thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change	% Change
Revenues from aeronautical services	26,359	24,612	1,747	7.1%
Revenues from non-aeronautical services	19,660	18,150	1,510	8.3%
Other operating revenues and income	570	303	267	88.1%
<b>ADJUSTED REVENUES</b>	<b>46,589</b>	<b>43,065</b>	<b>3,524</b>	<b>8.2%</b>
Consumables and goods	(951)	(938)	(13)	1.4%
Service costs	(10,423)	(9,315)	(1,108)	11.9%
Leases, rentals and other costs	(3,916)	(3,528)	(388)	11.0%
Other operating expenses	(1,580)	(1,793)	213	-11.9%
Personnel costs	(13,809)	(13,522)	(287)	2.1%
<b>ADJUSTED COSTS</b>	<b>(30,679)</b>	<b>(29,096)</b>	<b>(1,583)</b>	<b>5.4%</b>
<b>ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)</b>	<b>15,910</b>	<b>13,969</b>	<b>1,941</b>	<b>13.9%</b>
Revenues from construction services	3,062	2,148	914	42.6%
Construction service costs	(2,916)	(2,046)	(870)	42.5%
<b>Construction Services Margin</b>	<b>146</b>	<b>102</b>	<b>44</b>	<b>43.1%</b>
Utilities - "One-off" system charges	0	627	627	n.a.
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>16,056</b>	<b>14,698</b>	<b>1,358</b>	<b>9.2%</b>

### 3.2 CASH FLOW ANALYSIS

The Group net financial position at June 30, 2018, compared to December 31, 2017 and June 30, 2017, is presented below:

	<i>in thousands of Euro</i>	As at 30.06.2018	As at 31.12.2017	As at 30.06.2017	Change 30.06.2018 31.12.2017	Change 30.06.2018 30.06.2017
A	Cash	27	27	24	0	3
B	Other cash equivalents	18,899	16,182	11,327	2,717	7,572
C	Securities held for trading	0	0	0	0	0
D	<b>Liquidity (A)+(B)+(C)</b>	<b>18,926</b>	<b>16,209</b>	<b>11,351</b>	<b>2,717</b>	<b>7,575</b>
E	<b>Current financial receivables</b>	<b>17,575</b>	<b>20,617</b>	<b>14,687</b>	<b>(3,042)</b>	<b>2,888</b>
	<i>in thousands of Euro</i>	As at 30.06.2018	As at 31.12.2017	As at 30.06.2017	Change 30.06.2018 31.12.2017	Change 30.06.2018 30.06.2017
F	Current bank debt	(43)	(54)	(45)	11	2
G	Current portion of non-current debt	(5,809)	(5,807)	(5,804)	(2)	(5)
H	Other current financial debt	(2,250)	(1,806)	(4,256)	(444)	2,006
I	<b>I. Current financial debt (F)+(G)+(H)</b>	<b>(8,102)</b>	<b>(7,667)</b>	<b>(10,105)</b>	<b>(435)</b>	<b>2,003</b>
J	<b>Net current financial position (I)-(E)-(D)</b>	<b>28,399</b>	<b>29,159</b>	<b>15,933</b>	<b>(760)</b>	<b>12,466</b>
K	Non-current bank debt	(16,210)	(19,109)	(22,005)	2,899	5,795
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	0	0	0	0	0
N	<b>Non-current financial debt (K)+(L)+(M)</b>	<b>(16,210)</b>	<b>(19,109)</b>	<b>(22,005)</b>	<b>2,899</b>	<b>5,795</b>
O	<b>Net financial position (J)+(N)</b>	<b>12,189</b>	<b>10,050</b>	<b>(6,072)</b>	<b>2,139</b>	<b>18,261</b>

The Group **Net Financial Position** at June 30, 2018 was a cash position of Euro 12.2 million, compared to Euro 10 million at December 31, 2017 and a debt position of Euro 6.1 million at June 30, 2017.

Breaking down the individual components and leaving aside the differing composition between **liquidity** and **current financial receivables**, the sum of the two accounts (D+E) is substantially unchanged compared to December 31, 2017 (Euro 36.5 million compared to Euro 36.8 million at December 31, 2017), on the basis of cash absorption resulting from:

- Euro 4.1 million of investment, particularly infrastructural;
- Euro 14.2 million for the payment of dividends;
- Euro 2.9 million for debt repayments

funded for Euro 11.2 million by cash flows generated from operations and for the residual Euro 9.5 million by financial instruments close to maturity and therefore reclassified to current financial assets.

In addition to the stated debt repayment, the period financial debt altered due to the change in the payable for boarding fee surtaxes classified to account H (other current financial debt), which increased on the preceding period (Euro 2.2 million against Euro 1.8 million).

The significant improvement in the net financial position over June 30, 2017 (debt of Euro 6.1 million) is due to:

- on the one hand, lower financial investments with maturity beyond one year and therefore not recognised to the Net Financial Position (Euro 10.3 million at June 30, 2018 of non-current financial assets, against Euro 24 million at June 30, 2017)
- on the other, the lower current debt due to the gradual settlement of loan instalments and the absence of the “other current financial debt” account of Euro 3 million concerning the payable to Marconi Express Spa for the third tranche of the Equity Financial Instrument corresponding to the 51% advancement of works on the People Mover project. This tranche was settled in July 2017.

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below:

In thousands of Euro	As at 30.06.2018	As at 30.06.2017	Change
<b>Cash flow generated / (absorbed) by operating activities before working capital changes</b>	<b>15,953</b>	<b>14,780</b>	<b>1,173</b>
<b>Cash flow generated / (absorbed) by net operating activities</b>	<b>11,240</b>	<b>5,959</b>	<b>5,281</b>
<b>Cash flow generated / (absorbed) by investment activities</b>	<b>8,549</b>	<b>(1,801)</b>	<b>10,350</b>
<b>Cash flow generated / (absorbed) by financing activities</b>	<b>(17,072)</b>	<b>(12,917)</b>	<b>(4,155)</b>
<b>Change in closing cash flow</b>	<b>2,717</b>	<b>(8,759)</b>	<b>11,476</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16,209</b>	<b>20,110</b>	<b>(3,901)</b>
<b>Change in closing cash flow</b>	<b>2,717</b>	<b>(8,759)</b>	<b>11,476</b>
<b>Cash and cash equivalents at end of period</b>	<b>18,926</b>	<b>11,351</b>	<b>7,575</b>

**Cash flows generated by operating activities** amount to Euro 11.2 million, significantly increasing on the same period of 2017 (Euro 6 million) due to:

- the increase in cash flows generated from core operations of Euro 1.2 million. Before working capital changes in fact, cash flows from operating activities generated funding of Euro 16 million, against Euro 14.8 million in H1 2017;
- and particularly the lesser absorption of resources by net working capital, equal to Euro 4.7 million, against Euro 8.8 million in the same period of 2017. Working capital absorbed lesser resources principally due to the settlement of commercial payables, taxes for the period and the utilisation of provisions, while the increase in the payable for boarding fee surtaxes compared to the decrease in the comparative period was the main positive change in other liabilities.

**Investment activities generated cash flow** of Euro 8.5 million; infrastructure investment of Euro 4.1 million (Euro 6.2 million in H1 2017) was offset by the use of current and non-current assets for Euro 12.5 million (Euro 4 million in H1 2017) and the sale of the investee Bologna Congressi for Euro 117 thousand.

Finally, **financing activities** absorbed cash of Euro 17.1 million (Euro 12.9 million in H1 2017), due to the payment of dividends of Euro 14.2 million (Euro 10 million in 2017) and the settlement of loan instalments maturing in the period (Euro 2.9 million in both periods).

Consequently, the **change in closing cash flow** in the period indicates a generation of Euro 2.7 million, against absorption of Euro 8.8 million in the first half of 2017.

### 3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to “sources” and “uses”, is presented below:

USES	As at 30.06.2018	As at 31.12.2017	As at 30.06.2017	Change	
				30.06.2018- 31.12.2017	30.06.2018- 30.06.2017
- Trade receivables	13,895	13,220	13,374	675	521
- Tax receivables	185	334	217	(149)	(32)
- Other Receivables	5,656	3,854	5,578	1,802	78
- Inventories	504	538	531	(34)	(27)
<b>Sub-total</b>	<b>20,240</b>	<b>17,946</b>	<b>19,700</b>	<b>2,294</b>	<b>540</b>
- Trade payables	(15,384)	(16,208)	(12,806)	824	(2,578)
- Tax payables	(1,727)	(1,671)	(1,753)	(56)	26
- Other payables	(24,036)	(22,503)	(22,620)	(1,533)	(1,416)
<b>Sub-total</b>	<b>(41,147)</b>	<b>(40,382)</b>	<b>(37,179)</b>	<b>(765)</b>	<b>(3,968)</b>
Assets held-for-sale	0	117	0	(117)	0
<b>Net operating working capital</b>	<b>(20,907)</b>	<b>(22,319)</b>	<b>(17,479)</b>	<b>1,412</b>	<b>(3,428)</b>
Fixed assets	177,523	177,709	175,733	(186)	1,790
- Deferred tax assets	6,490	6,799	6,938	(309)	(448)
- Other non-current assets	11,820	21,367	25,544	(9,547)	(13,724)
<b>Total fixed assets</b>	<b>195,833</b>	<b>205,875</b>	<b>208,215</b>	<b>(10,042)</b>	<b>(12,382)</b>
- Provisions for risks, charges & severance	(18,986)	(18,743)	(19,006)	(243)	20
- Deferred tax liabilities	(2,401)	(2,371)	(2,248)	(30)	(153)
- Other non-current liabilities	(169)	(169)	(168)	0	(1)
<b>Sub-total</b>	<b>(21,556)</b>	<b>(21,283)</b>	<b>(21,422)</b>	<b>(273)</b>	<b>(134)</b>
<b>Fixed Operating Capital</b>	<b>174,277</b>	<b>184,592</b>	<b>186,793</b>	<b>(10,315)</b>	<b>(12,516)</b>
<b>Total Uses</b>	<b>153,370</b>	<b>162,272</b>	<b>169,314</b>	<b>(8,902)</b>	<b>(15,944)</b>
SOURCES	As at 30.06.2018	As at 31.12.2017	As at 30.06.2017	Change	
				30.06.2018- 31.12.2017	30.06.2018- 30.06.2017
<b>Net financial position</b>	<b>12,189</b>	<b>10,050</b>	<b>(6,072)</b>	<b>2,139</b>	<b>18,261</b>
- Share Capital	90,314	90,314	90,314	0	0
- Reserves	67,050	65,218	65,306	1,832	1,744
- Profit (loss) for the period	7,302	15,969	6,919	(8,667)	383
<b>Group Shareholders' Equity</b>	<b>164,666</b>	<b>171,501</b>	<b>162,539</b>	<b>(6,835)</b>	<b>2,127</b>
Minority Interests	893	821	703	72	190
<b>Total Shareholders' Equity</b>	<b>165,559</b>	<b>172,322</b>	<b>163,242</b>	<b>(6,763)</b>	<b>2,317</b>
<b>Total sources</b>	<b>(153,370)</b>	<b>(162,272)</b>	<b>(169,314)</b>	<b>8,902</b>	<b>15,944</b>

The Group statement of financial position indicates a reduction in **operating net working capital** at June 30, 2018 compared to December 31, 2017, due to the increase in trade receivables and the boarding fee surtaxes and accrued income recognised to “other receivables”. Trade receivables and boarding fee surtaxes increased on the basis of higher revenues, with accrued income increasing as an interim result for the first six months. “Other payables” also increased on December 31, 2017 due to the payable for boarding fee surtaxes and the Fire Service (VVF) fee. Compared to the first half of 2017, net operating working capital increased, mainly due to the increase in both trade payables and those to the State for the concession fee and for the VVF contribution.

**Operating fixed capital** reduced against both comparative periods due to the reduction in “other non-current assets”, as a result of the upcoming maturity of short-term liquidity uses with the consequent reclassification to current assets and/or receipts.

At June 30, 2018, **Consolidated Shareholders' Equity** amounts to Euro 165.6 million, compared to Euro 172.3 million at December 31, 2017, against a **net financial position** of Euro 12.2 million. The Shareholders' Meeting of the parent company of April 24, 2018, in addition to approving the 2017 Annual Accounts, approved the distribution of a dividend from the 2017 profit of Euro 14.2 million.

### **3.4 INDICATORS**

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended June 30, 2018 to be immaterial due to their interim nature.

### **3.5 INVESTMENTS**

Investments in the first half of 2018 totalled Euro 4.4 million, both in execution of the airport Masterplan and in support of airport operations.

The state of progress of the main investments in the Masterplan is illustrated below:

- **Existing terminal works:** the design of the existing terminal extension was completed;
- **New De-icing apron and building:** construction of the de-icing apron is ongoing;
- **New Multi-story car park:** the design of the parking lot close to the terminal concluded;
- **Express parking extension:** the design of the Express Parking extension concluded;
- **AdB offices extension (Training Center):** works on the new “Training Center”, supporting also training as per EASA Reg. EC 139/2014, is ongoing;
- **People Mover:** works by Marconi Express on the “Airport” People Mover are in the concluding phase. Executive design of the moving walkway between the Airport Station and Terminal were also concluded by AdB.

Furthermore, in terms of other investments in airport operations, the following work was carried out to improve the service offered to passengers and increase the efficiency of company processes:

- the construction of new Car Rental offices;
- the construction and extension of the new courier service offices;
- the start of installation of the monitoring and video surveillance system for the airport perimeter, in application of the National Safety Programme;
- the creation of guided paths for the blind;
- the installation of credit card readers at the automatic cashiers and parking exit stations.

#### **Provisions for renewal**

A total of Euro 0.7 million was drawn down from the renewal provision during the first half of 2018. In particular, we highlight a number of actions on plant and the preparatory design services for the maintenance of runways scheduled for September.

## 3.6 PERSONNEL

### Workforce breakdown

	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change	% Change
<b>Full Time Equivalent average workforce</b>	<b>460</b>	<b>447</b>	<b>13</b>	<b>3%</b>
Executives	10	10	(0)	-3%
Managers	29	30	(1)	-3%
White-collar	328	312	16	5%
Blue-collar	93	95	(2)	-2%

	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change	% Change
<b>Average workforce</b>	<b>501</b>	<b>494</b>	<b>7</b>	<b>2%</b>
Executives	10	10	(0)	-3%
Managers	29	30	(1)	-2%
White-collar	365	354	11	3%
Blue-collar	97	100	(3)	-3%

Source: Company workings

The increase in the workforce of 13 full-time equivalent employees compared to H1 2017 is mainly due to the hiring of security personnel in line with the increase in traffic.

### Costs

	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change	% Change
Personnel costs	13,809	13,522	287	2.1%

Source: Data from the Company

The increase in personnel costs of 2.1% compared to the same period of 2017 is mainly due to the expanded workforce, as described above, in addition to normal salary increases.

## TRADE UNION RELATIONS

The company has applied since 2014 an agreement negotiated with the trade unions for the introduction of flexible benefits. In view of the conclusion of this agreement at the end of 2017 and the new welfare legislation approved at national level in 2017, the company sought at the beginning of the year to sign a new agreement regarding these benefits.

During the first half of 2018, a supplementary Result-based bonus agreement was in addition signed.

## 4 MAIN NON-FINANCIAL RESULTS

### 4.1 THE ENVIRONMENT

The Group remains focused on all major environmental issues, from its impact on air quality, to noise pollution, energy conservation and alternative energy.

The Parent Company, through the Regional Agreement for a Low-Carbon Airport, signed with regional authorities in 2015, has committed to perform work with a total cost of Euro 6.5 million. These investments will be carried out over a period consistent with the timeframe for implementation of the airport Master Plan.

In the first half of 2018, the installation of the air quality monitoring system was completed, subject to technical/functional testing for its final entry into use.

### 4.2 AIRPORT INFRASTRUCTURE DEVELOPMENT

The process continues for the approval of the Masterplan update, with the sending to the Ministry for the Environment of the documentation necessary to verify the applicability of the Environmental Impact Assessment (VIA), in addition to the interactions requested on the basis of the observations of the local entities. The review of the Masterplan is particularly based on a new philosophy for the development of the airport and the current land side area, in addition to expansion over the period until 2030. The current airport will expand both airside (departures lounge) and land side (new frontage, new arrivals area and new roadways).

In the first half of 2018, the design of the first phase of the existing airport's extension concluded. This project is one of the main components of the Masterplan and involves an expansion of over 24,000 sq./m. of the current departures lounge, with a new pier and new central area available to all passengers, alongside new commercial spaces.

### 4.3 QUALITY

As part of its development strategies, Bologna airport combines a strong focus on passengers' needs with a vision open to new trends in the industry. The Group's goal is to offer passengers airport infrastructure and services that make the travel experience as pleasant as possible.

#### User satisfaction

In the first half of 2018, the airport performed well, with the delivery of good results against a significant increase in traffic.

From an operating viewpoint, check-in waiting times significantly reduced and security control waiting times were substantially stable, while baggage collection times - managed by the handling companies - increased considerably. In this regard, in view of the summer travel peak, Bologna Airport bolstered its monitoring and facilitation of the service, in close collaboration with the handlers.

Key Quality Indicators		January-June 2018	January-June 2017
Overall satisfaction	% of satisfied passengers	98.3%	96.8%
Service regularity and speed	% of satisfied passengers	97.2%	95.8%
General cleaning level perception	% of satisfied passengers	98.1%	97%
Toilet cleanliness and functionality level perception	% of satisfied passengers	95.6%	92%
Check-in queue waiting	Time in 90% of cases	13'51"	16'09"
Waiting time for baggage screening control	Time in 90% of cases	6'44"	6'04"
First/last bag return time from aircraft block-on (from system)	First bag (time in 90% of cases)	24'00"	22'00"
	Last bag (time in 90% of cases)	32'00"	30'00"

Source: Company workings

Bologna Airport performances as per the Airport Service Quality programme of ACI World improved on the first half of 2017: overall satisfaction in the first half of the year reached 3.81 on its scale of 1 to 5 (3.78 in H1 2017). Passenger communication and signage and airport staff courtesy and professionalism were identified as areas of excellence.

## 5 REGULATORY FRAMEWORK

### 5.1 REGULATORY AGREEMENT

On February 19, 2016, the Regulatory Agreement for the 2016-2019 four-year period was signed with ENAC. The new Regulatory Agreement, based on the applicable regulations, governs the various aspects of the relationship between ENAC and AdB and covers the infrastructure action plan, the achievement of the quality and environment plan objectives, in addition to the monitoring and control of their development by the National Body for Civil Aviation (ENAC).

The Regulatory Agreement calls for the Parent Company to invest a total of approximately Euro 112.4 million over the four-year period, of which Euro 84 million for the Masterplan and Euro 28.4 million of investment in support of commercial areas, operating processes and improvement of the passenger experience.

### 5.2 TARIFF REGULATION 2016-2019

In accordance with the current regulatory framework and the tariff models created by the Transport Regulation Authority ("ART"), in 2015 AdB launched and successfully completed the tariff-setting process for the period 2016-2019, closely coordinated and supervised by the said Authority.

In October 2017, in accordance with the Authority's Model, consultation was conducted with the airlines and the tariff levels applicable from January 1, 2018 adjusted.

### 5.3 REG. (EU) 139/2014: NEW CERTIFICATION OF ITALIAN AIRPORTS

The European Commission, with Regulation (EC) 139 of February 12, 2014, entering into force on March 6, 2014, adopted the enacting regulation of Regulation (EC) No. 216/2008. This new regulation, mainly directed at the European Civil Aviation Authorities (in charge of certifying EU airports), the airports and those parties providing Apron Management Services (AMS), establishes and maintains a high and uniform level of civil aviation security in Europe, raising the security standards applied at EU airports.

Bologna Airport received from ENAC on August 10, 2017, the conversion of the Airport Certificate according to European Regulation No. 139 of 2014, declaring therefore that the company organisation, the ground operating procedures and all airport infrastructure and plant at "Guglielmo Marconi" airport respond to the requirements of this EU Regulation. With this conversion, the provisions under the Enacting Regulation and the Basic Regulation, which assign greater responsibilities and duties to the airport management companies, became effective at Bologna airport. However, we highlight the lack of implementation of the aviation section of the Italian Navigation Code, resulting in the non-updating of the assignment, against the provisions of EU Regulation 139/2014, of the powers held respectively by: the Italian Civil Aviation Oversight Authority (ENAC) and the Airport Manager. This latter appears in fact currently devoid of compulsory and sanctioning powers and of direct control and action capacity, also in dealing with public bodies, as indicated by the EU parliament.

Marconi was the sixth airport in Italy to receive the new Airport Certificate from ENAC.

## **5.4 REGULATIONS ON INCENTIVES AND SUBSIDIES PAID BY AIRPORTS TO AIRLINES**

### **Italian Regulations**

Decree-Law No. 145/2013, known as the "Destination Italy Act", introduced rules for incentives, subsidies and all other forms of payment from airport managers for airlines in support of the launch and development of routes intended to meet and promote demand in the affected user catchment areas. In particular, Article 13, paragraphs 14 and 15, of the said Decree, as amended by the conversion law, Law No. 9 of February 21, 2014, provided that the Ministry of Infrastructure and Transport (hereinafter the "MIT") was to issue specific implementing guidelines, in consultation with ART and the Italian Civil Aviation Authority ("ENAC").

On August 11, 2016, the MIT thus issued a ministerial decree adopting "*Guidelines for incentives for the launch and development of routes by airlines...*", effectively repealing the previous guidelines of October 2, 2014 and replacing the previous rules with comprehensive new regulations on the subject, applicable solely to incentives of public origin, which constitute state aid.

