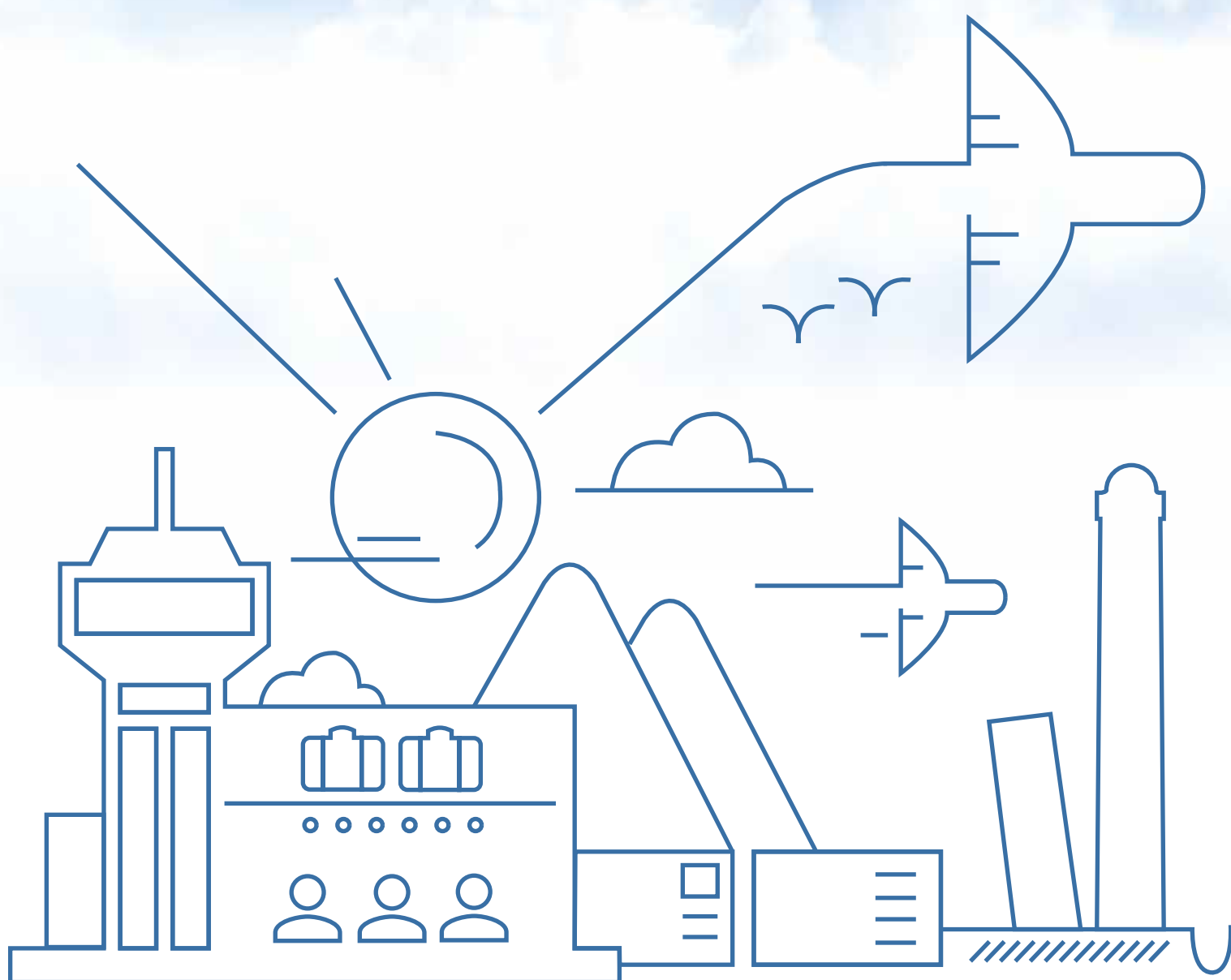


# Consolidated Internim Report at 31 March 2018

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



Consolidated Interim Report  
Aeroporto Guglielmo Marconi di Bologna Group  
at 31 March 2018

*This document is a courtesy translation from Italian into English.*

*In case of any inconsistency between the two versions, the Italian original version shall prevail.*

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Aeroporto Guglielmo Marconi di Bologna S.p.A.  
Via Triumvirato, 84 - 40132 Bologna  
REA Bologna 268716  
Bologna Registry of Companies, Tax Code and VAT no. 03145140376  
Share Capital Euro 90,314,162.00 fully paid up

## **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 investments above 5% as at 31 March 2018 are:

<b>DECLARANT</b>	<b>% Owned</b>
CHAMBER OF COMMERCE OF BOLOGNA	37.53%
ATLANTIA S.p.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR S.p.A.	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:

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

<b>PUBLIC SHAREHOLDERS</b>	<b>% Share Capital with Block Voting Group</b>
CHAMBER OF COMMERCE OF BOLOGNA	37.53%
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 at the date of approval of the Interim Directors' Report at 31 March 2018, is as follows:

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

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

(B) Member of the Control and Risk Committee (Chairman Sonia Bonfiglioli)

(\*) Chief Executive Officer appointed by the Board of Directors on 9 May 2016 Amongst his responsibilities is the position of Chief Internal Control System and Risk Management Officer. Holds the position of General Manager.

(\*\*) On 29 January 2018, to replace the member Arturo Albano, who submitted his resignation on 30 October 2017, the Board of Directors co-opted the member Livio Fenati. The co-option was then ratified by the Shareholders' Meeting on 24 April 2018.

(\*\*\*) On 30 October 2017, to replace the member Gabriele Del Torchio, who submitted his resignation on 4 September 2017, the Board of Directors co-opted the member Domenico Livio Trombone. The co-option was then ratified by the Shareholders' Meeting on 24 April 2018.

