Consolidated Interim Report at 30 September 2016

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

Consolidated Interim Report

Aeroporto Guglielmo Marconi di Bologna Group

at 30 September 2016

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 S.p.A.
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Bologna Registry of Companies, Tax Code and VAT No. 03145140376
Share Capital Euro 90,314,162.00 fully paid in

Composition of the Share Capital of the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A.

Based on the shareholder register and communications received pursuant to article 120 of Legislative Decree 58/98, the shareholders of the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A. with holdings above 5% as at the most recent date after the end of the nine-month period are:

DECLARANT	% Owned
CHAMBER OF COMMERCE OF BOLOGNA	37.56%
AMBER CAPITAL UK	17.97%
STRATEGIC CAPITAL ADVISORS LIMITED	11.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%

For the purpose of presenting the composition of the share capital of the Parent Company, the following items are considered:

- the shares of the Declarant of the investment, i.e. the Entity at the top of the investment control chain;
- the shares arising from communications made by shareholders or those relating to significant investments pursuant to article 152 of the CONSOB Issuers' Regulation.

We also note that between the Chamber of Commerce, Industry and Agriculture of Bologna, the Municipality of Bologna, the Metropolitan City of Bologna, the Region of Emilia-Romagna, the Chamber of Commerce, Industry and Agriculture of Modena, the Chamber of Commerce, Industry and Agriculture of Ferrara, the Chamber of Commerce, Industry and Agriculture of Reggio Emilia, and the Chamber of Commerce, Industry and Agriculture of Parma (collectively the "Public Shareholders"), a shareholders' agreement (the "Shareholders' Agreement") was signed on 20 May 2015 to govern certain rights and obligations in relation to the ownership structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A. The said Shareholders' Agreement, published on 28 July 2015, requires a Voting Group and Block Voting Group to which - as at the date of publication of the Shareholders' Agreement - the shares corresponding to the following percentages of share capital were conferred:

PUBLIC SHAREHOLDERS	% Share Capital with Voting Group
CHAMBER OF COMMERCE OF BOLOGNA	37.56%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.32%

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

PUBLIC SHAREHOLDERS	**% Share Capital with Block Voting Group**
CHAMBER OF COMMERCE OF BOLOGNA	37.56%
MUNICIPALITY OF BOLOGNA	3.85%
METROPOLITAN CITY OF BOLOGNA	2.30%
REGION OF EMILIA-ROMAGNA	2.02%
CHAMBER OF COMMERCE OF MODENA	0.08%
CHAMBER OF COMMERCE OF FERRARA	0.06%
CHAMBER OF COMMERCE OF REGGIO EMILIA	0.04%
CHAMBER OF COMMERCE OF PARMA	0.03%

Board of Directors

The composition of the Board of Directors, appointed by the Shareholders' Meeting of 27 April 2016 and in office until the date of approval of the Financial Report at 31 December 2018, is as follows:

Name	**Office**
Enrico Postacchini	Chairman
Nazareno Ventola	CEO (*) (**)
Giorgio Tabellini	Member
Sonia Bonfiglioli	Member (A) (B)
Giada Grandi	Member
Luca Mantecchini	Member (A)
Arturo Albano	Member (B)
Gabriele Del Torchio	Member (A)
Laura Pascotto	Member (B)

(*) Chief Executive Officer appointed by the Board of Directors on 9 May 2016
(**) holds the position of General Manager.
Amongst his responsibilities is the position of Chief Internal Control System and Risk Management Officer.
(A) Member of the Remuneration Committee (Chairman Luca Mantecchini)
(B) Member of the Control and Risk Committee (Chairman Sonia Bonfiglioli)

Board of Statutory Auditors

The composition of the Board of Statutory Auditors, appointed by the Shareholders’ Meeting of 27 April 2016 and in office until the date of approval of the Financial Report at 31 December 2018 is as follows:

Name	Office
Pietro Floriddia	Chairman
Anna Maria Fellegara	Auditor
Matteo Tiezzi	Auditor
Carla Gatti	Alternate auditor
Giovanna Conca	Alternate auditor

Audit Firm

The Audit Firm appointed by the Shareholders' Meeting of 20 May 2015 for financial years 2015 to 2023 is E&Y S.p.A.

Directors' Report of the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at 30 September 2016

INTRODUCTION

This report, submitted with the Consolidated Interim Report of the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group (hereinafter also the “Airport Group” or the “Airport” or “AdB”) for the nine months ended 30 September 2016, in presenting the Group’s performance, indirectly provides an analysis of the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., full management operator of Bologna Airport according to Full Management Concession no. 98 of 12 July 2004 et seq., approved with the Ministry of Transport and Infrastructure and Ministry of Economy and Finance Decree dated 15 March 2006, for a 40-year period starting on 28 December 2004.

The following diagram shows the structure of the Group at 30 September 2016 and a brief description of the type of activities carried out by its subsidiaries and associates:

- Tag Bologna S.r.l. (hereinafter also "TAG") was founded in 2001 and commenced operations in 2008 following the completion and opening of the terminal and hangar for General Aviation. The company, besides managing this infrastructure at Bologna Airport, is engaged in the General Aviation sector as a handler;
- Fast Freight Marconi S.p.A. (hereinafter also "FFM") was set up in 2008 by Marconi Handling S.r.l. (former subsidiary, hereinafter also "MH"), with share capital of Euro 10 thousand, later increased to Euro 520 thousand through the contribution, by the then sole shareholder MH, of the Bologna Airport cargo and mail handling business unit. The entire investment in FFM was acquired by the Parent Company in 2009;
- Ravenna Passenger Terminal S.r.l. (hereinafter also "RTP") was founded in 2009 together with several public and private partners in the cruise industry for carrying out activities related to the concession for managing the Porto Corsini (Ravenna) Maritime Station Service.

The values in the tables of this Directors' Report are expressed in thousands of Euro and in the comments are expressed in millions of Euro, unless otherwise indicated. Unless otherwise indicated, data comes from Company reports.

Description of the business

The activities performed by airport operators can be divided into aviation and non-aviation. The first category consists mainly of airport management, maintenance and development, including security controls and supervision, in addition to the provision of aeronautic services for passengers and airport operators and users, as well as marketing activities for the development of passenger and cargo traffic. The second consists mainly of potential commercial and real estate development activities for airports.

Consistent with the nature of the activities performed, the Group manages the airport through the following Strategic Business Units (SBUs):

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

Aviation SBU

The main activities performed within the Aviation SBU relate to managing and developing airport infrastructure, and in particular consist of:

- providing customers and operators with efficient access to all infrastructure, both landside (terminal, baggage handling, parking areas, access roads and cargo warehouses) and airside (runway and apron);
- providing security services and services to passengers with reduced mobility (PRM);
- providing information to the public and airport users;
- renovating or expanding airport infrastructure, including plants and equipment, partly in order to ensure compliance with applicable legislation.

The airlines, airport operators and passengers pay for these activities through airport charges, which can be divided into:

- passenger boarding fees: these fees are due for the use of the infrastructure, facilities and communal areas necessary for boarding, disembarking and passenger reception and are calculated according to the number of departing passengers taking into account whether the destination is EU or non-EU and with reductions for children;
- landing and departure fees: these fees are due for all aircraft which take off and land, and are calculated based on the maximum authorised take-off weight of the aircraft and the aviation sector to which the flights belong (commercial or general aviation);
- aircraft stopover and recovery fees, calculated according to the maximum tonnage at take-off;
- fees for boarding and disembarking cargo, calculated according to the weight of the cargo transported by the aircraft;
- refuelling fees, due as a fixed amount per cubic metre of fuel supplied to refuel the aircraft.

The main additional sources of revenue of the Aviation SBU are:

- fees for checks on departing passengers: these fees are due for the inspection service, including inspection personnel and equipment assigned by the provider;
- fees for security checks of checked luggage: such fees cover the cost of the equipment and personnel that perform these checks;

- fees for PRM: which include fees paid for services provided to passengers with reduced mobility and are determined according to the number of departing passengers (PRM and non-PRM);
- fees due for the use of exclusive-use assets: which include fees due for the use of airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the time of use or squares metres and/or location and type of assets granted;
- fees due for the use of certain centralised infrastructure: these fees relate exclusively to aircraft de-icing services and are calculated based on the movements of aircraft in the winter season;
- fees related to cargo handling and general aviation handling and related activities such as customs clearance and fuelling.

Non-Aviation SBU

The main activities performed in the Non-Aviation SBUs concern the management of parking areas, retail sub-concessions, advertising, passenger services and real estate management.

Parking

The direct management of paid parking at Bologna Airport consists of approximately 5,100 available parking spaces, mainly concentrated in five large parking areas of which the first four are next to the terminal and the fifth located about 1.5 km from the terminal. The growing popularity of the airport in recent years has persuaded private companies to enter the market near the airport, creating competitor car parks connected to the terminal via shuttles.

Retail

Retail activities at Bologna Airport are characterised by the presence of brands that are internationally recognised and associated with the local area. The mall comprises approximately 5,800 square metres and 43 stores. The recent upgrading of the airport has increased the surface area dedicated to retail and therefore the choice available to customers. The greatest expansion was in duty-free areas, which represent one of the main sources of profitability of the SBU.

Advertising

Advertising consists of large backlit signs, both inside and outside the airport, located in areas where they are likely to be seen by as many people as possible. Sometimes, campaigns involve specific areas or items of furniture at the airport being customised.

Passenger services

Passenger services include a business lounge, managed directly by the Parent Company. The Marconi Business Lounge (MBL) is a comfortable reserved room, used mostly by business passengers of the major European airlines. In addition, through the "You First" service, "top flyer" passengers can benefit from exclusive services on both departure and arrival, such as assistance for check-in and baggage collection, porterage and assistance and priority boarding at the gate.
Passengers are also offered a car rental service. At Bologna Airport, there are 10 companies offering a total of 16 makes, ensuring that 488 vehicles are available in total.

Real Estate

Real estate is characterised by two macro-areas: the first relates to revenue from the sub-licensing of spaces for commercial activities closely linked to aeronautical operations, first and foremost those of couriers, and the second relates to the sub-licensing revenues of areas and premises for handling, the rates of which are regulated.
Overall, there are more than 90,000 square metres available for sub-licensing, of which over 70,000 square metres are for offices, warehouses, technical services and hangars, and approximately 20,000 square

metres are uncovered areas dedicated to storing operational vehicles and handling in the loading/unloading areas, and areas for the vehicles used for aircraft refuelling.

1 STRATEGIES AND RESULTS

1.1 INDUSTRY TRENDS AND AIR TRANSPORT: SUMMARY HIGHLIGHTS AND POSITIONING OF THE G. MARCONI AIRPORT

The global economy continues to grow at a slow pace, with slightly better growth prospects for emerging economies but uncertain growth in the major developed countries. The main risks relate to geopolitical tensions driven by conflicts in the Middle East, the threat of terrorism and fears that political developments in many developed countries could lead them to consider forms of isolationism.

According to the latest projections of the International Monetary Fund, global GDP should rise by 3.1% in 2016 (+1.6% in developed countries and +4.2% in emerging countries) and by 3.4% in 2017 (+1.8% in developed countries and +4.6% in emerging countries).

GDP growth in the Eurozone in the second quarter of 2016 slowed to 0.3% (from 0.5% in the previous period) due to the slight reduction in domestic demand and the stagnation of investments in addition to sluggish household consumption. Foreign trade resumed a positive contribution to GDP growth due to the greater increase in exports than imports. A slowdown in growth was seen in all the major economies, including Germany and France.

After increasing for five consecutive quarters, GDP in Italy remained unchanged in the second quarter, but is expected to recover in the third quarter. In the Update to the 2016 Paper on the Economy and Finance presented last September, the Government revised growth estimates for Italy downwards in keeping with recent economic information and the weakening of the international environment. In the environment under current legislation, GDP should rise by 0.8% this year and decline to +0.6% in 2017. In its planning, the government is forecasting greater expansion for 2017 (+1.0%), which reflects the decision not to activate safeguard provisions and other actions that the government plans to take with the upcoming budget law.

In September, inflation in Italy was just above zero after being negative since last February. The fall in energy prices slowed as a result of oil price trends. (*Source: Economic Bulletin, Banca d'Italia, October 2016).*

In this economic environment, **global** passenger traffic rose by 5.9% in the period January-September 2016 continuing a positive trend for air transport. In September alone, passenger traffic increased by 7.0% on 2015 producing the highest percentage growth over the last seven months. The same trend was witnessed in global cargo traffic (+2.0% in the same period of January-September 2016 and +6.1% in September).
In **Europe**, passenger traffic rose by 3.7% in the first nine months of 2016 (+5.0% in September), showing signs of recovering from the slowdown at the beginning of the year caused by geopolitical instability and terrorist attacks. Cargo traffic also posted good performance with a 5.6% volume increase in the period January-September 2016 (Air Freight Market Analysis and Air Passenger Market Analysis, September 2016).

During the same period, the **Italian** market recorded passenger traffic growth of 4.2% (*Source*: *Assaeroporti, September 2016).* From January to September 2016, Bologna Airport saw passenger numbers grow by 12.5%.

1.2 STRATEGIC OBJECTIVES

In 2016, the Group is taking steps to achieve the objectives of the Strategic Plan that underpins the stock market listing. The Plan calls for various measures which, in view of the major market transformation under way and the specific characteristics of individual business areas, have the following objectives:

Incremental development of the network of destinations and traffic volumes
Maintaining the current offer of flights and type of companies operating at the Airport, with a roughly even split between the low-cost and legacy airline segments.
In this perspective, the Company aims to maintain varied and suitable flight offerings for the different user segments by increasing the number of carriers operating at the Airport, while continuing to maintain a profit margin on the incremental traffic that might be generated. As part of the development of traffic, the Company will work to increase the number of routes, partly through the introduction of new routes to the East, an increase in the frequency of flights to existing destinations, and an increase in the tonnage of aircraft operating at the Airport, following the possible introduction of long-haul destinations and load factors that may require carriers to use larger aircraft.

Infrastructure development
The development of the Group's business depends on the Master Plan and Planning Agreement (still being finalised) investments being carried out, with a strategy entailing efficient use of the existing infrastructure capacity and gradual investment in order to align the infrastructure capacity with the expected increase in traffic. Furthermore, the Company intends to create new retail space to expand the range of products available to passengers.

Development of the Non-Aviation business
Strengthening the Non-Aviation business by enhancing commercial offerings and developing marketing activities designed to meet the multiple needs expressed by passengers.

Increasing operational efficiency and service quality
In 2014, as part of its development strategies, the Group began to optimise its key operating processes to create an appropriate structure for addressing the increasingly challenging competitive dynamics of the business. In this context, the Group has geared itself towards the search for greater functionality and efficiency while also evaluating the potential internalisation of services and cost savings.
The Group is also careful to ensure continuous improvement of services provided to airport users in the Group's direct and indirect business areas, while ensuring an even higher standard of safety, quality and environmental friendliness.
With the aim of improving service quality and customer loyalty, the Group feels it is important to implement technological systems that encourage interaction with passengers and provide the best travel experience inside the Airport.

1.3 STOCK PERFORMANCE

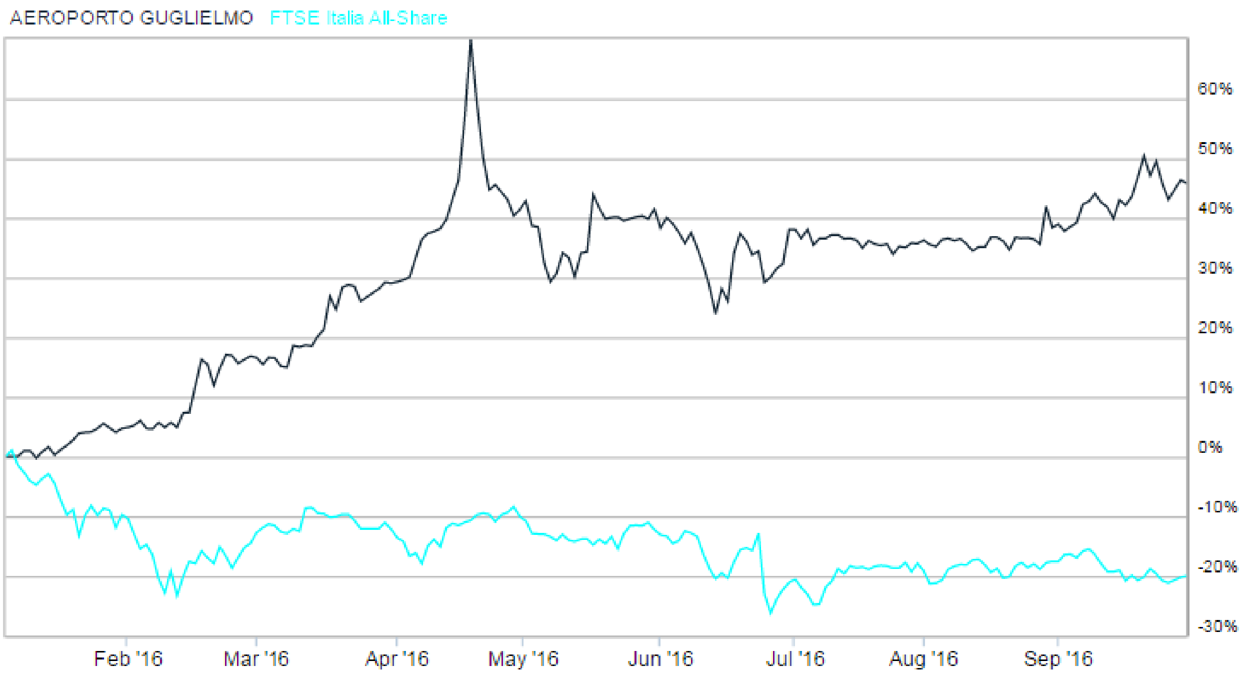
On 14 July 2015, the AdB stock began trading on the MTA Star segment of the Milan Stock Exchange.
The following is reported below:

- the stock’s performance from 1 January 2016 to 30 September 2016;
- the comparison between the share price and changes in the FTSE Italia All-Share index.