Among other provisions, the new rules eliminate the obligation for management companies to publish and report such incentive contracts entered into both before and after August 11, 2016 to the competent administrative authorities (ART and ENAC), along with aggregate economic data regarding the incentives provided.

Although the Company does not provide incentives of the type or within the scope of application described in the MIT's new Guidelines, it nonetheless believes it appropriate to continue to publish a traffic development policy on its website regarding the incentive plan, with the aim of ensuring fair, transparent and non-discriminatory access, and thereby ensuring the broadest possible participation. Accordingly, its periodically updated traffic development policy is accessible to all interested airlines, ensuring that any agreements or understandings between AdB and airlines meeting the requirements and interested in developing traffic conform to the various models and targets set out in the policy, while also complying with Community competition rules.

## **5.5 NEW PUBLIC CONTRACTS CODE**

Following the entry into force of Legislative Decree No. 50 of April 18, 2016, implementing the new Public Contracts Code, published in General Gazette General Series No. 91 of April 19, 2016 - Ordinary Supplement No. 10, it was necessary to further consider the detail and interpretations of the new regulation, consequently submitting to review the structure of tenders and of standard interest contracts undertaken by the company in relation to all tender procedures planned from April 19, 2016. Further consideration of the regulation upon public contracts was therefore necessary, with the consequent review of the documentation concerning tender procedures, following the entry into force of Legislative Decree No. 56 of April 19, 2017 implementing "*Supplementary and corrective provisions to Legislative Decree No. 50 of April 18, 2016*", published in Official Gazette No. 103 on May 5, 2017. The activities concerning

tender procedures was in addition accompanied by a review of the internal regulation concerning procurement of interest to and involving the Issuer, which takes account of the peculiarly subjective nature of AdB s.p.a. and, therefore, of the broad subjective diversity of the multitude of procurement needs of the company, finalised, in December 2016, with the approval of the new "Contractors Regulation" covering the general principles and the internal procurement macro-organisational levels. The "Contractors Regulation" is therefore subject at the beginning of 2017 to an initial review following the entry into force of Ministerial Decree No. 248 of November 10, 2016 and was published - in this updated version - on the company website on February 3, 2017. The same internal regulation was thereafter subject, at the end of 2017, to a second review - approved with Board of Directors' motion of December 21, 2017 and with effect from January 1, 2018 - in order to align with regulatory developments and the recent changes to the Contracts Code, as indicated above, and in addition to align with organisational changes applied from February 2018 with the centralisation of a number of key procurement process actions as part of a multi-disciplinary unit providing greater support to the expenditure and investment managers in executing their roles and responsibilities.

## **5.6 FIRE PREVENTION FUND**

For further details on this issue, reference should be made to Chapter 6 Disputes.

## **5.7 TRANSPARENT GOVERNANCE AND ETHICS**

In 2017, the Parent Company significantly reviewed its website, removing a specific "Transparent Governance" section and assuring meanwhile due disclosure and reporting upon Ethics and governance in line with best practices as applied by listed companies on the Borsa Italiana s.p.a. managed market. This systematic review was made to align with the provisions introduced by Legislative Decree No. 97 of May 25, 2016 implementing a "Review and simplification of the rules concerning the prevention of corruption, reporting and transparency, correcting Law No. 190 of November 6, 2012 and Legislative Decree No. 33 of March 14, 2013, as per Article, regarding the reorganisation of public bodies" and published in the Official Gazette No. 132 of June 8, 2016. The new provisions in fact redefined the areas subject to application of the stated Legislative Decree 33/2013, requiring application to public control companies, with express exclusion of listed companies (Article 2-bis, paragraph 2, Legislative Decree 33/2013, introduced by Legislative Decree 97/2016) and therefore providing clarifications, as expected originally from Circular 1/2014 of the Ministry for the Public Sector and Simplification of February 14, 2014. Once again therefore, as part of the close focus placed by the company on these issues, an updated interpretative opinion was requested from expert sector consultants, who confirmed this interpretation of the regulation and, consequently, the non-applicability of the obligations as per Law No. 190/2012 and of Legislative Decree 33/2013 upon listed companies, and therefore regardless of whether a majority or minority investment.

As the Parent Company is no longer subject to public control following the stock market listing, on July 14, 2015, the administrative body, in terms of voluntary compliance, confirmed its ongoing commitment of the Model 231/2001 based anticorruption system. Therefore, in oversight of the risk of corruption, the Parent Company applied to its internal control systems some of the Law 190/2012 principles. In particular, an Anticorruption Policy was drawn up, supplemented by the Organisational and Management Model, in protection of the image of impartiality and of good governance of the company, of the company assets and of shareholder's expectations, of the work of its employees and of its stakeholders in general.

The Board of Directors, therefore, on December 21, 2017 appointed an internal body called the Ethics and Anticorruption Committee, in order to monitor and verify the effective implementation of the Anticorruption Policy and its appropriateness, with the particular duties to:

- verify the effective implementation of the policy and its appropriateness;
- define appropriate procedures to hire and train employees operating in sectors particularly exposed to corruption;
- propose amendments to the policy in the case of major violations or changes to the organisation;
- promote internal mobility or alternative measures for positions in which the risk of the committal

- of corruption offenses is greatest;
- identify personnel to undergo training courses on the issues of ethics and legality;
- oversee the publication obligations upon the company, also with regards to declaring their satisfaction;
- manage reports within their scope of illegal conduct and protect the confidentiality of the reporting parties data as per the Whistleblowing Policy.

## 5.8 THE ADMINISTRATIVE ACCOUNTABILITY OF LEGAL PERSONS

The Parent Company has voluntarily adopted since 2008 the Organisation, Management and Control Model (hereafter also the “Model”), established by Legislative Decree No. 231 of June 8, 2001 and latterly updated with Board motion of April 24, 2018. The recent review took into consideration, in addition to the internal organisational changes since the previous version, the most recent offenses included in the decree and potentially involving AdB (e.g. new definition of the offense of corruption among private parties and new incitement to corruption among private parties; the illicit brokerage and use of labour offense; the offenses of procuring illegal entry and supporting undocumented workers; offenses regarding racism and xenophobia), in addition to the regulatory obligation to implement under the 231 Model an information channel which ensures the confidentiality of the identity of the reporting party of unlawful conduct (Whistleblowing). For such purposes, Whistleblowing was introduced as part of the reporting tools under the 231 Model, previously introduced to AdB in 2016 in support of the Anticorruption Policy.

The 231 Model in its current version therefore incorporates the Anticorruption Policy and the Whistleblowing Policy.

The Whistleblowing Policy, in line with best domestic and international practice, adopted by the company in 2016 and reviewed in 2018, ensures, also organisationally, that the employee reporting illegal conduct is not subject to prejudicial disciplinary consequences and is protected in the case of “direct or indirect discriminatory measures, with effects on working conditions for reasons related directly or indirectly to complaints”. For optimal adoption of the Whistleblowing Policy, the company, as stated, since 2016 has adopted an IT application to manage reports, in the form of a platform which permits in general all internal and external stakeholders (employees, shareholders, partners, etc.) to send reports to pre-established addressees, ensuring effective and confidential communication.

For details upon the Model, reference should be made to the Corporate Governance and Ownership Structure Report.

## 5.9 NEW “TERMINAL VALUE” REGULATION.

From December 6, 2017, Article 15-*quinquies*, paragraph 1, of Legislative Decree No. 148 of October 16, 2017, converted, with amendments, by Law No. 172 of December 4, 2017, amended Article 703 of the navigation code, replacing the original fifth paragraph with the current fifth, sixth, seventh, eighth and ninth paragraphs, as follows:

“On the natural conclusion of the concession, the succeeding concession holder has the obligation to pay to the exiting concession holder the succession fee. Unless otherwise established in the concession act, this value, in relation to buildings and fixed installations existing on the airport grounds and on areas included therein concerning the expansion of the airport grounds, realized or acquired by the outgoing concession holder with its own resources, included in the Regulatory Agreement and approved by ENAC, is equal to the value of the works at the date of succession, net of depreciation and any government grants, limited to the portion of said assets ascribed to the services subject to tariff regulation identifiable in the certified regulatory analytical accounting presented by the outgoing concession holder for the immediately preceding year.

The buildings and fixed installations existing at the date of succession on the airport grounds, realized or acquired by the outgoing concession holder with its own resources and destined for commercial activities, as such not subject to tariff regulation, remain the property of the state, without any reimbursement due to the concession holder, except for the buildings and fixed installations of a commercial nature for which

realization or acquisition has been authorized by ENAC as functional to the airport activity and to the enhancement of the airport, for which a reimbursement is due equal to the residual book value of the regulatory analytical accounting.

The outgoing concession holder is obliged to continue with the administration of the ordinary operations of the airport on the same conditions set at the time of the concession act until succession by the incoming concession holder, subject to the latter's payment of the succession amount due, unless otherwise determined in a justified decision by ENAC, in relation to the adequate performance of the service.

In case of the succession of the concession, or when the concession ceases before expiry, the incoming concession holder has the obligation to reimburse the outgoing concession holder the undepreciated residual book value of the non-removable works, as indicated in the previous periods concerning the natural expiry of the concession. This is subject to application of Art. 1453 of the civil code.

The regulation concerning the value of succession, reimbursements and indemnities referred to in this article does not apply if mechanisms for determining the value of succession, reimbursements and indemnities are already provided for in the airport management agreements in force, which remain unchanged in such case".

The Parent Company has initiated, together with other airport management companies, assessments of the regulation in order to ensure its correct future transposition where impacting the periodic financial reporting.

## **5.10 NON-FINANCIAL INFORMATION REPORT**

With Legislative Decree No. 254 of December 30, 2016, implementing Directive 2014/95/EC, companies qualifying as large scale "public interest entities" are required to prepare and publish an individual or consolidated report containing, for each financial year, information concerning environmental, social, personnel, human rights and anti-corruption matters. This information may be contained in the Directors' Report or in a separate document. The Directors are responsible for preparing and publishing the Report. These documents are subject to Board of Statutory Auditors and Independent Audit Firm review. The European Regulation was drawn up in consideration of the recognition that "non-financial communication is fundamental to manage the transition towards a sustainable global economy, combining long-term profitability, social justice and environmental protection". The Group launched in 2018 a project to ensure compliance with regards to financial year 2018, a year in which all of the regulatory obligations established for this mandatory reporting are expected to be fulfilled.

## **5.11 PRIVACY COMPLIANCE**

By May 25, 2018 - the deadline established by European Regulation No. 679/2016 (GDPR - General Data Protection Regulation) - the Group completed the project initiated in 2017 to ensure adequate compliance and the necessary adjustment of the organisation, processes, company deeds and procedures, introducing an efficient and regulatory compliant data management model, to be applied and further developed according to the principles outlined in the GDPR of privacy by design and privacy by default. The company planned also appropriate Data Protection Impact Assessments, set out by the EU Regulation for application in highly complex and delicate environments (geo-location, video surveillance, Customer Relation Management systems), replacing the prior notifications and authorisations under the current Italian Privacy Code. The company finally appointed an outside Data Protection Officer (DPO), although further setting up an inter-departmental Data Protection Committee with personnel specialised in the range of pertinent GDPR issues, thereby ensuring appropriate governance to guarantee compliance with general and sector regulation.

## **5.12 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION**

By order of the Ministry of Economic Development of May 2, 2017, published in edition No. 104 of Italy's Official Gazette dated May 6, 2017, Alitalia - Società Aerea Italiana S.p.A was admitted to the extraordinary

administration procedure, with immediate effect and three Extraordinary Commissioners were appointed. The Court of Civitavecchia declared Alitalia - Società Aerea Italiana S.p.A. in extraordinary administration ("Alitalia SAI in EA") insolvent by judgment of May 11, 2017. The decree of the Ministry of Economic Development of May 12, 2017 was then published in edition No. 124 of the Official Gazette of May 30, 2017, also admitting Alitalia Cityliner S.p.A. to the extraordinary administration procedure and appointing the same panel of commissioners as for Alitalia.

Article 1, paragraph 1 of Legislative Decree No. 38 of April 27, 2018, extended from April 30, 2018 to October 31, 2018 the deadline established by Article 12, paragraph 1 of Legislative Decree No. 148 of 2017, concerning the execution of the transfer procedure of business units involved in the extraordinary administration of Alitalia S.p.A. and established that the entire state loan of Euro 900 million be repaid by December 15, 2018. Conversion Law No 77 of June 21, 2018, with modifications, of Legislative Decree No. 38/2018 in addition established precise disclosure obligations upon the Commissioners to the Parliament. The half-year commissioner's report states that the three proposals with regards to the transfer of assets did not meet the requirements established in the tender rules as without binding content and the essential elements required, and therefore with a difficult to envisage future path.

The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured. At the statement of liabilities hearing fixed for February 6, 2018, only the receivables of employees were examined. For the examination of the other receivables, a hearing was fixed for October 22, 2018. The routes scheduled for 2018 at the airport are currently confirmed.

## 6 DISPUTES

This section outlines the main - fundamental in financial terms - disputes and/or those which in the period saw significant legal and/or non-legal developments, without therefore providing an exhaustive outline of all positions for which specific amounts have been allocated to the disputes risk provision.

### 6.1 FIRE PREVENTION FUND

With regards to the contribution to the fund established under the 2007 Finance Law to reduce the cost upon the State to organise and execute the **fire protection service** at Italian airports, the most significant new developments in the first half of 2018 concern the judgment of the Constitutional Court - following referral by the joint sittings of the Cassation Court with ordinance of December 28, 2016 - of July 3, 2018 declaring the unconstitutionality of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 implementing "Provisions for the drawing up of annual and multi-year budgets of the State (2016 Stability Law)". This judgment No. 167/2018 of the Constitutional Court was published in Official Gazette No. 1 Special Series - Constitutional Court No. 30 of July 25, 2018 and, therefore, from July 26, 2018, as per Article 30 of Law No. 87 of 1953, the challenged provision of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 may no longer be applied.

The company considers with its legal experts all appropriate actions to protect its positions in this regard. This follows the stated pronouncement of unconstitutionality and in addition follows the order of December 19, 2017 of the Bologna Court which, even before the pronouncement of the Constitutional Court on the content of paragraph 478, accepted and applied the interpretation provided by the Court of Cassation and the Joint Sittings with order No. 27074 of 28.12.16, recalling the declared fiscal nature of the Fire Protection Fund and declaring "its lack of jurisdiction, dealing with a dispute within the legal competence of the Tax Commissions". In summary, this order of lack of jurisdiction also repeals Injunction Decree No. 20278/14 for a value of Euro 4.1 million notified by the Authorities to AdB s.p.a., eliminating *ab origine* any risk of additional actions by the Tax Authorities.

## 7 MAIN RISKS AND UNCERTAINTIES

In accordance with the disclosure requirements set out in Art. 2428, paragraph 2, No. 6-*bis* of the Italian Civil Code, the Group holds financial instruments that qualify as significant in quantitative terms. However, considering the criteria that inform its choice of investments, such as:

- minimising the risk of the return of invested capital;
- the differentiation of the credit institutions;
- the duration, normally less than two years;
- the return offered;

the Group believes the **financial risks** – understood as the risks of changes in the value of the financial instruments – to be limited.

The Group is not subject to **foreign exchange risk** since it does not undertake transactions in foreign currencies.

In view of the significant commitments to infrastructure development, **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing. To meet the needs deriving from its investment plan, the Group has taken comprehensive steps to obtain the medium-term financial resources required for its development. In particular, the Parent Company's recent IPO has improved the Group's liquidity and financial profile. Finally, the cash flows, funding requirements and the liquidity of the Group companies are constantly monitored in order to ensure the efficient management of financial resources.

The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities.

Finally, the Group's **credit risk** is moderately concentrated, in that 49% of its accounts receivable are claimed from its top ten clients. This risk is offset through specific and trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts, according to the principles of prudence and in compliance with the new accounting standards IFRS 15 and IFRS 9, on the basis of which the credit risk assessment processes were revised, with an improvement of the *ex-ante* analysis approach rather than in terms of existing receivable recovery.

The commercial policies pursued by the Group to limit its exposure involve:

- requesting immediate payment for transactions with end consumers or occasional counterparties (i.e., parking areas);
- requesting advance payment from occasional airlines or airlines without an appropriate credit profile or collateral;
- requesting performance bonds from sub-concessionaire clients.

### Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 45.7% of the airport's total traffic volumes in H1 2018. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire in 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Company's opinion Bologna airport is of strategic importance to the

airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In the light of the interest shown by low-cost carriers in Bologna airport and of general traffic development at the airport, the Company believes that the Group could reasonably weather a possible discontinuation or limitation of flights by Ryanair through the possible redistribution of passenger traffic to the other airlines operating at the airport and the airport's ability to attract new carriers. However, there remains the possibility that if a significant period of time were to elapse from the discontinuation of flight operations and the partial or complete replacement of the lost flights by other carriers, or if such replacement were to prove more difficult than expected or wholly or partially infeasible, such a discontinuation or reduction of flights could have an adverse effect, including to a material degree, on the Group's financial performance and financial position.

#### **Risk related to the effect of incentives on revenue margins**

The Parent Company is exposed to the risk of a decrease in the margins of its Aviation Business Unit due to an increase in traffic volumes by airlines that receive incentives. In accordance with its incentive policy aimed at developing traffic and routes at the Airport, the Company pays some airlines – including both legacy and low-cost carriers – incentives tied to passenger traffic volumes and new routes. This policy limits incentives to levels compatible with positive revenue margins for the Group on each airline's operations. However, should passenger traffic and the routes operated by airlines receiving incentives increase over time, the Aviation Business Unit's positive margins could decline proportionally, with a negative impact, possibly to a material degree, on the Group's financial performance and financial position.

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing a traffic mix that permits it to maintain positive margins.

#### **Risks related to implementation of the Action Plan**

The Parent Company invests in the Airport on the basis of an Action Plan approved by the Italian Civil Aviation Authority (ENAC). AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events or delays in the process of obtaining authorisation for and/or executing the works, with positive adverse effects on the amount of the tariffs that may be applied and possible risks of withdrawal from or termination of the Agreement. The Action Plan was drafted on the basis of the investments envisaged in the Master Plan according to a modular approach, the main driver of which is air traffic performance.

#### **Risks concerning the regulatory framework**

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group's core business involves acting as concession holder operating under special exclusive rights to the Bologna airport grounds. Primarily for this reason, it operates in an industry that is highly regulated at the domestic, supranational and international levels. 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.

#### **Risk related to the high level of intangible assets in proportion to the Group's total assets and shareholders' equity**

With regards to the preparation of the condensed consolidated financial statements at June 30, 2018, as indicators of impairment as defined by IAS 36 are not evident and considering that Group economic-

financial performances are in line with the 2018-2044 economic-financial forecast drawn up by the Board of Directors and utilised in the impairment tests at December 31, 2017 and in previous years, impairment tests were not carried out as no such indicators have emerged in terms of the Concession rights recognised at June 30, 2018.

In the Group Consolidated Financial Statements at December 31, 2017, non-current assets include, among others, concession rights for Euro 157 million and Euro 156 million at December 31, 2016. They accounted for 60.02% of total assets at December 31, 2017 and for 59.83% at December 31, 2016. Concession Rights accounted respectively for 91.27% of Group shareholders' equity at December 31, 2017 and for 93.34% at December 31, 2016. These amounts represent the values of the concession rights as determined in accordance with the application of interpretation IFRIC 12 – *Service Concession Arrangements* ("IFRIC 12") to all assets set to revert to the grantor, ENAC, received in 2004. When preparing the Group's Consolidated Financial Statements, the concession rights were tested for impairment in accordance with IAS 36. The impairment test performed did not identify any impairment of the carrying amounts of the concession rights in 2017 and no impairment losses were therefore recognised on the assets concerned.

### **Seasonality of revenues**

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the third quarter rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period experiencing maximum usage levels. In addition, there is a strong business passenger component, due to the characteristics of the local business community and the presence of internationally renowned trade fair events, which offsets the seasonal peaks of tourist activity. Accordingly, financial performance figures for interim periods may not be representative of the Group's financial performance and financial position situation at the annual level.

## **8 ALTERNATIVE PERFORMANCE INDICATORS**

In this Directors' Report, various performance indicators are presented in order to permit a better assessment of operating performance and financial position.

On December 3, 2015, Consob published Communication No. 92543/15, rendering applicable the Guidelines issued on October 5, 2015 by the European Security and Markets Authority (ESMA) regarding the presentation of such indicators in regulated information circulated or financial statements published on or after July 3, 2016. These Guidelines, updating the previous CESR Recommendation (CESR/05-178b), seek to promote the utility and transparency of alternative performance indicators included in regulated information or financial statements within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

The criteria utilised for these indicators, in line with the above communications, are provided below:

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:
  - the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager;

- for the comparative period, the reversal of “one-off” system charges.
- **Net Financial Position:** the composition of net financial position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendation ESMA/2011/81.

## 9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

in thousands of Euro	30/06/2018	30/06/2017	Change	% Change
Sureties	6,348	9,348	(3,000)	-32.1%
Pledge on Equity Financial Instruments	10,873	10,873	0	0.0%
Patronage letters	2,057	2,316	(259)	-11.2%
<b>Total guarantees granted</b>	<b>19,278</b>	<b>22,537</b>	<b>(3,259)</b>	<b>-14.5%</b>

At June 30, 2018, the guarantees granted by the Group total approx. Euro 19.3 million and principally concern:

- sureties, mainly:
  - to ENAC (the Italian Civil Aviation Authority) pursuant to the Comprehensive Management Agreement (Euro 4.4 million);
  - to Marconi Express S.p.A. for the proper fulfilment of the obligations assumed by the Parent Company by entering into the incentive agreement dated September 30, 2016 (Euro 0.87 million against Euro 3.87 million at June 30, 2017);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Parent Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project, settled at June 30, 2018 for Euro 10 million. The Pledge on Equity Financial Instruments agreement was signed on September 30, 2016;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to 51% of the residual principal, which at the end of the period amounted to Euro 2.1 million.