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

## **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 statements as at 31 December 2018, is as follows:

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

## **Auditing Firm**

The Auditing 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 31 March 2018**

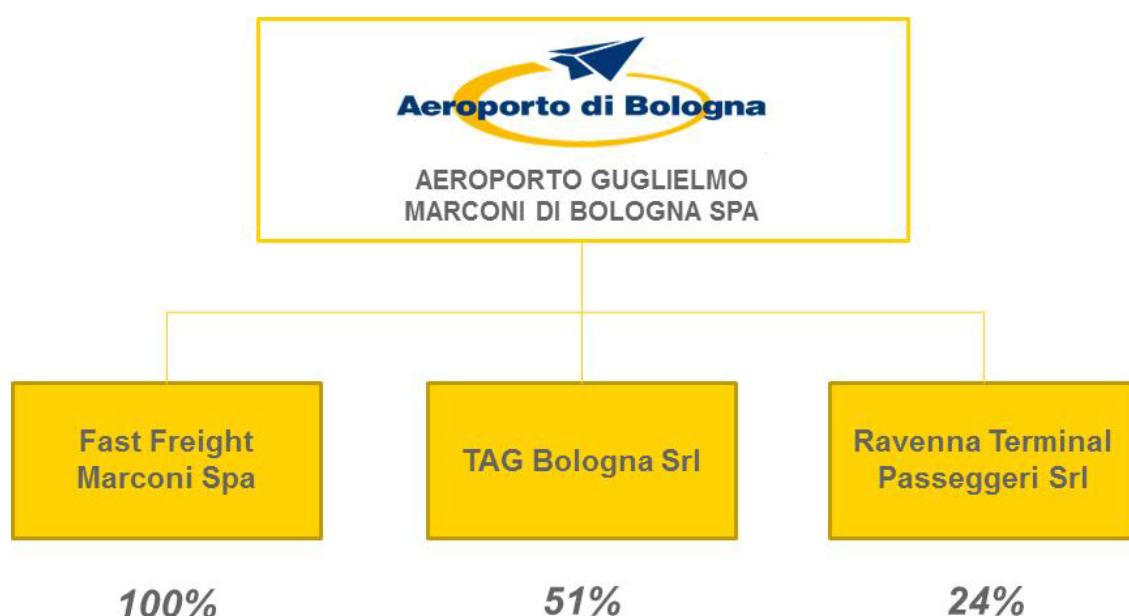
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## INTRODUCTION

This report, submitted with the Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group (hereinafter also the “Airport Group” or the “Airport” or “AdB”) for the quarter ended 31 March 2018, 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 forty-year period starting as of 28 December 2004.

The following diagram shows the structure of the Group as at 31 March 2018 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 the former subsidiary Marconi Handling S.r.l. (as of 1 April 2017, GH Bologna S.p.A.), with share capital of Euro 10 thousand, later increased to Euro 520 thousand through the contribution, by the then sole shareholder, 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.

Unless otherwise indicated, the values in the tables of this Directors' Report are expressed in thousands of Euro and the values in the comments are expressed in millions of Euro. 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 facilities 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 that 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 are due for the remuneration of the equipment and personnel that perform these controls;
- 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 square metres and/or location and type of assets granted;
- fees due for the use of certain centralised infrastructures: these fees relate exclusively to the aircraft thawing services - de-icing - calculated based on the movements of aircraft in 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 SBU 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 5,400 available parking spaces, concentrated in three parking areas: the first area next to the terminal, the second area adjacent to the airport and the third 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, as well as several major retail chains and local, national and international restaurants. The mall comprises approximately 4,500 square metres and 42 stores. The upgrading of the airport enhanced duty free areas that represent one of the main sources of profitability of the SBU.

### **Advertising**

Advertising consists of digital systems and 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 reserved and comfortable room, used mostly by business passengers of the major legacy airlines. In addition, through the "You First" service, passengers can benefit from exclusive services both when departing and arriving, such as assistance for check-in and baggage delivery, porter service as well as assistance and priority boarding at the gate.

Passengers are also offered a car rental service. At Bologna Airport, there are 9 companies offering a total of 16 makes, ensuring that 478 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 world economy continues to grow strongly. According to the forecasts released in January by the International Monetary Fund (IMF), the world GDP should increase by 3.9% in both 2018 and 2019. These forecasts are an improvement on the October estimates, mainly thanks to the improved growth prospects for the advanced economies, also due to the expected expansive effects of the US tax reform. The main risks worldwide derive from a possible worsening to financial market conditions and the spread of commercial restrictions. Commercial tension, which has ensued from the protectionist measures introduced and announced by the United States and subsequent threats of retaliation, make the evolution of international trade less easy to foretell. Uncertainty surrounding the outcome of the United Kingdom's negotiations for leaving the European Union also remains an element of risk.

Growth in the Eurozone continues to be solid, even if inflation shows no permanent signs of improvement. In the fourth quarter of 2017, the GDP of the Eurozone grew by 0.6% on the previous period, slowing marginally with respect to the summer months; this increase was mainly boosted by the increased exports, which was more marked than the rise in imports. According to the March ECB forecasts, the Eurozone GDP should grow by 2.4% in 2018, making for a rise of 0.1% on the previous estimates published in December.

As regards Italy, the economic business continued to grow in autumn, bolstered both by domestic demand and an increase in exports. In the last quarter of 2017, the Italian GDP grew by 0.3% on the previous period; total GDP for 2017 was up 1.5%. (Source: *Economic Bulletin, Bank of Italy, April 2018*).

In this context of the economy, in the first quarter of 2018, world passenger traffic rose by 7.2%, basically in line with the growth recorded in the first quarter of 2017. World cargo traffic also posted positive performance with a 5.4% increase in volume in the first three months of 2018.