At 30 September 2016, the official price was Euro 8.965 per share, bringing the market capitalisation of the AdB Group on that date to approximately Euro 323.9 million.

Performance of AdB shares (01/01/2016 - 30/09/2016)

Performance of AdB shares and FTSE Italia All-Share index (01/01/2016 - 30/09/2016)



2. ANALYSIS OF THE MAIN OPERATING RESULTS

2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

In the first nine months of 2016, there was significant growth in all components of traffic. Specifically, in the first three quarters of the year there were 5,902,233 **passengers**, including transits and General Aviation, an increase of 12.5% compared with the same period in 2015. At the same time, there was an increase in **movements** (53,277; +9.0%) and **tonnage** (3,397,499; +16.3%). Contributing to this highly positive performance were the introduction of new destinations, the expansion of existing routes and the use of larger aircraft, especially for legacy traffic. The average load factor remained very high (78.6%), although slightly lower than in 2015 (79.3%) due to the sharp rise in seats offered.
In the first nine months of 2016, **cargo traffic** was 34,347,318 kg, representing an increase of 15.4% on 2015. This increase was due to the air traffic component, which was up by 22.6%, rather than the surface component, which was down by 5.8% compared with the same period in 2015. The growth in cargo via air was due to a timely combination of factors involving the launch of Emirates flight operations and the concurrent steady performance of other carriers at the Airport.

	January - September 2016	January - September 2015	% Change
Passengers	5,902,233	5,244,248	12.5%
Movements	53,277	48,859	9.0%
Tonnage	3,397,499	2,920,168	16.3%
Cargo via air	27,245,122	22,216,549	22.6%
Cargo via surface	7,102,196	7,542,663	-5.8%

Data including General Aviation and transits

The growth in passenger traffic was due to the increase in both major components, i.e., legacy and low-cost traffic.
Legacy traffic was up by 13.2% in passenger volumes in the first nine months of 2016 due to the entry of new strategically significant carriers for the Airport and the greater frequency of flights to several hubs by major international airlines. In particular, Air Berlin commenced operations on May 2 with three daily flights to Dusseldorf, Alitalia reintroduced its daily flight to Catania, and there were more flights to Munich by Air Dolomiti starting in May, to Moscow by Aeroflot (from 11 to 14 weekly flights) and to Prague by CSA (from four flights a week to one a day). There was also the introduction of the Emirates flight to Dubai, which did not exist in the first nine months of 2015.
In addition, significant ongoing investments continue to be made by major low-cost carriers at the airport, as reflected in the continual expansion of operations by Ryanair (new flights to Vigo, Thessaloniki and Athens, and more flights to London and Ibiza) and Wizzair (more flights to Bucharest). Over the nine-month period, this component grew by 15.1%.
However, the negative trend is continuing in the charter segment, which is experiencing a structural crisis due in part to a change in the behaviour of passengers who prefer to make their own travel arrangements, and to the well-known political climate and the terrorist attacks that have sharply reduced leisure travel to destinations usually serviced by charter flights, particularly Tunisia and Egypt.

Passenger Traffic Composition	January - September 2016	% of total	January - September 2015	% of total	% Change
Legacy	2,433,820	41.2%	2,150,752	41.0%	13.2%
Low cost	3,391,531	57.5%	2,946,056	56.2%	15.1%
Charter	61,265	1.0%	122,764	2.3%	-50.1%
Transits	9,761	0.2%	18,727	0.4%	-47.9%
Commercial Aviation Total	**5,896,377**	**99.9%**	**5,238,299**	**99.9%**	**12.6%**
General Aviation	5,856	0.1%	5,949	0.1%	-1.6%
Overall Total	**5,902,233**	**100.0%**	**5,244,248**	**100.0%**	**12.5%**

The international status of Bologna Airport continues to rise, and from January to September 2016, international passengers represented 75.1% of the total. In addition, there was a further recovery in domestic traffic resulting from Alitalia reintroducing its flight to Catania and Ryanair introducing a daily flight to Cagliari.
With regard to routes operated, Catania is the main destination in terms of passenger traffic volume, followed by Frankfurt, Barcelona, Madrid and Paris CDG, which was down compared with 2015.

The main destinations served confirm the strength of the traffic mix, as they are both hubs of traditional airlines and point-to-point destinations of low-cost carriers.

Main routes for passenger traffic	January - September 2016	January - September 2015	% change 2016/2015
Catania	235,429	193,670	21.6%
Frankfurt	213,722	220,113	-2.9%
Barcelona	209,533	203,004	3.2%
Madrid	209,163	186,203	12.3%
Paris CDG	208,938	261,679	-20.2%
Palermo	201,506	192,065	4.9%
London Heathrow	191,128	188,652	1.3%
Rome FCO	187,578	148,898	26.0%
London Stansted	156,984	126,029	24.6%
Bucharest OTP	155,930	82,963	88.0%
Amsterdam	148,559	139,743	6.3%
Bari	139,906	129,472	8.1%
Brindisi	136,332	132,086	3.2%
Dubai	133,133	0	N/A
Lamezia	132,677	128,282	3.4%
Cagliari	132,059	75,543	74.8%
Munich	130,273	133,894	-2.7%
Istanbul	128,196	144,933	-11.5%
Casablanca	124,117	117,388	5.7%
Trapani	117,810	115,744	1.8%

* Legacy + low-cost passenger traffic, excluding charter, transits and general aviation

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: SUMMARY OF ECONOMIC RESULTS

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	% Change
Revenues from Passengers	36,756	31,725	15.9%
Revenues from Carriers	16,061	13,108	22.5%
Revenues from Airport Operators	2,189	2,186	0.1%
Traffic incentives	(18,667)	(14,008)	33.3%
Revenues from construction services	4,420	947	366.7%
Other revenues	955	1,008	-5.3%
Total AVIATION SBU Revenues	**41,714**	**34,967**	**19.3%**

Group revenues attributable to the Aviation Strategic Business Unit include the fees paid by users (passengers and carriers) and by airport operators for the use of infrastructure and services provided exclusively by the Group for landing, take-off, lighting and aircraft parking, and the processing of passengers and cargo, as well as for the use of centralised infrastructure and assets for exclusive use.
Given the public utility nature of airport services, airport charges are subject to regulation, based on EU rules. The previous regulations required that such charges were established for each airport by planning agreements concluded between individual airport operators and the Italian Civil Aviation Authority (ENAC). The new legislation and the enforcement measures – including the models approved by the Transport Regulation Authority (ART) – require, however, that changes to the system or the level of airport charges are made in agreement between the airport operator and the airport users.
The increased revenues in the first nine months of 2016 compared with 2015 were due to the combined impact of increased traffic, better performance of legacy traffic and new charges effective as of 1 January 2016.

On the whole, Group revenues attributable to the Aviation Strategic Business Unit showed an increase of 19.3%. Individual items performed as follows:

- Passenger revenues (+15.9%): passenger revenues grew at a higher rate than passenger traffic (12.5%) as a result of the new tariffs;
- Carrier revenues (+22.5%): the same is true for carrier revenues, where the increase was greater than the increase in tonnage (+16.3%; the main driver for this revenue type) due to tariff growth;
- Airport operator revenues: largely in line with the 2015 figure;
- Incentives: the 33.3% increase in this item compared with 2015 was due to the growth in traffic and the launch of new routes;
- Revenues from construction services: the increase (+366.7%) was the result of higher investments compared with the same period of the previous year.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: SUMMARY OF ECONOMIC RESULTS

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	% Change
Retail and Advertising	9,056	8,267	9.5%
Parking	10,863	9,902	9.7%
Real Estate	1,793	1,663	7.8%
Passenger services	3,425	3,077	11.3%
Other revenues	1,569	1,303	20.4%
Revenues from construction services	570	579	-1.6%
Total NON-AVIATION SBU Revenues	**27,276**	**24,790**	**10.0%**

Total revenues from the Non-Aviation Strategic Business Unit rose by 10.0% during the period, with all major revenue items increasing.
The performance of individual areas of this business unit is shown below.

Retail and Advertising

Revenues rose by 9.5% compared with 2015.
In the first nine months of 2016, retail revenues performed very well compared with the same period of the previous year. This growth resulted from the increase in passengers, which mainly affected the Duty Free and Food & Beverage segments. The Food & Beverage segment is also growing due to several new openings and substitutions made at the end of 2015, the impact of which has started to be seen in 2016.
However, there were difficulties in the advertising market, which had a knock-on effect on media agency investment.

Parking

In the first nine months of 2016, parking revenues were up by 9.7% compared with the same period of the previous year.
This positive result was mainly due to traffic growth, web marketing and re-targeting campaigns, and the introduction of services such as:

☐ Telepass – with a growing number of passengers who appreciate using this service

☐ Weekend rate — cheaper parking charges at the weekend

☐ The sale and reservation of parking through the website.

The slower growth than in the first quarter of 2016 was largely due to two factors: on the one hand, starting in the second quarter, there was a like-for-like comparison with the new roads that were opened in March 2015, and on the other hand, there was a reduction in parking spaces available due to construction work on the People Mover station starting in March 2016. New parking was made available to offset this loss, but only from the summer onwards.

Real Estate

The 7.8% increase compared with 2015 was mainly due to the entry of a new airline during the last two months of 2015 and the resulting demand for space.

Passenger services

Passenger services mainly consisted of premium services (lounge and ancillary services) and car rentals, the performance of which is indicated below.

Premium services

In the first nine months of 2016, there was an increase in MBL passes and revenues compared with the same period in 2015.
This was the result of good performance by carriers, starting of Emirates operations, increase in passes not related to carriers and passes acquired directly in the lounge, and excellent performance of e-commerce, including for this type of service.

Rent a car sub-licensing

This segment continued to grow, due in part to the increase in arriving passengers, many of whom require this type of service. Growth was also affected by the increase in office space used to satisfy the growing needs of car rental firms.

Other revenues

Other revenues rose mainly due to additional services provided by the workshop and higher reimbursements and penalties collected compared with the same period of 2015.

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

3.1 ANALYSIS OF THE CONSOLIDATED FINANCIAL RESULTS

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Abs. change	% Change
Revenues from aeronautical services	36,573	33,197	3,376	10.2%
Revenues from non-aeronautical services	26,930	24,378	2,552	10.5%
Revenues from construction services	4,990	1,526	3,464	227.0%
Other operating revenues and income	497	656	(159)	-24.2%
REVENUES	**68,990**	**59,757**	**9,233**	**15.5%**
Consumables and goods	(1,068)	(1,247)	179	-14.4%
Services costs	(13,708)	(12,911)	(797)	6.2%
Costs for construction services	(4,752)	(1,453)	(3,299)	227.0%
Leases, rentals and other costs	(5,474)	(4,866)	(608)	12.5%
Other operating expenses	(2,313)	(2,366)	53	-2.2%
Personnel costs	(18,983)	(17,804)	(1,179)	6.6%
COSTS	**(46,298)**	**(40,647)**	**(5,651)**	**13.9%**
GROSS OPERATING PROFIT (EBITDA)	**22,692**	**19,110**	**3,582**	**18.7%**
Amortisation of concession rights	(3,982)	(3,873)	(109)	2.8%
Amortisation of other intangible assets	(455)	(368)	(87)	23.6%
Depreciation of tangible assets	(1,262)	(1,089)	(173)	15.9%
DEPRECIATION AND AMORTISATION	**(5,699)**	**(5,330)**	**(369)**	**6.9%**
Provisions for doubtful accounts	(49)	(100)	51	-51.0%
Provisions for renewal of airport infrastructure	(1,926)	(2,113)	187	-8.8%
Provisions for other risks and charges	102	(135)	237	n.s.
PROVISIONS FOR RISKS AND CHARGES	**(1,873)**	**(2,348)**	**475**	**-20.2%**
TOTAL COSTS	**(53,870)**	**(48,325)**	**(5,545)**	**11.5%**
OPERATING RESULT (EBIT)	**15,120**	**11,432**	**3,688**	**32.3%**
Financial income	251	180	71	39.4%
Financial expenses	(1,016)	(846)	(170)	20.1%
Non-recurring income and expenses	0	(2,493)	2,493	-100%
RESULT BEFORE TAXES	**14,355**	**8,273**	**6,082**	**73.5%**
TAXES FOR THE PERIOD	**(4,206)**	**(2,504)**	**(1,702)**	**68.0%**
PROFIT (LOSS) FOR THE PERIOD	**10,149**	**5,769**	**4,380**	**75.9%**
Minority interests in profits (loss)	87	113	(26)	-23.0%
Group profits (losses)	10,062	5,656	4,406	77.9%

(*) "Gross operating profit (EBITDA)" is an alternative performance measure used by Group management to monitor and assess operating performance. EBITDA is not a measurement defined by international accounting standards or other accounting standards, and need not take into account the requirements laid down in these standards in terms of measurement, assessment and presentation, and therefore it should not be considered an alternative indicator for assessing the Group's results. Since the composition of EBITDA is not regulated by the accounting standards in question, the calculation criteria used by the Group could be different from those adopted by other companies and, consequently, not comparable to them.

The first nine months of 2016 ended with consolidated profit of **Euro 10.1 million** compared with Euro 5.8 million in 2015.

This result was driven by an overall increase in traffic of 12.5% and the positive impact this had with a multiplier effect on all key result-related items.

In particular, together with the tariff increase and measures taken on the traffic mix and increasing profitability, traffic growth had a positive impact on aviation revenues, generated incremental revenues in the non-aviation component and, as a result of careful cost containment measures, did not lead to a proportional increase in costs. As a result of this trend, **gross operating profit** was up by 18.7%, and the **operating result** was up by 32.3%.

Core revenues rose by 15.5% overall compared with 2015, and specifically:
- **revenues from aeronautical services** rose by 10.2% due to the increase in traffic and new tariffs that came into effect at the beginning of the year;
- **revenues from non-aeronautical services** were up by 10.5% due to the good performance of all components of this category as explained in the relevant section;
- the growth in **revenues from construction services** was due to higher investments;
- **other operating revenues and income** fell by 24% due to lower expenses to be charged back compared with the same period in 2015.

Costs for the period rose by a total of 13.9%.
These can be broken down as follows:

- ✓ **consumables and goods costs** were down compared with 2015 (-14.4%) due to lower aviation fuel purchasing costs as well as good weather conditions that led to low consumption of de-icing fluid. Other decreases related to heating oil, the purchases of which were made at lower tariffs than the previous year;
- ✓ **services costs** rose by 6.2% compared with 2015, with the items comprising this category producing contrasting performances. Specifically:
    - there were higher costs for runway maintenance procedures, for PRM services due to a higher number of departing passengers and for security services due to increased security at gates and the launch of airport fencing patrols and surveillance;
    - there was a decrease in utilities due to greater efficiency in the main cost items related to this expense category, in-house production of a portion of electricity and lower expenses for snow removal due to better weather conditions than in 2015;
- ✓ due to **costs for construction services** related to higher investments made as reflected in the increase in the corresponding revenue item;
- ✓ the 12.5% increase in **leases, rentals and other costs** compared with 2015 was mostly due to the increase in traffic on which airport concession and security service fees are calculated, as well as higher data processing fees for new technology investments;
- ✓ **other operating expenses** were down by 2.2% on 2015 mainly due to lower taxes, fewer losses on receivables and other cost items that more than offset the increased fire-fighting service contribution.

For comments on the personnel costs trends, please see the specific section of this report.
During the January-September 2016 period, there was an overall increase of about Euro 3.6 million (+18.7%) in **gross operating profit** (EBITDA) compared with the same period in 2015.