## 10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.

However, some significant events occurred after the end of the period or are set to occur in the coming months.

### Traffic performance and launch of new connections

The airport reports 844,397 passengers for July 2018, up 0.9% on the same month in 2017. The figure was impacted by strikes and poor weather, which however did not impede the achievement of a new monthly and daily traffic record.

In the first seven months of 2018, Marconi airport passengers numbered 4,870,744, up 4.5% on the same period of 2017. Movements totalled 38,839, increasing 0.6% on the previous year.

With regards to the launch of new connections and the addition of flights:

- Alitalia added a new connection to Palermo, with two weekly flights from July 13 for the summer months;
- Aeroflot introduced an additional daily flight to Moscow (increasing from two to three daily flights) from July 13.

After the launch of direct connections with China by Blue Panorama from July 16, the “China programme” suffered a setback on August 10 as a result of the decision of the airline to end its collaboration with the Chinese tour operator Phoenix. The Group will pursue its commitment to launch new partnerships to ensure a prompt pick up in the number of flights to China, with the introduction of scheduled flights which will not only bring incoming Chinese tourists to Italy, but also outgoing Italian passengers to China.

**TAG Bologna Srl – changes to the ownership structure**

On April 24, 2018, an agreement was signed for the disposal of the 24.5% minority holding by the shareholder Sirio s.p.a. to the shareholder B.Group s.p.a. which from May 8, date of filing of the deed at the company's office, therefore came to hold 49% of TAG Bologna s.r.l..

**Inter-company and other related party transactions**

Reference should be made to the specific paragraph of the Explanatory Notes to the consolidated financial statements at June 30, 2018 for information concerning transactions undertaken during the period with subsidiaries, associates and related parties.

**Business Outlook**

The indications of general economic recovery are cause for cautious optimism for the coming months, while the potential risks stemming from an uncertain geopolitical environment which may impact air traffic numbers should be kept in mind.

*The Chairman of the Board of Directors  
(Enrico Postacchini)*

Bologna, September 3, 2018

**Consolidated Financial Statements for the period ended June 30, 2018**

Statement of Consolidated Financial Position  
Consolidated Income Statement  
Consolidated Statement of Comprehensive Income  
Consolidated Cash Flow Statement  
Statement of Changes in Consolidated Shareholders' Equity

## Statement of Consolidated Financial Position

<i>in thousands of Euro</i>	Note	As at 30.06.2018	As at 31.12.2017
Concession Rights		156,707	156,523
Other intangible assets		1,832	1,784
<b>Intangible assets</b>	<b>1</b>	<b>158,539</b>	<b>158,307</b>
Property, plant and equipment		14,252	14,670
Investment property		4,732	4,732
<b>Tangible assets</b>	<b>2</b>	<b>18,984</b>	<b>19,402</b>
Investments	3	43	43
Other non-current financial assets	4	10,330	19,827
Deferred tax assets	5	6,490	6,799
Other non-current assets	6	1,447	1,496
<b>Other non-current assets</b>		<b>18,310</b>	<b>28,165</b>
<b>NON-CURRENT ASSETS</b>		<b>195,833</b>	<b>205,874</b>
Inventories	7	504	538
Trade receivables	8	13,895	13,220
Other current assets	9	5,841	4,188
Current financial assets	10	17,575	20,617
Cash and cash equivalents	11	18,926	16,209
<b>CURRENT ASSETS</b>		<b>56,741</b>	<b>54,772</b>
Assets held-for-sale	12	0	117
<b>TOTAL ASSETS</b>		<b>252,574</b>	<b>260,763</b>
<i>in thousands of Euro</i>	Note	As at 30.06.2018	As at 31.12.2017
Share capital		90,314	90,314
Reserves		67,050	65,218
Profit (loss) for the period		7,302	15,969
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>13</b>	<b>164,666</b>	<b>171,501</b>
<b>MINORITY INTERESTS</b>	<b>13</b>	<b>893</b>	<b>821</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>165,559</b>	<b>172,322</b>
Severance and other personnel provisions	14	4,316	4,405
Deferred tax liabilities	15	2,401	2,371
Provisions for renewal of airport infrastructure	16	9,756	9,575
Provisions for risks and charges	17	1,416	1,265
Non-current financial liabilities	18	16,210	19,109
Other non-current liabilities		169	169
<b>NON-CURRENT LIABILITIES</b>		<b>34,268</b>	<b>36,894</b>
Trade payables	19	15,384	16,208
Other liabilities	20	25,763	24,174
Provisions for renewal of airport infrastructure	21	3,498	3,498
Current financial liabilities	22	8,102	7,667
<b>CURRENT LIABILITIES</b>		<b>52,747</b>	<b>51,547</b>
<b>TOTAL LIABILITIES</b>		<b>87,015</b>	<b>88,441</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>252,574</b>	<b>260,763</b>

## Consolidated Income Statement

In thousands of Euro	Note	For the half year ended	For the half year ended
		30.06.2018	30.06.2017
Revenues from aeronautical services		26,359	24,612
Revenues from non-aeronautical services		19,660	18,150
Revenues from construction services		3,062	2,148
Other operating revenues and income		570	303
<b>Revenues</b>	<b>23</b>	<b>49,651</b>	<b>45,213</b>
Consumables and goods		(951)	(938)
Service costs		(10,423)	(8,688)
Construction service costs		(2,916)	(2,046)
Leases, rentals and other costs		(3,916)	(3,528)
Other operating expenses		(1,580)	(1,793)
Personnel costs		(13,809)	(13,522)
<b>Costs</b>	<b>24</b>	<b>(33,595)</b>	<b>(30,515)</b>
Amortisation of concession rights		(2,878)	(2,750)
Amortisation of other intangible assets		(458)	(330)
Depreciation of tangible assets		(1,090)	(983)
<b>Depreciation, amortisation and impairment</b>	<b>25</b>	<b>(4,426)</b>	<b>(4,063)</b>
Provisions for doubtful accounts		(61)	36
Provisions for renewal of airport infrastructure		(1,186)	(672)
Provisions for other risks and charges		(154)	(208)
<b>Provisions for risks and charges</b>	<b>26</b>	<b>(1,401)</b>	<b>(844)</b>
<b>Total Costs</b>		<b>(39,422)</b>	<b>(35,422)</b>
<b>Operating result</b>		<b>10,229</b>	<b>9,791</b>
Financial income	27	412	393
Financial expenses	27	(317)	(439)
<b>Result before taxes</b>		<b>10,324</b>	<b>9,745</b>
Taxes for the period	28	(2,950)	(2,730)
<b>Profit (loss) for the period</b>		<b>7,374</b>	<b>7,015</b>
<b>Minority interest profit (loss)</b>		<b>72</b>	<b>96</b>
<b>Group profit (loss) for the period</b>		<b>7,302</b>	<b>6,919</b>
<b>Undiluted earnings/(loss) per share (in Euro)</b>		<b>0.20</b>	<b>0.19</b>
<b>Diluted earnings/(loss) per share (in Euro)</b>		<b>0.20</b>	<b>0.19</b>

## Consolidated Statement of Comprehensive Income

<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2018</b>	<b>For the half year ended 30.06.2017</b>
<b>Profit (loss) for the period (A)</b>	<b>7,374</b>	<b>7,015</b>
<i>Other profits (losses) that will be reclassified in the net result for the period</i>	0	0
<b>Total other profits (losses) that will be reclassified in the net result for the period (B1)</b>	<b>0</b>	<b>0</b>
<i>Other profits (losses) that will not be reclassified in the net result for the period</i>		
Actuarial profits (losses) on severance and other personnel provisions	49	158
Tax impact on actuarial profits (losses) on severance and other personnel provisions	(12)	(38)
<b>Total other profits (losses) that will not be reclassified in the net result for the period (B2)</b>	<b>37</b>	<b>120</b>
<b>Total other profits (losses) net of taxes (B1 + B2) = B</b>	<b>37</b>	<b>120</b>
<b>Total comprehensive profits (loss) net of taxes (A + B)</b>	<b>7,411</b>	<b>7,135</b>
<b>of which Minority Interests</b>	<b>72</b>	<b>96</b>
<b>of which Group</b>	<b>7,339</b>	<b>7,039</b>

## Consolidated Cash Flow Statement

<i>In thousands of Euro</i>	<b>30.06.2018</b>	<b>30.06.2017</b>
<b>Core income-generating operations</b>		
Result for the period before taxes	10,324	9,745
<i>Adjustments to items with no impact on cash and cash equivalents</i>		
- Margin from construction services	(146)	(102)
+ Depreciation and amortisation	4,426	4,063
+ Provisions	1,401	968
+ Interest expense on discounting provisions and severance	(265)	(187)
+/- Interest income and financial charges	170	233
+/- Losses/gains and other non-monetary costs/revenues	(24)	1
+/- Severance provisions and other personnel costs	67	59
<b>Cash flow generated/(absorbed) by operating activities before changes in working capital</b>	<b>15,953</b>	<b>14,780</b>
Change in inventories	34	(12)
(Increase)/decrease in trade receivables	(723)	288
(Increase)/decrease in other receivables and current/non-current assets (non-financial)	(1,581)	(2,364)
Increase/(decrease) in trade payables	(824)	(2,863)
Increase/(decrease) in other liabilities, various and financial	2,177	577
Interest paid	(278)	(398)
Interest collected	80	185
Taxes paid	(2,752)	(3,047)
Severance paid	(134)	(31)
Use of provisions	(712)	(1,156)
<b>Cash flows generated/(absorbed) by net operating activities</b>	<b>11,240</b>	<b>5,959</b>
Purchase tangible assets	(675)	(3,606)
Payment from sale of tangible assets	4	0
Purchase of intangible assets/concession rights	(3,811)	(2,563)
Purchase/capital increase of equity investments	389	0
Payment from sale of equity investments	117	368
Change in investment in current and non-current financial assets	12,525	4,000
<b>Cash flow generated/(absorbed) by investment activities</b>	<b>8,549</b>	<b>(1,801)</b>
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	(14,161)	(10,007)
Loans received	0	0
Loans repaid	(2,911)	(2,910)
<b>Cash flow generated/(absorbed) by financing activities</b>	<b>(17,072)</b>	<b>(12,917)</b>
<b>Final cash change</b>	<b>2,717</b>	<b>(8,759)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16,209</b>	<b>20,110</b>
<b>Final cash change</b>	<b>2,717</b>	<b>(8,759)</b>
<b>Cash and cash equivalents at end of period</b>	<b>18,926</b>	<b>11,351</b>

## Statement of Changes in Consolidated Shareholders' Equity

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share Premium Reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profit (losses) carried forward</i>	<i>Profit (loss) for the period</i>	<i>Group shareholders' equity</i>	<i>Minority interests</i>	<i>Shareholders' Equity</i>
<b>Shareholders' Equity as at 31.12.2016</b>	90,314	25,683	5,018	34,923	(3,222)	(933)	2,413	11,311	165,507	607	166,114
Allocation of the 2016 financial year result	0	0	527	677	0	0	10,107	(11,311)	0	0	0
Dividends paid	0	0	0	0	0	0	(10,007)	0	(10,007)	0	(10,007)
Total comprehensive profit (loss)	0	0	0	0	0	120	0	6,919	7,039	96	7,135
<b>Shareholders' Equity as at 30.06.2017</b>	<b>90,314</b>	<b>25,683</b>	<b>5,545</b>	<b>35,600</b>	<b>(3,222)</b>	<b>(813)</b>	<b>2,513</b>	<b>6,919</b>	<b>162,539</b>	<b>703</b>	<b>163,242</b>

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share Premium Reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profit (losses) carried forward</i>	<i>Assets held-for-sale reserve</i>	<i>Profit (loss) for the period</i>	<i>Group shareholders' equity</i>	<i>Minority interests</i>	<i>Shareholders' Equity</i>
<b>Shareholders' Equity as at 31.12.2017</b>	<b>90,314</b>	<b>25,683</b>	<b>5,545</b>	<b>35,600</b>	<b>(3,222)</b>	<b>(914)</b>	<b>2,513</b>	<b>13</b>	<b>15,969</b>	<b>171,501</b>	<b>821</b>	<b>172,322</b>
Allocation of the 2017 financial year result	0	0	752	837	0	0	14,379	0	(15,969)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	(14,161)	0	0	(14,161)	0	(14,161)
Assets held-for-sale	0	0	0	0	0	0	0	(13)	0	(13)	0	(13)
Total comprehensive profit (loss)	0	0	0	0	0	37	0	0	7,302	7,339	72	7,411
<b>Shareholders' Equity as at 30.06.2018</b>	<b>90,314</b>	<b>25,683</b>	<b>6,297</b>	<b>36,437</b>	<b>(3,222)</b>	<b>(877)</b>	<b>2,731</b>	<b>0</b>	<b>7,302</b>	<b>164,666</b>	<b>893</b>	<b>165,559</b>

## **Notes to the consolidated financial statements**

## Information on Group activities

The Group operates in the airport management business. In particular:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter “AdB” or the “Parent Company”) is full manager of Bologna airport under Comprehensive Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register.
- Fast Freight Marconi S.p.A. (hereinafter “FFM”) operates in the cargo and mail handling business at Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A.
- TAG Bologna S.r.l. (hereinafter “TAG”) operates in the general aviation business as a handler and manager of the related infrastructure at the Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A.

## Accounting Standards adopted for the preparation of the Condensed Consolidated Half-Year Financial Statements at June 30, 2018

### Basis of preparation

The condensed consolidated half-year financial statements of the Group (hereafter “the condensed consolidated half-year financial statements of the Group” or “consolidated financial statements”) were prepared for the six months ended June 30, 2018 and include the comparative figures for the year ended December 31, 2017, limited to the Consolidated Statement of Financial Position and the comparative figures for the half-year January 1, 2017-June 30, 2017, limited to the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared under the historic cost convention, except for financial assets held-for-sale, and Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle. The Group considers that no significant uncertainties exist (as defined by paragraph 25 of IAS 1) on the going concern.

The consolidated financial statements are presented in Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

The publication of the condensed consolidated half-year financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the first half of 2018 was approved by the Board of Directors on September 3, 2018.

## **Content and form of the condensed consolidated financial statements**

The Condensed Consolidated Financial Statements at June 30 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2017 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board ("IASB") and prepared considering the transition date to IFRS (First Time Adoption "FTA") as January 1, 2012.

The accounting standards and policies utilised are those adopted for the preparation of the financial statements at December 31, 2017 with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2018, applied for the first time by the Group at the obligatory effective date and summarised in this document in the paragraph "Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group".

In particular, the Group applied the new accounting standard on revenues IFRS 15 from the obligatory effective date adopting the modified retrospective method; as indicated in the Explanatory Notes to the 2017 Annual Accounts, the application of the new standard did not result in any significant impacts, similar to the application of IFRS 9. Given the insignificant impacts deriving from the application of these two new IFRS's the Group did not restate the comparative figures, but will provide information in the Explanatory Notes on each of the individual accounts impacted by the introduction of these accounting standards.

The Group opted to apply the Separate and Comprehensive Income Statements, as permitted by IAS 1, considering such more representative of operations. In particular, the Consolidated Statement of Financial Position has been prepared by separating assets and liabilities into current and non-current categories.

An asset is considered current where:

- it is expected to be realised, or is intended for sale or consumption, in the normal operating cycle;
- it is held principally for trading;
- it is expected to be realised within twelve months following the end of the financial year;
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from the end of the financial year.

All other assets are classified as non-current.

A liability is considered current where:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the financial year.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified respectively under non-current assets and liabilities.

The Consolidated Income Statement has been prepared by classifying income and expenses by their nature, whereas the Consolidated Cash Flow Statement has been prepared using the indirect method, according to which cash flows are classified into operating, investing and financing categories.

## Consolidation principles

The Condensed Consolidated Financial Statements include the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity. The Group opted to prepare the statement of comprehensive income which includes, in addition to the result for the period, also the changes to equity relating to income items which, in accordance with International Accounting Standards, are recognised under equity.

The consolidated financial statements were prepared based on the financial statements of the Parent Company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS. 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.

An entity may exercise control if it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee.

Specifically, an entity is able to exercise control if, and only if, it has:

- power over the investment entity (or holds valid rights which confer it the current capacity to control the significant activities of the investment entity);
- exposure or rights to variable returns deriving from involvement with the investment entity;
- the capacity to exercise its power on the investment entity to affect its income streams.

When a company of the Group holds less than the majority of the voting rights (or similar rights) of an investee, it should consider all the facts and significant circumstances to establish whether control of the investment entity exists, including:

- Contractual agreements with other holders of voting rights;
- Rights deriving from contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders if it has control of an investee if the facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the statement of comprehensive income from the date in which the Group obtains control until the date in which the Group no longer exercises control on the company.

The result for the period and each of the other comprehensive income statement items are allocated to the shareholders of the Parent Company and minority shareholders, even if this implies that the minority shareholder investments have a negative balance. Where necessary, appropriate adjustments are made to the financial statements of the subsidiaries, in line with the accounting policies of the Group. All assets and liabilities, shareholders' equity, revenues and costs, and inter-company cash flows relating to transactions between entities of the Group are completely eliminated on consolidation.

When the share in the equity held by the Parent Company changes, which does not result in a loss of control, this change must be recorded under equity. If the Group loses control, it must:

- eliminate the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminate the book value of all the minority shareholdings;
- eliminate the cumulative translation reserve recorded in equity;
- record the fair value of the amount received;
- record the fair value of any holding maintained in the former subsidiary;
- record the profit or loss in the income statement for the period;

- reclassify the share of the Parent Company of any items previously recorded in the statement of comprehensive income to the income statement or profits/(losses) carried forward, as required by specific accounting standards, as if the Group had directly sold the related assets or liabilities.

The following table summarises the information on the subsidiaries at June 30, 2018 and December 31, 2017 in terms of the Group's direct and indirect holding.

<i>In thousands of Euro</i>	<i>Currency</i>	<i>Share capital</i>	<i>at 30.06.2018</i>	<i>at 31.12.2017</i>
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l	Euro	316	51.00%	51.00%

The following table summarise the information on the associated companies at June 30, 2018 and December 31, 2017 in terms of the Group's direct and indirect holding.

<i>In thousands of Euro</i>	<i>Currency</i>	<i>Share capital</i>	<i>at 30.06.2018</i>	<i>at 31.12.2017</i>
Ravenna Terminal Passeggeri S.r.l.	Euro	165	24.00%	24.00%

## Accounting policies

### Business combinations and goodwill

Business combinations are recognised using the purchase method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For every business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year 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.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any profit or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any potential payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability must be recorded in the income statement or in the statement of comprehensive income. Where the potential payment is not within the scope of IFRS 9, the amount is measured in accordance with the appropriate IFRS standard. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

The goodwill is initially recorded at cost represented by the excess of the total consideration 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 fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement.

After initial recognition, goodwill is measured at cost less any loss in value. For the purpose of impairment testing, goodwill acquired in a business combination must be allocated, from the acquisition

date, 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 profit 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.

### **Investments in associates and joint ventures**

An associated company is one in which the Group exercises significant influence and is not classifiable as a subsidiary or joint venture. Group investments in associates are measured under the equity method.

Under the equity method, the investment in an associated company is initially recognised at cost and the carrying amount is increased or decreased to recognise the associated company's share of the profit or loss after the date of acquisition.

Goodwill pertaining to associates is included in the carrying value of the investment and is not subject to amortisation or an impairment test.

The income statement reflects the Group's share of the associate's result for the period. If an associated company records adjustments with direct charges to shareholders' equity, the Group records its share and records such (where applicable) in the statement of changes in shareholders' equity. Profits and losses deriving from transactions between the Group and associated companies are eliminated in proportion to the investment held in the associated company.

The Group share of the results of the associated companies is recognised in the income statement. The share of the result represents the result of the associated company attributed to the shareholders; this refers therefore to the net result after taxes and the share attributable to the other shareholders of the associate.

The reporting date of the financial statements of the associated company must coincide with the year-end of the Parent Company. The company's financial statements must be prepared using uniform accounting policies for like transactions and events in similar circumstances.

Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise a loss in value of investments in associates. The Group at each reporting date assesses whether an investment in an associate has incurred a loss in value. Where a loss arises, the Group calculates the amount of the loss as the difference between the recoverable value of the associate and the carrying value in the financial statements, recognising this difference in the income statement.

Once significant influence on the associate no longer exists, the Group values any residual investment at fair value. Any difference between the carrying value of the investment at the date significant influence no longer exists and the fair value of the residual investment and the amount received must be recorded in the income statement.

### **Conversion of accounts in foreign currencies**

#### *Transactions and balances*

Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.

Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. The profits and losses deriving from the conversion are recorded in the income statement.

Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. The non-monetary accounts recorded at fair value in foreign currencies are converted using the exchange rate at the date the value was determined. The profit

or loss deriving from the translation of non-monetary items is treated in line with the recognition of the profit or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes is recorded in the statement of comprehensive income or in the income statement are recorded, respectively in the statement of comprehensive income or in the income statement).

### **Intangible assets**

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.

The useful life of the intangible assets is measured as definite or indefinite.

Intangible assets with a definite 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 definite intangible assets is recorded in the income statement.

The Group has not identified intangible assets with indefinite useful lives.

“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.

The Concession under which the Group operates meets the requirement that the concession holder must construct and operate the infrastructure on the grantor's behalf. Accordingly, the Group may not recognise it among tangible assets.

The Group contracts with third parties responsible for constructing and improving the infrastructure. Accordingly, the fair value of the fees for the construction/improvement services rendered by the Group is the fair value of the fees for the construction/improvement service rendered by third parties, plus a mark-up representative of the internal costs of planning and coordination of the work by a specific internal unit.