In **Europe**, passenger traffic rose by 7.7% in the first quarter of 2018, which was in line with global traffic performance. The demand for air traffic in Europe is supported not only by the positive economic performance, but also by the enhancing of direct connections that make it possible to reach final destinations without going via hubs. Cargo traffic also shows good performance, with a rise of 5.7% in volumes in the first quarter of 2018, despite a slowing to the market shown by the limited growth in the individual month of March (+1.0%). (Air Passenger Market Analysis and Air Freight Market Analysis, March 2018).

During the same period, the **Italian** market recorded passenger traffic growth of 6.6% (Source: Assaeroporti, March 2018). During the first quarter of 2018, Bologna Airport grew by 9.8%.

### 1.2 STRATEGIC OBJECTIVES

In 2018, the Group continues to take steps to achieve the objectives of the strategy that underpins the development of all business. The main strategic guidelines are as follows:

#### “Connect”

The Group aims to maintain varied and functional flight offerings to different user segments through an increase in the number of carriers operating at the Airport, while continuing to maintain a profit margin even in the incremental traffic that might be generated. Under the scope of traffic development, the Group strives to increase routes through the introduction of new routes towards the east and long haul destinations, and to increase flight frequency towards destinations already serviced. The Group will also operate to improve hub access through the strengthening of intermodality and expansion of the reference catchment area.

#### **“Develop”**

Functional to the development of the Company's business is the realisation of the planned investments in the Master Plan and the Programme Contract being finalised, with a strategy that provides efficient use of the existing infrastructure capacity and a modular implementation of new investments in order to align the infrastructure capacity with the development of the expected traffic. In the infrastructure development plan, the project to extend upon the passenger terminal is particularly important, specifically aiming to strengthen the security controls area and departure gates and commercial surface area.

The Group also intends to act to strengthen the non-aviation business through the development of new stores, new parking places and the extension of the range of passenger services offered.

#### **“Experience”**

As part of its development strategies, the Group is careful to ensure continuous improvement of services provided to airport users in the business areas in which the Group operates, directly and indirectly, while ensuring an even higher standard of safety, quality and environmental friendliness. By way of driver to support and improve all customer loyalty and management aspects, the Group believes it is important to develop a culture of innovation that is hinged on the implementation of technological systems enabling increased interaction with passengers and consequently optimising the travel experience in the airport.

#### **“Care”**

The Group is committed to paying careful attention to all aspects of sustainability, from environmental to respect for ethical and social principles, considering the important role played by the Airport of Bologna, as a functional pole on the territory. The Group also intends to operate to make best use of the people working at the Airport and construct an organisation perfectly able to respond to the continuous demands made by the market; one that can support people as they go about their work.

The Group has also identified two guidelines transversal to the above strategic goals, which represent a continuous point of reference for company business:

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

The Group seeks to develop economic-financial performance and foster a suitable return for shareholder.

#### **“Performing corporation”**

The Group aims to improve the efficiency and effectiveness of its processes and internal structure, through projects with an increasing involvement of the stakeholders, aimed at improving business performance.

### **1.3 STOCK PERFORMANCE**

On 14 July 2015, the AdB stock began trading on the MTA Star segment of the Milan Stock Exchange.

The report below indicates:

- the stock's performance from 1 January 2018 to 31 March 2018;
- the comparison between the share price and changes in the FTSE Italia All-Share index.

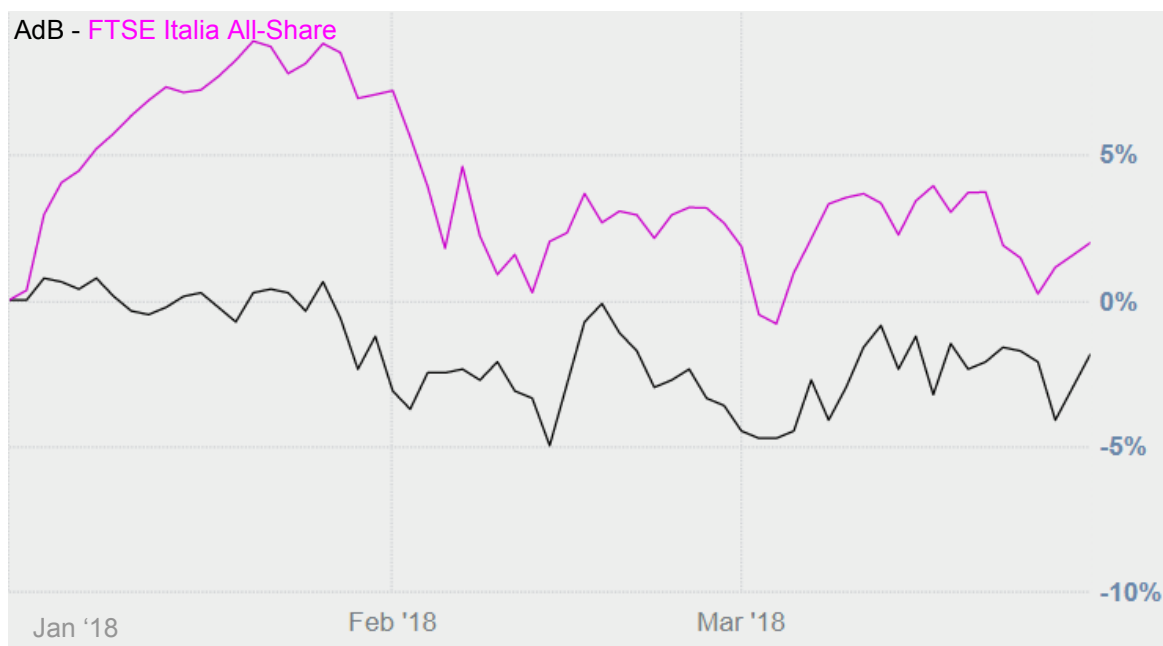
As at 31 March 2018, the official price was Euro 15.7 per share, bringing the market capitalisation of the AdB Group on that date to approximately Euro 567 million.