Overall, **structural costs** were down by Euro 0.1 million as a result of lower **provisions** (-20.2%), which were offset by increased **amortisation and depreciation** (+6.9%). Provisions fell due to the partial release to the income statement of the provision for litigation following the settlement of certain personnel-related disputes and the lower allocation to the provisions for renewal of airport infrastructure.
As a result, there was a significant increase in the **operating result (EBIT)**, which stood at Euro 15.1 million compared with Euro 11.4 million in the first nine months of 2015.

Net financial expense (Euro 0.76 million) was consistent with the first nine months of 2015 (Euro 0.67 million).

The significant increase (+Euro 6.1 million) in the **result before taxes**, which stood at Euro 14.3 million compared with Euro 8.3 million in 2015, was due to the absence of non-recurring charges related to the stock market listing process that had a negative effect of Euro 2.5 million on the income statement for the first nine months of 2015.

Income taxes rose mainly due to the higher result before taxes, which was offset by the positive effect of the ACE (economic growth incentive, Decree Law 201/2011, art. 1) tax benefit following the cash contribution made as part of the stock market listing process, which during the same period in 2015 had a positive impact only from the contribution date, i.e. from 14 July to 30 September 2015, as well as the recognition of the tax credit for investments in research and development activities.

As a result of the above, the Group's portion of **net profit** totalled Euro **10.1** million compared with Euro 5.7 million in the first nine months of 2015.

In the first nine months of 2016, progress made on investments related to concession rights was more significant than in the same period in 2015, and, as a result, there was a relative impact on economic performance for the period, as can be seen in the following table showing the revenues, costs and gross operating profit adjusted respectively for the revenues, costs and margin for construction services.
However, in view of the overall amount of costs and revenues for/from construction services compared with other items that make up adjusted gross operating profit, this item has not deviated greatly from gross operating profit.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Abs. change	% Change
Revenues from aeronautical services	36,573	33,197	3,376	10.2%
Revenues from non-aeronautical services	26,930	24,378	2,552	10.5%
Other operating revenues and income	497	656	(159)	-24.2%
ADJUSTED REVENUES	**64,000**	**58,231**	**5,769**	**9.9%**
Consumables and goods	(1,068)	(1,247)	179	-14.4%
Services costs	(13,708)	(12,911)	(797)	6.2%
Leases, rentals and other costs	(5,474)	(4,866)	(608)	12.5%
Other operating expenses	(2,313)	(2,366)	53	-2.2%
Personnel costs	(18,983)	(17,804)	(1,179)	6.6%
ADJUSTED COSTS	**(41,546)**	**(39,194)**	**(2,352)**	**6.0%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**22,454**	**19,037**	**3,417**	**17.9%**
Revenues from construction services	4,990	1,526	3,464	227.0%
Costs for construction services	(4,752)	(1,453)	(3,299)	227.0%
Margin for construction services	**238**	**73**	**165**	**226.0%**
GROSS OPERATING PROFIT (EBITDA)	**22,692**	**19,110**	**3,582**	**18.7%**

(**) *"Adjusted gross operating profit (Adjusted EBITDA)" is an alternative performance measure used by Group management to monitor and assess operating performance. EBITDA is not a measurement defined by international accounting standards or other accounting standards, and need not take into account the requirements laid down in these standards in terms of measurement, assessment and presentation, and therefore it should not be considered an alternative indicator for assessing the Group's results. Since the composition of EBITDA is not regulated by the accounting standards in question, the calculation criteria used by the Group could be different from those adopted by other companies and, consequently, not comparable to them.*

3.2 ANALYSIS OF CASH FLOWS

Details of the Group's net financial position at 30 September 2016 are provided below compared with 31 December 2015 and 30 September 2015:

	in thousands of Euro	at 30.09.2016	at 31.12.2015	at 30.09.2015	Change 30.09.2016 - 31.12.2015	Change 30.09.2016 - 30.09.2015
A	Cash	24	27	23	(3)	1
B	Other cash equivalents	15,963	50,657	48,524	(34,694)	(32,561)
C	Securities held for trading	2,897	2,838	2,825	59	72
D	**Liquidity (A+B+C)**	**18,884**	**53,522**	**51,372**	**(34,638)**	**(32,488)**
E	**Current financial receivables**	**9,295**	**5,994**	**10,678**	**3,301**	**(1,383)**
F	Current bank debt	(287)	(1,110)	(1,308)	823	1,021
G	Current portion of non-current debt	(5,799)	(9,064)	(9,062)	3,265	3,263
H	Other current financial debt	(2,983)	(1,980)	(2,974)	(1,003)	(9)
I	**Current financial debt (F+G+H)**	**(9,069)**	**(12,154)**	**(13,344)**	**3,085**	**4,275**
J	**Net current financial position (I-E-D)**	**19,110**	**47,362**	**48,706**	**(28,252)**	**(29,596)**
K	Non-current bank debt	(27,671)	(32,728)	(35,750)	5,057	8,079
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	0	0	0	0	0
N	**Non-current financial debt (K+L+M)**	**(27,671)**	**(32,728)**	**(35,750)**	**5,057**	**8,079**
O	**Net financial debt (J+N)**	**(8,561)**	**14,634**	**12,956**	**(23,195)**	**(21,517)**

At 30 September 2016, the Group's **net financial debt** was Euro 8.6 million compared with the positive net financial position of Euro 14.6 million at 31 December 2015 and Euro 12.9 million at 30 September 2015.

Lower **liquidity** compared with both periods (Euro 18.9 million compared with Euro 53.5 million and Euro 51.4 million respectively) was mainly due to:

- Euro 4 million for the payment of the first tranche of the equity financial instrument in Marconi Express;
- Euro 24.3 million for the purchase of bonds and other financial instruments, net of the collection of those maturing;
- Euro 6.1 million for the payment of dividends on the result for 2015, approved by the Parent Company's shareholders' meeting on 27 April 2016 and paid in May (Euro 0.17 per share).

The lower **debt** (Euro 36.7 million compared with Euro 44.9 million at 31 December 2015 and Euro 49.1 million at 30 September 2015) was due to the repayment of instalments on maturing loans including the early repayment of the "SEAF debt" (see notes 16 and 17 for additional details), which was partially offset by the increase in the payable for the municipal surcharge collected and to be transferred to creditors (Euro +1 million on 31 December 2015).

A summarised version of the consolidated cash flow statement below shows the cash flows generated/absorbed by operating, investment and financing activities for the periods under review:

in thousands of Euro	at 30.09.2016	at 30.09.2015
Cash flow generated/(absorbed) by net operating activities	**16,913**	**5,453**
Cash flow generated/(absorbed) by investment activities	**(36,121)**	**(9,340)**
Cash flow generated/(absorbed) by financing activities	**(15,489)**	**45,413**
Final cash change	**(34,697)**	**41,526**
Cash and cash equivalents at beginning of period	**50,684**	**7,021**
Final cash change	**(34,697)**	**41,526**
Cash and cash equivalents at end of period	**15,987**	**48,547**

Cash flow generated by operating activities totalled Euro 16.9 million, which was a sharp increase compared with the same period of 2015 due to cash flow from core income-generating operations (Euro 22.6 million), which was partially absorbed by changes in net working capital.

Cash flow absorbed by investing activities totalled Euro 36.1 million, resulting from:

- Euro 8.1 million for investments, mainly in infrastructure;
- Euro 4 million for the payment of the equity financial instrument in Marconi Express;
- Euro 24.3 million in temporary cash investments;

net of the collection of Euro 0.3 million from the sale of the investment in Marconi Handling S.r.l.

Lastly, **cash flow absorbed by financing activities** was Euro 15.5 million as a result of:

- Euro 9.4 million for the repayment of portions of loans and other bank debt;
- Euro 6.1 million for the distribution of dividends by the Parent Company on profit for 2015.

As a result, the **final overall cash change** for the period was Euro -34.7 million.

3.3 ANALYSIS OF THE CAPITAL STRUCTURE

Below is the Group's capital structure classified based on "sources" and "uses":

U S E S	at 30.09.2016	at 31.12.2015	at 30.09.2015	% Change 30.09.2016 - 31.12.2015	% Change 30.09.2016 - 30.09.2015
- Trade receivables	15,809	13,777	14,214	14.7%	11.2%
- Tax receivables	142	476	148	-70.1%	-3.8%
- Other receivables	8,354	7,354	7,692	13.6%	8.6%
- Inventories	471	467	442	0.9%	6.6%
Subtotal	**24,776**	**22,074**	**22,496**	**12.2%**	**10.1%**

U S E S	at 30.09.2016	at 31.12.2015	at 30.09.2015	% Change	% Change
- Trade payables	(11,088)	(13,746)	(9,880)	-19.3%	12.2%
- Tax payables	(3,959)	(1,250)	(2,745)	216.7%	44.2%
- Other payables	(20,956)	(18,312)	(18,272)	14.4%	14.7%
Subtotal	**(36,004)**	**(33,308)**	**(30,897)**	**8.1%**	**16.5%**
Net working capital	**(11,228)**	**(11,234)**	**(8,401)**	**-0.1%**	**33.6%**
Fixed assets	173,097	170,536	169,669	1.5%	2.0%
- Deferred tax assets	7,616	7,474	8,433	1.9%	-9.7%
- Other non-current assets	26,588	1,896	2,167	1,302.3%	1,126.9%
Total fixed assets	**207,301**	**179,906**	**180,269**	**15.2%**	**15.0%**
- Provisions for risks, charges and severance	(20,421)	(19,915)	(22,455)	2.5%	-9.1%
- Deferred tax provision	(2,201)	(2,145)	(2,401)	2.6%	-8.3%
- Other non-current liabilities	(194)	(219)	(219)	-11.5%	-11.5%
Subtotal	**(22,816)**	**(22,279)**	**(25,075)**	**2.4%**	**-9.0%**
Fixed working capital	**184,485**	**157,627**	**155,194**	**17.0%**	**18.9%**
Total uses	**173,258**	**146,393**	**146,793**	**18.4%**	**18.0%**
SOURCES	***at 30.09.2016***	***at 31.12.2015***	***at 30.09.2015***	***% Change 30.09.2016 - 31.12.2015***	***% Change 30.09.2016 - 30.09.2015***
Net financial position	**(8,561)**	**14,634**	**12,956**	**-158.5%**	**-166.1%**
- Share capital	90,314	90,250	90,250	0.1%	0.1%
- Reserves	63,723	63,306	63,375	0.7%	0.5%
- Profit (loss) for the period	10,062	6,957	5,656	44.6%	77.9%
Group shareholders' equity	**164,099**	**160,513**	**159,281**	**2.2%**	**3.0%**
- Minority interests	598	514	468	16.4%	27.9%
Total shareholders' equity	**164,697**	**161,027**	**159,749**	**2.3%**	**3.1%**
Total sources	**(173,258)**	**(146,393)**	**(146,793)**	**18.4%**	**18.0%**

The Group's capital structure showed no significant changes in **net working capital** at 30 September 2016 compared with the end of 2015, but compared with a year earlier, there was an increase in net working capital due to the increase in receivables and the corresponding, but larger, increase in payables. The increase in receivables was due to revenue growth, which is reflected in trade receivables and in the item "other receivables" resulting from the higher volume of revenues from the municipal surcharge on passenger boarding fees. The rise in payables was due mainly to tax payables and, within the item "other payables," the payable to the state for the concession fee and for the fire-fighting service (VVF) contribution in addition to the payable for the municipal surcharge on passenger boarding fees.

Fixed working capital rose due to the increase in fixed assets as a result of both progress on the investment plan and the investment of liquidity in financial instruments with maturities over 12 months.

At 30 September 2016, the Group's solid financial position reflected **consolidated shareholders' equity** of Euro 164.7 million compared with Euro 161 million at 31 December 2015 and Euro 159.7 million at 30 September 2015. The change takes into account the distribution of dividends totalling Euro 6.1 million

(Euro 0.17 per share) approved by the Parent Company's shareholders' meeting on 27 April 2016, as well as the result for the period.

3.4 INDICATORS

Considering that this is an interim period, the directors felt that the Group's main income statement and statement of financial position indicators at 30 September 2016 were not significant.

3.5 INVESTMENTS

Investments at 30 September 2016 totalled Euro 8.1 million, of which Euro 4,7 million related to the implementation of the Master Plan and thus mainly to infrastructure, and the remainder to investments intended for airport operations.

Below is a description of the progress made on key Master Plan investments:

- **Work on existing terminal**: the preliminary design was approved by ENAC in July, and competitive bidding for the final working design was launched;
- **New multi-storey East parking garage**: competitive bidding for engineering services was launched in August;
- **Re-accommodation of ENAV area**: construction work has begun on a structure to be used as a radio assistance substation for the Italian air navigation service provider ENAV;
- **Car park in motorway area**: work began in September on building a new car park adjacent to the airport;
- **People Mover**: Marconi Express is continuing construction work on the airport station, and in August the Parent Company paid the first instalment corresponding to work progress in aeroport area of 33%.

With regard to other investments intended for airport operations, improved services offered to passengers and improved efficiency of corporate processes, the project involving the creation of the new corporate intranet, the CRM (customer relationship management) system, the realization of a food area and new changing rooms for workers has been completed.

Provisions for renewal

At 30 September 2016, the total amount of work recorded in the provision for renewal was Euro 1.4 million, of which Euro 0.5 million was for landside work, Euro 0.3 million for airside work and Euro 0.6 million for system-related work.

3.6 PERSONNEL

Workforce composition

	30.09.2016	30.09.2015	Change	% Change
Average Full Time Equivalent	**438**	**420**	**18**	**4%**
Executive Managers	10	10	0	0%
Middle Managers	31	28	3	10%
White-collar workers	303	294	9	3%
Blue-collar workers	94	88	6	7%

	30.09.2016	30.09.2015	Change	% Change
Average Workforce	**472**	**451**	**21**	**5%**
Executive Managers	10	10	0	0%
Middle Managers	31	28	3	11%
White-collar workers	335	322	13	4%
Blue-collar workers	96	91	5	5%

Source: Data from the Company

The increase of 18 full-time equivalents in the workforce compared with 2015 was primarily due to:

- ✓ the insourcing of certain services (passenger information service, PRM assistance, trolley collection, rush baggage handling, manual luggage coding in BHS area, vehicle washing), which was completed in the first half of 2015;
- ✓ the hiring of employees for activities that are particularly sensitive to increases in traffic, such as security and PRM services;
- ✓ the expansion of certain company areas.

Costs

	30.09.2016	30.09.2015	Change	% Change
Personnel Costs	18,983	17,804	1,179	6.6%

Source: Data from the Company

The 6.6% increase in personnel costs over the same period in 2015 was mainly due to the increase in workforce described above. Further contributing to the increased cost was the application of both the penultimate tranche of the new National Collective Agreement (starting in July 2015), with an impact on the first half, and the last tranche (starting in July 2016) with an impact on the third quarter.

Development

In September, the “Corporate Spirit” project was launched with the support of an outside company and with the aim of revising AdB’s “Charter of Values” and disseminating it throughout the company to encourage involvement and participation. The project will continue in the coming months in the form of various stages, such as focus groups, meetings with personnel and communication and training plans.

4 ANALYSIS OF THE MAIN NON-ECONOMIC RESULTS

4.1 THE ENVIRONMENT

The local authorities planning conference regarding the completion of the “wooded area” to be constructed to the north of the Airport began in September. The Municipality also approved the working plans for the cycle path along Via Triumvirato that will connect the airport with Via Emilia. These projects are some of the main measures called for in the Regional Agreement for the Decarbonisation of the Airport signed in 2015 with regional authorities, which will require AdB to make investments totalling Euro 6.5 million. These investments will be made over a period of time consistent with the timing for the completion of the capex contained in the Airport Master Plan, i.e. by 2023. The Agreement, which was signed pursuant to Regional Law 20/2000, establishes specific measures for improving the energy efficiency of airport infrastructure and improving public and private access to the airport.

4.2 QUALITY

The development strategies of Bologna Airport combine a heavy emphasis on passenger needs with an approach open to new trends in the sector. The Group's goal is to provide passengers with airport facilities and services that will make their travel experiences extremely pleasant.

User satisfaction

As a result of significant growth in passenger traffic, in the first nine months of 2016 Bologna Airport was able to sustain good performance in terms of service quality. In fact, the **Customer Satisfaction Index** maintained excellent passenger satisfaction results (98.5%), with a slight improvement over the same period in 2015.
However, during the summer quarter, when infrastructure suffered the most, there was a dip in qualitative and quantitative performance which was especially reflected in waiting times during check-in, passport control and baggage collection. Bologna Airport enhanced the monitoring of processes and passenger flows in support of, and to collaborate with workers, airlines and agencies in charge of controls, including through significant investments in staff, equipment and infrastructure.
Results obtained from ASQ (Airport Service Quality) satisfaction surveys remain positive but also show a slight decline during the peak summer quarter, especially in terms of infrastructure and comfort aspects. Over the nine months as a whole, the summary indicator for overall satisfaction (measured on a scale from 1 to 5) reached a level of 3.67 (3.66 in 2015).