The external costs incurred to provide construction service are therefore recognised under the item “Construction service costs” of the income statement.

Together with these costs, the Group also recognises an increase in the item “Concession rights” equal to the fair value of the service rendered, with a balancing entry to the item “Construction service revenues”.

The resulting concession rights are amortised on a straight-line basis over the term of the concession, starting when the asset constructed on the grantor's behalf becomes operational.

The useful life of an intangible asset deriving from contractual rights or other legal rights is determined on the basis of the lower between the duration of the contractual or legal rights (concession duration) and the utilisation period of the asset. The recoverability of the carrying value less amortisation is verified annually adopting the impairment test criteria.

“Software, licences and similar rights” primarily refers to the costs of implementing and customising management software and of purchasing software licences, amortised at a rate of 33%.

“Energy Certificates” refers to the White Certificates concerning the Trigeneration plant recognised by the energy services operator (GSE). These certificates are measured at fair value represented by the average sales price of the last annual market session of energy efficiency securities.

The gains and losses deriving from the elimination of an intangible asset are measured as the difference between the net sales proceeds and the book value of the intangible asset, and are recorded in the income statement in the year in which they are eliminated.

### **Tangible assets**

Tangible assets are initially recognised at purchase price or construction cost and includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service.

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 fixed 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. 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.

The depreciation rates used are as follows:

- Buildings and light construction: from 3% to 10%;
- Machinery, equipment and plant: from 10% to 31.5%;
- Furnishings, office machines and vehicles: from 12% to 25%.

The residual value of the asset, useful life and the methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

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.

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

### **Investment property**

The Group classifies land purchased for the execution of future real-estate investments to be defined as investment property.

Such land is initially recognised at purchase cost and then measured at cost.

The items of tangible assets in question are not subject to depreciation because they refer to land. The Group uses technical appraisals to monitor the fair value of the property in question in order to determine whether it has become impaired.

Investment properties are eliminated from the financial statement when they are sold or when they are unusable on a long-term basis and no future economic benefits are expected from their sale. Any profits or

losses due to the retirement or disposal an investment property are recognised in the income statement when the property is retired or disposed of.

### **Leasing**

The definition of a contractual agreement as a leasing operation (or containing a leasing operation) is based on the substance of the agreement and requires an assessment of whether the agreement depends on the utilisation of one or more specific assets or whether the agreement transfers the right to the utilisation of this asset. The verification that an agreement is a lease is made at the beginning of the agreement.

A leasing contract is classified as a finance lease or an operating lease at the beginning of the lease. A lease contract that substantially transfers all the risks and rewards of ownership of the asset leased, is classified as a finance lease.

An operating lease is a leasing contract which does not qualify as a finance lease. The Group as leasee records operating leases in the income statement on a straight-line basis over the duration of the contract. The Group recognises leasing agreements in which it is the lessor as operating leases when it retains essentially all the risks and benefits of ownership of the asset. The initial negotiating costs are added to the carrying amount of the leased asset and recognised over the duration of the contract, on the same basis as lease income. Rent not estimated in advance is recognised as revenue in the period in which it matures.

### **Impairment of non-financial assets**

The carrying amount of non-financial assets 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 evaluates, in relation to the assets other than goodwill, the existence of indicators of a reduction 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 profit.

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

### Concession rights

The Group undertakes an impairment test on Concession rights annually at the year-end close or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value (whenever impairment indicators arise).

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.

For impairment testing purposes, the Group has identified a single CGU (cash generating unit), which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group.

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.

### **Financial assets**

IFRS 9 provides for a single approach for the analysis and classification of all financial assets, including those contained in embedded derivatives. The classification and the relative measurement is made considering both the management model of the financial assets and the contractual characteristics of the cash flows from the asset.

The financial asset is measured using the amortised cost method where both of the following conditions are satisfied:

- the management model of the financial asset consists of holding the asset with the sole purpose of collecting the relative cash flows; and
- the financial asset generates, at pre-determined contractual dates, cash flows exclusively representative of the return from the financial asset.

The financial asset is measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset in order to obtain the contractual cash flows or to sell the asset.

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

A financial asset which satisfies the requirements to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value, with recognition through the income statement, if this accounting treatment permits the elimination or significant reduction of the asymmetry in the measurement or recognition (so-called "accounting mismatch"), which would otherwise arise from the measurement of the asset or liability or from the recognition of the relative profits or losses on a different basis.

In addition, in the case of investments in equity instruments for which, therefore, it is not possible the recognition and measurement at amortised cost, where this concerns equity investments not held for trading purposes, but for strategic purposes, IFRS 9 provides that on initial recognition the entity may irrevocably choose to measure these at fair value, with recognition of any subsequent changes in the statement of comprehensive income.

Where the financial assets are only held for the Group's temporary needs to invest liquidity in order to obtain the contractual cash flows these are classified in the category "Held to collect - HTC".

Where the financial assets meet the Group's objective either to collect the contractual cash flows or the future sale these are classified in the category "Held to collect and sell – HTC&S".

The Group does not hold and did not hold during the first half year of 2018 derivative financial instruments.

#### *Loans and receivables*

Loans, similar to trade receivables, are held until their collection at the contractual maturities and generate cash flows relating to the collection of the principal and interest. The Group analysed the contractual cash flows of these instruments and concluded that they comply with the amortised cost measurement criteria in accordance with IFRS 9.

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. Current trade receivables are not discounted as the effect of discounting the cash flows is immaterial. The profits and losses are recognised to the income statement when the loans and receivables are eliminated or if there is an impairment, also through the amortisation process.

#### *Fair value*

In the explanatory notes, the Group discloses the fair value of financial instruments at amortised cost and non-financial assets, such as investment property.

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date.

Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

- (a) in the principal market of the asset or liability; or
- (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Group.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or of selling to another market operator that would utilise the asset to its maximum or best use.

The Group utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- ▶ Level 1 - prices listed (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- ▶ Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- ▶ Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same hierarchical level of the fair value in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements on a recurring basis, the Group assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

### **Impairment of financial assets**

IFRS 9 defines a new impairment model of financial assets, with the objective to provide useful information to the readers of the financial statements in relation to expected losses. In particular, the model requires verification and recognition of any expected losses at any time over the life of the instrument and the updating of the expected losses at each reporting date to reflect the changes in the credit risk of the instrument; therefore, it is no longer necessary that a particular event arises ("trigger event") in order to verify and recognise losses on receivables.

The impairment test must be applied to all financial instruments, with the exception of those measured at fair value with recognition through the income statement.

The Group applies the simplified Provision Matrix approach and recognises the expected losses on all trade receivables based on the residual duration, defining a matrix for the provision based on the historical experience relating to the losses on receivables, adjusted to take into account specific forecast factors relating to the creditors and the economic environment (Expected Credit Loss – ECL concept).

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.

Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

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

Non-current assets classified as held-for-sale are measured at the lower of their carrying value and the fair value less selling costs. They are classified as such if the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions. Management must be committed to the sale, whose completion must be expected within one year from the date of the classification.

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

### **Derecognition of financial assets**

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially

transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

### **Construction and service contracts work-in-progress**

Construction contracts work-in-progress are measured on the basis of the contractual payments matured with reasonable certainty in relation to the advancement of work under the percentage of completion method, determined through the measurement of work completed, to be attributed to the revenues and economic result of the contract to each year in proportion to the advancement of work. The positive or negative difference between the value of the completed portion of the contracts and that of the advances received is recognised in the statement of financial position, as an asset or liability, respectively, while also taking account of any impairment losses recognised due to risks associated with non-payment for work done on behalf of clients.

The contract revenues, in addition to the contractual payments, include the variances, price revisions and any claims up to the amount it is probable that they represent effective revenues that can be determined reliably.

If a project is expected to yield a loss, this loss is immediately recognised in full, regardless of the progress on the project.

Construction services for the grantor relating to the concession agreement to which AdB is a party are also recognised in the income statement according to the state of progress. In particular, construction and/or improvement revenue – which represents the consideration due for the services rendered – is measured at fair value, determined on the basis of the total costs incurred, consisting primarily of the costs of external services and the costs of benefits for employees engaged in the activities concerned.

The balancing entry for such construction service revenue is to a financial asset or airport concession taken to concession rights among intangible assets, as discussed in the relevant section.

### **Inventories**

Inventories 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.

### **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 (leaving indemnity) or other long-term benefits (e. g. non-competitive agreements, long-term incentive plans) are recognised in the period the right matures.

The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method.

The amount not only reflects the payables matured at the consolidated financial statements date but also the future salary increases and related statistical data.

Revaluations, which include actuarial profits and losses, changes in the effect of the limit on the assets, not including net interest (not applicable to the Group) and the return on plan assets (not including net interest) are recognised immediately in the statement of financial position by debiting or crediting

profits/(losses) carried forward through other comprehensive income in the year in which they occur. Revaluations are not reclassified to the income statement in subsequent years.

The cost of employee service in prior periods is recognised in the income statement on the later of the following dates:

- (a) the date on which the plan is changed or reduced; and
- (b) the date on which the Group recognises the related restructuring costs.

Net interest on the net defined-benefit liabilities/assets are calculated by multiplying the net asset/liability by the discount rate. The Group recognises the following changes in the net defined-benefit obligation in the cost of goods sold, administrative expenses and selling and distribution costs in the consolidated income statement (by nature):

- Costs of employee service, inclusive of costs of both current and prior employee service, profits and losses on non-routine curtailments and settlements;
- Net interest income or expenses.

Following the amendments to severance benefits introduced by Law No. 296 of December 27, 2006 (Finance Law 2007) and subsequent Decrees and Regulations, the severance benefits of Italian companies with more than 50 employees matured from January 1, 2007, or from the option date chosen by the employee, is included under defined contribution plans, both in the case of supplementary pension options and in the case of allocation to the INPS Treasury Fund. The severance benefits accrued until December 31, 2006 have been treated as defined-benefit.

The contributions to be paid into a defined-contribution plan in exchange for the employee service in question are treated both as a liability (account payable) after having deducted any contributions already paid, and as a cost.

#### **Provisions for risks and charges**

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present consolidated financial statement. 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 reporting date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".

If the liability relates to a tangible fixed asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.

The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

#### *Provisions for renewal of airport infrastructure*

In accordance with the obligations assumed under current agreements, the provisions for renewal of airport infrastructure includes accruals relating to extraordinary maintenance, refurbishment and

replacement to be undertaken at a future point in time to ensure that airport infrastructure remains duly functional and secure. Accruals to this provision are recognised according to the degree of use of the infrastructure, indirectly reflected in the expected date of replacement/renewal in the most recent approved company plan. The values recorded in this line item also take due account of a financial component, to be applied according to the intervals between the various renewal cycles, intended to ensure that the provisions set aside are adequate. The estimate of the provisions for renewal of airport infrastructure therefore requires complex professional technical judgement, in particular in relation to the nature of the costs to be incurred, their amount and the timing of the expected interventions.

#### **Trade payables and other non-financial liabilities**

Short-term trade payables, which mature within the normal commercial terms, are recognised at cost (their nominal value) and are not discounted as the discounting of cash flows is insignificant.

The other non-financial 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 profits and losses are recognised in the income statement when the liability is settled, in addition to the amortisation process.

#### **Financial guarantee liabilities**

Financial guarantee liabilities issued by the Group are contracts which require a specific payment to reimburse the holder of a debt security against a loss incurred following non-compliance of the debtor in the payment at the scheduled contractual maturity date. Financial guarantee contracts are initially recognised as a liability at fair value, increased by the directly attributable transaction costs to the issue of the guarantee. After initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised, less accumulated amortisation.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the underlying obligation of the liability is extinguished, settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the separate income statement.

#### **Recognition of revenues**

Revenues are recognised for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer. These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

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 and as per IFRS 15.

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.

### **Recognition 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.

Interest expense is recognised in accordance with the accruals principle, which takes into account the effective yield of the liabilities to which it refers. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which requires a lengthy period before availability for use shall be capitalised as part of the cost of that asset.

### **Taxes for the period**

#### *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 shareholders' equity and not to the income statement. The Directors periodically assess the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.

#### *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. The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

- 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 year's profit calculated for purposes of the Financial Statements or on 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 recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except:

- when deferred tax assets relate to the temporary differences deriving from the initial recognition 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 year's profit calculated for the purposes of the Financial Statements or on profit or loss 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 carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient tax profits will be available in the future, so that some or all of the asset may be used. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent of the probability that the tax profit is sufficient to permit such deferred tax assets to be recovered.

Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realised or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements.

Deferred taxes concerning items recognised outside of the income statement are also recognised outside of the income statement and therefore to equity or to the statement of comprehensive income, in line with the item to which they refer.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes due to the same tax authority.

The fiscal benefits acquired following a business combination, but which do not satisfy the criteria for separate recognition at the acquisition date, may be recognised subsequently, when updated information is received on the facts and on the circumstances. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), where this is recorded during the measurement period, or in the income statement, if recorded subsequently.

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%)

#### *Indirect taxes*

The costs, revenues, assets and liabilities are recorded net of indirect income taxes, such as value added taxes, with the following exceptions:

- the taxes applied on the acquisition of goods or services are not deductible; in this case it is recorded as part of the purchase cost of the asset or part of the cost recorded in the income statement;
- the trade receivables and payables include the indirect taxes applicable.

The net amount of the indirect taxes to be recovered or be paid to the Tax Authorities is included in the financial statements under receivables or payables.

#### **Earnings per share**

##### Undiluted

The earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.

##### Diluted

The diluted earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted in respect of the dilution potential of ordinary shares, while the profit or loss of the Group is adjusted to take into account the effects, net of income taxes, of the conversion.

## **Dividends and distribution of assets other than Cash and Cash Equivalents**

The Group records a liability against the distribution to its shareholders of available liquidity or assets other than available liquidity when the distribution is appropriately authorised and is no longer at the discretion of the company. Based on company law in Europe, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recorded directly in shareholders' equity.

The distribution of assets other than available liquidity is measured at fair value of the assets to be distributed; the remeasurement of the fair value is recorded directly in shareholders' equity.

On the payment of the dividend, any difference between the book value of the assets distributed and the book value of the dividend payable is recorded in the statement of comprehensive income.

## **Listing costs**

Within the listing project concluded on July 14, 2015 with the commencement of trading of the shares on the Star Segment of the Electronic Equities Market (Mercato Telematico Azionario) organised and managed by Borsa Italiana Spa, the Parent Company incurred specific costs, such as (i) commissions recognised to the coordinating banks of the offer, (ii) fees paid to consultants, specialists and legal advisors, (iii) other costs such communication costs, prospectus printing costs and other miscellaneous expenses and charges.

In a listing operation, where the Issuer issues new shares and lists both the new and existing shares, some costs are incurred jointly for the share capital increase and the sale of the new shares, and for the sale of existing shares. In this situation, the criteria for their allocation to the two activities must be identified based on reasonable criteria which reflects the substance of IAS 32, recognising them in part as a decrease of Shareholders' Equity and in part in the Income Statement.

The listing costs which are incremental in nature directly attributable to the share capital increase which would otherwise be avoided, such as for example purposes the intermediary fees, were recorded in 2015 as a decrease in the Shareholders' Equity in the Share Premium Reserve; the remainder, again for example purposes, such as the costs relating to consultants, specialists and legal advisors, was recorded in part in the Income Statement and in part under Shareholders' Equity in accordance with the criterion illustrated above.

## **Cash Flow Statement**

The Company prepared the cash flow statement in accordance with the indirect method as permitted by IAS 7. The Company reconciled the pre-tax profit with the net cash flows from operating activities. IAS 7, paragraph 33 allows classification of interest income and expense as an operating activity or financial activity based on the presentation considered most representative by the entity; the Company classifies interest income received and interest expense paid as cash flows from operating activities.

## **Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group**

From 2018 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force:

### ***IFRS 9 Financial instruments***

The Group has concluded its analysis, which commenced in 2016, of the impact from the application of the new standard IFRS 9 financial instruments on the statement of financial position, income statement and financial position of the Group.

On July 24, 2014, the IASB issued the definitive version of IFRS 9 replacing IAS 39. The principal amendments to the standard concerns a new model of "classification and measurement", impairment,

hedge accounting and own liabilities. With the exception of the hedge accounting, retrospective application is required of the standard, but it is not obligatory to disclose comparative information. In relation to the hedge accounting, the standard is generally applied prospectively, with some limited exceptions. IFRS 9 entered into force from January 1, 2018 and the Group has applied the new standard from the date of obligatory application.

The standard introduces the need to undertake a business model analysis to define the classification of the financial instruments. The business model of a company reflects how financial instruments are managed in order to generate cash flows; its business model indicates if the cash flows are due to contractual cash flows, to sales or both. This assessment is made on the basis of expected future scenarios.

From evaluations undertaken it emerged that the principal impacts relate to the classification model of the financial assets and liabilities which up to December 31, 2017 were classified in the category "AFS" as this category is no longer included under IFRS 9 and the adoption of the impairment model of predictive financial assets which did not result in any impact on shareholders' equity and on the 2017 result.

As already illustrated in the 2017 Annual Report, the Group does not have any significant income statement and statement of financial position effects following the adoption of the new rules within the standard, including the new hedge accounting model. Given the insignificance of the IFRS 9 effects the Group did not restate the comparative figures.

For further information, reference should be made to Note 4 and Note 10.

#### *IFRS 15 - Revenues from contracts with customers*

IFRS 15 was issued in May 2014 and introduces a new model in five steps applied to revenues from contracts with customers from January 1, 2018. Based on IFRS 15, in fact, it is necessary to analyse the contracts and the relative accounting effects through the following five steps:

1. Identification of the contract;
2. Identification of the performance obligations in the contract;
3. Establishment of the sales price;
4. Allocation of the transaction price to each of the performance obligations identified;
5. Recognition of the revenues on the satisfaction of the performance obligation.

IFRS 15 provides for the recognition of revenues for an amount which reflects the payment which the Group considers to have the right to in exchange for the transfer of goods or services to the customer. The new standard replaces IAS 11, IAS 18 and the relative interpretations and is applied to all revenues from contracts with customers, unless these contracts are within the scope of other standards. The Group applies the new standard from the obligatory application date, adopting the modified retrospective method.

Within the assessment process of the accounting effects deriving from the adoption of the new standard concluded by the Group and initiated during 2016 and 2017, through the analysis undertaken on both Aeroporto Guglielmo Marconi di Bologna S.p.A. and the other subsidiaries of the Group, the following revenue streams were identified:

1. Airport rights
2. Commercial/non-comm. sublicense/lease
3. Parking
4. Construction Services
5. Others

In summary there were no effects identified deriving from the adoption of IFRS 15 on the statement of financial position, income statement and financial position of the Group, with the exception of the reclassification of "one-off" promotional incentives, such as incentives for the start-up of new flights, up to December 31, 2017 recorded under costs for services provided to carriers and classified from January 1, 2018 as a direct reduction of airport rights revenues, as already applied for the variable incentives recognised based on traffic. In the first half of 2017 these costs amounted to Euro 0.1 million compared to Euro 50 thousand in H1 2018. This reclassification did not however have any impact on shareholders' equity and on the 2017 Group profit.

For further information reference should be made to Note 23.

#### *Amendments to IFRS 2 -Classification and recognition of share-based payments*

On June 21, 2016, the IASB published the amendments to the standard, with the aim of clarifying how to account for certain types of share-based payment transactions. The amendments concern: (i) the effects of "vesting conditions" and "non-vesting conditions" with regard to the valuation of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement function for withholding tax obligations (iii) an amendment to the terms and conditions of a share-based payment that changes the transaction's classification from cash-settled to equity-settled. The amendments are applicable from January 1, 2018; although early application is permitted, the Group adopted these amendments prospectively from January 1, 2018 and no effects arose in the consolidated half-year financial statements or on the disclosures following the adoption of these amendments.

#### *Improvements to IFRS (2014-2016 cycle)*

The series of improvements, issued in December 2016, concerned the elimination of short-term exemptions provided for First Time Adoption by IFRS 1, the classification and measurement of equity investments valued at fair value and recognised in the income statement in accordance with IAS 28 - Investments in Associates and Joint Ventures, and clarification on the scope of disclosures required by IFRS 12 – Disclosure of Interests in Other Entities. The application of the amendments are obligatory for financial years ending after January 1, 2017 and January 1, 2018. The Group adopted these improvements from the obligatory effective date and no effects arose on the consolidated half-year financial statements or on the disclosures in the explanatory notes.

#### *IFRIC 22 - Foreign currency transactions and advances*

On December 8, 2016, IASB published this interpretation which concerns foreign currency transactions paid or received in advance. These amendments were adopted by the Group at the obligatory effective date (January 1, 2018) and had no impact on the consolidated half-year financial statements and on the disclosures in the explanatory notes.

#### *Amendments to IAS 40 - Changes in the allocation of investment property*

The amendments clarify when an entity should transfer a property, including property under construction or development, into or out of the category "Investment property". It clarifies that a change in the intended use does not occur due to a simple change in management's intentions. The introduction of these amendments had no impact on the consolidated half-year financial statements of the Group.

Excluded from the list are the amendments to IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts as they do not concern the activities undertaken by the Group.

## New accounting standards and amendments not yet effective and not adopted in advance by the Group

### *IFRS 16 – Leasing (in force from January 1, 2019)*

IFRS 16 was published in January 2016 and replaces IAS 17 Leasing, IFRIC 4 Determining whether an arrangement contains a lease, SIC 15 Operating leases - Incentives and SIC 27 Evaluating the substance of transactions in the legal form of a lease.