**Performance of AdB shares (01/01/2018 - 31/03/2018)**



Jan '18

**Performance of AdB shares and FTSE Italia All-Share index (01/01/2018-31/03/2018)**



## 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 three months of 2018, there was significant growth in traffic at Bologna Airport on all components served. During the first quarter of the year, there were 1,799,005 passengers, including transits and General Aviation, an increase of 9.8% compared with the same period in 2017. There was also an increase in **movements** (15,679; +2.7%) and **tonnage** (1,031,653; +6.5%). Contributing to this positive performance were the introduction of new destinations and expansion of existing routes. There was also significant growth in average load factor, which rose from 77.9% in the first quarter of 2017 to 79.1% in the first quarter of 2018 due to an increase in passengers that was higher than the increase in seats offered.

In the first quarter of 2018 **cargo traffic** overall was 13,435,273 kg, down 3.7% on 2017. This reduction was caused by the lack of extraordinary volumes that had been managed last year.

	January – March 2018	January – March 2017	% Change
Passengers	1.799.005	1.639.151	9.8%
Movements	15.679	15.270	2.7%
Tonnage	1.031.653	968.532	6.5%
Freight	13.435.273	13.952.269	-3.7%

*Data including General Aviation and transits*

*Note: the General Aviation data has been reprocessed to consider only paying traffic*

The growth in passenger traffic was due to the increase in both major components, i.e., legacy and low-cost traffic.

**Legacy** traffic rose by 9.2% in passenger volume in the first quarter of 2018, due above all to the increased flights by some of the more major international airlines. More specifically, increases in frequency of flights run by KLM to Amsterdam are noted (introduction of the fourth daily flight) and by Alitalia to Catania (introduction of the second daily flight). And starting 28 March 2018, Georgian Airways has launched its operations on the hub with 3 connections a week for Tbilisi. Finally, there have been some cancellations on legacy traffic. More specifically, Eurowings, which took over from Air Berlin on 15 January 2017, ended operations from Bologna to Düsseldorf at the end of Winter 2017/2018 and Meridiana has cancelled the connection for Cagliari starting Winter 2017/2018.

The constant investment by the main **low cost** operators on the hub continues, thanks to the strengthening of operations by Ryanair (introduction of a new flight to Mykonos as from 27 March 2018) and Wizzair. However, as from end March, the connection for Trapani run by Ryanair has been cancelled, as Trapani is no longer one of the Irish carrier's operative bases. In the first quarter of 2018, the low cost component rose by 10.1%.

Lastly, there was slight growth in charter segment traffic due to the cautious resumption of flights to Egypt. In any event, the contribution of this segment to the total traffic of the airport remains marginal.



Passenger Traffic Composition	January – March 2018	% of total	January - March 2017	% of total	% Change
Legacy	759,476	42.2%	695,426	42.4%	9.2%
Low cost	1,030,963	57.3%	936,704	57.1%	10.1%
Charter	4,637	0.3%	3,787	0.2%	22.4%
Transits	2,471	0.1%	1,584	0.1%	56.0%
<b>Commercial Aviation Total</b>	<b>1,797,547</b>	<b>99.9%</b>	<b>1,637,501</b>	<b>99.9%</b>	<b>9.8%</b>
General Aviation	1,458	0.1%	1,650	0.1%	-11.6%
<b>Overall Total</b>	<b>1,799,005</b>	<b>100.0%</b>	<b>1,639,151</b>	<b>100.0%</b>	<b>9.8%</b>

The international status of Bologna Airport continues to rise and, in the first quarter of 2018, passengers on international flights represented 75.5% of total (74.9% in the first quarter of 2017).

With regard to routes operated, Catania is the main destination in terms of passenger traffic volume, followed by Madrid, Palermo, Frankfurt and Paris CDG, which was up considerably compared with 2017.

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-March 2018	January-March 2017	% Change
Catania	83,446	84,391	-1.1%
Madrid	72,835	71,635	1.7%
Palermo	66,746	70,059	-4.7%
Frankfurt	68,042	67,878	0.2%
Paris CDG	74,964	61,478	21.9%
Rome FCO	73,321	61,071	20.1%
London Stansted	56,844	56,779	0.1%
Barcelona	62,290	56,489	10.3%
London Heathrow	59,909	55,640	7.7%
Dubai	54,425	49,242	10.5%

*Passenger traffic including transits*

## 2.1.2 AVIATION STRATEGIC BUSINESS UNIT: SUMMARY OF ECONOMIC RESULTS

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change change	Change %
Revenues from Passengers	11,126	10,028	1,098	10.9%
Revenues from Carriers	5,140	4,954	186	3.8%
Revenues from Airport Operators	730	677	53	7.8%
Traffic incentives	(5,207)	(4,964)	(243)	4.9%
Revenues from construction services	551	681	(130)	-19.1%
Other revenues	379	339	40	11.8%
<b>Total AVIATION SBU Revenues</b>	<b>12,719</b>	<b>11,715</b>	<b>1,004</b>	<b>8.6%</b>

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 new legislation and the enforcement measures – including the models approved by the Transport Regulation Authority (ART) – require that changes to the system or the level of airport charges are made in agreement between the airport operator and the airport users.

The increase in the first quarter of 2018 compared with the same period of 2017 was due to the combined effect of several factors including the increase in the main traffic drivers and revenues from construction services.