Main Quality Indicators		January - September 2016	January - September 2015
Customer Satisfaction Index	% satisfied passengers	98.5%	98.4%
Regularity and speed of service	% satisfied passengers	98.2%	97.9%
Perception of general cleanliness	% satisfied passengers	98.5%	97.3%
Perception of toilet cleanliness and functionality	% satisfied passengers	94.6%	95.3%
Waiting times for disembarkation of first passenger	Waiting times from aircraft block-on in 90% of cases	4'35''	4'17''
Waiting time at check-in	Time in 90% of cases	16'44''	14'35''
Waiting time at baggage x-ray	Time in 90% of cases	7'12''	6'59''
Delivery time for the first/last bag from aircraft block-on	First bag (time in 90% of cases)	23'	24'
	Last bag (time in 90% of cases)	31'	32'

Source: Data from the Company

5 LEGISLATIVE FRAMEWORK

5.1 THE PLANNING AGREEMENT

On 19 February 2016, Aeroporto G. Marconi di Bologna and ENAC signed the Planning Agreement, which represents a further step towards completing the process that will be finalised with a decree issued by the Ministry of Transportation and Ministry of the Economy.
The Planning Agreement defines the realisation of the investment plan and compliance with the quality and environmental protection objectives at Bologna Airport for the 2016-2019 period.
The Planning Agreement provides that AdB will make total investments over the four-year period of approximately Euro 112.4 million, of which Euro 84 million relates to the Master Plan (investments in airport infrastructure) and Euro 28.4 million is for investments in support of commercial areas, operational processes and improving the passenger experience.

5.2 TARIFF REGULATION 2016-2019

In accordance with the existing legislative framework and the tariff models developed by the ART, during 2015 AdB carried out and successfully completed the tariff regulation process for the 2016-2019 period, which took place in close coordination with and under the supervision of the ART.
New charges took effect on 1 January 2016.
On 26 October 2016, the annual meeting of airport users was held as indicated in the Airport Fee Regulation Model applicable to airports with traffic over 5 million passengers. New tariffs that will come into effect on 1 January 2017 were indicated to carriers at this meeting.

5.3 REGULATIONS ON CONTRIBUTIONS AND SUBSIDIES PAID BY AIRPORTS TO CARRIERS

By adopting the Decree of 11 August 2016, the Ministry of Infrastructure and Transport tacitly repealed the decree issued on 2 October 2014 stating specific guidelines, and by modifying the original implementation provisions of art. 13, paragraphs 14 and 15 of Decree Law 145/2013, it regulated, for the first time, and in a coordinated manner, incentives for airlines to launch and develop routes.
Based on analyses performed in this regard, including with the support of the Assaeroporti Association and legal experts hired by it for this purpose, for any carrier incentive agreements entered into after the adoption of the Decree of 11 August 2016 that lie outside the scope of the guidelines, airport operators are no longer subject to the requirements to publish and report to the competent administrative authorities (ART and ENAC) specified in the Decree of 2 October 2014 and ENAC Operating Guidelines.
Moreover, the Company believes that although any incentives to launch and/or develop routes are not governed by the guidelines in the Decree of 11 August 2016, they continue to be granted - without prejudice to the entrepreneurial freedom enjoyed by airport operators on the issue concerned - on the basis of objective, transparent and predetermined criteria, mainly to ensure compliance with EU antitrust principles.
In this regard, the traffic development policy for annual incentive plans is updated periodically (or at different intervals) on the institutional website.
AdB’s traffic development policy is available to all interested carriers on the Company's website.

5.4 MUNICIPAL SURCHARGE ON PASSENGER BOARDING FEES

The Euro 2.50 increase in the municipal surcharge on passenger boarding fees allocated to the Italian Social Security Institution (INPS) starting 1 January 2016 as required by article 1 of Decree Law 357 of 29 October 2015, was subsequently suspended from 1 September 2016 to 31 December 2016 by Decree Law 113/2016 “Urgent Financial Measures for Local Authorities and Local Areas” (the so-called Decree Law of Local Authorities published in the Official Gazette on 20 August 2016) that made several revisions to the Decree of 29 October 2015 concerning the "Determination of the amount of the increase in the municipal surcharge on boarding fees to be allocated to INPS" and introducing a regulation with a negative impact on national airport operators and on carriers operating at Italian airports. In particular, article 13-ter (paragraph 1) of the referenced Decree Law 113/2016 approved a reduction in the municipal surcharge on boarding fees for 2016 stating that "In order to support future growth in the airline sector and reduce charges to be paid by passengers, the application of the increase in the municipal surcharge on boarding fees, which was established pursuant to article 13, paragraph 23 of Decree Law 145 of 23 December 2013, converted with revisions by Law 9 of 21 February 2014, shall be suspended from 1 September to 31 December 2016."

With regard to the Decree of 29 October 2015 and the issues already reported concerning the communication of 15 February 2016 of the General Manager of ENAC, which ordered the increase in the municipal surcharge (in the same Decree) established for 2016, solely for tickets for departures from 1 January 2016 sold after the IATA ticketing systems were updated on 17 December 2015, and in any event, not after 22 December 2015, the objections of certain carriers were acknowledged with respect to invoices issued by the airport operator - on behalf of INPS - and it was indicated that any request for reimbursement or revision that the Company received or will receive, was and/or will be rejected asking the carriers to contact the beneficiary (INPS itself) directly for the reimbursement of the municipal surcharge that the Company collects and pays to INPS.

Lastly, article 55 of the "2017 Budget Law" draft law, which is currently being discussed, calls for the definitive abolition, effective as of 1 January 2017, of the portion of the municipal surcharge, equal to Euro 2.41 for 2017 and Euro 2.34 for 2018, introduced by article 13, paragraphs 21 and 23 of Decree Law 145/2013.

6 DISPUTES

Appeal against the draft framework agreement between the airport management company and VVF pursuant to Regulation 139/2014

On 1 April 2016, ENAC, without any formal publication, announced the final draft of the Framework Agreement between the Airport Operator and the National Corps of Firefighters, and clarified its compulsory and binding provisions since the draft indicates that signing the agreement is "in preparation...for the process to convert the Airport Certificate" pursuant to EU Regulation 139/2014 and "it contains minimum legal requirements" that are binding, and that the "parties may, as necessary, by mutual agreement (only) supplement." Since, for various reasons, this draft Framework Agreement was deemed to be unlawful and seriously detrimental to the positions and rights of airport operators in that it essentially transforms the airport's firefighting service from a matter covered by law under the authority and exclusive responsibility of the National Corps of Firefighters (as most recently confirmed by judgements of the TAR [Regional Administrative Court] of Lazio, the Court of Ancona and the Court of Florence), to a supply contract for the Airport Operator (which is not even in line with the provisions of EU Regulation 139/2014 since it contains no procedures and/or mechanisms for interacting with the respective competent organisations and especially for the fundamental key issue of emergency plans), it was challenged by the TAR of Lazio. More specifically, on 31 May 2016, on behalf of Aeroporto Guglielmo Marconi di Bologna S.p.A. and another 14 airport management companies, an appeal was filed against the draft framework agreement established by ENAC. The appeal was later entered for a hearing by the TAR of Lazio on 28 June 2016 under number RG 7483/16.

Other than the above, there were no major changes compared with what was indicated in the Directors' Report of the 2015 Financial Report, and the latter document should be referred to for more details.

7 MAIN RISKS AND UNCERTAINTIES

With regard to the information required by art. 2428, para. 2, sub-para. 6-bis, the Group does not hold significant financial instruments nor is it exposed to substantial **financial risk**, i.e. the risk that the value of the financial instruments may change.
The Group is not subject to **exchange rate risk** because it does not engage in foreign-currency transactions.
Liquidity risk, taking into account the significant commitments for infrastructure development, may result from difficulties in obtaining financing in a timely and cost-effective manner. In order to deal with the needs resulting from the progress of the investment plan, the Group has implemented all measures in order to equip itself with the medium-term financial means necessary for development; in particular, the listing of the Parent Company's stock increased the Group's available cash and shored up its statement of financial position. Lastly, the Group's cash flows, financing requirements and liquidity are constantly monitored in order to guarantee effective and efficient resource management.
As far as **interest rate risk** is concerned, taking into account existing financing, the Group tried to minimise the risk by obtaining fixed-rate and variable-rate loans.
Lastly, as far as **credit risk** is concerned, the persistent global economic crisis has had a strong negative impact on the airline industry with a subsequent increase in credit risk. The Group's **credit risk** reflects a 49% degree of concentration based on receivables from its ten largest clients. This risk was dealt with by implementing specific procedures and instruments for monitoring and managing accounts receivable as well as through an adequate provision for doubtful receivables, according to the principle of prudence, in continuity with the financial statements of previous periods.
The commercial policies implemented by the Group aim to limit exposure in the following manner:

- request for immediate payment of transactions made with end consumers or with occasional counterparties (i.e. parking);
- request for advance payment to occasional airlines or those without an adequate credit profile or without collateral;
- request for surety bonds from sub-licensees.

Risks relating to the effect of relations with Ryanair on traffic volumes

The Group's business is related to a significant extent to its relationship with some of the major carriers operating at the Airport, and to which the Group provides services, including, in particular, Ryanair. Because Ryanair accounts for a large share of the Airport's total passenger volume, the Group is exposed to the risk of the carrier reducing or terminating operations there. At 30 September 2016, Ryanair passengers represented 45.8% of traffic volume reported by the Airport. Moreover, on 27 October 2016, AdB and Ryanair enhanced their partnership by entering into a long-term agreement expiring in 2022 whereby they undertook to increase the number of destinations from and to Bologna Airport and offer a level of service based on high quality standards as a result of investments carried out by the Airport and the airline's "Always getting better" programme. The agreement contains a framework related to the Airport's traffic development policy and Ryanair's commitment to comply with it as well as a mechanism of contractual guarantees to ensure that goals are achieved. Although the Company believes Bologna Airport is strategically important for this carrier, it is possible that Ryanair may decide to change the routes it operates, significantly reduce its presence or terminate flights to the Airport, or that the aforementioned agreement may not be renewed, in whole or in part, or may contain less favourable terms for the Group. Any decrease or cessation of flights by the aforesaid carrier or the termination or modification of flights for certain destinations marked by high passenger traffic could have a negative, and potentially significant, impact on the Group's results, assets and liabilities and cash flows. In light of the interest in Bologna Airport shown by low-cost carriers, and the evolution of traffic at the Airport in general, the Company believes that the Group could reasonably cope with any interruption or limitation of flights by Ryanair by virtue of the possible redistribution of passenger traffic among the various airlines present at the Airport, and the Airport's ability to attract new carriers. It cannot, however, be excluded that, if there is a significant time lag between when the flights are interrupted and when they are partially or totally replaced by other carriers, or if the rotation proves more difficult than expected or is not in whole or in part feasible, such an interruption or reduction in flights could have a negative, and potentially significant, impact on the Group's results, assets and liabilities and cash flows.

Risk relative to the influence of the incentives on the revenue margins

The Parent Company is exposed to the risk of the reduction of margins on revenues of the Aviation Business Unit in the event of an increase in traffic volume by airlines that benefit from incentives. The Company, in compliance with its incentive policy aimed at traffic and route development at the Airport, grants incentives to both legacy carriers and low-cost airlines related to the volume of passenger traffic and new routes. This policy stipulates that the incentives may not in any case exceed an amount such that there is no longer a positive revenue margin for the Group with reference to the activity of each airline. Nevertheless, should the passenger traffic and the routes operated by the carriers that enjoy the incentives increase over time, the positive margin recorded by the Aviation Business Unit could be reduced proportionally, with a significant negative impact on the Group's results, assets and liabilities and cash flows.
With regard to this risk, although its national market, particularly for domestic connections, is characterised by a growing presence of low-cost flights, the Company is actively developing a mix of traffic so as to maintain a profit margin, with the recent opening of the Emirates route to Dubai particularly significant.

Risks related to the implementation of the Capex Plan

The Parent Company makes investments in the Airport on the basis of the Capex Plan approved by ENAC. AdB might find it hard to implement investments in accordance with the timeframe laid down in the Capex Plan due to unforeseen events or delays in the authorisation and/or realisation of the works, with possible negative effects on the amount of the applicable fees and possible risks of revocation or forfeiture of the Agreement. The Capex Plan was prepared based on the actions planned in the Master Plan according to a modularity whose main driver is the trend in air traffic.

Risks relating to the legislative framework

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group carries out its main activity as a licensee operating under special or exclusive rights at Bologna Airport and operates, for this main reason, in a sector highly regulated by national, supranational and international standards. Any changes in the current legislative framework (and, in particular, any changes with regard to relations with the State, public bodies and industry authorities, the determination of airport charges and the amount of concession fees, the airport tariff system, assigning slots, environmental protection and noise pollution) could have an impact on the operations and results of the Company and its Group.

Seasonality of revenues

Due to the cyclical nature of the sector in which the Group operates, operating revenues and results are generally expected to be higher in the third quarter of the year, rather than in the first and last months. The highest sales are concentrated in the period from June-September, the peak of the summer holidays, in which the highest level of use is registered. Added to this is a large component of business passengers, due to the industrial fabric of the region and the presence of exhibitions with international appeal, which tempers the seasonal peaks of tourist activity. Therefore, financial and economic data relating to interim periods may not be representative of the Group's results, assets and liabilities and cash flows on an annual basis.

8 GUARANTEES PROVIDED

The following table provides a summary of the guarantees given by the Group.

in thousands of Euro	30/09/2016	30/09/2015	Change	% Change
Sureties	5,149	4,827	321	6.7%
Lien on equity financial instrument	4,000	0	4,000	100.0%
Patronage letters	2,509	2,763	-254	-9.2%
Total guarantees issued	**11,658**	**7,590**	**4,068**	**53.6%**

As at 30 September 2016, the guarantees issued by the Group amount to Euro 11.7 million and refer mainly to:
- surety bond in favour of ENAC required by the Full Management Agreement (Euro 4.2 million);
- lien on the equity financial instrument issued by Marconi Express S.p.A. with a nominal value of Euro 10.87 million and signed by the Parent Company with a contribution of Euro 4 million at 30 September 2016. The lien aim to secure the obligations of Marconi Express to credit institutions financing the People Mover project,. The agreement governing the lien on the equity financial instrument was signed on 30 September 2016;
- patronage letter relating to the 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 remaining principal which, as at the end of the period, stood at Euro 2.5 million.

9 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

After the end of the period from January to September 2016, no events occurred that would justify changes to the results, assets and liabilities and cash flows shown in the financial statements, and therefore require adjustments and/or amendments to the financial statements.
Please note, however, the following significant events that occurred after the end of the period or that will occur in the next few months.

Traffic trends and launch of new flights

In October 2016, the Airport reported a 12.2% increase in passenger traffic and 11% increase in movements compared with the same month in 2015, confirming the positive trend seen in 2016, due to the launch of new routes and the expansion of existing routes.
In the first ten months of the year, total passenger traffic was over 6.5 million (6,571,678) representing a 2.5% increase over the same period of 2015, and total movements were 55,723 (+10.1%).

Enhancement of partnership with Ryanair

On 27 October 2016, the Company announced the strengthening of its partnership with Ryanair, the largest European airline in terms of passengers transported per year.

The partnership, started in 2008, has been further reinforced by a renewed and reshaped agreement which also provides for an extension of the contract terms, until 2022.

Bologna Airport and Ryanair are committed to:

- Increasing traffic and the number of destinations served to/from the airport
- Offering a high-quality service level, which is made possible by the Airport's investments and Ryanair's "Always getting better" programme.

The agreement provides for a scheme connected to AdB's traffic growth policy and Ryanair's commitment to it and for a mechanism of contractual guarantees in order to ensure the accomplishment of the targets.

Relations with subsidiaries, associated companies and related parties
With regard to relations with subsidiaries, associated companies and related parties during the period, see the special section in the Notes to the Consolidated Financial Statements at 30 September 2016.

Business outlook
The signs of recovery based on overall macroeconomic performance lead to an optimistic outlook for the coming months, but we are aware of potential risks due to the uncertain international geopolitical situation that could have a negative impact on air traffic performance.