The scope of application of the new standard, which will enter into force from January 1, 2019, concerns all leasing contracts, with some exceptions. The accounting method of all leasing reassumes the model under IAS 17, although excluding leasing for insignificant amounts (e.g. computers) and short-term lease contracts (i.e. lower than 12 months). At the recognition date of the lease it is necessary to recognise the liability for the lease instalments and the asset for which the entity has the right of utilisation, separately recognising the financial expenses and depreciation relating to the asset. The liability may be remeasured (for example changes in the contractual terms or changes in indices related to the payment of the instalments) and this change must be recorded on the underlying asset. From the lessor's viewpoint the accounting model is substantially unchanged from the current IAS 17. The application of the standard must be applied under the modified retrospective method, while early application is permitted simultaneous with IFRS 15.

As illustrated in the paragraph relating to IFRS 15, the AdB Group has underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land; reference should be made to the paragraph on Commitments and risks for the amount of the minimum lease payables and receivables which the company has contractually undertaken for the coming years. It is not expected that the new standard will be applied in advance. During 2018, greater analysis will be undertaken on the effects of the application of the new accounting standard, although in relation to those contracts in which the company is lessor which concerns the most significant amounts in value terms, the new standard does not contain changes compared to the current accounting method of the leasing contracts. From a leasee viewpoint, the Group expects an increase in EBITDA for the reclassification of leasing expenses for hire and rental to the accounts depreciation and financial expenses and a decrease in the Net Financial Position for the recording of the lease payables under trade payables.

### *Amendments to IFRS 9 - Prepayment Features with Negative Compensation*

(applicable from financial years ending after January 1, 2019).

This allows companies to measure specific prepayments on financial assets through the so-called negative compensation at amortised cost or at fair value from "other comprehensive income" in the case where a specific condition is met, rather than at the fair value of the income statement. The impacts of these amendments on the consolidated financial statements are currently under evaluation.

At the date of authorisation of these consolidated financial statements, the competent bodies of the European Union have not yet completed the endorsement process relating to the new standards and amendments applicable to the financial statements for years that commence from January 1, 2019 and illustrated below:

### *IFRIC 23 - Uncertainty over Income Tax treatments*

(applicable from financial years ending after January 1, 2019).

The interpretation clarifies the applications of the requirements for recognition and measurement in IAS 12 - "Income taxes" in the case of uncertainty on the treatment of income taxes. The Interpretation concerns specifically: (i) the case in which an entity considers separately the uncertain fiscal treatment, (ii) the assumptions which an entity makes on the review of the fiscal treatment by the tax authorities, (iii) how an entity determines assessable income (or fiscal loss), assessable base, fiscal losses not utilised, tax credits not utilised and tax rates and (iv) in what manner an entity considers changes of facts and

circumstances. The Interpretation does not add new disclosure requirements, however outlines the existing requirements in IAS 1 relating to disclosure on opinions, information on assumptions of facts and other estimates and information on tax under/over accruals within AS 12 "Income taxes". The interpretation provides a choice between two transition models: (i) retroactive application which utilises IAS 8 - "Accounting policies, changes in accounting estimates and errors", only if the application is possible, or (ii) retroactive application with cumulative effect of the initial application recorded as an adjustment to shareholders' equity at the date of the initial application and without remeasurement of the comparative information. The date of the initial application is the beginning of the annual reference period in which an entity applies the interpretation for the first time. No significant effect is expected on the Group consolidated financial statements from the application of the new standard.

#### *Amendments to IAS 28 - Long-term interests in associates and joint ventures*

(applicable from financial years ending after January 1, 2019).

This clarifies how the entity should use IFRS 9 to represent long-term interests in an associate company or joint venture, for which the equity method is not applied. No significant effect is expected on the Group consolidated financial statements from the application of the new standard.

#### *Improvements to IFRS*

In December 2017, the IASB also issued Annual Improvements to IFRS 2015-2017, a series of amendments to IFRS in response to issues raised, mainly: (I) to IFRS 3 - Business Combinations, clarifying how a company must re-measure holdings, previously held in a joint operation, once control of the business is obtained; (II) to IFRS 11 – Joint Arrangements, for which a company does not re-value holdings previously held in a joint operation when it obtains joint control of the activity, (III) to IAS 12 - Income Tax, which clarifies that the impact on income tax deriving from dividends (that is, the distribution of profits) should be recognised in the income statement, regardless of how the tax arises; (IV) and to IAS 23 – Borrowing costs, which clarifies that a company is to treat as part of a general debt any debt originally assumed for the development of an asset when this asset is ready for its intended use or for sale. The changes will be effective from January 1, 2019 and significant effects are not expected on the Group consolidated financial statements.

IFRS 17 - Insurance contracts is excluded from the list since this accounting standard does not pertain to the activity carried out by the Group.

#### **Discretionary valuations and significant accounting estimates**

The preparation of the financial statements requires the directors of the Group to undertake discretionary valuations, estimates and assumptions which impact upon the amount of revenue, costs, assets and liabilities and related disclosures, as well as potential liabilities. The uncertainty concerning these assumptions and estimates could result in significant changes in the book value of these assets and/or liabilities in the future.

#### *IAS 8\_Correction of estimates and accounting errors*

Some elements in the financial statements may not be measured with precision and therefore are subject to estimates which depend on future and uncertain conditions of the company's operations. These estimates over time will incur revision to take into account data and information which is available subsequent to the initial estimates. The effect of the change of accounting estimates must be recorded prospectively in the year in which they occur, including them in the economic result of the year and of future years, where the change also affects this latter. The prospective recognition of the effects of the estimates means that the changes are applied to the transactions on the change in the estimate. The revision or change in the accounting estimate arises from new information or new developments in operating activities and for this reason they do not represent a correction of errors.

The errors of previous years are omissions and incorrect measurements of accounts in the financial statements of an entity for one or more years deriving from the non-utilisation or the erroneous utilisation of reliable information which was available when the financial statements were authorised for their publication and it is reasonable to consider that such information could have been obtained and utilised in the preparation and presentation of these financial statements. These errors include the effects of arithmetic errors, errors in the application of accounting policies, inaccuracies or distorted interpretations of facts, and fraud. The financial statements are not in accordance with IFRS if they contain significant errors or irrelevant if committed intentionally in order to obtain a specific presentation of the statement of financial position, of the economic result or of the cash flows of the entity. Potential errors of the current year, recorded in the same year, are corrected before the financial statements are authorised for publication. The errors uncovered in subsequent years, if considered significant and if the correction is considered feasible, must be corrected in the comparative disclosure presented in the financial statements for the following year, remeasuring the opening balances of assets, liabilities and shareholders' equity (restatement).

The restatement is not applied and the error is not recorded using the prospective method where the errors and the omissions are considered insignificant.

Omissions or incorrect measurements of accounts are recorded if, individually or overall, they may impact the economic decisions of the readers of the financial statements. The restatement depends on the size and nature of the omission or incorrect measurement assessed depending upon the circumstances.

### *Estimates and assumptions*

The key assumptions undertaken by management and which have the most significant effect on the reported amounts or have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below. The Group based its estimates and assumptions on information available at the preparation date of the consolidated financial statements. However, the current circumstances and assumptions on future developments may alter due to changes in the market and events outside of the Group's control. These changes, where occurring, are reflected in the assumptions.

### *Impairment of non-financial assets*

Reference should be made to that previously illustrated in the standard "impairment of non-financial assets" and that illustrated below in Note 1-Intangible Assets.

### *Fair value of investment property*

The Group records investment property at cost, which approximates the fair value of the investment properties given their particular nature (absence of a comparable active market).

### *Fair value of financial instruments*

The Group provides in the Explanatory Notes the fair value of the financial instruments. When the fair value of a financial asset or financial liability may no longer be measured based on the prices on an active market, the fair value is determined utilising various valuation techniques, including the discounted cash flow model. The inputs inserted in this model are recorded from observable markets, where possible, but when this is not possible, a certain level of estimation is required to define the fair values. The estimates include considerations on variables such as the liquidity risk, the credit risk and volatility. The changes of the assumptions on these elements may have an impact on the fair value of the financial instrument recorded.

#### *IAS 10\_Subsequent events to the reporting date*

The Group in the analysis of subsequent events to the reporting date analyses the conditions on which it is necessary to make changes on the accounting data and relative disclosures, depending on whether this concerns events occurring after the reporting date:

- to operations existing at the reporting date for which an adjustment to the financial statements is necessary (adjusting events);
- to operations which arose after the reporting date and for which no adjustment to the financial statements is necessary (non-adjusting events).

#### **Operating Segment information**

The Aeroporto Guglielmo Marconi di Bologna 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 operating segments as per IFRS 8 - Operating Segment are as follows:

- Aviation;
- Non-Aviation;
- Other.

The disclosure concerning operating segments for the Continuing Operations is outlined to reflect the future organisational structure of the Group, with separate disclosure for Discontinued Operations.

In relation to the operating segments, the Group evaluates their performance based on passenger revenues, separating those concerning the aviation sector from those concerning the non-aviation sector.

The account "Other" residually includes those businesses not directly attributable to the identified segments.

In Group operations, financial income and charges and taxes are not allocated to the individual operating segments.

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 assets presented are measured utilising the same accounting policies adopted for the presentation of the Group condensed consolidated financial statements.

<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2018 Aviation</b>	<b>For the half year ended 30.06.2018 Non-Aviation</b>	<b>For the half year ended 30.06.2018 Other</b>	<b>For the half year ended 30.06.2018</b>
Revenues	28,825	20,826	0	49,651
Costs	(23,424)	(10,171)	0	(33,595)
<b>EBITDA</b>	<b>5,401</b>	<b>10,655</b>	<b>0</b>	<b>16,056</b>
Depreciation and amortisation	(2,880)	(1,546)	0	(4,426)
Provisions	(1,192)	(209)	0	(1,401)
<b>Operating result</b>	<b>1,329</b>	<b>8,900</b>	<b>0</b>	<b>10,229</b>
Financial income	0	0	412	412
Financial expenses	0	0	(317)	(317)
<b>Result before taxes</b>	<b>1,329</b>	<b>8,900</b>	<b>95</b>	<b>10,324</b>
Taxes for the period	0	0	(2,950)	(2,950)
<b>Profit (loss) for the period</b>	<b>1,329</b>	<b>8,900</b>	<b>(2,855)</b>	<b>7,374</b>
<b>Minority interests profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>72</b>

<b>Group profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,302</b>
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<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2017</b>			
	<b>Aviation</b>	<b>Non-Aviation</b>	<b>Other</b>	<b>For the half year ended 30.06.2017</b>
Revenues	26,727	18,486	0	45,213
Costs	(21,084)	(9,431)	0	(30,515)
<b>Gross operating profit</b>	<b>5,643</b>	<b>9,055</b>	<b>0</b>	<b>14,698</b>
<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2017</b>			
	<b>Aviation</b>	<b>Non-Aviation</b>	<b>Other</b>	<b>For the half year ended 30.06.2017</b>
Depreciation and amortisation	(2,701)	(1,362)	0	(4,063)
Provisions	(726)	(118)	0	(844)
<b>Operating result</b>	<b>2,216</b>	<b>7,575</b>	<b>0</b>	<b>9,791</b>
Financial income	0	0	393	393
Financial expenses	0	0	(439)	(439)
<b>Result before taxes</b>	<b>2,216</b>	<b>7,575</b>	<b>(46)</b>	<b>9,745</b>
Taxes for the period	0	0	(2,730)	(2,730)
<b>Profit (loss) for the period</b>	<b>2,216</b>	<b>7,575</b>	<b>(2,776)</b>	<b>7,015</b>
<b>Minority interests profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>96</b>
<b>Group profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,919</b>

The table below presents the segment information for assets:

<i>In thousands of Euro</i>	<b>As at June 30, 2018 Aviation</b>	<b>As at June 30, 2018 Non-Aviation</b>	<b>As at June 30, 2018 Other</b>	<b>As at June 30, 2018</b>
<b>Non-current assets</b>	<b>151,071</b>	<b>26,549</b>	<b>18,213</b>	<b>195,833</b>
<b>Intangible assets</b>	<b>145,280</b>	<b>13,259</b>	<b>0</b>	<b>158,539</b>
Concession rights	144,305	12,402	0	156,707
Other intangible assets	975	857	0	1,832
<b>Tangible assets</b>	<b>5,724</b>	<b>13,260</b>	<b>0</b>	<b>18,984</b>
Property, plant and equipment	5,724	8,528	0	14,252
Investment property	0	4,732	0	4,732
<b>Other non-current assets</b>	<b>67</b>	<b>30</b>	<b>18,213</b>	<b>18,310</b>
Investments	0	0	43	43
Other non-current financial assets	0	0	10,330	10,330
Deferred tax assets	0	0	6,490	6,490
Other non-current assets	67	30	1,350	1,447
<b>Current assets</b>	<b>15,155</b>	<b>4,613</b>	<b>36,973</b>	<b>56,741</b>
Inventories	291	213	0	504
Trade receivables	10,482	3,413	0	13,895
Other current assets	4,382	987	472	5,841
Current financial assets	0	0	17,575	17,575
Cash and cash equivalents	0	0	18,926	18,926
<b>Total assets</b>	<b>166,226</b>	<b>31,162</b>	<b>55,186</b>	<b>252,574</b>

<i>In thousands of Euro</i>	As at June 30, 2017 Aviation	As at June 30, 2017 Non-Aviation	As at June 30, 2017 Other	As at June 30, 2017
<b>Non-current assets</b>	<b>150,409</b>	<b>25,425</b>	<b>32,381</b>	<b>208,215</b>
<b>Intangible assets</b>	<b>144,432</b>	<b>11,864</b>	<b>0</b>	<b>156,296</b>
Concession rights	143,777	11,216	0	154,993
Other intangible assets	655	648	0	1,303
<b>Tangible assets</b>	<b>5,903</b>	<b>13,534</b>	<b>0</b>	<b>19,437</b>
Property, plant and equipment	5,903	8,802	0	14,705
Investment property	0	4,732	0	4,732
<b>Other non-current assets</b>	<b>74</b>	<b>27</b>	<b>32,381</b>	<b>32,482</b>
Investments	0	0	147	147
Other non-current financial assets	0	0	23,949	23,949
Deferred tax assets	0	0	6,938	6,938
Other non-current assets	74	27	1,347	1,448
<b>Current assets</b>	<b>14,875</b>	<b>4,331</b>	<b>26,532</b>	<b>45,738</b>
Inventories	314	217	0	531
Trade receivables	10,099	3,275	0	13,374
Other current assets	4,462	840	494	5,795
Current financial assets	0	0	14,687	14,687
Cash and cash equivalents	0	0	11,351	11,351
<b>Total assets</b>	<b>165,284</b>	<b>29,756</b>	<b>58,913</b>	<b>253,953</b>

Segment disclosure regarding the identified operating segments is undertaken as outlined below.

- Aviation: refers to the airport's core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fueling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and spaces assigned to airport operators.
- Non-Aviation: operations not directly connected to the aviation business. This include sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.

The breakdown of revenues and costs between the Aviation and Non-Aviation SBU's follows ENAC's guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.

The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria.

The main differences were as follows:

- accounts not considered relevant for regulatory accounting purposes which are allocated through a specific review of the individual cost/revenue items;
- revenues and costs for construction services allocated according to an analytical breakdown of investments in the year between the two SBU's according to regulatory criteria;
- incentives for the development of air traffic, allocated entirely to the Aviation SBU in accordance with the financial statement breakdown.

## Information concerning the Main Clients

Group revenues mainly derive from the following clients:

Description
RYANAIR LTD
ALITALIA-SOCIETA' AEREA ITALIANA SPA
WIZZ AIR HUNGARY LTD
TRAVEL RETAIL ITALIANA SRL
BRITISH AIRWAYS PLC
LUFTHANSA LINEE AEREE GERMANICHE
EMIRATES
SOCIETE' AIR FRANCE S.A.
AIR DOLOMITI SPA
TURKISH AIRLINES

## COMMENTS ON THE MAIN ITEMS ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

#### 1. Intangible assets

The following table breaks down intangible assets at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	As at 30.06.2018	As at 31.12.2017	Change
Concession rights	156,707	156,523	184
Software, licences and similar rights	1,248	1,105	143
Other intangible assets	68	71	(3)
Energy Certificates	0	321	(321)
Intangible assets in progress	516	287	229
<b>TOTAL INTANGIBLE ASSETS</b>	<b>158,539</b>	<b>158,307</b>	<b>232</b>

The table below presents the changes in intangible assets for the period ended June 30, 2018 compared to June 30, 2017, by asset category.

In thousands of Euro	31.12.2017			Changes of the period				30.06.2018		
	Historical cost	Accumulated Amortisation	Book value	Increases/ Acquisitions	Amortisation	Decreases/ Disposals/Write-downs	Decrease provision	Historical cost	Accumulated Amortisation	Book value
Concession rights	186,452	(29,929)	156,523	3,062	(2,819)	(59)	0	189,455	(32,748)	156,707
Software, licences and similar rights	10,056	(8,951)	1,105	598	(455)	0	0	10,654	(9,406)	1,248
Other intangible assets	250	(179)	71	0	(3)	0	0	250	(182)	68
Energy Certificates	321	0	321	68	0	(389)	0	0	0	0
Intangible assets in progress	287	0	287	229	0	0	0	516	0	516
<b>TOTAL INTANGIBLE ASSETS</b>	<b>197,366</b>	<b>(39,059)</b>	<b>158,307</b>	<b>3,957</b>	<b>(3,277)</b>	<b>(448)</b>	<b>0</b>	<b>200,875</b>	<b>(42,336)</b>	<b>158,539</b>

In thousands of Euro	31.12.2016			Changes of the period				30.06.2017		
	Historical cost	Accumulated Amortisation	Book value	Increases/ Acquisitions	Amortisation	Decreases/ Disposals/Write-downs	Decrease provision	Historical cost	Accumulated Amortisation	Book value
Concession rights	179,991	(24,396)	155,595	2,148	(2,750)	0	0	182,139	(27,416)	154,993
Software, licences and similar rights	8,872	(7,987)	885	254	(327)	0	0	9,126	(8,314)	812
Other intangible assets	250	(174)	76	0	(3)	0	0	250	(177)	73
Intangible assets in progress	155	0	155	263	0	0	0	418	0	418
<b>TOTAL INTANGIBLE ASSETS</b>	<b>189,268</b>	<b>(32,557)</b>	<b>156,711</b>	<b>2,665</b>	<b>(3,080)</b>	<b>0</b>	<b>0</b>	<b>191,933</b>	<b>(35,637)</b>	<b>156,296</b>

Concession rights increased at June 30, 2018 by Euro 3.1 million (equal to the fair value of construction services provided in the period), principally due to:

- works to extend the new offices of local couriers;
- building and installation of a monitoring and video surveillance system monitoring the airport perimeter, in application of the National Safety Programme;
- upgrading of peripheral network hubs for the improvement of the airport IT network ahead of the Terminal extension and the introduction of new services;
- other activities to prepare for the passenger terminal extension.

We in addition highlight the supply and installation of new flight information monitors to improve information to the public.

Finally, in the first half of 2018, definitive and executive design operations were carried out for works execution and management with regard to the protection of buildings currently used by State Agencies.

Amortisation of Concession rights in the period amounted to Euro 2.8 million, according to the residual duration of the concession in the first half of 2018, in addition to a write-down of Euro 0.06 million.

Software, licenses and similar rights increased Euro 0.6 million.

This increase mainly considers the harmonisation and integration of the human resource management systems, the acquisition of operating applications, in addition to design and analysis services ahead of the construction of the human-like robot "Pepper" used in the check-in area to provide verbal information to passengers.

The increase in the account "Energy certificates" concerns the valuation of 194 White Certificates relating to the Trigeneration plant, recorded under Other revenues and income in the Income Statement.

Other intangible assets in progress includes software development not concluded at June 30, 2018, among which we highlight the renewal of the internet site.

### **Test on the recoverability of assets and group of assets**

With regards to the preparation of the condensed consolidated financial statements, as indicators of impairment as defined by IAS 36 are not evident and considering that Group economic-financial performances are in line with the 2018-2044 economic-financial forecast drawn up by the Board of Directors and utilised in the impairment tests at December 31, 2017 and in previous years, impairment tests were not carried out as no such indicators have emerged in terms of the Concession rights recognised at June 30, 2018.

## 2. Tangible assets

The following table breaks down tangible assets at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Land	2,763	2,763	0
Buildings, light constructions and improvements	4,337	4,500	(163)
Machinery, equipment & plant	3,036	3,299	(263)
Furniture, EDP and transport	1,851	1,952	(101)
Building plant and machinery in progress and advances	2,265	2,156	109
Investment property	4,732	4,732	0
<b>TOTAL TANGIBLE ASSETS</b>	<b>18,984</b>	<b>19,402</b>	<b>(418)</b>

The table below shows the changes in tangible assets for the period ended June 30, 2018 compared to June 30, 2017, by asset category.