On the whole, Group revenues attributable to the Aviation Strategic Business Unit rose by 8.6% on 2017. Individual items performed as follows:

- Passenger revenues (+10.9%): passenger revenues rose at a faster pace than passenger traffic (9.7%) due to the new tariffs starting as of 01 January 2018, which resulted in a slight increase in tariffs for this revenue category;
- Revenues from Carriers (+3.8%): revenues from carriers increase less than total tonnage, mainly due to the reduction in cargo traffic;
- Airport operator revenues: the 7.8% growth was due to an increase in fuelling service revenues;
- Incentives: the 4.9% increase seen here vs 2017 is connected with passenger growth on some destinations not present in the same period of last year.
- Revenues from Construction Services: the decrease (19.1%) resulted from less investment than during the same period of the previous year.
- Other revenues: the growth on 2017 (+11.8%) is due above all to the sale of some energy efficiency certificates.

## 2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change change	Change %
Retail and Advertising	3,090	2,762	328	11.9%
Parking	3,559	3,180	379	11.9%
Real Estate	587	543	44	8.1%
Passenger services	1,259	1,166	93	8.0%
Revenues from construction services	491	261	230	88.1%
Other revenues	720	525	195	37.1%
<b>Total NON-AVIATION SBU Revenues</b>	<b>9,706</b>	<b>8,437</b>	<b>1,269</b>	<b>15.0%</b>

Total revenues from the Non-Aviation Strategic Business Unit rose by 15% during the period, with major revenue items increasing.

The performance of individual areas of this business unit is shown below.

## **Retail and Advertising**

Revenue figures for the first quarter of this component show strong growth on the same period of 2017, in particular thanks to growth of Food& Beverage.

For advertising, an improvement is seen in the sales of spaces, in particular in the digital sector.

## **Parking**

In the first nine quarter of 2018, parking revenues were up by 11.9% compared with the same period of the previous year.

The increase is due to the growth of passengers and the interception of most of this growth, the slight increase of some tariffs and the return of car parking spaces by the People Mover site.

## **Real Estate**

This sector records an increase on the first quarter of 2017 of +8.1%, due to the lease of certain buildings not within the airport, which had not affected the same period the previous year, and the renegotiation of certain contracts at end 2017.

## **Passenger services**

During the first quarter of 2018, passenger services saw an 8% increase compared to 2017 and were due to premium services (lounge and ancillary services) and car rentals, the performance of which is indicated below.

### ***Premium services***

For the first quarter of 2018, the rising trend of this business is confirmed, linked to the growth of passengers, which is also reflected in an increased number of entrances into the lounges managed directly and those managed through specialised airport lounge channels.

### ***Rent a car sub-licensing***

The whole of the car rental area in this first quarter of the year is influenced by the positive figures achieved thanks to the renegotiation of the sub-license agreements, which, starting January, led to rises in this business area revenues.

## **Revenues from construction services**

The increase seen here (88.1%) is connected with the greater investments made in the business unit as compared with the same period of last year.

**Other revenues:** also for the non-aviation part, growth is mainly due to revenues from the sale of energy efficiency certificates.

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

#### 3.1 ANALYSIS OF THE CONSOLIDATED FINANCIAL RESULTS

<i>in thousands of Euro</i>	<b>for the quarter ended 31.03.2018</b>	<b>for the quarter ended 31.03.2017</b>	<b>Change change</b>	<b>Change %</b>
Revenues from aeronautical services	11,902	10,767	1,135	10.5%
Revenues from non-aeronautical services	9,204	8,310	894	10.8%
Revenues from construction services	1,042	942	100	10.6%
Other operating revenues and income	277	133	144	108.3%
<b>REVENUES</b>	<b>22,425</b>	<b>20,152</b>	<b>2,273</b>	<b>11.3%</b>
Consumables and goods	(476)	(456)	(20)	4.4%
Services costs	(5,444)	(4,735)	(709)	15.0%
Costs for construction services	(993)	(897)	(96)	10.7%
Leases, rentals and other costs	(1,783)	(1,628)	(155)	9.5%
Other operating expenses	(754)	(697)	(57)	8.2%
Personnel costs	(6,730)	(6,581)	(149)	2.3%
<b>COSTS</b>	<b>(16,180)</b>	<b>(14,994)</b>	<b>(1,186)</b>	<b>7.9%</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>6,245</b>	<b>5,158</b>	<b>1,087</b>	<b>21.1%</b>
Amortisation of concession rights	(1,406)	(1,371)	(35)	2.6%
Amortisation of other intangible assets	(205)	(147)	(58)	39.5%
Depreciation of tangible assets	(533)	(470)	(63)	13.4%
<b>DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>(2,144)</b>	<b>(1,988)</b>	<b>(156)</b>	<b>7.8%</b>
Provisions for doubtful accounts	(57)	(36)	(21)	58.3%
Provisions for renewal of airport infrastructure	(493)	(520)	27	-5.2%
Provisions for other risks and charges	(76)	(68)	(8)	11.8%
<b>PROVISIONS FOR RISKS AND CHARGES</b>	<b>(626)</b>	<b>(624)</b>	<b>(2)</b>	<b>0.3%</b>
<b>TOTAL COSTS</b>	<b>(18,950)</b>	<b>(17,606)</b>	<b>(1,344)</b>	<b>7.6%</b>
<b>OPERATING RESULT</b>	<b>3,475</b>	<b>2,546</b>	<b>929</b>	<b>36.5%</b>
Financial income	54	222	(168)	-75.7%
Financial expenses	(251)	(212)	(39)	18.4%
<b>RESULT BEFORE TAXES</b>	<b>3,278</b>	<b>2,556</b>	<b>722</b>	<b>28.2%</b>
<b>TAXES FOR THE PERIOD</b>	<b>(952)</b>	<b>(780)</b>	<b>(172)</b>	<b>22.1%</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>2,326</b>	<b>1,776</b>	<b>550</b>	<b>31.0%</b>
Minority interests in profits (loss)	19	16	3	18.8%
<b>Group profits (losses)</b>	<b>2,307</b>	<b>1,760</b>	<b>547</b>	<b>31.1%</b>

The first quarter of 2018 ended with consolidated profit of **Euro 2.3 million** up 31% on the **Euro 1.78 million** booked in 2017.