The Chairman of the Board of Directors
(Enrico Postacchini)

Bologna, 14 November 2016

Consolidated financial statements at 30 September 2016

Statement of Consolidated Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
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Statement of Consolidated Financial Position

in thousands of Euro	Notes	at 30.09.2016	at 31.12.2015
Concession Rights		155,950	155,001
Other intangible assets		1,055	881
Intangible assets	**1**	**157,005**	**155,882**
Property, plant and equipment		11,360	9,922
Investment property		4,732	4,732
Tangible assets	**2**	**16,092**	**14,654**
Investments	**3**	147	147
Other non-current financial assets	**4**	25,068	363
Deferred tax assets	**5**	7,616	7,474
Other non-current assets	**6**	1,373	1,386
Other non-current assets		**34,204**	**9,370**
NON-CURRENT ASSETS		**207,301**	**179,906**
Inventories	**7**	471	467
Trade receivables	**8**	15,809	13,777
Other current assets	**9**	8,496	7,830
Current financial assets	**10**	12,192	8,831
Cash and cash equivalents	**11**	15,987	50,684
CURRENT ASSETS		**52,955**	**81,589**
TOTAL ASSETS		**260,256**	**261,495**

in thousands of Euro	Notes	at 30.09.2016	at 31.12.2015
Share capital		90,314	90,250
Reserves		63,723	63,306
Result for the period		10,062	6,957
GROUP SHAREHOLDERS' EQUITY	**12**	**164,099**	**160,513**
MINORITY INTERESTS	**12**	**598**	**514**
TOTAL SHAREHOLDERS' EQUITY		**164,697**	**161,027**
Severance and other personnel provisions	**13**	4,912	4,471
Deferred tax liabilities	**14**	2,201	2,145
Provisions for renewal of airport infrastructure	**15**	10,659	9,548
Provisions for risks and charges	**16**	1,306	1,521
Non-current financial liabilities	**17**	27,671	32,728
Other non-current liabilities		194	219
NON-CURRENT LIABILITIES		**46,943**	**50,632**
Trade payables	**18**	11,088	13,746
Other liabilities	**19**	24,915	19,562
Provisions for renewal of airport infrastructure	**20**	3,043	3,439
Provisions for risks and charges	**21**	501	936
Current financial liabilities	**22**	9,069	12,153
CURRENT LIABILITIES		**48,616**	**49,836**
TOTAL LIABILITIES		**95,559**	**100,468**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**260,256**	**261,495**

Consolidated Income Statement

in thousands of Euro	Notes	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015
Revenues from aeronautical services		36,573	33,197
Revenues from non-aeronautical services		26,930	24,378
Revenues from construction services		4,990	1,526
Other operating revenues and income		497	656
Revenues	**23**	**68,990**	**59,757**
Consumables and goods		(1,068)	(1,247)
Services costs		(13,708)	(12,911)
Costs for construction services		(4,752)	(1,453)
Leases, rentals and other costs		(5,474)	(4,866)
Other operating expenses		(2,313)	(2,366)
Personnel costs		(18,983)	(17,804)
Costs	**24**	**(46,298)**	**(40,647)**
Amortisation of concession rights		(3,982)	(3,873)
Amortisation of other intangible assets		(455)	(368)
Depreciation of tangible assets		(1,262)	(1,089)
Depreciation and amortisation	**25**	**(5,699)**	**(5,330)**
Provisions for doubtful accounts		(49)	(100)
Provisions for renewal of airport infrastructure		(1,926)	(2,113)
Provisions for other risks and charges		102	(135)
Provisions for risks and charges	**26**	**(1,873)**	**(2,348)**
Total costs		**(58,370)**	**(48,325)**
Operating result		**15,120**	**11,432**
Financial income	**27**	251	180
Financial expenses	**27**	(1,016)	(846)
Non-recurring income and expenses		0	(2,493)
Result before taxes		**14,355**	**8,273**
Taxes for the period	**28**	(4,206)	(2,504)
Profit (loss) for the period		**10,149**	**5,769**
Minority interests in profit (loss)		**87**	**113**
Group profit (loss)		**10,062**	**5,656**
Undiluted earnings/(losses) per share (in Euro)		**0.27**	**0.19**
Diluted earnings/(losses) per share (in Euro)		**0.27**	**0.19**

Consolidated Statement of Comprehensive Income

in thousands of Euro	**for the nine months ended 30.09.2016**	**for the nine months ended 30.09.2015**
Profit (loss) for the period (A)	**10,149**	**5,769**
Other profits (losses) that will be reclassified in the net result for the period	**0**	**0**
Total other profits (losses) that will be reclassified in the net result for the period (B1)	0	0
Other profits (losses) that will not be reclassified in the net result for the period		
Actuarial gains (losses) on severance	(472)	319
Tax impact of actuarial gains (losses) on severance	130	(88)
Total other profits (losses) that will not be reclassified in the net result for the period (B2)	(342)	231
Total other profits (losses) net of taxes (B1 + B2) = B	(342)	231
Total overall profit (loss) net of taxes (A + B)	**9,807**	**6,000**
of which Minority Interests	**84**	**113**
of which Group	**9,723**	**5,887**

Consolidated Cash Flow Statement

in thousands of Euro	at 30.09.2016	at 30.09.2015
Core income-generating operations		
Result for the period before taxes	14,355	8,273
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(238)	(73)
+ Depreciation and amortisation	5,699	5,330
+ Provisions	1,873	2,348
+ Interest expense on discounting provisions and severance	278	261
+/- Interest income and financial charges	487	405
+/- Losses/gains and other non-monetary costs/revenues	59	(3)
+/- Severance provisions and other personnel costs	74	8
+/- Losses from disposal of assets	17	0
Cash flow generated/(absorbed) by operating activities before changes in working capital	**22,604**	**16,549**
Change in inventories	(4)	45
(Increase)/decrease in trade receivables	(2,005)	(3,017)
(Increase)/decrease in other receivables and current/non-current assets (non-financial)	(898)	(1,822)
Increase/(decrease) in trade payables	(2,565)	(2,432)
Increase/(decrease) in other liabilities, various and financial	4,064	2,331
Interest paid	(578)	(252)
Interest received	183	48
Taxes paid	(1,644)	(3,869)
Severance paid	(176)	(177)
Use of provisions	(2,068)	(1,951)
Cash flow generated/(absorbed) by net operating activities	**16,913**	**5,453**
Purchase of tangible assets	(2,717)	(1,204)
Payment from sale of tangible assets	0	4
Purchase of intangible assets/concession rights	(5,382)	(1,795)
Purchase/capital increase of shares	0	0
Payment from sale of equity investments	293	605
Change in investment in current and non-current financial assets	(28,315)	(6,950)
Cash flow generated/(absorbed) by investment activities	**(36,121)**	**(9,340)**
Proceeds from the issuance of shares	0	28,036
Dividends distributed	(6,137)	0
Loans received	0	23,000
Loans repaid	(9,352)	(5,623)
Cash flow generated/(absorbed) by financing activities	**(15,489)**	**45,413**
Final cash change	**(34,697)**	**41,526**
Cash and cash equivalents at beginning of period	**50,684**	**7,021**
Final cash change	**(34,697)**	**41,526**
Cash and cash equivalents at end of period	**15,987**	**48,547**

Statement of Changes in Consolidated Shareholders' Equity

in thousands of Euro	Share capital	Share Premium Reserve	Legal Reserve	Other Reserves	FTA Reserve	Actuarial Gain (Loss) Reserve	Profits (Losses) Carried Forward	Result for the period	Group Shareholders' Equity	Minority interests	Shareholders' equity
Shareholders' Equity at 31.12.2014	**74,000**	**14,350**	**4,335**	**28,172**	**(3,222)**	**(979)**	**2,153**	**6,873**	**125,682**	**355**	**126,037**
Allocation of the 2014 financial year result	0	0	344	6,434	0	0	95	(6,873)	0	0	0
Share Capital Increase	16,250	11,462	0	0	0	0	0	0	27,712	0	27,712
Dividends distributed	0	0	0	0	0	0	0	0	0	0	0
Total profit (loss) for the period	0	0	0	0	0	231	0	5,656	5,887	113	6,000
Shareholders' Equity at 30.09.2015	**90,250**	**25,812**	**4,679**	**34,606**	**(3,222)**	**(748)**	**2,248**	**5,656**	**159,281**	**468**	**159,749**

in thousands of Euro	Share capital	Share Premium Reserve	Legal Reserve	Other Reserves	FTA Reserve	Actuarial Gain (Loss) Reserve	Profits (Losses) Carried Forward	Result for the period	Group Shareholders' Equity	Minority interests	Shareholders' equity
Shareholders' Equity at 31.12.2015	**90,250**	**25,747**	**4,679**	**34,606**	**(3,222)**	**(752)**	**2,248**	**6,957**	**160,513**	**514**	**161,027**
Allocation of the 2015 financial year result	0	0	339	316	0	0	6,302	(6,957)	0	0	0
Share Capital Increase	64	(64)	0	0	0	0	0	0	0	0	0
Dividends distributed	0	0	0	0	0	0	(6,137)	0	(6,137)	0	(6,137)
Total profit (loss) for the period	0	0	0	0	0	(339)	0	10,062	9,723	84	9,807
Shareholders' Equity at 30.09.2016	**90,314**	**25,683**	**5,018**	**34,922**	**(3,222)**	**(1,091)**	**2,413**	**10,062**	**164,099**	**598**	**164,697**

Notes to the Consolidated Financial Statements

Information on Group Operations

The Group operates in the business of airport management. Specifically:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (referred to hereinafter as AdB or the Parent Company) is the full management operator of Bologna Airport according to Full Management Concession No. 98 of 12 July 2004 et seq., approved by Ministry of Transport and Infrastructure and Ministry of the Economy and Finance Decree dated 15 March 2006, for a 40-year duration starting on 28 December 2004. Its registered office is at Via Triumvirato 84, Bologna and it is registered with the Bologna Companies Registry.
- Fast Freight Marconi S.p.A. (referred to hereinafter as FFM) operates a freight and mail handling business at Bologna Airport. Its registered office is at Via Triumvirato 84, Bologna and it is registered with the Bologna Companies Registry. It is subject to management and coordination by the company Aeroporto Guglielmo Marconi di Bologna S.p.A.
- TAG Bologna S.r.l. (referred to hereinafter as TAG) operates in the general aviation business as a handler and manages the relative infrastructure at Bologna Airport. Its registered office is at Via Triumvirato 84, Bologna and it is registered with the Bologna Companies Registry. It is subject to management and coordination by the company Aeroporto Guglielmo Marconi di Bologna S.p.A.

Accounting Standards Applied in the Preparation of the Consolidated Interim Report at 30 September 2016

Preparation Criteria

This Consolidated Interim Report of the Group (hereinafter the "Group's Consolidated Interim Report" or the "Consolidated Interim Report") was prepared for the nine months ended 30 September 2016 and includes comparative data for the period ended 31 December 2015, limited to items included in the Statement of Consolidated Financial Position, and comparative data for the nine months from 1 January 2015 to 30 September 2015, limited to entries included in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The Consolidated Interim Report was prepared on the basis of historical cost, with the exception of financial assets held for sale, which were recorded at their fair value, as well as on the basis of a "going concern" assumption. The Group determined that, despite the difficult economic and financial situation, there are no significant uncertainties regarding the company's status as a going concern (as defined by Paragraph 25 of IAS 1).

The Consolidated Interim Report is presented in thousands of Euro, which is also the Group's operating currency, and all the amounts in these Notes are rounded off in thousands of Euro unless otherwise indicated.

Declaration of compliance with IAS/IFRS and the implementing measures of article 9 of Legislative Decree 38/2005

This Group Consolidated Interim Report was prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), adopted by the European Union and in effect as at the date of the preparation of the financial statements, and on the basis of directives promulgated in implementation of article 9 of Legislative Decree 38/2005 (CONSOB Resolutions 15519 and 15520 of 27 July 2006).

The publication of the Consolidated Interim Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the Group) for the nine months ended 30 September 2016 was authorised by the Board of Directors on 14 November 2016.

Content and Form of the Consolidated Interim Report

The Consolidated Interim Report at 30 September presented in summary form was prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" with the summary notes required therein, supplemented to provide additional information as and when required. This Consolidated Interim Report must therefore be read in conjunction with the 2015 Consolidated Financial Report prepared in accordance with the IFRS issued by the IASB and prepared on the basis of an IFRS transition date (First Time Adoption or "FTA") of 1 January 2012.

The accounting standards and criteria used are those used to prepare the financial statements at 31 December 2015, which should be referred to for further details.

This Interim Directors' Report has not been audited.

Consolidation principles

The Consolidated Interim Report was prepared on the basis of the financial statements of the Parent Company and its direct and indirect subsidiaries, which have been approved by their respective shareholders' meetings and governing bodies, appropriately adjusted to bring them into compliance with IFRS. The subsidiaries are wholly consolidated as of their acquisition dates, i.e. the dates on which the Group acquired control, and cease to be consolidated on the date on which control is transferred outside the Group.

The following table summarises information on subsidiaries as at 30 September 2016 and 31 December 2015 as to their company names and the portion of the share capital held directly or indirectly by the Group.

in thousands of Euro	Currency	Share Capital	at 30.09.2016	at 31.12.2015
Fast Freight Marconi S.p.A. Single-shareholder company	Euro	520	100.00%	100.00%
Tag Bologna S.r.l.	Euro	316	51.00%	51.00%

The following table summarises information on affiliates as at 30 September 2016 and 31 December 2015 as to their company names and the portion of the share capital held directly or indirectly by the Group.

in thousands of Euro	Currency	Share Capital	at 30.09.2016	at 31.12.2015
Ravenna Terminal Passeggeri S.r.l.	Euro	300	24.00%	24.00%

Information Regarding Operating Segments

The Aeroporto Guglielmo Marconi di Bologna Group, in application of IFRS 8, has identified its operating segments as the business areas that generate revenues and costs, whose results are periodically reviewed at the highest decision-making level in order to assess performance and decisions regarding resource allocation.
The following are the Group's operating segments that have been identified in accordance with IFRS 8 – Operating Segments:

- Aviation;
- Non-Aviation;
- Other.

The Group assesses the performance of its operating segments based on revenues per passenger, making a distinction between revenues attributable to the aviation segment and those attributable to the non-aviation segment.

The item "Other" encompasses everything that is not directly attributable to the identified segments.

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

Segment activities are those employed by the segment in carrying out its characteristic activity or which may be reasonably allocated to it in function of its characteristic activity. The segment activities presented are measured using the same accounting criteria employed for the preparation of the Group's Consolidated financial statements.

in thousands of Euro	for the nine months ended 30.09.2016 *Aviation*	for the nine months ended 30.09.2016 *Non-Aviation*	for the nine months ended 30.09.2016 Other	Total for the nine months ended 30.09.2016
Revenues	41,714	27,276	0	68,990
Costs	(33,516)	(12,782)	0	(46,298)
Gross operating profit	**8,198**	**14,494**	**0**	**22,692**
Depreciation and amortisation	(3,904)	(1,795)	0	(5,699)
Provisions	(1,558)	(315)	0	(1,873)
Operating result	**2,736**	**12,384**	**0**	**15,120**
Financial income	0	0	251	251
Financial expenses	0	0	(1,016)	(1,016)
Non-recurring income and expenses	0	0	0	0
Result before taxes	**2,736**	**12,384**	**(765)**	**14,355**
Taxes for the period	0	0	(4,206)	(4,206)
Profit (loss) for the period	**2,736**	**12,384**	**(4,971)**	**10,149**
Minority interests in profit (loss)	**0**	**0**	**0**	**87**
Group profit (loss)	**0**	**0**	**0**	**10,062**

in thousands of Euro	for the nine months ended 30.09.2015 *Aviation*	for the nine months ended 30.09.2015 *Non-Aviation*	for the nine months ended 30.09.2015 Other	Total for the nine months ended 30.09.2015
Revenues	34,967	24,790	0	59,757
Costs	(28,979)	(11,668)	0	(40,647)
Gross operating profit	**5,988**	**13,122**	**0**	**19,110**
Depreciation and amortisation	(3,516)	(1,814)	0	(5,330)
Provisions	(1,944)	(404)	0	(2,348)
Operating result	**528**	**10,904**	**0**	**11,432**
Financial income	0	0	180	180
Financial expenses	0	0	(846)	(846)
Non-recurring income and expenses	0	0	(2,493)	(2,493)
Result before taxes	**528**	**10,904**	**(3,159)**	**8,273**
Taxes for the period	**0**	**0**	(2,504)	(2,504)
Profit (loss) for the period	**528**	**10,904**	**(5,663)**	**5,769**
Minority interests in profit (loss)	**0**	**0**	**0**	**113**
Group profit (loss)	**0**	**0**	**0**	**5,656**

The following tables concern segment information on the asset side:

in thousands of Euro	at 30.09.2016 Aviation	at 30.09.2016 Non-Aviation	at 30.09.2016 Other	Total at 30.09.2016
Non-current assets	**149,487**	**23,651**	**34,164**	**207,301**
Intangible assets	**144,330**	**12,675**	**0**	**157,005**
Concession Rights	143,785	12,164	0	155,950
Other intangible assets	545	511	0	1,055
Tangible assets	**5,116**	**10,976**	**0**	**16,092**
Property, plant and equipment	5,116	6,244	0	11,360
Investment property	0	4,732	0	4,732
Other non-current assets	**40**	**0**	**34,164**	**34,204**
Investments	0	0	147	147
Other non-current financial assets	0	0	25,068	25,068
Deferred tax assets	0	0	7,616	7,616
Other non-current assets	40	0	1,333	1,373
Current assets	**19,686**	**4,552**	**28,717**	**52,955**
Inventories	292	179	0	471
Trade receivables	12,079	3,730	0	15,809
Other current assets	7,315	643	538	8,496
Current financial assets	0	0	12,192	12,192
Cash and cash equivalents	0	0	15,987	15,987
Total assets	**169,173**	**28,203**	**62,880**	**260,256**

The segment information pertaining to identified operating segments is prepared in the manner described in more detail below.
Aviation: includes aeronautical activity, which represents the airport's core business. This aggregate includes the aircraft landing, take-off and parking fees, passenger boarding fees, freight loading and

unloading fees, as well as fees for passenger and luggage security checks. In addition, it includes freight handling, General Aviation handling, customs clearance and fuelling. Lastly, this segment encompasses all centralised infrastructure and assets for exclusive use. The centralised infrastructure represents the revenues received in connection with infrastructure, management of which is assigned exclusively to the airport management company for safety and security reasons, or for reasons of its economic impact. On the other hand, assets for exclusive use are made up of check-in counters, gates and spaces rented to airport operators to carry out their business.
Non-Aviation: represents those activities not directly related to the aviation business. They are sub-licensed retail, food outlets and car rental activities, as well as the management of car parks, the Marconi Business Lounge and advertising.
The distribution of revenues and costs between the Aviation SBU and the Non-Aviation SBU follows the guidelines set out by ENAC for the preparation of airport management company analytical and regulatory reporting data in accordance with the provisions of article 11-decies of Law 248/05 and the Minister of Transport Guidance Document of 31 December 2006.
The remaining items not included in regulatory reporting were subsequently allocated according to management criteria.
The main differences are as follows:

- items considered not relevant for the purposes of regulatory reporting, which are allocated on the basis of a specific examination of the individual cost/revenue item;
- construction services revenues and costs allocated on the basis of an itemised distribution of financial investments;
- incentives for the expansion of air traffic allocated entirely to the Aviation SBU, in line with the financial statements.