In thousands of Euro	31.12.2017			Changes of the period				30.06.2018		
	Historical cost	Accumulated depreciation	Book value	Increases/ Acquisitions	Depreciation	Decreases/ Disposals/ Write-downs	Decrease provision	Historical cost	Accumulated depreciation	Book value
Land	2,763	0	2,763					2,763	0	2,763
Buildings, light constructions and improvements	8,384	(3,884)	4,500	42	(205)	0	0	8,426	(4,089)	4,337
Machinery, equipment & plant	13,534	(10,236)	3,299	344	(605)	(16)	14	13,862	(10,827)	3,036
Furniture, EDP and transport	8,698	(6,746)	1,982	181	(280)	(17)	15	8,862	(7,011)	1,851
Tangible fixed assets in progress	2,156	0	2,156	109	0	0	0	2,265	0	2,265
Investment property	4,732	0	4,732	0	0	0	0	4,732	0	4,732
<b>TOTAL TANGIBLE ASSETS</b>	<b>40,267</b>	<b>(20,866)</b>	<b>19,402</b>	<b>676</b>	<b>(1,090)</b>	<b>(33)</b>	<b>29</b>	<b>40,910</b>	<b>(21,927)</b>	<b>18,984</b>

In thousands of Euro	31.12.2016			Changes of the period				30.06.2017		
	Historical cost	Accumulated depreciation	Book value	Increases/ Acquisitions	Depreciation	Decreases/ Disposals	Decrease provision	Historical cost	Accumulated depreciation	Book value
Land	2,758	0	2,758	5	0	0	0	2,763	0	2,763
Buildings, light constructions and improvements	5,862	(3,514)	2,348	2,416	(168)	0	0	8,278	(3,682)	4,596
Machinery, equipment & plant	12,611	(9,126)	3,486	348	(566)	1	(1)	12,960	(9,693)	3,268
Furniture, EDP and transport	8,368	(6,403)	1,965	176	(249)	(44)	43	8,500	(6,609)	1,891
Tangible fixed assets in progress	1,541	0	1,541	661	0	(15)	0	2,187	0	2,187
Investment property	4,732	0	4,732	0	0	0	0	4,732	0	4,732
<b>TOTAL TANGIBLE ASSETS</b>	<b>35,872</b>	<b>(19,043)</b>	<b>16,830</b>	<b>3,606</b>	<b>(983)</b>	<b>(58)</b>	<b>42</b>	<b>39,420</b>	<b>(19,984)</b>	<b>19,437</b>

In the first half of 2018, the increases in this category totalled Euro 0.68 million and principally concerned the acquisition and installation of digital advertising plant, equipment and devices for the analysis and control of liquids at the customs entry points, in addition to furniture and furnishings and electronic machines installed in some passenger terminals and offices.

Tangible fixed assets in progress include amounts incurred for projects not concluded at June 30, 2018, among which the first two tranches totalling Euro 1.78 million of the contributions granted to the Parent Company for the Marconi Express Spa for the construction of the People Mover "Airport" station following completion of 66% of the airport area works.

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.

This land is not subject to amortisation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the consolidated financial statements, there were no impairment indicators on these assets.

### 3. Investments

The following table breaks down investments at June 30, 2018 (compared with December 31, 2017) and the movements in the period:

In thousands of Euro	As at 31.12.2017	Increases / Acquisitions	Decreases / Disposals	Write- downs	As at 30.06.2018
Other investments	43	0	0	0	43
<b>TOTAL INVESTMENTS</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43</b>

In detail:

In thousands of Euro	Holding	As at 30.06.2018	As at 31.12.2017	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	40	40	0
<b>TOTAL OTHER INVESTMENTS</b>		<b>43</b>	<b>43</b>	<b>0</b>

### 4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the period ended June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 31.12.2017	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.06.2018
Equity Financial Instruments	10,000	0	0	0	10,000
Deposit accounts/Saving bonds	9,570	0	(9,500)	0	70
Other financial assets	257	3	0	0	260
<b>TOTAL OTHER NON-CURRENT FINANCIAL ASSETS</b>	<b>19,827</b>	<b>3</b>	<b>(9,500)</b>	<b>0</b>	<b>10,330</b>

At June 30, 2018 the account "Other non-current financial assets" mainly comprised:

- o Euro 10 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed on January 21, 2016 for a total value of Euro 10.9 million, is recorded at June 30, 2018 for Euro 10 million, corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with the new standard IFRS 9, this is therefore classified to the financial asset category "Held to collect and sell - HTC&S". This financial instrument does not comply with the SPPI test and consequently this asset must be measured at fair value through profit or loss. Specifically, considering the difficulty in measuring the fair value of this Equity Financial Instrument, the Group availed of the exemption permitted for equity financial instruments where the fair value may not be reliably measured. Consequently, the subsequent valuations of this SFP are at cost and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement and may not be written back. In summary, the application of the new accounting

standard on the financial instruments does not modify the valuation of the Equity Financial Instruments in Marconi Express.

- Euro 0.25 million of a capitalisation product with a duration of 5 years which the Group has classified in accordance with the new standard IFRS 9 in the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss. Also in this case there are no changes compared to the previous accounting treatment.

In relation to the movements in the period the category "Deposit accounts/Savings bonds", which decreased Euro 9.5 million, comprises temporary investments of liquidity undertaken by the Group in order to collect the contractual cash flows. As per IFRS 9, these investments are classified in the category "Held to collect - HTC". The contractual maturity defined, the yield defined and calculated on the notional amount permits the achievement of the SPPI tests and therefore the valuation at amortised cost in continuity with that undertaken in previous years in application of IFRS 9. The change in the period is due to the reclassification from non-current to current financial assets deriving from the reduced contractual maturity of Euro 8 million of Time Deposits acquired in December 2017 and with maturity June 2019 and of Euro 1.5 million of Time Deposits acquired in November 2017 and maturity May 2019.

## 5. Deferred tax assets

The following table shows the movements in deferred tax assets for the period ended June 30, 2018 (compared with December 31, 2017) and comparison with the period between December 31, 2016 to June 30, 2017.

In thousands of Euro	As at 31.12.2017	Provisions	Utilizations	As at 30.06.2018
DEFERRED TAX ASSETS	6,799	500	(809)	6,490

In thousands of Euro	As at 31.12.2016	Provisions	Utilizations	As at 30.06.2017
DEFERRED TAX ASSETS	7,427	599	(1,088)	6,938

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

- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the provisions for doubtful accounts;
- maintenance costs as per Article 107 of the CFA, deductible in future years;
- tax losses carried forward;
- adjustments related to the application of international accounting standards;
- other expense items concerning subsequent periods.

## 6. Other non-current assets

The following table breaks down other non-current assets at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Non-current prepaid expenses and accrued income	56	108	(52)
Guarantee deposits	87	84	3
Non-current tax receivables	1,304	1,304	0
<b>OTHER NON-CURRENT ASSETS</b>	<b>1,447</b>	<b>1,496</b>	<b>(49)</b>

The main account relates to non-current tax receivables concerning the receivable recorded following the IRES reimbursement request for the non-deduction of IRAP on personnel costs (Legislative Decree 201/2011 and Tax Agency Decision No. 2012/140973 of 2012) for Euro 1 million. This amount includes the share of the subsidiaries Tag Bologna and Fast Freight Marconi and the former subsidiary Marconi Handling within the Group fiscal consolidation whose settlement will be undertaken directly by the Parent Company based on the tax consolidation agreement in the year the amounts are recorded in the financial statements.

## 7. Inventories

The following table breaks down inventories at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Inventories of raw materials, supplies and consumables	479	487	(8)
Inventories of finished products	25	51	(26)
<b>INVENTORIES</b>	<b>504</b>	<b>538</b>	<b>(34)</b>

Ancillary and consumable inventories concern inventories held of workshop materials, heating fuel and de-icing liquid as well as stationary and printing material. Finished product inventories concerns aviation fuel.

## 8. Trade receivables

The table below illustrates the trade receivables and the relative provision for doubtful accounts at June 30, 2018 compared to December 31, 2017: there were no significant movements in the period.

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Trade receivables	14,852	14,128	724
Provisions for doubtful accounts	(957)	(908)	(49)
<b>TRADE RECEIVABLES</b>	<b>13,895</b>	<b>13,220</b>	<b>675</b>

At June 30, 2018 trade receivables for Euro 13.9 million were recorded net of the provisions for doubtful accounts of Euro 1 million, whose valuation was impacted, although not significantly, by the new accounting standards and in particular IFRS 9 with the adoption from January 1, 2018 of the Provision Matrix method. As illustrated in the Explanatory Notes to the 2017 Annual Report concerning the new

accounting standards, the impact is not significant considering the most significant part of the provision comprises write-downs based on specific analysis of overdue amounts and/or disputes, whose probability of recovery is estimated also through the support of legal advisors and taking into account guarantees received from clients. On the residual debtor balance, classified by customer category and overdue period, the simplified parameter method was applied permitted by IFRS 9 to companies with a diversified and fragmented client portfolio.

The movements in the provisions for doubtful accounts were as follows:

In thousands of Euro	As at 31.12.2017	Provisions	Utilizations	Releases	As at 30.06.2018
PROVISIONS FOR DOUBTFUL ACCOUNTS	(908)	(64)	12	3	(957)

In thousands of Euro	As at 31.12.2016	Provisions	Utilizations	Releases	As at 30.06.2017
PROVISIONS FOR DOUBTFUL ACCOUNTS	(1,368)	(149)	296	61	(1,160)

An analysis of the aging of trade receivables of the Group at June 30, 2018 compared with December 31, 2017 is reported below:

In thousands of Euro	Not yet due	Overdue	Total as at 30.06.2018
Trade receivables for invoices/credit notes issued	7,377	6,801	14,178
Trade receivables for invoices/credit notes to be issued	674	0	674
<b>TOTAL TRADE RECEIVABLES</b>	<b>8,051</b>	<b>6,801</b>	<b>14,852</b>

In thousands of Euro	Not yet due	Overdue 0-30 days	Overdue 30-60 days	Overdue 60- 90 days	Overdue over 90 days	Total
<b>TOTAL TRADE RECEIVABLES</b>	<b>7,377</b>	<b>4,005</b>	<b>1,064</b>	<b>106</b>	<b>1,626</b>	<b>14,178</b>

In thousands of Euro	Not yet due	Overdue	Total as at 31.12.2017
Trade receivables for invoices/credit notes issued	8,179	5,925	14,104
Trade receivables for invoices/credit notes to be issued	24	0	24
<b>TOTAL TRADE RECEIVABLES</b>	<b>8,203</b>	<b>5,925</b>	<b>14,128</b>

In thousands of Euro	Not yet due	Overdue 0-30 days	Overdue 30- 60 days	Overdue 60-90 days	Overdue over 90 days	Total
<b>TRADE RECEIVABLES</b>	<b>8,179</b>	<b>3,314</b>	<b>933</b>	<b>133</b>	<b>1,545</b>	<b>14,104</b>

## 9. Other current assets

The following table breaks down other current assets at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
VAT Receivable	162	303	(141)
Direct income tax receivables	23	5	18
Other tax receivables	0	26	(26)
Employee receivables	67	74	(7)
Other receivables	5,589	3,780	1,809
<b>OTHER CURRENT ASSETS</b>	<b>5,841</b>	<b>4,188</b>	<b>1,653</b>

The most significant change in other current assets as illustrated below refer to prepayments and accrued income, which increased significantly compared to the end of the year due to the difference in timing between payment and recognition.

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Prepayments and accrued income	1,217	316	901
Advances to suppliers	98	14	84
Pension and social security institutions	130	60	70
Municipal surtax receivable	4,692	3,897	795
Other current receivables provision for doubtful accounts	(1,080)	(1,085)	5
Other current receivables	532	578	(46)
<b>TOTAL OTHER RECEIVABLES</b>	<b>5,589</b>	<b>3,780</b>	<b>1,809</b>

“Prepayments and accrued income” includes Euro 0.2 million of insurance premiums paid in advance, Euro 0.3 million of local taxes paid, Euro 0.2 million of data elaboration fees paid in advance and Euro 0.5 million of other service costs invoiced in advance. The increase in prepayments and accrued income compared to December 31 derives from the seasonality of the invoicing for maintenance, data elaboration, insurance and local taxes.

The account “other current receivables provision for doubtful accounts” includes the provision for municipality surcharges obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the municipality surcharge to the carriers which in the meantime were subject to administration procedures or which contested the charge. This account:

- is exclusively an asset account,
- does not involve any provisions to the Income Statement,
- was classified as a deduction of the respective receivables due to the high improbability of recovery

and the changes in the period are as shown in the table below:

In thousands of Euro	As at 31.12.2017	Provisions/Increases	Utilizations	Releases	As at 30.06.2018
Municipal surtax receivable provision	(1,085)	(5)	0	10	(1,080)
<b>TOTAL OTHER RECEIVABLES PROVISION FOR DOUBTFUL ACCOUNTS</b>	<b>(1,085)</b>	<b>(5)</b>	<b>0</b>	<b>10</b>	<b>(1,080)</b>

In thousands of Euro	As at 31.12.2016	Provisions/Increases	Utilizations	Releases	As at 30.06.2017
Municipal surtax receivable provision	(875)	(205)	0	0	(1,080)
<b>TOTAL OTHER RECEIVABLES PROVISION FOR DOUBTFUL ACCOUNTS</b>	<b>(875)</b>	<b>(205)</b>	<b>0</b>	<b>0</b>	<b>(1,080)</b>

## 10. Current Financial Assets

The following table breaks down current financial assets at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Bonds	0	4,574	(4,574)
Deposit accounts	17,500	16,000	1,500
Other financial receivables	75	43	32
<b>CURRENT FINANCIAL ASSETS</b>	<b>17,575</b>	<b>20,617</b>	<b>(3,042)</b>

The changes in the period in other current financial assets are illustrated in the table below.

In thousands of Euro	As at 31.12.2017	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.06.2018
Bonds	4,574	0	(4,574)	0	0
Deposit accounts	16,000	9,500	(8,000)	0	17,500
Other financial receivables	43	32	0	0	75
<b>TOTAL OTHER CURRENT FINANCIAL ASSETS</b>	<b>20,617</b>	<b>9,532</b>	<b>(12,574)</b>	<b>0</b>	<b>17,575</b>

In detail:

- bonds: concerns a senior bond for a nominal value of Euro 4.5 million acquired in 2016; the decrease is due to the reclassification under cash and cash equivalents (note 11) as the maturity date is September 2018. The investments in bonds meets the Group's temporary needs to invest liquidity in order to obtain the contractual cash flows. As per IFRS 9, these investments are classified in the category "Held to collect - HTC". The bonds are not convertible and have a defined maturity date; this results in the passing of the SPPI test and therefore the valuation at amortised cost in continuity with that undertaken in previous years in application of IAS 39.
- deposit accounts: this account concerns temporary investments in liquidity in:
  - deposit certificates for:
    - Euro 7 million subscribed in December 2017 and with maturity December 2018;
  - time deposits for:
    - Euro 1 million subscribed in April 2017 and with maturity October 2018;
    - Euro 8 million Time deposits acquired in December 2017 with maturity June 2019 (reclassified from non-current financial assets note 4);
    - Euro 1.5 million Time deposits acquired in November 2017 with maturity May 2019 (reclassified from non-current financial assets note 4);

This category of financial investments also meets the Group's temporary needs to invest liquidity in order to obtain the contractual cash flows. As per IFRS 9, these investments are classified in the category "Held to collect - HTC". The contractual maturity defined, the yield defined and calculated on the notional amount permits the passing of the SPPI tests and therefore the valuation at amortised cost in continuity with that undertaken in previous years in application of IAS 39.

In addition to the above-mentioned reclassifications (Euro +9.5 million from non-current to current financial assets), the changes in the period are due to:

- the maturity at September 2018 of Euro 4 million of savings bonds subscribed in August 2016 and reclassified under cash and cash equivalents;

- the sale in May of Euro 4 million of savings bonds subscribed in March 2017 and with maturity September 2018. The advance settlement was undertaken in view of the payment maturities, among which the distribution of dividends on the 2017 result for Euro 14.2 million, as approved by the Shareholders' Meeting of April 24, 2018. The advance sale does not reflect a change in the business model underlying the purchase of this financial instrument, but represents an opportunity to maximise financial income.

## 11. Cash and cash equivalents

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Bank and postal deposits	18,899	16,182	2,717
Cash in hand and similar	27	27	0
<b>CASH AND CASH EQUIVALENTS</b>	<b>18,926</b>	<b>16,209</b>	<b>2,717</b>

“Bank and postal deposits” represents the bank current account balances in addition to bank deposits readily convertible to cash (time deposits) for Euro 4 million and the senior bond for Euro 4.5 million both with maturity September 2018 (see note 10).

## 12. Assets held-for-sale

The following table shows the breakdown of the assets held-for-sale:

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Investment in Bologna Congressi Spa	0	117	(117)
<b>ASSETS HELD-FOR-SALE</b>	<b>0</b>	<b>117</b>	<b>(117)</b>

At December 31, 2017 this account comprises the investment of 10% in Bologna Congressi Spa, which was sold on February 23, 2018 to Bologna Fiera Spa, majority shareholder of Bologna Congressi spa. At December 31, 2017, the capital profit of Euro 0.013 million was recorded as a shareholders' equity reserve. At June 30, 2018, given the completion of the operation, the reserve was eliminated and the profit recorded under financial income in account 27 of the Income Statement.

## Net Financial Position

The following table shows the breakdown of the net financial position at June 30, 2018, December 31, 2017 and June 30, 2017, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 Recommendations:

	<i>In thousands of Euro</i>	As at 30.06.2018	As at 31.12.2017	As at 30.06.2017
A	Cash	27	27	24
B	Other cash equivalents	18,899	16,182	11,327
C	Securities held for trading	0	0	0
<b>D</b>	<b>Cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>18,926</b>	<b>16,209</b>	<b>11,351</b>
<b>E</b>	<b>Current financial receivables</b>	<b>17,575</b>	<b>20,617</b>	<b>14,687</b>
F	Current bank debt	(43)	(54)	(45)
G	Current portion of non-current debt	(5,809)	(5,807)	(5,804)
H	Other current financial debt	(2,250)	(1,806)	(4,256)
<b>I</b>	<b>Current financial debt (F)+(G)+(H)</b>	<b>(8,102)</b>	<b>(7,667)</b>	<b>(10,105)</b>
<b>J</b>	<b>Net current financial position (I) – (E) – (D)</b>	<b>28,399</b>	<b>29,159</b>	<b>15,933</b>
K	Non-current bank debt	(16,210)	(19,109)	(22,005)
L	Bonds issued	0	0	0
M	Other non-current debt	0	0	0
<b>N</b>	<b>Non-current financial debt (K)+(L)+(M)</b>	<b>(16,210)</b>	<b>(19,109)</b>	<b>(22,005)</b>
<b>O</b>	<b>Net financial debt (J)+(N)</b>	<b>12,189</b>	<b>10,050</b>	<b>(6,072)</b>

The accounts A + B are equal to the balance of the account “cash and cash equivalents”; reference should be made to note 11 for further details.

The accounts F + G + H are equal to the balance of the account “current financial liabilities”; reference should be made to note 22 for further details.

The account K is equal to the balance of the account “non-current financial liabilities”; reference should be made to note 18 for further details.

## LIABILITIES

### 13. Shareholders' Equity

The following table breaks down the Shareholders' Equity at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Share capital	90,314	90,314	0
Reserves	67,050	65,218	1,832
Profit (loss)	7,302	15,969	(8,667)
<b>SHAREHOLDERS' EQUITY</b>	<b>164,666</b>	<b>171,501</b>	<b>(6,835)</b>

#### i. Share capital

The share capital of the Parent Company at June 30, 2018 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

The following table outlines the calculation of the undiluted and diluted earnings per share:

in Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017
Group profit (loss)	7,339,421	7,038,983
Average number of shares outstanding	36,125,665	36,125,665
<b>Undiluted earnings per share</b>	<b>0.20</b>	<b>0.19</b>
<b>Diluted earnings per share</b>	<b>0.20</b>	<b>0.19</b>

The undiluted earnings and diluted earnings per share of the AdB Group at June 30, 2018 and June 30, 2017 are the same due to the absence of potential dilutive instruments.

#### ii. Reserves

The following table breaks down the Reserves at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Share premium reserve	25,683	25,683	0
Legal reserve	6,297	5,545	752
Extraordinary reserve	36,437	35,600	837
FTA Reserve	(3,222)	(3,222)	0
Profits/(losses) carried forward	2,731	2,513	218
OCI Reserve	(877)	(914)	37
Assets held-for-sale reserve	0	13	(13)
<b>TOTAL RESERVES</b>	<b>67,050</b>	<b>65,218</b>	<b>1,832</b>

The share premium reserve comprises:

- o Euro 14.35 million following the paid-in share capital increase approved by the Shareholders' Meeting of February 20, 2006;
- o Euro 11.33 million following the public offering of shares in 2015.

Pursuant to Article 2431 of the Civil Code this reserve is available but may not be distributed until the legal reserve has reached the limit established as per article 2430 of the Civil Code.

The legal reserve and the extraordinary reserve increased due to the allocation of the profit in the previous year and, in relation to the Parent Company, net of the distribution of dividends approved by the Shareholders' Meeting of April 24, 2018 for Euro 14.2 million corresponding to a gross dividend of Euro 0.392 for each of the 36,125,665 ordinary shares in circulation at the dividend coupon date. The extraordinary reserve entirely comprises profits from previous years.

The profits carried forward increased due to the allocation of the profits deriving from the IAS accounting entries of the subsidiary companies, in addition to the share of the result for the year of Tag.

The OCI reserve records the changes deriving from the discounting of the severance provision in accordance with IAS 19 revised (note 14), net of the relative tax effect.

The assets held-for-sale reserve, which at December 31, 2017 included the profit arising from the difference in the carrying value of the investment in Bologna Congressi Spa and the sales value, was eliminated due to the completion of the operation on February 23, 2018, with recognition of the higher value under financial income in the Income Statement.