This result was primarily driven by an increase in passenger traffic of 9.8% and the positive impact this had on all key business items. Although positive, the results do suffer the harsh winter weather conditions that at times led to a major effort on the part of the Group in clearing snow and keeping all airport activities running.

**Core revenues** rose by 11.3% overall compared with 2017, and specifically:

- **revenues from aeronautical services** rose by 10.5% mainly due to the increase in traffic and tariff updates;
- **revenues from non-aeronautical services** were up by 10.8% due to the good performance of all components of this category as explained in the relevant section;
- **revenues from construction services** are up 10.6% due to the greater investments made, in particular in the commercial sector;

- other **operating revenues and income**: the growth of these revenues on 2017 (+108.3%) is due to the sale of energy efficiency certificates.

**Costs** for the period were up by a total of 7.9% on the same period of 2017.

These can be broken down as follows:

- ✓ **costs of consumables and goods** rise (+4.4%) mainly due to the consumption of de-icing fluid for the runways, connected with the weather conditions that characterised the early months of the year;
- ✓ **costs for services** rose by 15%, due in particular to:
  - maintenance for greater interventions on buildings and extra interventions also caused by the snow;
  - snow clearance, which was far greater than in 2017 in terms of snowfall and the particularly cold temperatures recorded in February and March;
  - PRM service, due to the higher number of departing passengers;
- ✓ higher **costs for construction services** (up 10.7%) due to higher investments made;
- ✓ the 9.5% increase in **leases, rentals and other costs** compared with 2017 was mostly due to the increase in traffic on which airport concession and security service fees are calculated;
- ✓ **other operating expenses** were up 8.2% on 2017, mainly due to the costs connected with the issue of security certificates.
- ✓ Against the above increases, lesser costs for utilities were recorded: in the first quarter of 2018, a lesser purchase of electricity was booked, as a result of the improved productivity of the trigeneration plant.

For comments on the personnel costs trends, please see the specific section of this report.

During the January-March 2018 period, there was an overall increase of more than a million euros (+21.1%) in **Gross Operating Profit** (EBITDA) compared with the same period in 2017.

Moving onto **structure costs**, growth is seen in amortisation/depreciation (7.8%) in line with the progress made on the amortisation/depreciation plan and the Group's new investments, whilst provisions were unchanged overall with respect to the comparative quarter (0.3%).

The 7.6% growth in total costs, as compared with the 11.3% increase in revenues, results in an increase in **Operating Profit (EBIT)** of 36.5%: from Euro 2.5 million in the first three months of 2017 to Euro 3.5 million as at 31 March 2018.

There was **net financial expense** of Euro 0.2 million, very similar to the figure booked for the first quarter of 2017. This latter had basically been determined by the booking of income from the discounting of provisions for Euro 0.2 million, as compared with expenses recorded as at 31 March 2018 for Euro 0.1 million. By contrast, a positive factor seen in this quarter is the drop in bank interest expense due to the reduction of debt and revision of the economic conditions applied to the loan falling due in 2024, revision stipulated on 06 April 2017.

As a result of the above, **the result before taxes** for the first quarter of 2018 totalled Euro 3.3 million compared with Euro 2.6 million in the first quarter of 2017 representing an increase of 28.2%.

**Income tax** equal to 1 million euros as compared with the 0.8 million of the first quarter 2017, rises substantially due to the growth in the pre-tax result.

Finally, the **net result** for the period totalled **Euro 2.33 million**, compared with Euro 1.78 million (+31%): the Group share was **Euro 2.3 million**, versus Euro 1.76 million for the first quarter of 2017.

During the first three months of 2018, progress made on investments in relation to concession rights was slightly higher than in the same period of 2017. The impact on the period's economic results is highlighted in the table below, which shows the revenues, costs and gross operating profit, adjusted respectively for revenues, costs and construction services margin.

Considering the total amount of costs and revenues from construction services with respect to the other items comprising the adjusted EBITDA, there are no substantial differences with respect to EBITDA.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change change	Change %
Revenues from aeronautical services	11,902	10,767	1,135	10.5%
Revenues from non-aeronautical services	9,204	8,310	894	10.8%
Other operating revenues and income	277	133	144	108.3%
<b>ADJUSTED REVENUES</b>	<b>21,383</b>	<b>19,210</b>	<b>2,173</b>	<b>11.3%</b>
Consumables and goods	(476)	(456)	(20)	4.4%
Services costs	(5,444)	(4,735)	(709)	15.0%
Leases, rentals and other costs	(1,783)	(1,628)	(155)	9.5%
Other operating expenses	(754)	(697)	(57)	8.2%
Personnel costs	(6,730)	(6,581)	(149)	2.3%
<b>ADJUSTED COSTS</b>	<b>(15,187)</b>	<b>(14,097)</b>	<b>(1,090)</b>	<b>7.7%</b>
<b>ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)</b>	<b>6,196</b>	<b>5,113</b>	<b>1,083</b>	<b>21.2%</b>
Revenues from construction services	1,042	942	100	10.6%
Costs for construction services	(993)	(897)	(96)	10.7%
<b>Margin for construction services</b>	<b>49</b>	<b>45</b>	<b>4</b>	<b>8.9%</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>6,245</b>	<b>5,158</b>	<b>1,087</b>	<b>21.1%</b>

### 3.2 ANALYSIS OF CASH FLOWS

Details of the Group's net financial position as at 31 March 2018 are provided below, compared with 31 December 2017 and 31 March 2017:

	<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	at 31.03.2017	Change 31.03.2018 31.12.2017	Change 31.03.2018 31.03.2017
A	Cash	25	27	27	(2)	0
B	Other cash equivalents	18,931	16,182	22,100	2,749	(3,169)
C	Securities held for trading	0	0	0	0	0
<b>D</b>	<b>Liquidity (A)+(B)+(C)</b>	<b>18,956</b>	<b>16,209</b>	<b>22,127</b>	<b>2,747</b>	<b>(3,171)</b>
<b>E</b>	<b>Current financial receivables</b>	<b>20,612</b>	<b>20,617</b>	<b>15,931</b>	<b>(5)</b>	<b>4,681</b>
F	Current bank debt	(170)	(54)	(235)	(116)	65
G	Current portion of non-current debt	(5,809)	(5,807)	(5,803)	(2)	(6)
H	Other current financial debt	(1,855)	(1,806)	(1,696)	(49)	(159)
<b>I</b>	<b>Current financial debt (F)+(G)+(H)</b>	<b>(7,834)</b>	<b>(7,667)</b>	<b>(7,734)</b>	<b>(167)</b>	<b>(100)</b>
<b>J</b>	<b>Net current financial position (I)-(E)-(D)</b>	<b>31,734</b>	<b>29,159</b>	<b>30,324</b>	<b>2,575</b>	<b>1,410</b>
K	Non-current bank debt	(18,988)	(19,109)	(24,777)	121	5,789
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	0	0	0	0	0
<b>N</b>	<b>Non-current financial debt (K)+(L)+(M)</b>	<b>(18,988)</b>	<b>(19,109)</b>	<b>(24,777)</b>	<b>121</b>	<b>5,789</b>
<b>O</b>	<b>Net financial position (J+N)</b>	<b>12,746</b>	<b>10,050</b>	<b>5,547</b>	<b>2,696</b>	<b>7,199</b>

At 31 March 2018, the Group's **Net Financial Position** was Euro 12.7 million compared with the Euro 10 million at 31 December 2017 and 5.5 million at 31 March 2017.

Going into detail on the individual components, the greater **liquidity** with respect to 31 December 2017 (Euro 18.9 million as compared with Euro 16.2 million) is mainly due to the cash flow produced by the company's business during the period. **Current financial receivables and current and non-current financial debt** are in line with 31/12/2017; consequently, the period's greater liquidity is reflected on the growth of the Net Financial Position as at 31 March 2018.

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 31.03.2018	at 31.03.2017	Change
Cash flow generated/(absorbed) by operating activities before changes in working capital	6,229	5,143	1,086
Cash flow generated/(absorbed) by net operating activities	4,002	1,114	2,888
Cash flow generated/(absorbed) by investment activities	(1,128)	1,029	(2,157)
Cash flow generated/(absorbed) by financing activities	(127)	(126)	(1)
Final cash change	2,747	2,017	730
Cash and cash equivalents at beginning of period	16,209	20,110	(3,901)
Final cash change	2,747	2,017	730
Cash and cash equivalents at end of period	18,956	22,127	(3,171)

The **cash flow generated by operations** came to Euro 4 million, up on the same period of 2017 (Euro 1.1 million), due to:

- the increase cash flow from core business, up Euro 1.1 million. Before the changes to current assets, in fact, cash flow from operations generated financial resources of Euro 6.2 million, as compared with 5.1 million in the first quarter of 2017;
- the lesser absorption of resources by the net working capital, of Euro 2.2 million, vs Euro 4 million during the same period of 2017.

**Cash flow from operating activities** was sufficient to cover the needs to cover requirements generated by **infrastructure investments**, totalling Euro 1.6 million.

Net of infrastructure investments, cash flow **from investment activities** was a positive figure of Euro 438 thousand due to:

- the sale of the investee Bologna Congressi for Euro 117 thousand;
- the sale of energy certificates for Euro 321 thousand.

Lastly, the **cash flow absorbed by financing activities** was a negative Euro 0.1 million due to the repayment of maturing loan instalments during the quarter.

As a result, the **final overall cash change** for the period was positive to the tune of Euro 2.7 million, and this is reflected in the increased liquid funds as at 31 March 2018.

### 3.3 ANALYSIS OF THE CAPITAL STRUCTURE

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

USES	at 31.03.2018	at 31.12.2017	at 31.03.2017	Change	Change
				31.03.2018- 31.12.2017	31.03.2018 31.03.2017
- Trade receivables	12,724	13,220	13,240	(496)	(516)
- Tax receivables	156	334	156	(178)	0
- Other receivables	5,186	3,854	4,005	1,332	1,181
- Inventories	523	538	519	(15)	4
<b>Subtotal</b>	<b>18,589</b>	<b>17,946</b>	<b>17,920</b>	<b>643</b>	<b>669</b>
- Trade payables	(13,198)	(16,208)	(12,478)	3,010	(720)
- Tax payables	(2,790)	(1,671)	(3,173)	(1,119)	383
- Other payables	(24,041)	(22,503)	(21,763)	(1,538)	(2,278)
<b>Subtotal</b>	<b>(40,029)</b>	<b>(40,382)</b>	<b>(37,414)</b>	<b>353</b>	<b>(2,615)</b>
Assets held for sale	0	117	0	(117)	0
<b>- Net operative working capital</b>	<b>(21,440)</b>	<b>(22,319)</b>	<b>(19,494)</b>	<b>879</b>	<b>(1,946)</b>
Fixed assets	176,858	177,709	172,712	(851)	4,146
- Deferred tax assets	6,809	6,799	7,358	10	(549)
- Other non-current assets	21,363	21,367	23,496	(4)	(2,133)
<b>Total fixed assets</b>	<b>205,030</b>	<b>205,875</b>	<b>203,566</b>	<b>(845)</b>	<b>1,464</b>
- Provisions for risks, charges and	(19,147)	(18,743)	(19,305)	(404)	158
- Deferred tax provision	(2,386)	(2,371)	(2,230)	(15)	(156)
- Other non-current liabilities	(168)	(169)	(194)	1	26
<b>Subtotal</b>	<b>(21,701)</b>	<b>(21,283)</b>	<b>(21,729)</b>	<b>(418)</b>	<b>28</b>
<b>Fixed working capital</b>	<b>183,329</b>	<b>184,592</b>	<b>181,837</b>	<b>(1,263)</b>	<b>1,492</b>
<b>Total uses</b>	<b>161,889</b>	<b>162,272</b>	<b>162,343</b>	<b>(383)</b>	<b>(454)</b>