ANALYSIS OF THE MAIN ITEMS ON THE STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS

1. Intangible assets

The following table presents a breakdown of intangible assets at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Concession Rights	155,950	155,001	949
Software, licences and similar rights	733	690	43
Other intangible assets	76	81	(5)
Other intangible assets under development	246	110	136
TOTAL INTANGIBLE ASSETS	**157,005**	**155,882**	**1,123**

At 30 September 2016, the Concession Rights item posted an increase of about Euro 4.99 million (which represents the fair value of the construction services performed during the period), mainly for:

- work to upgrade the AeroClub apron and a section of the taxiway totalling Euro 2.5 million;
- the construction of new toilets and upgrading of several offices and terminal premises in the amount of Euro 0.59 million;

- the expansion of the P3, Express and Staff car parks (Euro 0.28 million) to deal with the increase in traffic and address the decrease in parking spaces due to the presence of the construction site for building the People Mover station;
- work on an automated baggage collection system in arrivals, which was under development at September 30 (Euro 0.27 million);
- the construction of the pedestrian and cycle path that connects the Airport entrance with passenger terminals and parking areas (Euro 0.13 million);
- the supply of new network and networking equipment for the project to upgrade the corporate data centre (Euro 0.13 million).

During the first nine months of the year, two passenger finger bridges also entered into service for a total of Euro 0.92 million. Another three finger bridges are under construction for a total of Euro 0.52 million at 30 September 2016.

Amortisation of Concession Rights for the period amounted to Euro 3.98 million and has been applied on the basis of the remaining duration of the Airport concession. This amount is an increase compared with the third quarter of 2015 due to the entry into service of airport infrastructure investments made in the 12 months since September 2015.

The item “Software, licences and similar rights”, which consists of software used to manage services, rose by Euro 0.49 million during the period due mainly to the replacement of the corporate intranet platform for a total of Euro 0.12 million in addition to software licences for new applications and new functionality of existing applications.

Amortisation of the item “Software, licences and similar rights” did not change significantly during the two periods being compared.

"Other intangible assets under development" included costs incurred for projects not completed at 30 September 2016, including the implementation of software platforms for collecting data in order to get a better understanding of how the Airport is used.

Assessment of the Recoverable Value of Assets or Groups of Assets

The Group performed impairment tests to assess whether there had been long-term impairment of the “Concession rights” recorded in the year ended 31 December 2015 and in previous years.

With respect to preparing the Consolidated Interim Report, since there were no indicators of impairment as defined by IAS 36, and since the Group’s economic and financial performance was in line with the economic and financial projections for 2016-2044 formulated by the Board of Directors and already used to perform impairment tests for the year ended 31 December 2015 and previous years, no impairment tests were performed since it is believed that there was no permanent loss of value in relation to the amounts recorded under “Concession rights” at 30 September 2016.

2. Tangible Assets

The following table presents a breakdown of tangible assets at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Land	2,758	2,758	0
Buildings and minor construction and improvements	1,636	1,638	(2)
Machinery, equipment and facilities	3,305	3,325	(20)
Furniture, office machinery, transport equipment	1,928	2,066	(138)
Property, plant and equipment under construction and advances	1,733	135	1,598
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	**16,092**	**14,654**	**1,438**

The item "Furniture, office machinery and transport equipment" rose by Euro 0.24 million mainly due to the purchase of miscellaneous furnishings, electronic machinery and radio devices for offices and various terminal areas to ensure service continuity.

The item "Machinery, equipment and facilities" rose by Euro 0.74 million mainly due to the supply and installation of new advertising equipment using digital technology (Euro 0.50 million) in addition to the purchase of a new lift for PRM (Euro 0.19 million).

Tangible assets under construction included costs incurred for projects not completed at 30 September 2016, including work to complete the People Mover station.

The increase in depreciation of tangible assets was primarily due to investments that entered into service during the 12 months from September 2015.

The item "Investment property" includes the total value of land owned by the Group for real estate investments; this land was initially recognised at acquisition cost and subsequently measured using the cost method.
The aforementioned land is not subject to depreciation but, as indicated in IAS 40, an expert valuation is performed to support the fair value measurement. This expert valuation performed internally at the Company confirms that the cost value at which it was recognised approximates the fair value of the land, due to its nature as well as its strategic value.

3. Investments

The following table presents a breakdown of equity investments at 30 September 2016, compared with the data at 31 December 2015. The amount and composition of the investments remain unchanged.

in thousands of Euro	at 31.12.2015	Increases/Acquisitions	Decreases/Disposals	Write-downs	at 30.09.2016
Other investments	147	0	0	0	147
TOTAL INVESTMENTS	**147**	**0**	**0**	**0**	**147**

in thousands of Euro	Share	at 30.09.2016	at 31.12.2015	Change
Consorzio Energia Fiera District	13.33%	3	3	0
CAAF dell'Industria S.p.A.	0.07%	0	0	0
Bologna Welcome S.r.l.	10%	40	40	0
Bologna Congressi S.p.A.	10%	104	104	0
TOTAL OTHER INVESTMENTS		**147**	**147**	**0**

4. Other non-current financial assets

The following table shows changes in other non-current financial assets for the nine months ended 30 September 2016, compared with the data at 31 December 2015.

in thousands of Euro	at 31.12.2015	Increases/Acquisitions	Decreases/Disposals	Write-downs	at 30.09.2016
Equity financial instruments	0	4,000	0	0	4,000
Bonds	0	7,748	0	0	7,748
Deposit accounts	70	13,000	0	0	13,070
Other sundry financial assets	293	250	(293)	0	250
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**363**	**24,998**	**(293)**	**0**	**25,068**

The item "Other non-current financial assets" includes:

- the subscription to the equity financial instrument in Marconi Express S.p.A. on 21 January 2016 for a total amount of Euro 10.9 million, and the concurrent payment of the first tranche of Euro 4 million. Marconi Express S.p.A. is the company licensed to construct and manage the infrastructure for the express railway link (People Mover) between the Airport and Bologna's main train station. Information on this first appeared in the 2015 Financial Report. The carrying value corresponds to the amount actually contributed when the instrument was subscribed, i.e. the cost incurred at 30 September 2016. Pursuant to IAS 39, this financial asset was classified under available-for-sale (AFS) financial assets. Subsequent measurement following initial recording is at fair value, and related changes are posted to shareholders' equity and reported in the statement of comprehensive income as OCI (other comprehensive income), whereas impairment is posted to the income statement. However, in this case, in view of the difficulty in measuring the fair value of this equity financial instrument, the Group elected to take advantage of the exemption allowed for equity instruments for which fair value cannot be reliably measured. As a result, subsequent measurements of this equity financial instrument will be at cost and any impairment, which is quantified by comparing the book value with the present value of cash flows discounted at the market rate for similar instruments, will be posted to the income statement and cannot be reversed. On October 11, the second tranche of Euro 3 million was paid corresponding to work progress of 20% of the whole project being achieved. Lastly, as per the detailed information provided in the Directors' Report in the section "Guarantees Provided", on 30 September 2016 a pledge agreement was signed on the above equity financial instrument to secure the obligations of Marconi Express S.p.A. to the banks financing the People Mover project. To implement this agreement, the equity financial instrument was deposited with the Custodian Bank (UniCredit S.p.A.) in a restricted securities account in the name of the Parent Company;
- the purchase of two senior bonds with a total nominal value of Euro 7.5 million, one with a maturity of October 2017 in the amount of Euro 3 million, and one maturing in September 2018 in the amount of Euro 4.5 million. Pursuant to IAS 39, the Group elected to classify these financial assets under

investments held to maturity (HTM) since it has the intention and capability to hold these in its portfolio until maturity. After initial recognition at acquisition cost, these investments are measured at amortised cost, using the effective interest rate method and thus recognising any discounts or premiums on the purchase or other costs that are an integral part of the effective interest rate. There were no impairment indicators in relation to the value of these financial assets at 30 September 2016;

- deposit accounts including:
  - Euro 7 million in time deposits maturing October 2017;
  - Euro 6 million in savings bonds maturing in August 2018;
  - in addition to Euro 0.07 million relating to the balance of a blocked bank account in relation to the guarantee issued to Customs for the payment of amounts due for the operations of introduction and/or removal of goods from the temporary holding warehouse at Bologna Airport;
- lastly, the remaining item "Other non-current financial assets," which at 31 December 2015 comprised solely the long-term portion of the receivable arising from the sale of Marconi Handling S.r.l., was decreased by this amount due to the reclassification of the remaining instalments under current financial assets (see Note 10) since the last instalment is due on 30 June 2017. However, the increase in the item is attributable to the subscription of a capitalisation product totalling Euro 0.25 million with a term of five years that the Group elected to classify, pursuant to IAS 39, under HTM investments with the related initial recognition and periodic measurement as described above.

5. Deferred tax assets

The following table shows the overall change in deferred tax assets for the period ended 30 September 2016, compared with the data at 31 December 2015.

in thousands of Euro	at 31.12.2015	Provisions	Amounts used	at 30.09.2016
DEFERRED TAX ASSETS	**7,474**	**1,318**	**(1,176)**	**7,616**

6. Other non-current assets

The following table shows the breakdown of other non-current assets at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Non-current prepayments and accrued income	46	62	(16)
Security deposits	83	80	3
Non-current tax credits	1,244	1,244	0
OTHER NON-CURRENT ASSETS	**1,373**	**1,386**	**(13)**

7. Inventories

The following table presents the breakdown of inventories at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 31.03.2016	at 31.12.2015	Change
Inventories of raw materials, supplies and consumables	445	427	18
Inventory of finished products	26	40	(14)
INVENTORIES	**471**	**467**	**4**

8. Trade receivables

The following table presents a breakdown of trade receivables and their provisions:

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Trade receivables	17,375	15,371	2,004
Provisions for doubtful accounts	(1,566)	(1,594)	28
TRADE RECEIVABLES	**15,809**	**13,777**	**2,032**

The increase in trade receivables at 30 September 2016 compared with 31 December 2015 was due to the seasonality of the airport business and revenue growth.

Trade receivables are restored to their face value through provisions for doubtful accounts determined in each period on the basis of a specific analysis of both items subject to dispute and items that, even though not in dispute, have been outstanding for a significant period.

This measurement requires estimating the probability of collecting the receivables in question, including with the support of lawyers assigned to pursue disputes, and taking into account sureties received from customers.

The amount of the provisions as at 30 September 2016 (Euro 1.6 million) is deemed appropriate for the purpose of adjusting the face value of trade receivables to the estimated realisable value.

Changes in provisions for doubtful accounts were as follows:

in thousands of Euro	at 31.12.2015	Provisions	Amounts used	Releases	at 30.09.2016
PROVISIONS FOR DOUBTFUL TRADE RECEIVABLES	**(1,594)**	**(121)**	**149**	**0**	**(1,566)**

9. Other current assets

The following table presents a breakdown of other current assets at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
VAT credit	110	89	21
Direct tax receivables	32	374	(342)
Other tax receivables	0	13	(13)
Receivables from personnel	94	70	24
Other receivables	8,260	7,284	976
OTHER CURRENT ASSETS	**8,496**	**7,830**	**666**

The most significant change in the item "Other receivables" (for which details are provided below) concerns the receivable for the municipal surcharge on passenger boarding fees, the increase in which is consistent with the increase in related trade receivables.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Accrued income and prepayments	674	291	383
Advances to suppliers	183	194	(11)
Receivables from retirement and social security institutions	64	20	44
Receivables for municipal surcharge	4,166	3,316	850
Provisions for other doubtful current receivables	(833)	(449)	(384)
Receivables for security deposits (article 17)	3,628	3,628	0
Other current receivables	378	284	94
TOTAL OTHER RECEIVABLES	**8,260**	**7,284**	**976**

The item "Provisions for other doubtful current receivables" includes the provision for doubtful receivables for the municipal surcharge obtained by reclassifying to assets on the statement of financial position, as an offset to the related receivable, the municipal surcharge charged to carriers which in the meantime have been subject to insolvency procedures or have contested the charge. This item appears only in the statement of financial position with no provisions in the income statement and was reclassified as an offset of the related receivables for the municipal surcharge to highlight that recovery is highly unlikely, and it changed as indicated in the following table:

in thousands of Euro	at 31.12.2015	Provisions/Increases	Amounts used	Releases	at 31.03.2016
Provisions for doubtful receivables for municipal surcharge	(449)	(385)	1	0	(833)
TOTAL PROVISIONS FOR OTHER DOUBTFUL RECEIVABLES	**(449)**	**(385)**	**1**	**0**	**(833)**

The increase for the period includes the receivable for the municipal surcharge on passenger boarding fees corresponding to the portion of the Euro 2.50 increase for 2016 required by the Interministerial Decree of 29 October 2015; the effective date of this increase was contested by some carriers and later suspended (from 1 September to 31 December 2016) by article 13-ter of Decree Law 113 of 24 June 2016.
Lastly, the receivable for security deposits (article 17) of Euro 3.6 million was fully collected on 19 October 2016. It was related to the security deposit provided by the Parent Company to ENAC for the period 1998-2004, during which it operated under the mechanism for the early occupancy of government property established by article 17 of Law 135/97.

10. Current Financial Assets

The following table presents a breakdown of current financial assets at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Securities and similar	2,897	2,838	59
Deposit accounts	8,302	5,050	3,252
Receivables from the sale of investments	944	914	30
Other financial receivables	49	29	20
CURRENT FINANCIAL ASSETS	**12,192**	**8,831**	**3,361**

The main changes in current financial assets are specifically related to:

- investments of liquidity in several deposit accounts with the following maturities:
    - February 2017: Euro 1.1 million
    - March 2017: Euro 0.2 million
    - April 2017: Euro 3 million
    - May 2017: Euro 3 million
    - August 2017: Euro 1 million

while the amount of Euro 5.05 million, recorded at 31 December 2015 and maturing in April and May 2016 in the amounts of Euro 5 million and Euro 0.05 million respectively, was collected;

- receivables from the sale of investments, which include the short-term portion of the receivables for the sale of the investment in Marconi Handling. The increase in this item was due to interest for instalment payments accrued during the period.

11. Cash and cash equivalents

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Bank and postal accounts	15,963	50,657	(34,694)
Cash	24	27	(3)
CASH AND CASH EQUIVALENTS	**15,987**	**50,684**	**(34,697)**

At 30 September 2016, this item also included Euro 4 million in deposit accounts that matured in October 2016.

LIABILITIES

12. Shareholders' equity

The following table presents a breakdown of Shareholders' Equity at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Share capital	90,314	90,250	64
Reserves	63,723	63,306	417
Result for the period	10,062	6,957	3,105
GROUP SHAREHOLDERS' EQUITY	**164,099**	**160,513**	**3,586**

i. Share capital

Following the increase in the Parent Company's share capital, which was a part of the stock market listing process that took place on 14 July 2015, share capital at 31 December 2015 consisted of 36,100,000 ordinary shares equal to Euro 90.25 million, which was entirely subscribed and paid up. The Public Subscription and Sale Offer made provision for bonus shares to be awarded in the following amounts in the event that subscribed shares are held continuously for 365 days following the start of trading of the shares on the stock exchange:

- 1 share for every 20 subscribed shares for the general public and residents of the Emilia-Romagna region;
- 1 share for every 10 subscribed shares for Group employees.