The following table breaks down the reserve at June 30, 2018 and the comparative period:

<i>In thousands of Euro</i>	<i>As at 30.06.2018</i>	<i>As at 31.12.2017</i>	<i>Change</i>
IAS 19 actuarial profits/losses	(1,160)	(1,209)	49
Deferred taxes on actuarial profits/losses - IAS 19	278	289	(11)
<b>OCI RESERVE</b>	<b>(882)</b>	<b>(920)</b>	<b>38</b>
<b>of which minority interest</b>	<b>(5)</b>	<b>(6)</b>	<b>1</b>
<b>of which Group</b>	<b>(877)</b>	<b>(914)</b>	<b>37</b>

The Minority interest shareholders' equity concerns the share of Shareholders' equity and the net result for the period of the subsidiaries not fully held as follows:

<i>In thousands of Euro</i>	<i>As at 30.06.2018</i>	<i>As at 31.12.2017</i>	<i>Change</i>
Share Capital - Minority interests	155	155	0
Reserves - Minority interests	666	451	215
Profit/Loss - Minority interests	72	215	(143)
<b>MINORITY INTEREST SHAREHOLDERS' EQUITY</b>	<b>893</b>	<b>821</b>	<b>72</b>

The changes in minority interest shareholders' equity is due to the allocation of the result reported in the previous year in addition to the profit matured in the current period.

#### **14. Severance and other personnel provisions**

The following table breaks down severance and other personnel provisions at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	<i>As at 30.06.2018</i>	<i>As at 31.12.2017</i>	<i>Change</i>
Severance	4,138	4,287	(149)
Other personnel provisions	178	118	60
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>4,316</b>	<b>4,405</b>	<b>(89)</b>

The table below shows the movements in the provisions from December 31, 2017 to June 30, 2018 compared with the same movements in the period from December 31, 2016 to June 30, 2017.

In thousands of Euro	As at 31.12.2017	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.06.2018
Severance	4,287	7	27	(134)	(49)	4,138
Other personnel provisions	118	60	0	0	0	178
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>4,405</b>	<b>67</b>	<b>27</b>	<b>(134)</b>	<b>(49)</b>	<b>4,316</b>

In thousands of Euro	As at 31.12.2016	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.06.2017
Severance	4,489	7	30	(31)	(158)	4,337
Other personnel provisions	107	52	0	0	0	159
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>4,596</b>	<b>59</b>	<b>30</b>	<b>(31)</b>	<b>(158)</b>	<b>4,496</b>

The actuarial valuation of severance provisions is carried out on the basis of the "benefits matured" with the support of actuarial experts.

The principal assumptions in the actuarial estimation process of the severance provisions are as follows:

- a) discount rate: 1.45% for the valuation at June 30, 2018 and 1.30% for the valuation at December 31, 2017;
- b) current and prospective inflation rate: 1.50%;
- c) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates. For invalidity, an INPS table based on age and gender was utilised;
- d) employee turnover rate equal to 15% for TAG, 2% for FFM and 1% for Aeroporto di Bologna.

As for any actuarial valuation the results depend on the technical bases adopted such as, among others, interest rate, inflation rate and expected turnover. The following table shows the effects of reasonably possible changes in the actuarial assumptions utilised at June 30, 2018.

In thousands of Euro	Valuation parameter					
	+1 % on turnover rate	-1 % on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	4,117	4,163	4,204	4,074	4,036	4,245

For completeness the following table also shows the expected disbursements of the plan over a 5-year period:

Years	Estimated future disbursements (In thousands of Euro)
1	208
2	232
3	139
4	233
5	266

The other personnel provisions at June 30, 2018 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager of the Parent Company.

## 15. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at June 30, 2018 (compared with December 30, 2017).

In thousands of Euro	As at 31.12.2017	Provisions	Utilizations	2018
DEFERRED TAX LIABILITIES	2,371	30	0	2,401

In thousands of Euro	As at 31.12.2016	Provisions	Utilizations	2017
DEFERRED TAX LIABILITIES	2,216	32	0	2,248

The deferred tax liability provision amounts to Euro 2.40 million. Deferred tax liabilities are recorded due to the adjustments relating to the application of IFRIC 12 "service concession arrangements".

## 16. Provisions for renewal of airport infrastructure (non-current)

The provisions for renewal of airport infrastructure includes the provision allocated to cover the conservation maintenance expenses and renewal of the assets held under concession which the Group must return at the end of the concession period, scheduled in 2044, in perfect functioning state.

The following table shows the movements for the periods ended June 30, 2018 and 2017 of the provision:

In thousands of Euro	As at 31.12.2017	Provisions	Utilizations	Reclassifications	As at 30.06.2018
PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (NON-CURRENT)	9,575	878	0	(697)	9,756

In thousands of Euro	As at 31.12.2016	Provisions	Utilizations	Reclassifications	As at 30.06.2017
PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (NON-CURRENT)	10,631	434	0	(741)	10,324

The increases in the first half of 2018 totalled Euro 0.88 million, of which Euro 1.19 million classified under provisions in the income statement and net of Euro 0.31 million recorded under financial income from discounting. The decreases from reclassifications concern the periodic reclassification to current liabilities

of the disbursements expected in the twelve months subsequent to the half-year period end. The utilisations of the provision in the period are recorded under current liabilities at note 21.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provisions for renewal of airport infrastructure at June 30, 2018:

<i>In thousands of Euro</i>	Financial income balance	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provisions for renewal of airport Infrastructure	308	239	322

The discounting curve utilised for the valuation includes the country risk. In this specific case the input data utilised was the short, medium and long-term zero-coupon government bonds (from 3 months to 30 years), sourced from the information provider Bloomberg.

### 17. Provisions for risks and charges (non-current)

The following table shows the movements for the period ended June 30, 2018 of the provision for risks and charges with comparison with the same period of the previous year:

<i>In thousands of Euro</i>	As at 31.12.2017	Provisions	Utilisation/Release	As at 30.06.2018
Risk provision for disputes	842	17	(3)	856
Employee back-dated provision	270	137	0	407
Provisions for other risks and charges	153	0	0	153
<b>PROVISIONS FOR RISKS AND CHARGES - NON-CURRENT</b>		<b>1,265</b>	<b>154</b>	<b>(3)</b>
				<b>1,416</b>

<i>In thousands of Euro</i>	As at 31.12.2016	Provisions	Utilisation/Release	As at 30.06.2017
Risk provision for disputes	853	4	0	857
Employee back-dated provision	0	133	0	133
Provisions for other risks and charges	153	0	0	153
<b>PROVISIONS FOR RISKS AND CHARGES - NON-CURRENT</b>		<b>1,006</b>	<b>137</b>	<b>0</b>
				<b>1,143</b>

The main change concerns the employee back-dated provision on which, within the framework of the renewal of the Airport Operators Trade Union Agreement expired on December 31, 2016 and of the Assohandlers Trade Union Agreement expired on June 30, 2017, an estimate of the liabilities for a One-off/back-dated employee payments was accrued for the period.

### ***Contingent liabilities***

On July 26, 2016, on the completion of a general review commenced on May 18, 2016 for the year 2013 of the Parent Company, the Bologna Tax Agency prepared a tax assessment highlighting one issue. The issue concerned a presumed non-recognition of the deductibility for income taxes of the loss of Euro 5 million following the bankruptcy declaration in May 2013 of the company SEAF, Società di Gestione dell'Aeroporto di Forlì. This examination process resulted in the enforcement of the surety related to the letter of patronage issued in 2007 by AdB to the credit institutions of SEAF against an unsecured loan, which the Parent Company executed by means of a repayment plan to the Institutions. This was completed in April 2016 following the full repayment of the residual instalments.

The Directors, taking account of the factual and legal arguments of the Parent Company, as formalised in the petitions forwarded to the Tax Agency concerning the financial and therefore tax reasoning behind the choices made, categories the liability as potential and therefore only includes appropriate disclosure in the Notes.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes. At the preparation date of this document, taking account of the information noted and the defensive arguments arising in the case in which this request is advanced, the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, although while at the same time continuing to closely monitor the airline's situation.

## 18. Non-current financial liabilities

The following table breaks down non-current financial liabilities at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Bank loans – non-current	16,210	19,109	(2,899)
<b>NON-CURRENT FINANCIAL LIABILITIES</b>	<b>16,210</b>	<b>19,109</b>	<b>(2,899)</b>

Bank loans - non-current comprise medium/long-term loans contracted by the Group. The decrease in the period is mainly due to repayments totalling Euro 2.91 million.

Total bank loans at June 30, 2018 amount to Euro 22 million, of which Euro 16.2 million non-current and Euro 5.8 million current (note 22).

The breakdown (by calendar year) of loans including the current portion was as follows:

- fifteen-year bank loan with a residual balance of Euro 2.76 million at June 30, 2018 (Euro 4.1 million at December 31, 2017) granted by Banca OPI S.p.A (now Intesa Sanpaolo S.p.A.) to fund the infrastructure investment plan. This liability is classified under current bank loans as the maturity date is June 2019;
- fifteen-year bank loan with a residual balance of Euro 4.03 million at June 30, 2018 (Euro 4.27 million at December 31, 2017), granted by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 3.5 million under non-current loans (Euro 3.77 million at December 31, 2017), and for Euro 0.5 million under current loans (same amount at December 31, 2017);
- ten-year bank loan with a residual balance of Euro 15.2 million at June 30, 2018 (Euro 16.5 million at December 31, 2017) granted by Banca Intesa to fund the infrastructure investment plan. This liability is classified for Euro 12.7 million under non-current loans (Euro 13.96 million at December 31, 2017), and for Euro 2.54 million under current loans (same amount at December 31, 2017). In 2014, the Parent Company paid Euro 0.3 million for organisation/structuring commission on this loan, recorded under Other current assets at December 31, 2014 and once the loan was granted treated in line with IFRS 9. Due to a

review of the financial conditions of the loan, signed between the parties on April 6, 2017, the interest rate was redefined as illustrated in the table below.

The Parent Company must comply with the following economic/financial covenants calculated annually on its financial statements:

- NFP/EBITDA (lower than 1.7 for 2018).
- NFP/SE (lower than 0.3 for 2018).

The contractual conditions of the loans in place at June 30, 2018 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A (former Banca OPI S.p.A)	Loan	Rate applied by EIB to the Bank + 0.45%	Half-Year	2019	No
Intesa San Paolo S.p.A.	Loan	Fixed rate until 10/4/2017 of 3.693%; from 11/04 to 10/06/2017 of 3.3%; from 11/06/2017 to 10/06/2024 of 3%	Half-Year	2024	Yes
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor variable 3 Months + spread 0.9%	Quarterly	2026	No

The loans are not covered by secured guarantees.

A sensitivity analysis is illustrated below on variable interest rate loans held at June 30, 2018.

			In thousands of Euro			
Credit Institution	Type of loan	Interest rate applied	Balance 30.06.2018	Interest at 30.06.2018	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Intesa Sanpaolo S.p.A (former Banca OPI S.p.A)	Loan	rate applied by EIB to the Bank + 0.45%	2,759	9	17	7
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor 3 months/360 + 0.9%	4,033	12	23	10

With reference to the cross default clauses on the loan contracts of the Company, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at June 30, 2018 the Group has not received any communication for application of cross default clauses by any of its lenders.

We illustrate below the table required by the amended IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:

In thousands of Euro	Bank loans
Balance as at 31 12 2017	24,916
Cash flows	(2,911)
Other changes:	
Financial expenses IFRS 9	14
<b>Balance 30 06 2018</b>	<b>22,019</b>

## 19.Trade payables

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Trade payables	15,384	16,208	(824)
<b>TRADE PAYABLES</b>	<b>15,384</b>	<b>16,208</b>	<b>(824)</b>

Trade payables are mainly with national suppliers and decreased on December 31, 2017 due to greater payments made at the beginning of the current year.

Trade payables by maturity in the two periods under consideration are illustrated below:

<i>In thousands of Euro</i>	<b>Not yet due</b>	<b>Overdue</b>	<b>Total as at 30.06.2018</b>
Invoices/credit notes received	4,130	3,032	7,162
Invoices/credit notes to be received	8,222	0	8,222
<b>TOTAL TRADE PAYABLES</b>	<b>12,352</b>	<b>3,032</b>	<b>15,384</b>

<i>In thousands of Euro</i>	<b>Not yet due</b>	<b>Overdue 0-30</b>	<b>Overdue 30-60</b>	<b>Overdue 60-90</b>	<b>Overdue beyond 90</b>	<b>Total</b>
<b>TRADE PAYABLES</b>	<b>4,130</b>	<b>2,447</b>	<b>280</b>	<b>126</b>	<b>179</b>	<b>7,162</b>

<i>In thousands of Euro</i>	<b>Not yet due</b>	<b>Overdue</b>	<b>Total as at 31.12.2017</b>
Invoices/credit notes received	7,285	2,953	10,238
Invoices/credit notes to be received	5,970	0	5,970
<b>TOTAL TRADE PAYABLES</b>	<b>13,256</b>	<b>2,953</b>	<b>16,208</b>

<i>In thousands of Euro</i>	<b>Not yet due</b>	<b>Overdue 0-30 days</b>	<b>Overdue 30-60 days</b>	<b>Overdue 60-90 days</b>	<b>Overdue over 90 days</b>	<b>Total</b>
<b>TRADE PAYABLES</b>	<b>7,285</b>	<b>2,505</b>	<b>40</b>	<b>1</b>	<b>407</b>	<b>10,238</b>

## 20.Other Liabilities

The following table breaks down current financial liabilities at June 30, 2018 (compared with December 31, 2017).

<i>In thousands of Euro</i>	<b>As at 30.06.2018</b>	<b>As at 31.12.2017</b>	<b>Change</b>
Current tax payables	1,727	1,671	56
Employee payables and social security institutions	3,905	4,034	(129)
ENAC concession fee and other State payables	15,203	14,556	647
Other current liabilities, accrued liabilities and deferred income	4,928	3,913	1,015
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>25,763</b>	<b>24,174</b>	<b>1,589</b>

The principal changes were as follows:

### i. Current tax payables

The following table breaks down tax payables at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Direct income taxes	610	762	(152)
Other tax payables	1,117	909	208
<b>CURRENT TAX PAYABLES</b>	<b>1,727</b>	<b>1,671</b>	<b>56</b>

Other tax payables mainly relate to employee withholding taxes and local taxes.

### ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Employee salaries	1,018	921	97
Employee deferred compensation	1,811	2,069	(258)
Social security payables	1,076	1,044	32
<b>EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS</b>	<b>3,905</b>	<b>4,034</b>	<b>(129)</b>

### iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 12.03 million (Euro 11.36 million at December 2017) concerning the fire protection service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. This amount refers to the years 2009-2017 in addition to the portion matured to June 30, 2018, subject to dispute. For further details, reference should be made to the Directors' Report;
- Euro 3.14 million (Euro 2.87 million at December 31, 2017) as the airport concession fee.

### iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Municipal surtax payable	3,612	2,811	801
Other current liabilities	854	986	(132)
Current accrued liabilities and deferred income	462	116	346
<b>TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME</b>	<b>4,928</b>	<b>3,913</b>	<b>1,015</b>

The main account concerns the municipality surtax relating to the receivables from carriers not yet received at June 30, for Euro 3.6 million. The portion of the municipality surtax payable relating to receivables collected from carriers, not yet paid to the creditor entities on the other hand is classified under current financial liabilities (Note 22). Other current liabilities include deposits and advances received from customers in addition to deferred income and miscellaneous payables. The increase in current accruals and

deferred income is due to the invoicing process which provides for the advance invoicing of sub-license fees and other services.

## 21. Provisions for renewal of airport infrastructure (current)

The following table shows the movement of the provisions for renewal of airport infrastructure for the periods ended June 30, 2018 and 2017.

In thousands of Euro	As at 31.12.2017	Provisions	Utilizations	Reclassifications	As at 30.06.2018
<b>PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (CURRENT)</b>					
	3,498	0	(697)	697	3,498
<b>In thousands of Euro</b>					
	As at 31.12.2016	Provisions	Utilizations	Reclassifications	As at 30.06.2017
<b>PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (CURRENT)</b>	2,933	0	(721)	741	2,953

The account includes the provisions for renewal of airport infrastructure - current portion. The utilisations in the first half of 2018 mainly refer to interventions concerning plant and building roofing in addition to the completion of the tender for awarding the renovation of the flight runway (phase A scheduled from September 14 - 18, 2018) and the definitive/executive design project in course for the renovation of the flight runway (Phases B+C scheduled in 2020).

The provisions for renewal of airport infrastructure are reported at Note 16 (non-current portion).

## 22. Current financial liabilities

The following table breaks down current financial liabilities at June 30, 2018 (compared with December 31, 2017).

In thousands of Euro	As at 30.06.2018	As at 31.12.2017	Change
Bank loans - current	5,809	5,807	2
Municipal surtax	2,250	1,806	444
Other current financial debt	43	54	(11)
<b>CURRENT FINANCIAL LIABILITIES</b>	<b>8,102</b>	<b>7,667</b>	<b>435</b>

For a breakdown of the Loans - current portion account, reference should be made to account 18 Non-current Financial Liabilities which presents the outstanding Group loans at June 30, 2018.

Municipal surtax on passenger boarding rights payables concern the portion received by airlines in the month of June and reversed to the credit institutions in July 2018.

## NOTES TO THE MAIN INCOME STATEMENT ACCOUNTS

The principal H1 2018 income statement accounts are compared with H1 2017 below.

### REVENUES

#### 23. Revenues

The application of the new accounting standard IFRS 15, applied to all contracts with customers since January 1, 2018, resulted in the identification of the following revenue streams:

1. Airport rights
2. Commercial/non-comm. sublicense/lease
3. Parking
4. Construction Services
5. Others

**Airport fees** concern the fees paid for the making available of infrastructure and services exclusively provided by the Group for landing, take-off, lighting and parking, passenger boarding, disembarkation and information and cargo, in addition to the use of centralised infrastructure.

These comprise:

- passenger boarding rights;
- aircraft landing and departure rights;
- aircraft parking and storage rights;
- goods loading and unloading rights;
- departing passenger safety control rights;
- checked baggage safety control rights;
- PRM contributions;
- fees for the use of some centralised infrastructure

For further details, reference should be made to the description of the business in the Directors' Report. The Airport Rights, in consideration of the public utility nature of the airport services, are subject to regulation in compliance with current legislation and the tariff models elaborated by the Airport Regulatory Authority ("ART").

The Group complies with its obligations in relation to airport rights making available to carriers airport infrastructure for the landing, take off, lighting and parking of aircraft, the departure and embarkment of passengers and goods as well as the utilisation of centralised infrastructure (e.g. de-icing). These services are invoiced bi-monthly and/or monthly with standard payment terms of 30 days from invoice date end of month, with the exception of the municipality surtax for passenger boarding fees whose payment is on demand.

**Commercial and non-commercial sub-license/leasing revenues** concerns the provision of spaces and commercial areas and premises within the airport area (so-called sub-licenses) and externally to the airport area (so-called leasing).

This category includes sub-license/leasing with commercial tariffs (retail sub-licenses, parking sub-licenses etc.) and administrated tariffs (payments for the exclusive use of assets or payments for the use of a dedicated airport infrastructure to the individual carriers or operators (check-in counters, offices, operating premises).

The Group complies with its obligations in relation to these services making available to its customers (carriers, handlers, others) operating and/or commercial premises. Invoicing is normally quarterly and/or half-yearly in advance with standard payment terms on these contracts of 30 days from invoice date end of month.

The sub-license contracts between the Group and its customers are within the definition of IAS 17 - Leasing and are therefore excluded from the application of IFRS 15 (reference IFRS 15.5). From January 1, 2019, these contracts therefore are within the scope of IFRS 16 which replaces IAS 17.

The application of the new standard is therefore centred on verification that the sub-license contracts principally involve the leasing of well-defined spaces/premises, and not including other services such as advertising and administration/utility services within the definitions contained in IFRS 15. In this case a reclassification was made in the financial statements for Revenue Streams within the scope of IFRS 15.

**Parking revenues** are represented by the provision of parking spaces internally and externally to the airport area based on public tariffs which are applied to all sales made.

The Group complies with its obligations in relation to these services making available to its customers parking facilities. Invoicing of this service is only made on the request of the customer; the parking service is normally settled in cash. There were no effects from the application of IFRS 15.

**Construction Services revenues** concern the construction services undertaken by the Group on behalf of the Granting Body for the investments concerning the Concession Rights. The Group, as not a construction company, contracts with third parties responsible for constructing and improving the infrastructure. Accordingly, the fair value of the fees for the construction/improvement services rendered by the Group is the fair value of the fees for the construction/improvement service rendered by third parties, plus a "Project Management" mark-up representative of the internal costs of planning and coordination of the work by a specific internal unit. The application of IFRS 15 did not result in any change in the recognition of construction service revenues.

**Other revenues:** this revenue stream concerns the residual obligations compared to the previous contractual categories (security services, MBL services, training courses, cart collection services, baggage depot services, etc.). The invoicing of the various services in this category is normally aggregated monthly for continual services and/or individual orders. Some services also provide for immediate invoicing. The standard payment terms of these services are 30 days from invoice date end of month. For some types of services (training courses, badge issuance), advanced payment is requested.

In summary, in addition to that illustrated above, the analysis of the contracts and the aggregation of revenue accounts in accordance with the new revenue streams requiring separation of the payments underlying various contractual obligations, identified the following effects:

- Breakdown of the aggregated revenues based on the new revenue streams (see tables below);
- Breakdown on the revenue streams related to the changes in the relative receivable (see tables below);
- Contracts with customers do not include significant financial components as the payment conditions are normally 30 days from invoice date end of month;
- There were no instances where payment was settled other than on a monetary basis;
- No modification in the timing of the recognition of the revenues.

In relation to contracts which provide for variable payments we report as follows: the commercial incentive contracts with carriers recorded as a decrease of revenues for airport rights may provide for variable payments related to the achievement of traffic volumes and/or number of routes in the period (typically measured based on IATA seasons). From 2018 also the "one-off" promotional incentives, such as incentives for the start-up of new flights, up to now recorded under service costs, are recorded as a direct reduction of airport rights revenues, as already applied for the variable incentives recognised based on traffic. In the first half of 2017 these costs amounted to Euro 0.1 million compared to Euro 50 thousand in H1 2018.

The reclassification of Group revenues based on revenue streams defined by IFRS 15 is shown in the following table:

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Airport fees	23,158	21,290	1,868
Parking	7,768	7,092	676
Construction service revenues	3,062	2,148	914
Others	5,582	5,178	404
<b>TOTAL IFRS 15 REVENUE STREAMS</b>	<b>39,570</b>	<b>35,708</b>	<b>3,862</b>

The reconciliation between IFRS 15 revenue streams and total revenues (note 23 of the Income Statement) is shown in the following table:

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Airport fees	23,158	21,290	1,868
Parking	7,768	7,092	676
Construction service revenues	3,062	2,148	914
Other	5,582	5,178	404
<b>TOTAL IFRS 15 REVENUE STREAMS</b>	<b>39,570</b>	<b>35,708</b>	<b>3,862</b>
Commercial/non-comm. Sublicenses	10,058	9,417	641
<b>TOTAL NON IFRS 15 REVENUE STREAMS</b>	<b>10,058</b>	<b>9,417</b>	<b>641</b>
TOTAL NON IFRS 15 Revenues	23	88	(65)
<b>TOTAL REVENUES</b>	<b>49,651</b>	<b>45,213</b>	<b>4,438</b>

IFRS 15 revenue streams related to the changes in the receivables/collections in the period is illustrated below.

In thousands of Euro	receivables as at 31.12.2017	Revenues (*)	Collections/offset	receivables as at 30.06.2018
Airport fees (*)	7,069	25,234	(22,931)	9,372
Parking	75	9,655	(9,656)	74
Construction service revenues	0	3,061	(3,061)	0
Other	1,524	6,114	(5,719)	1,920
<b>TOTAL IFRS 15 REVENUE STREAMS</b>	<b>8,667</b>	<b>44,064</b>	<b>(41,366)</b>	<b>11,365</b>

(\*) The data included in the column "Revenues" differs from the Revenues shown in the previous table as this includes VAT, but not the accruals for the period (e.g. credit notes to be received for incentives, invoices to be issued).

Finally, the tables below show the revenues by revenue stream (note 23 of the Income Statement) for H1 2018 and H1 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Revenues from aeronautical services	26,359	24,612	1,747
Revenues from non-aeronautical services	19,660	18,150	1,510
Revenues from construction services	3,062	2,148	914
Other operating revenues and income	570	303	267
<b>TOTAL REVENUES</b>	<b>49,651</b>	<b>45,213</b>	<b>4,438</b>

For the revenue performance in the period, reference should be made to the Directors' Report.

### i. Revenues from aeronautical services

The table below shows aeronautical revenues in H1 2018 and H1 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Centralised infra./other airport services	273	278	(5)
Exclusive use revenues	613	589	24
Airport fee revenues	32,381	30,638	1,743
PRM revenues	2,101	1,990	111
Air traffic development incentives	(11,430)	(11,425)	(5)
Handling services	1,220	1,441	(221)
Other aeronautical revenues	1,201	1,101	100
<b>TOTAL REVENUES FROM AERONAUTICAL SERVICES</b>	<b>26,359</b>	<b>24,612</b>	<b>1,747</b>

The breakdown of airport fee revenues is illustrated below and to which reference should be made to the Directors' Report.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Passenger boarding fees	16,218	15,414	804
Landing, take-off and parking fees	8,926	8,711	215
Passenger security fees	5,287	4,857	430
Baggage stowage control fees	1,501	1,365	136
Cargo loading and unloading fees	402	416	(14)
Reduction for provision	47	(125)	172
<b>TOTAL AVIATION FEE REVENUES</b>	<b>32,381</b>	<b>30,638</b>	<b>1,743</b>

### ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in H1 2018 and H1 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Commercial premises and spaces sub-license	8,784	8,077	707
Parking	7,768	7,092	676
Other commercial revenues	3,108	2,981	127
<b>TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES</b>	<b>19,660</b>	<b>18,150</b>	<b>1,510</b>

Other commercial revenues are broken down as follows:

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Ticketing	22	26	(4)
Marconi Business Lounge	1,265	1,118	147
Advertising	722	751	(29)
Misc. commercial revenues	1,099	1,086	13
<b>TOTAL OTHER COMMERCIAL REVENUES</b>	<b>3,108</b>	<b>2,981</b>	<b>127</b>

### iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by Aeroporto Guglielmo Marconi di Bologna S.p.A. on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

These revenues amount to Euro 3.1 million increasing on Euro 2.1 million in H1 2017 for the greater investments undertaken.

### iv. Other Revenue and Income

The table below shows other revenues and income in H1 2018 and H1 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Indemnities, reimbursement and misc. income	560	303	257
Operating grants	10	0	10
<b>TOTAL OTHER OPERATING REVENUES AND INCOME</b>	<b>570</b>	<b>303</b>	<b>267</b>

## COSTS

### 24. Costs

#### i. Consumables and goods

The table below presents consumables and goods in H1 2018 and H1 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Consumables and goods	294	256	38
Maintenance materials	110	95	15
Fuel and gasoline	547	587	(40)
<b>TOTAL CONSUMABLES AND GOODS</b>	<b>951</b>	<b>938</b>	<b>13</b>

#### ii. Service costs

The following table shows the breakdown of services costs for H1 2018 and H1 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Maintenance expenses	2,442	1,965	477
Utilities	1,160	533	627
Cleaning and accessory services	1,036	951	85
Services	3,426	2,936	490
MBL Services	168	147	21
Advertising, promotion and development	348	504	(156)
Insurance	405	359	46
Professional and consultant services	931	807	124
Statutory board fees and expenses	311	306	5
Other service costs	196	180	16
<b>TOTAL SERVICE COSTS</b>	<b>10,423</b>	<b>8,688</b>	<b>1,735</b>

Service costs increased on the first half of 2017 mainly due to charges for:

- maintenance for works on buildings, signage and additional actions due also to snow;
- services such as the PRM service related to the increase in traffic and snow removal costs for the particularly difficult weather conditions at the beginning of the year;
- the absence, in the first half of 2018, of the reversal of "one off" System Charges for Adb's Cogeneration plant, recognised to the 2016 Annual Accounts for Euro 627 thousand and reversed, with a positive effect on H1 2017 costs.

The savings in advertising, promotion and development (Euro 156 thousand) reduced to Euro 31 thousand, taking into account the one-off traffic development charges incurred in the first half of 2017 which, in accordance with the new accounting standard IFRS 15, from January 1, 2018 are recorded as a decrease in aeronautical revenues.

A further breakdown in maintenance expenses is provided below:

<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2018</b>	<b>For the half year ended 30.06.2017</b>	<b>Change</b>
Owned asset maintenance expenses	544	462	82
Airport infrastructure maintenance expenses	1,628	1,302	326
Third party asset maintenance expenses	270	201	69
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>2,442</b>	<b>1,965</b>	<b>477</b>

The breakdown of services is illustrated below:

<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2018</b>	<b>For the half year ended 30.06.2017</b>	<b>Change</b>
Snow clearance	679	265	414
Porterage, transport third party services	292	192	100
PRM assistance service	741	706	35
De-icing and other public service charges	197	235	(38)
Security service	593	588	5
Other outsourcing	924	950	(26)
<b>TOTAL SERVICES</b>	<b>3,426</b>	<b>2,936</b>	<b>490</b>

### iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

### iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for H1 2017 and H1 2016.

<i>In thousands of Euro</i>	<b>For the half year ended 30.06.2018</b>	<b>For the half year ended 30.06.2017</b>	<b>Change</b>
Concession fees	2,837	2,641	196
Hire charges	162	188	(26)
Rental charges	272	257	15
EDP processing charges	622	516	106
Other rental & hire costs	23	(74)	97
<b>LEASES, RENTALS AND OTHER COSTS</b>	<b>3,916</b>	<b>3,528</b>	<b>388</b>

The increase in this account is mainly related to the rise in traffic on which the airport concession and security service fees are calculated and EDP processing charges for technological investments.

#### v. Other operating expenses

The following table shows the breakdown of other operating expenses for H1 2018 and H1 2017.

<i>In thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Misc. and local taxes	684	666	18
Fire prevention services contribution	668	675	(7)
Capital losses	1	1	0
Other operating expenses	227	451	(224)
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>1,580</b>	<b>1,793</b>	<b>(213)</b>

Operating charges decreased due to the absence of accessory charges on the exercise of the option to acquire a building, which was acquired in 2017.

#### vi. Personnel costs

The following table shows the breakdown of personnel costs for H1 2018 and H1 2017.

<i>In thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Wages and salaries	9,555	9,327	228
Social security expenses	2,638	2,552	86
Severance provisions	699	692	7
Retirement pension and others	95	96	(1)
Other personnel costs	822	855	(33)
<b>TOTAL PERSONNEL COSTS</b>	<b>13,809</b>	<b>13,522</b>	<b>287</b>

Personnel costs increased in the first half of 2018 mainly due to the increase in the Group workforce (+13 full-time equivalent) for activities strictly related to the growth in traffic such as security controls. In addition to the increase in the workforce, the increase in personnel costs is attributable to normal salary increases.

Other personnel costs are broken as follows:

<i>In thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Employee canteen	297	294	3
Personnel training	128	164	(36)
Employee expenses	127	116	11
Other personnel provisions	60	52	8
Misc. personnel costs	210	229	(19)
<b>TOTAL OTHER PERSONNEL COSTS</b>	<b>822</b>	<b>855</b>	<b>(33)</b>

The average headcount by category in the two periods under consideration is shown below:

Average workforce (number)	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Executives	10	10	0
White-collar	394	384	10
Blue-collar	97	100	(3)
<b>TOTAL PERSONNEL</b>	<b>501</b>	<b>494</b>	<b>7</b>

The headcount at the end of the two periods under consideration was as follows:

Workforce (number)	As at 30.06.2018	As at 30.06.2017	Change
Executives	10	10	0
White-collar	409	395	14
Blue-collar	100	100	0
<b>TOTAL PERSONNEL</b>	<b>519</b>	<b>505</b>	<b>14</b>

## 25. Depreciation and amortisation

The following table shows the movement of depreciation, amortisation and impairment for the periods ended June 30, 2018 and 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Amortisation/write-downs Concession rights	2,878	2,750	128
Amortisation of other intangible assets	458	330	128
Depreciation of tangible assets	1,090	983	107
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>4,426</b>	<b>4,063</b>	<b>363</b>

The increase in depreciation and amortisation is due to the effects of the full year application from the progressive roll-out of investments over the last twelve months.

The account includes Euro 4.37 million of depreciation and amortisation and Euro 0.06 million of write-downs on Concession Rights for the write-off of projects no longer utilisable and other costs recorded under intangible assets in progress at December 31, 2017.

## 26. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended June 30, 2018 and 2017.

In thousands of Euro	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Provision for doubtful accounts	61	(36)	97
Provisions for renewal of airport infrastructure	1,186	672	514
Provision for risks and charges	154	208	(54)
<b>TOTAL PROVISIONS</b>	<b>1,401</b>	<b>844</b>	<b>557</b>

Provisions total Euro 1.4 million (Euro 0.8 million in H1 2017). The increase is due to higher provisions for renewal of airport infrastructure (reference Notes 16 and 21) with the updating of the investment programme in particular air side.

For further information on the relative provisions, reference should be made to notes 8, 16 and 17.

## 27. Net financial income and expenses

<i>In thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Profits on sale of equity investments	13	0	13
Income from securities and similar	17	22	(5)
Other income	74	130	(56)
Discounting income on provisions	308	241	67
<b>TOTAL FINANCIAL INCOME</b>	<b>412</b>	<b>393</b>	<b>19</b>
Interest expenses and bank charges	(270)	(363)	93
Discounting charges on provisions	(43)	(54)	11
Other financial expenses	(4)	(22)	18
<b>TOTAL FINANCIAL EXPENSES</b>	<b>(317)</b>	<b>(439)</b>	<b>122</b>
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>95</b>	<b>(46)</b>	<b>141</b>

Financial management improved due to the increase in income from the discounting of provisions and the decrease in financial expenses due to both lower overall debt and the reduction in the interest rate on the Intesa San Paolo loan which matures in 2024.

## 28. Taxes for the period

The following table shows the taxes for the period for H1 2018 and H1 2017.

<i>In thousands of Euro</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Current taxes	2,915	2,482	433
Deferred taxes	35	248	(213)
<b>TOTAL TAXES FOR THE PERIOD</b>	<b>2,950</b>	<b>2,730</b>	<b>220</b>
<b>% current taxes on pre-tax result</b>	<b>28.24%</b>	<b>25.47%</b>	<b>2.77</b>
<b>% current taxes on pre-tax result</b>	<b>28.57%</b>	<b>28.01%</b>	<b>0.56</b>

The effective tax rate for the first half of 2018 was 28.57% of the pre-tax result compared to 28.01% in the first half of 2017.

The reconciliation between the IRES effective and theoretical tax rate is illustrated below:

<i>IRES effective/theoretical Tax Rate Reconciliation</i>	For the half year ended 30.06.2018	For the half year ended 30.06.2017	Change
Pre-tax result	10,324	9,745	579
<b>Ordinary rate</b>	<b>24%</b>	<b>24%</b>	<b>0.00%</b>
Theoretical tax charge	2,478	2,339	139
<b>Effect of increases and decrease to the ordinary rate</b>			

<i>IRES effective/theoretical Tax Rate Reconciliation</i>	<i>For the half year ended 30.06.2018</i>	<i>For the half year ended 30.06.2017</i>	<i>Change</i>
Provisions deductible in future years	297	279	18
Costs deductible in future years	1,608	1,286	322
Other non-deductible costs	507	608	(101)
Utilisation provisions deductible in future years	(13)	(507)	494
Costs not deductible in previous years	(1,861)	(1,498)	(363)
Other differences	507	(1,018)	1,525
Change in deferred income/charges from IAS translation	(814)	(115)	(699)
<b>Total increase/decrease</b>	<b>231</b>	<b>(965)</b>	<b>1,196</b>
Tax effect on ordinary rate changes	55	(232)	287
Taxes for the period	2,533	2,107	426
<b>Effective rate</b>	<b>24.54%</b>	<b>21.62%</b>	<b>2.91%</b>

The breakdown of taxes for the period is illustrated below:

<i>In thousands of Euro</i>	<i>For the half year ended 30.06.2018</i>	<i>For the half year ended 30.06.2017</i>	<i>Change</i>
IRES	2,382	2,107	275
IRAP	533	489	44
Prior year taxes	0	(114)	114
<b>TOTAL TAXES FOR THE PERIOD</b>	<b>2,915</b>	<b>2,482</b>	<b>433</b>

## Related party transactions

For the definition of "Related Parties", reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.

Intercompany transactions are carried out within the scope of ordinary operations and at normal market conditions. Related party transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation.

None of these have particular economic or strategic significance for the Group, as the receivables, payables, revenues and costs regarding related parties do not account for a significant percentage of the total financial statement amounts.

The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the Group with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.

On January 29, 2018 with the co-option of Director Livio Fenati, Telepass Spa became a related party. Costs for services and trade payables of Euro 75 thousand related to the contract for the management of Telepass parking receipts were reported at June 30, 2018.

Inter-company transactions are in addition considered; these are undertaken as part of ordinary operations and at normal market conditions, are of a commercial and financial nature, while also relating to participation in the tax consolidation. The main transactions are outlined below.

During the period, commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the twenty-year sub-concession of the General Aviation traffic assistance infrastructure and the provision of services for Euro 17 thousand.

Adb payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. Costs in the first half of 2018 to the subsidiary overall amount to Euro 95 thousand.

Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed in January 2018 for the years 2018-2020;
- the patronage letter issued by AdB and by minority shareholders of Tag in proportion to the shares held, in favour of Monte dei Paschi di Siena relating to the long-term loan granted by the bank to Tag. At June 30, 2018, the guaranteed portion of the loan concerning AdB amounts to Euro 2.1 million.

During the period, commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi Spa concern the provision of the following services:

- sub-concession of offices, areas and operating rooms;
- management and staffing, including the following staff services: accounting, administration, finance, operating control, management reporting, personnel, legal, ICT, personnel secondment and Sole Director;
- packages and goods x-ray controls.

Revenues in the period from the subsidiary amount to Euro 204 thousand.

Non-commercial transactions with FFM included:

- the tax consolidation contract renewed in January 2018 for the years 2018-2020;

- the co-obligation of AdB on a surety of Euro 0.9 million issued by Assicurazioni Generali in favour of the Bologna Customs Agency for various customs deposits of FFM.

## Commitments and risks

### Operating lease commitments

At June 30, 2018, the Group had an operating lease contract, irrevocable as per IAS 17 for equipment, plant and machinery, vehicles, land and “in cloud” software licenses, for which the instalments maturing in the second half of 2018, in the subsequent five years and beyond this period are detailed below. The Group balance in the first half of 2018 amounted to Euro 0.4 million.

<i>In thousands of Euro</i>	
By second half of 2018	411
Between 2019 and 2023	2,347
From 2024	231
<b>Total</b>	<b>2,989</b>

### Operating lease contracts undertaken

At June 30, 2018, the Group had sub-concession contracts for areas, offices and operating and commercial spaces at the passengers and goods terminal and for other airport infrastructure, as outlined in detail in chapter 2 of the Directors’ Report. The following table presents the minimum future fees of the contracts irrevocable in accordance with IAS 17 at June 30, 2018 and maturing in the second half of 2018, in the subsequent five years and beyond this period. The Group balance in the first half of 2018 totalled Euro 5 million. The amounts indicated below were not considered variable fees nor sub-concession contracts at administered tariffs as subject to potential tariff changes, including reductions.

<i>In thousands of Euro</i>	
By second half of 2018	4,964
Between 2019 and 2023	24,960
From 2024	575
<b>Total</b>	<b>30,499</b>

### Environmental investment commitments

In addition, the environmental commitments of the Parent Company were formalised with the signing in 2015 with the Regional Agencies of the Regional Agreement for reducing the Airport’s carbon footprint, involving investments by AdB totalling Euro 6.5 million over a time period consistent with the timeframe for the rolling out of the airport Master Plan. In the first half of 2018, the installation of the air quality monitoring system was completed, subject to technical/functional testing for its final entry into use.

### People Mover investment commitments

Tangible fixed assets in progress at June 30, 2018 (note 2) include for Euro 1.78 million the first two tranches of the contributions granted by AdB to Marconi Express Spa for the construction of the People Mover “Airport” station following completion of 66% of the airport area works. The overall contribution of the Parent Company amounts to Euro 2.7 million, with the final tranche of Euro 0.92 million earmarked for testing purposes. Under the same agreement (signed by AdB, the Municipality of Bologna, the Province of Bologna and the Region of Emilia-Romagna on July 23, 2017), AdB committed to completing the connection between the “Airport” and the Terminal. Against this commitment, tangible assets in progress at June 30, 2018 includes design charges on the works and other accessory charges of Euro 0.23 million.

Non-current financial assets (note 4) at June 30, 2018 include Euro 10 million of the equity financial instrument in Marconi Express Spa, signed by AdB in January 2016 for Euro 10.9 million. The final tranche of Euro 0.9 million is earmarked for works completion.

**Guarantees provided**

With regards to the guarantees provided, reference should be made to the relevant chapter of the Directors' Report (Chapter 9).

**Types and management of other risks**

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 *bis*, reference should be made to the specific section of the Directors' Report (Chapter 7), also with regards to the comment upon the other risks to which the Group is subject.

*The Chairman of the Board of Directors  
(Enrico Postacchini)*

Bologna, September 3, 2018

**Declaration of the Chief Executive Officer and the officer responsible for the preparation of the corporate accounting documents of Aeroporto Guglielmo Marconi di Bologna S.p.A. pursuant to the provision of article 154-bis paragraph 5 TUF (Testo Unico Finanziario [Consolidated Law on Financial Intermediation])**

1. The undersigned, Nazareno Ventola and Patrizia Muffato in their respective capacities as Chief Executive Officer and officer responsible for the preparation of the corporate accounting documents of Aeroporto Guglielmo Marconi di Bologna S.p.A., hereby certify, pursuant to article 154-bis, paragraphs 3 and 4, of legislative decree No. 58, of 24 February 1998:
  - the accounting procedures for the preparation of the Half-year consolidated financial statements at June 30, 2018, are adequate based on the characteristics of the company;
  - the effective adoption of the administrative and accounting procedures for the preparation of the consolidated financial statements.
2. The assessment of the adequacy of administrative and accounting procedures for the preparation of the Half-year Consolidated financial statements at June 30, 2018 was based on a process defined by Aeroporto Guglielmo Marconi di Bologna S.p.A., in compliance with the Internal Control-Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission, which represents the standard reference generally accepted at the international level.
3. In addition we certify that:
  - 3.1 The Half-year consolidated financial statements at June 30, 2018:
    - a) has been prepared in accordance with applicable international accounting standards recognized in the European Community within the meaning of (EC) Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
    - b) correspond to the information in the books and other accounting documents and records;
    - c) provide a true and fair representation of the financial, economic and assets situation of the issuer and all the companies included in the scope of consolidation.
  - 3.2 The interim Directors' report includes a reliable analysis of the material events occurred during the first half of 2018 and their impact on Half-year consolidated financial statements, as well as a description of the main risks and uncertainties for the second half of the year. The interim operating and financial review contains a reliable analysis of the disclosure on significant related-partly transactions.

Bologna, 3 September 2018

**The Chief Executive Officer**

(Nazareno Ventola)

**Officer in charge of preparing the  
corporate accounting documents**

(Patrizia Muffato)

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

To the Shareholders of  
Aeroporto Guglielmo Marconi di Bologna S.p.A.

### Introduction

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

### Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

### Conclusion

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

Bologna, September 3, 2018

EY S.p.A.  
Signed by: Alberto Rosa, Partner

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



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