Upon completion of the subscription, there were 109,200 shares with underlying Bonus Shares. After this right was exercised in September 2016, 25,665 ordinary shares were issued to shareholders entitled to bonus shares, in accordance with the resolution of the Shareholders' Meeting of 20 May 2015 and using the share premium reserve.

As notified to the Bologna Companies Registry on 19 September 2016, the Parent Company's share capital on that date was Euro 90,314,162 represented by 36,125,665 ordinary shares with no par value.

The following information was used as the basis for calculating undiluted and diluted earnings per share:

in units of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015
Group profit/(loss) for the period	9,722,415	5,887,260
Average number of outstanding shares	36,101,030	31,457,143
Average number of shares including bonus shares	36,101,030	31,566,343
Undiluted earnings/(losses) per share	**0.27**	**0.19**
Diluted earnings/(losses) per share	**0.27**	**0.19**

ii. Reserves

The following table details reserves at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Share premium reserve	25,683	25,747	(64)
Legal reserve	5,018	4,679	339
Extraordinary reserve	34,922	34,606	316
FTA reserves	(3,222)	(3,222)	0
Profits (losses) carried forward	2,413	2,248	165
OCI reserve	(1,091)	(752)	(339)
TOTAL RESERVES	**63,723**	**63,306**	**417**

The share premium reserve consisted of the following:

- Euro 14.35 million as a result of the paid capital increase approved by the Shareholders' Meeting on 20 February 2006;
- Euro 11.33 million as a result of the Public Subscription and Sale Offer described above.

The change during the period (Euro -0.06 million) in the share premium reserve was due to the amount used for the capital increase in connection with exercising the bonus shares.

In compliance with article 2431 of the Italian Civil Code, this reserve is available but cannot be distributed until the legal reserve has reached the limit established by article 2430 of the Civil Code.

The legal reserve and extraordinary reserve rose as a result of the allocation of profit for the previous year, and, with regard to the Parent Company, net of the distribution of dividends approved by the Shareholders' Meeting of 27 April 2016 totalling Euro 6.137 million corresponding to a gross dividend of Euro 0.17 for each of the 36,100,000 ordinary shares outstanding on the ex-dividend date (2 May 2016). The extraordinary reserve is made up entirely of profits from prior financial years.

The profits/losses carried forward reserve increased as a result of the allocation of the profits/losses resulting from the IAS accounting records of subsidiaries as well as the proportional share of the TAG result for the period.

The OCI reserve shows the changes arising from the discounting of severance in accordance with revised IAS 19, net of the related tax impact.
The following table shows details of the reserve at 30 September 2016 and the pertinent comparison:

in thousands of Euro	at 30.06.2016	at 31.12.2015	Change
Actuarial gains/losses as per IAS 19	(1,514)	(1,042)	(472)
Deferred taxes on actuarial gains/losses as per IAS 19	416	286	130
OCI RESERVE	**(1,098)**	**(756)**	**(342)**
of which Minority Interests	**(7)**	**(4)**	**(3)**
of which Group	**(1,091)**	**(752)**	**(339)**

The minority interests represent the portion of shareholders' equity and the profit/loss for the period of subsidiaries that are not wholly owned, which breaks down as follows:

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Share capital – minority interests	155	155	0
Reserves – minority interests	356	200	156
Profit (loss) for the period – minority interests	87	159	(72)
MINORITY INTERESTS	**598**	**514**	**84**

13. Severance and other personnel provisions

The following table presents a breakdown of severance and other personnel provisions at 30 September 2016, compared with the data at 31 December 2015.

in thousands of Euro	at 31.12.2015	Service Cost	Net Interest	Benefits Paid	Actuarial Gains (Losses)	at 30.09.2016
Severance	4,453	6	70	(176)	472	4,826
Other personnel provisions	18	68	0	0	0	86
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,471**	**74**	**70**	**(176)**	**472**	**4,912**

14. Deferred Tax Liabilities

The following table shows overall changes in deferred tax liabilities for the first nine months of 2016. Deferred taxes were recorded solely at the time of the transition to IFRS following the application of IFRIC 12.

in thousands of Euro	at 31.12.2015	Provisions	Amounts used	at 30.09.2016
DEFERRED TAX LIABILITIES	**2,145**	**56**	**0**	**2,201**

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

Provisions for renewal of airport infrastructure refer to the coverage of future costs of conservative maintenance and renewal of concession assets that the Group is required to return at the scheduled end of the concession in 2044, in perfect working condition.
The following table shows overall changes in these provisions in the first nine months of 2016:

in thousands of Euro	at 31.12.2015	Provisions	Amounts used	Reclassifications	at 30.09.2016
PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (NON-CURRENT)	**9,548**	**2,130**	**0**	**(1,019)**	**10,659**

The increases totalled Euro 2.1 million, of which Euro 1.9 million was classified under provisions of the income statement and the remaining Euro 0.2 million was classified under financial expenses from discounting. Amounts used during the period in question are shown under current liabilities in Note 20.

16. Provisions for risks and charges (non-current)

The following table shows the breakdown of changes in provisions for risks and charges for the first nine months of 2016:

in thousands of Euro	at 31.12.2015	Provisions	Uses/Releases	at 30.09.2016
Provisions for ongoing disputes	1,353	13	(213)	1,153
Provisions for employee back pay	14	0	(14)	0
Provisions for other risks and charges	154	0	(1)	153
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,521**	**13**	**(228)**	**1,306**

The main change was the amount used from the provision for ongoing disputes following the conclusion of some disputes with employees. The provision for employee back pay was eliminated during the period following the renewal of the national collective agreement for handlers on 11 December 2015.

Contingent liabilities

On 26 July 2016, following a comprehensive audit started on 18 May 2016 for the Parent Company's 2013 financial year, the Revenue Agency of Bologna prepared a Tax Audit Report with a single observation. The observation consists of a presumed disallowance of IRES deductibility for the loss resulting from the May 2013 declaration of bankruptcy of SEAF, the management company of Forlì Airport. This insolvency procedure resulted in the execution of the surety related to the strong patronage letter issued in 2007 by AdB to the credit institutions that financed SEAF in the form of an unsecured loan, which the Parent Company carried out with a schedule of repayments to lending institutions. This debt was fully repaid in April 2016 with the full payment of remaining instalments (see Note 17).

Bearing in mind the Parent Company's arguments in fact and law that were formalised in appropriate briefs submitted to the Revenue Agency regarding the economic, and thus tax-related, reasons for the decisions made, the Directors have chosen to classify these merely as contingent liabilities and include only appropriate information in the Notes.

17. Non-current financial liabilities

The following table presents a breakdown of non-current financial liabilities at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Loans - non-current portion	27,671	30,683	(3,012)
Non-current financial debt	0	2,045	(2,045)
NON-CURRENT FINANCIAL LIABILITIES	**27,671**	**32,728**	**(5,057)**

The non-current portion of loans consists of medium- and long-term loans taken out by the Group. In the first nine months of 2016, loan instalments were repaid, including the repayment of the SEAF liability described below in the amount of Euro 9.4 million. At 30 September 2016, total liabilities for loans were Euro 33.5 million, including the current portion of loans totalling Euro 5.8 million.

Other non-current financial debt was entirely related to the liability recorded for the guarantee provided by the Group in the form of a special patronage letter to SEAF S.p.A. In the first quarter of 2016, the Group continued the repayment of this liability according to the five-year payment agreement with quarterly instalments entered into in 2014. During this period, instalments of Euro 0.2 million were repaid. Later, in view of its greater available cash, the Parent Company decided it could settle the liability early and proceeded to pay off the remaining debt of Euro 2.8 million on 20 April 2016.

The following are the contractual terms and conditions of bank loans and borrowings at 30 September 2016:

Financial liabilities	Debt	Rate	Instalments	Maturity	Covenants
Intesa Sanpaolo S.p.A.	Loan	4.312% fixed rate	Six-monthly	2016	No
Intesa Sanpaolo S.p.A. (formerly Banca OPI S.p.A.)	Loan	Rate applied to the Bank by the EIB + 0.45%	Six-monthly	2019	No
Intesa Sanpaolo S.p.A.	Loan	3.693% fixed rate	Six-monthly	2024	Yes
Monte dei Paschi di Siena (formerly Banca Agricola Mantovana)	Loan	Variable rate 3-month Euribor + 0.9% spread	Quarterly	2026	No
UniCredit "SEAF" (*)	Financial debt	Variable rate 6-month Euribor + 1% spread	Quarterly	2018	No
Cassa di Risparmio di Forlì "SEAF" (*)	Financial debt	Variable rate 6-month Euribor + 1% spread	Quarterly	2018	No

(*) Debt fully repaid in April 2016.

The cross default clauses in the Group's loan agreements specify that if the Group companies financed fail to comply with credit or financial obligations, or if they default on guarantees assumed in relation to any entity, the acceleration clause can be invoked. Please note that in the Group's loan agreements there are no cross default clauses with companies outside the Group. At 30 September 2016, the Group had not received any communication regarding the application of the cross default clauses by its lenders.

18. Trade payables

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Trade payables	11,088	13,746	(2,658)
TRADE PAYABLES	**11,088**	**13,746**	**(2,658)**

Payables are mainly to domestic suppliers.

19. Other Liabilities

The following table presents a breakdown of other liabilities at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Current tax payables	3,959	1,250	2,709
Current payables to personnel and social security institutions	4,023	3,479	544
ENAC concession fees and other State payables	11,501	11,094	407
Other current payables, accrued expenses and deferred income	5,432	3,739	1,693
TOTAL OTHER CURRENT LIABILITIES	**24,915**	**19,562**	**5,353**

i. Current Tax Payables

The following table shows a breakdown of current tax payables at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
VAT payables	337	0	337
Direct tax payables	2,601	416	2,185
Other tax payables	1,021	834	187
CURRENT TAX PAYABLES	**3,959**	**1,250**	**2,709**

As well as VAT payables, this item rose primarily as a result of IRES (corporate income tax) estimated for the period, which is in addition to the payable recorded at 31 December 2015 and the IRAP (regional production tax) payable. Other tax payables are mainly due to employee withholding IRPEF (personal income tax).

ii. Current payables to personnel and social security institutions

The following table presents a breakdown of current payables to personnel and social security institutions at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Payables to personnel for salaries	937	889	48
Payables to personnel for deferred compensation	1,953	1,623	330
Payables to social security institutions	1,133	967	166
CURRENT PAYABLES TO PERSONNEL AND SOCIAL SECURITY INSTITUTIONS	**4,023**	**3,479**	**544**

iii. ENAC concession fees and other State payables

This item mainly includes:

- Euro 9.61 million (Euro 8.56 million in December) in relation to the debt for fire-fighting services as regulated by article 1, paragraph 1328 of the 2007 Finance Act, as amended by article 4, paragraph 3-bis of Law 2/2009. This amount relates to the years 2009-2015 in addition to the amount accrued at 30 September 2016, which is being disputed. For additional details on this matter, see the Directors' Report for the 2015 Financial Statements;
- Euro 1.64 million (Euro 2.32 million in December) as a payable for the Airport concession fee.

iv. Other current payables, accrued expenses and deferred income

The following table shows other current payables, accrued expenses and deferred income at 30 September 2016, compared with 31 December 2015.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Payables for municipal surcharge	3,332	2,867	465
Other current payables	868	746	122
Current accrued expenses and deferred income	1,232	126	1,106
TOTAL OTHER CURRENT PAYABLES, ACCRUED EXPENSES AND DEFERRED INCOME	**5,432**	**3,739**	**1,693**

The first item concerns the municipal surcharge on passenger boarding fees charged to carriers but not yet collected at 30 September 2016. In view of the fact that several carriers contested the effective date of the Euro 2.50 increase for 2016 that was required by the Interministerial Decree of 29 October 2015, the portion of the receivable for the municipal surcharge related to this increase was reclassified to provisions for other doubtful current receivables (Note 9). Finally, the portion of the payable for the municipal surcharge relating to receivables for the surcharge collected from carriers, but not yet paid to creditors, is instead classified among current financial liabilities (Note 22).

The increase in current accrued expenses and deferred income was due to the invoice issuing process involving advance invoicing of sub-licensing fees and other types of services.

20. Provisions for renewal of Airport infrastructure (current)

The following table details changes in provisions for renewal of Airport infrastructure for the first nine months of 2016.

in thousands of Euro	at 31.12.2015	Provisions	Amounts used	Reclassifications	at 30.09.2016
PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (CURRENT)	**3,439**	**0**	**(1,415)**	**1,019**	**3,043**

This item includes the current portion of provisions for renewal of Airport infrastructure. The amounts used at 30 September 2016 primarily concern work done for the unscheduled maintenance of the taxiway and runway and the updating of systems following the upgrading of sub-licensed premises, information/front-desk systems, special equipment, baggage collection and several lifts in the terminal. This was in addition to refurbishing and modernising the roofs and floors of airport buildings.

21. Other provisions for risks and charges (current)

The other provisions for risks and charges at 30 September 2016 consisted solely of the contractual liability provisions recognised on the basis of the agreement signed in 2009 with ENAV and ENAC, which provides for another area to be included in the inventory of assets received under the concession in relation to the obligation consisting of:
1) demolition of pre-existing assets;
2) construction of a new building on behalf of the original grantor of the concession.
In view of this obligation, the Company quantified the increase in Concession Rights at 31 December 2009 on the basis of the present value of the estimated cost to fulfil its obligations with respect to a liability recognised in accordance with IAS 37.
During the period under review, the balance concerns the first progress payment for work to complete the new building, which is scheduled by the end of 2016.

in thousands of Euro	at 31.12.2015	Provisions	Amounts used	Reclassifications	at 30.09.2016
Provisions for ENAC-ENAV agreement	936	0	(435)	0	501
TOTAL OTHER PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**936**	**0**	**(435)**	**0**	**501**

22. Current financial liabilities

The following table provides a breakdown of current financial liabilities for the first nine months of 2016.

in thousands of Euro	at 30.09.2016	at 31.12.2015	Change
Payables for municipal surcharge	2,983	1,980	1,003
Loans - current portion	5,799	9,064	(3,265)
Other current financial debt	287	1,109	(822)
CURRENT FINANCIAL LIABILITIES	**9,069**	**12,153**	**(3,084)**

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

Below are the main items on the income statement at 30 September 2016, compared with those posted at 30 September 2015.

REVENUES

23. Revenues

The following tables show a breakdown of revenues by business segment for the first nine months of 2016 and 2015. See explanations in the Directors' Report for a detailed analysis.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Revenues from aeronautical services	36,573	33,197	3,376
Revenues from non-aeronautical services	26,930	24,378	2,552
Revenues from construction services	4,990	1,526	3,464
Other operating revenues and income	497	656	(159)
TOTAL REVENUES	**68,990**	**59,757**	**9,233**

i. Revenues from aeronautical services

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Revenues from centralised infrastructure/other airport services	376	342	34
Revenues from fees/ exclusive-use assets	959	862	97
Revenues from airport fees	47,624	41,038	6,586
Revenues from PRM fees	3,079	2,155	924
Incentives for the development of air traffic	(18,667)	(14,007)	(4,659)
Other aeronautical revenues	3,202	2,807	394
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**36,573**	**33,197**	**3,376**

The following is a breakdown of revenues from airport fees:

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Passenger boarding fees	23,965	19,335	4,630
Landing, take-off and parking fees	13,374	11,046	2,328
Passenger security fees	7,484	6,964	520
Hold luggage security fees	2,228	3,271	(1,043)
Freight loading and unloading charges	573	422	151
TOTAL REVENUES FROM AIRPORT FEES	**47,624**	**41,038**	**6,586**

ii. Revenues from non-aeronautical services

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Sub-licensing of retail areas and premises	11,902	10,746	1,156
Parking	10,863	9,902	961
Other commercial revenues	4,165	3,730	435
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**26,930**	**24,378**	**2,552**

Other commercial revenues are itemised below:

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Ticketing	46	40	6
Marconi Business Lounge	1,431	1,233	198
Advertising	1,094	1,175	(81)
Miscellaneous commercial revenues	1,594	1,282	312
TOTAL OTHER COMMERCIAL REVENUES	**4,165**	**3,730**	**435**

iii. Revenues from construction services

Revenues from construction services pertain to the construction services provided by Aeroporto Guglielmo Marconi di Bologna S.p.A. to the granting authority ENAC, for the purpose of realising the investments previously commented upon in connection with Concession Rights in Note 1.
At 30 September 2016, these revenues totalled Euro 5 million, which was a substantial growth compared with the same period of 2015 (Euro 1.5 million)

iv. Other revenues and income

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Compensation, reimbursements and other income	491	615	(124)
Contributions to operating expenses	6	37	(31)
Capital gains	0	4	(4)
TOTAL OTHER OPERATING REVENUES AND INCOME	**497**	**656**	**(159)**

COSTS

24. Costs

i. Consumables and goods

The following table shows a breakdown of consumables and goods costs for the two periods being compared.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Consumables and goods	269	231	38
Maintenance materials	113	118	(5)
Fuels	686	898	(212)
TOTAL CONSUMABLES AND GOODS	**1,068**	**1,247**	**(179)**

This category reflects savings that were mainly due to lower purchases of aviation fuel, savings from the procurement of heating oil and lower consumption of de-icing fluid as a result of the good weather conditions during the period under review.

ii. Services costs

The following table shows a breakdown of services costs for the two periods being compared.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Maintenance costs	3,569	2,806	763
Utilities	1,688	2,023	(335)
Cleaning and similar services	1,440	1,330	110
Third-party services	3,806	3,798	8
Marconi Business Lounge services	201	163	38
Advertising, promotion and development	626	550	76
Insurance	533	569	(36)
Professional and consultancy services	1,110	953	157
Fees and reimbursements for statutory bodies	414	449	(35)
Other services costs	321	270	51
TOTAL SERVICES COSTS	**13,708**	**12,911**	**797**

This category rose compared with costs incurred at 30 September 2015 mainly due to additional maintenance work and additional use of professional services for anti-earthquake inspections, the renewal of quality and environmental certifications and other runway-related technical services. These increases were partly offset by savings in utility costs owing to the in-house production of a portion of electricity and the good weather conditions, which also made it possible to achieve savings in snow clearing expenses in the item "third-party services."

Below are further details of maintenance costs:

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Maintenance costs of owned assets	609	528	81
Maintenance costs of airport infrastructure	2,591	2,071	520
Maintenance costs of third-party assets	369	207	162
TOTAL MAINTENANCE COSTS	**3,569**	**2,806**	**763**

The following shows a breakdown of third-party services:

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Snow clearance	238	445	(207)
Porterage, transport and third-party services	120	33	87
PRM services	1,061	882	179
De-icing services and other public service costs	291	484	(193)
Security services	849	765	84
Other third-party services	1,247	1,189	58
TOTAL THIRD-PARTY SERVICES	**3,806**	**3,798**	**8**

iii. Costs for construction services

These were costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. due to the implementation of the investments previously commented upon in Note 1 in connection with Concession Rights.

iv. Leases, rentals and other costs

The following table shows a breakdown of leases, rentals and other costs for the first nine months of 2016 and 2015.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Concession fees	4,085	3,542	543
Rental fees	270	249	21
Payable rents	397	382	15
Data processing fees	716	673	43
Other costs for using third-party assets	6	20	(14)
TOTAL LEASES, RENTALS AND OTHER COSTS	**5,474**	**4,866**	**608**

Overall, the item "Leases, rentals and other costs" reflected an increase in airport concession fees and security service fees caused by greater traffic, as well as higher data processing fees due to new investments in technology.

v. Other operating expenses

The following table shows a breakdown of other operating expenses for the first nine months of 2016 and 2015.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Tax charges	975	1,012	(37)
Fire-fighting service contribution	1,048	988	60
Credit losses	5	45	(40)
Capital losses	17	1	16
Other operating costs and expenses	268	320	(52)
TOTAL OTHER OPERATING EXPENSES	**2,313**	**2,366**	**(53)**

The item "Other operating expenses" reflects savings resulting from a reduction in nearly all cost components that offsets the increase in the fire-fighting service contribution.

vi. Personnel costs

The following table shows a breakdown of personnel costs for the two periods being compared.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Salaries and wages	13,233	12,284	949
Social security contributions	3,680	3,492	188
Severance	953	892	61
Pension and similar	138	157	(19)
Other personnel costs	979	979	0
TOTAL PERSONNEL COSTS	**18,983**	**17,804**	**1,179**

The increase in personnel costs was mainly due to the rise in the workforce as reported in the following table (see specific comments in the Interim Directors' Report) and the application of the penultimate tranche of the new national collective agreement (effective July 2015) with an impact on the first half of 2016, and the last tranche starting July 2016.

Other personnel costs break down as follows:

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change

Staff canteen	460	428	32
Personnel training and refresher courses	86	124	(38)
Personnel travel expenses	116	137	(21)
Other personnel provisions	68	0	68
Miscellaneous personnel costs	249	290	(41)
TOTAL OTHER PERSONNEL COSTS	**979**	**979**	**0**

Average workforce (no. of staff)	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Executive Managers	10	10	0
White-collar workers	366	350	16
Blue-collar workers	96	91	5
TOTAL PERSONNEL	**472**	**451**	**21**

25. Depreciation and amortisation

The following table shows a breakdown of this category for the two periods being compared.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Amortisation of concession rights	3,982	3,873	109
Amortisation of other intangible assets	455	368	87
Depreciation of tangible assets	1,262	1,089	173
TOTAL DEPRECIATION AND AMORTISATION	**5,699**	**5,330**	**369**

The increase in the item "Amortisation and depreciation" is consistent with ongoing implementation of the amortisation and depreciation plan and is also the result of the gradual placement into service of investments made over the last 12 months.

26. Provisions for risks and charges

The following table shows a breakdown of provisions for risks and charges for the first nine months of 2016 and 2015.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Provisions for doubtful accounts	49	100	(51)
Provisions for renewal of airport infrastructure	1,926	2,113	(187)
Other provisions for risks and charges	(102)	135	(237)
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,873**	**2,348**	**(475)**

Savings were due to lower allocations to the provision for renewal of airport infrastructure (see Notes 15-20 for comments) and the partial release of the provision for ongoing disputes to the income statement due to the settlement of several disputes with personnel (Note 16).

27. Financial income and expenses

The following table shows a breakdown of financial income and expenses for the two periods being compared.

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Income from securities	84	59	25
Financial income other than the previous items	167	121	46
TOTAL FINANCIAL INCOME	**251**	**180**	**71**
Interest expenses and bank charges	(1,014)	(830)	(184)
Other financial expenses	(2)	(16)	14
TOTAL FINANCIAL EXPENSES	**(1,016)**	**(846)**	**(170)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(765)**	**(666)**	**(99)**

During the first nine months of 2016, there was an overall increase in net financial expenses due to the increase in financial expenses resulting from higher debt, which was partially offset by the increase in financial income due to the investment of the additional available cash.

28. Taxes for the period

in thousands of Euro	for the nine months ended 30.09.2016	for the nine months ended 30.09.2015	Change
Current, deferred and prepaid taxes	4,206	2,504	1,702
TOTAL TAXES FOR THE PERIOD	**4,206**	**2,504**	
Taxes for the period as a % of result before taxes	**29.30%**	**30.27%**	

Income taxes rose mainly due to the increase in the result before taxes, which was offset by:

- the positive impact on taxes from the ACE (economic growth incentive, Decree Law 201/2011, art. 1) tax benefit following the cash contribution made as part of the stock market listing process, which in the same period of 2015 had a positive impact only from the date of the contribution, i.e. from 14 July to 30 September 2015;
- the lower IRAP liability, resulting from the deduction from the IRAP tax base of the cost of permanent employees (which was up compared with the corresponding period of 2015);
- the recognition of the income from recording the tax credit for investments in research and development activities made during the period for financial year 2015.

Related party transactions

A definition of "Related Parties" can be found in IAS 24, approved by EC Regulation 1725/2003.
Intercompany transactions are executed as part of ordinary operations and under normal market conditions.
Related party transactions mainly pertain to commercial and financial transactions, as well as compliance with the tax consolidation regime.
None of those relationships is of particular economic or strategic importance for the Group because receivables, payables, revenues and costs with related parties do not represent a significant share of the total amounts in the financial statements.
The shareholder Bologna Chamber of Commerce has been identified as Government, making it exempt from related party disclosure under IAS 24.
Classifying the Bologna Chamber of Commerce as Government therefore limited the scope of checks to identify related parties to the identification of only the Bologna Chamber of Commerce.
Furthermore, the financial statements contain no further information regarding the Company's relationship with the Bologna Chamber of Commerce, because there are no significant transactions with that shareholder.
The following tables show the balances for the related party transactions contained in the financial statements.

in thousands of Euro	at 30.09.2016	
	Total	Of which related parties
Concession Rights	155,950	0
Other intangible assets	1,055	0
Intangible assets	**157,005**	**0**
Property, plant and equipment	11,360	0
Investment property	4,732	0
Tangible assets	**16,092**	**0**
Investments	147	0
Other non-current financial assets	25,068	0
Deferred tax assets	7,616	0
Other non-current assets	1,373	0
Other non-current assets	**34,204**	**0**
NON-CURRENT ASSETS	**207,301**	**0**
Inventories	471	0
Trade receivables	15,809	0
Other current assets	8,496	0
Current financial assets	12,192	944
Cash and cash equivalents	15,987	0
CURRENT ASSETS	**52,955**	**944**
TOTAL ASSETS	**260,256**	**944**

in thousands of Euro	At	
	30.09.2016	
	Total	Of which related parties
Share capital	90,314	0
Reserves	63,723	0
Result for the period	10,062	0
GROUP SHAREHOLDERS' EQUITY	**164,099**	**0**
MINORITY INTERESTS	**598**	**0**
TOTAL SHAREHOLDERS' EQUITY	**164,697**	**0**
Severance and other personnel provisions	4,912	0
Deferred tax liabilities	2,201	0
Provisions for renewal of airport infrastructure	10,659	0
Provisions for risks and charges	1,306	0
Non-current financial liabilities	27,671	0
Other non-current liabilities	194	0
NON-CURRENT LIABILITIES	**46,943**	**0**
Trade payables	11,088	0
Other liabilities	24,915	0
Provisions for renewal of airport infrastructure	3,043	0
Provisions for risks and charges	501	0
Current financial liabilities	9,069	0
CURRENT LIABILITIES	**48,616**	**0**
TOTAL LIABILITIES	**95,559**	**0**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**260,256**	**0**

in thousands of Euro	for the nine months ended		for the nine months ended	
	30.09.2016		30.09.2015	
	Total	Of which related parties	Total	Of which related parties
Revenues from aeronautical services	36,573	40	33,197	331
Revenues from non-aeronautical services	26,930	47	24,378	327
Revenues from construction services	4,990	0	1,526	0
Other operating revenues and income	497	13	656	132
Revenues	**68,990**	**100**	**59,757**	**790**
Consumables and goods	(1,068)	0	(1,247)	0
Services costs	(13,708)	(181)	(12,911)	(1,663)
Costs for construction services	(4,752)	0	(1,453)	0
Leases, rentals and other costs	(5,474)	0	(4,866)	0
Other operating expenses	(2,313)	0	(2,366)	0
Personnel costs	(18,983)	0	(17,804)	0
Costs	**(46,298)**	**(181)**	**(40,647)**	**(1,663)**

in thousands of Euro	for the nine months ended 30.09.2016		for the nine months ended 30.09.2015	
	Total	Of which related parties	Total	Of which related parties
Amortisation of concession rights	(3,982)	0	(3,873)	0
Amortisation of other intangible assets	(455)	0	(368)	0
Depreciation of tangible assets	(1,262)	0	(1,089)	0
Depreciation and amortisation	**(5,699)**	**0**	**(5,330)**	**0**
Provisions for doubtful accounts	(49)	0	(100)	0
Provisions for renewal of airport infrastructure	(1,926)	0	(2,113)	0
Provisions for other risks and charges	102	0	(135)	0
Provisions for risks and charges	**(1,873)**	**0**	**(2,348)**	**0**
Total costs	**(58,370)**	**(181)**	**(48,325)**	**(1,663)**
Operating result	**15,120**	**(81)**	**11,432**	**(873)**
Financial income	251	7	180	41
Financial expenses	(1,016)	0	(846)	0
Non-recurring income and expenses	0	0	(2,493)	0
Result before taxes	**14,355**	**(74)**	**8,273**	**(832)**
Taxes for the period	(4,206)	0	(2,504)	0
Profit (loss) for the period	**10,149**	**(74)**	**5,769**	**(832)**
Minority interests in profits (loss)	**87**		**113**	
Group profit (loss)	**10,062**		**5,656**	

	in thousands of Euro	for the nine months ended 30.09.2016	Of which related parties
A	Cash	24	0
B	Other cash equivalents	15,963	0
C	Securities held for trading	2,897	0
D	**Liquidity (A+B+C)**	**18,884**	**0**
E	**Current financial receivables**	**9,295**	**944**
F	Current bank debt	(287)	0
G	Current portion of non-current debt	(5,799)	0
H	Other current financial debt	(2,983)	0
I	**Current financial debt (F+G+H)**	**(9,069)**	**0**
J	**Net current financial position (I-E-D)**	**19,110**	**944**
K	Non-current bank debt	(27,671)	0
L	Bonds issued	0	0
M	Other non-current liabilities	0	0
N	**Non-current financial debt (K+L+M)**	**(27,671)**	**0**
O	**Net financial debt (J+N)**	**(8,561)**	**944**

The following are the changes that occurred with individual related parties.

At 30 September 2016												
in thousands of Euro	Revenues from aeronautical services	Revenues from non-aeronautical services	Other operating revenues and income	TOTAL REVENUES	Consumables and goods	Services costs	Leases, rentals and other costs	Other operating expenses	Personnel costs	TOTAL COSTS	Financial income	Financial expenses
Marconi Handling S.r.l.	40	47	13	100	0	(181)	0	0	0	(181)	0	0
GH Italia S.r.l.	0	0	0	0	0	0	0	0	0	0	7	0
Total	**40**	**47**	**13**	**100**	**0**	**(181)**	**0**	**0**	**0**	**(181)**	**7**	**0**

At 30 September 2015												
in thousands of Euro	Revenues from aeronautical services	Revenues from non-aeronautical services	Other operating revenues and income	TOTAL REVENUES	Consumables and goods	Services costs	Leases, rentals and other costs	Other operating expenses	Personnel costs	TOTAL COSTS	Financial income	Financial expenses
Marconi Handling S.r.l.	331	327	132	790	0	(1,663)	0	0	0	(1,663)	0	0
GH Italia S.r.l.	0	0	0	0	0	0	0	0	0	0	41	0
Total	**331**	**327**	**132**	**790**	**0**	**(1,663)**	**0**	**0**	**0**	**(1,663)**	**41**	**0**

At 30 September 2016												
in thousands of Euro	Property, plant and equipment	Other non-current financial assets	Total non-current assets	Trade receivables	Other current assets	Current financial assets	Total current assets	Total assets	Trade payables	Other liabilities	Total current liabilities	Total liabilities
Marconi Handling S.r.l.	0	0	0	0	0	0	0	0	0	0	0	0
GH Italia S.r.l.	0	0	0	0	0	944	944	944	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**944**	**944**	**944**	**0**	**0**	**0**	**0**

The tables above show transactions in the first nine months of 2016 and 2015 with the related parties Marconi Handling S.r.l. and GH Italia S.p.A.

The following related-party statuses were no longer in effect at 30 September 2016 due to the resignation of a Parent Company executive from the position of board member of Marconi Handling S.r.l. in February 2016:

- Marconi Handling S.r.l. was a related party because a Parent Company executive was a member of the Marconi Handling S.r.l. board of directors;
- GH Italia S.p.A. is the sole shareholder of Marconi Handling S.r.l.

The tables above show the amounts accrued by the Group in relation to:

1) Marconi Handling S.r.l. at 31 January 2016 related to:
   - revenues from aeronautical services from agreements to sub-licence premises, operating areas and check-in counters;
   - revenues from non-aeronautical services from agreements covering vehicle maintenance services, de-icing equipment rental and the PRM service;
   - other operating revenues and income for ancillary sub-licensing fees from operating areas leased to Marconi Handling;
   - services costs from agreements covering the PRM assistance service, the de-icing service, and night flight assistance services.
2) GH Italia S.r.l. at 31 January 2016 related to a receivable for the remaining instalments of the contractual payment for the sale of the stake in Marconi Handling including the corresponding interest income on the instalment payment plan.

All transactions with the above-described related parties are carried out as part of normal operations and under normal market conditions.

Financial Risk Classification and Management

For information regarding the financial risk classification and management procedures required by article 2428, paragraph 2, sub-paragraph 6-bis of the Civil Code, please see the pertinent section of the Directors' Report.

The Chairman of the Board of Directors
(Enrico Postacchini)

Bologna, 14 November 2016

Annex 1

Statement pursuant to article 154-bis, paragraph 2 of the TUF

Consolidated Interim Report at 30 September 2016

The officer in charge of preparing the corporate accounting documents, Patrizia Muffato, hereby declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance (TUF), that the accounting information contained in this Report corresponds to information contained in documents, accounting registers and entries.

Officer in charge of preparing the corporate accounting documents
(Patrizia Muffato)

Aeroporto di Bologna

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