SOURCES	at 31.03.2018	at 31.12.2017	at 1.03.2017	Change	Change
				31.03.2018 31.12.2017	31.03.2018- 31.03.2017
<b>Net financial position</b>	<b>12,746</b>	<b>10,050</b>	<b>5,547</b>	<b>2,696</b>	<b>7,199</b>
- Share capital	90,314	90,314	90,314	0	0
- Reserves	81,174	65,218	75,193	15,956	5,981
- Period result	2,307	15,969	1,760	(13,662)	547
<b>Group shareholders' equity</b>	<b>173,795</b>	<b>171,501</b>	<b>167,267</b>	<b>2,294</b>	<b>6,528</b>
Minority interests shareholders' equity	840	821	623	19	217
<b>Total shareholders' equity</b>	<b>174,635</b>	<b>172,322</b>	<b>167,890</b>	<b>2,313</b>	<b>6,745</b>
<b>Total sources</b>	<b>(161,889)</b>	<b>(162,272)</b>	<b>(162,343)</b>	<b>383</b>	<b>454</b>

The Group's equity structure highlights a reduction in the **net operative working capital** as at 31 March 2018 with respect to the end of FY 2017, both due to the increase in "other receivables", which includes the addition to the freight loading and accrued income that more than offsets the reduction in trade receivables, and to the reduction in trade payables. As compared with the first quarter of 2017, net operative working capital highlights a rise due to the growth of receivables, which is more than offset by

the increased payables. The first effect is, to a large extent, due to the increase in “other receivables”, mainly as a result of the addition, whilst the rise in payables is mainly due to trade payables and, within “other payables” to the amount due to the state for the concession charges and fire brigade contribution.

**Fixed working capital** drops as a result of the reduction in fixed assets and the rise in provisions for future risks and charges.

As at 31 March 2018, **consolidated shareholders’ equity** totalled Euro 174.6 million, compared with Euro 172.3 million as at 31 December 2017, with a positive **net financial position** of Euro 12.7 million. The parent company’s Shareholders’ Meeting held on 24 April 2018 not only approved the 2017 financial statements but also resolved the distribution of dividends against the 2017 result, in the amount of Euro 14.2 million.

### 3.4 INDICES

Considering that this is an interim period, the directors felt that the Group’s main income statement and statement of financial position indicators as at 31 March 2018 were not significant.

### 3.5 INVESTMENTS

Investments as at 31 March 2018 totalled Euro 1.5 million, intended for both investments relating to the implementation of the Airport Master Plan and to investments intended for airport operations. This in addition to Euro 0.07 million in intangible assets relating to energy certificates, pursuant to Note 1 of the financial statements.

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

- **Work on existing terminal:** the definitive design for the expansion of the existing terminal is now in its final stages.
- **New de-icing pad and building:** construction work on the de-icing pad is under way;
- **New Multi-level Car Park:** the definitive design stage is being concluded, which entails the building of a car park near the airport;
- **Expansion of AdB Offices (training centre):** works are currently being awarded for the development a new corporate training centre, which will be partly used to carry out the training required by the new EASA Regulation EU 139/2014;
- **People Mover:** the works by Marconi Express to build the “Aeroporto” People Mover station are in the conclusion stage. Moreover, the executive design for the development of the walkway connecting the airport station and terminal, for which AdB is responsible, has now been completed.

Moreover, as regards the other investments intended for airport operations, the improvement of passenger services and the heightened efficiency of corporate processes, we would report the development of new offices to support the car rental business, new advertising boards and other technological interventions to strengthen passenger services offered, in particular the installation of new monitors and the start-up of “Pepper”, the humanoid robot intended to provide both information and entertainment.

### Provisions for renewal

The total amount of work recorded in the provisions for renewal was Euro 0.2 million as at 31 March 2018. More specifically, the work carried out to waterproof the cover of the water collection tank of the Olmi



Quarry and other interventions including those aiming to improve water supply conditions to the passenger terminal.

### 3.6 PERSONNEL

#### Workforce composition

	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change abs.	Change %
<b>Average Full Time Equivalent</b>	<b>457</b>	<b>439</b>	<b>18</b>	<b>4%</b>
Executive Managers	9	10	(1)	-10%
Middle Managers	28	30	(2)	-7%
White-collar workers	326	304	22	7%
Blue-collar workers	94	95	(1)	-1%

	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change abs.	Change %
<b>Average Workforce</b>	<b>493</b>	<b>488</b>	<b>5</b>	<b>1%</b>
Executive Managers	9	10	(1)	-10%
Middle Managers	28	30	(2)	-7%
White-collar workers	357	348	9	3%
Blue-collar workers	99	100	(1)	-1%

Source: Data from the Company

The increase in the workforce by 18 full-time equivalents compared with the first quarter of 2017 was mainly due to the hiring of resources to be used for work that is particularly sensitive to traffic increases, such as security and passengers with reduced mobility.

#### Costs

	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change abs.	Change %
Personnel Costs	6,730	6,581	149	2.3%

Source: Data from the Company

The 2.3% increase in personnel costs over the same period in 2017 was mainly due to the increase in workforce described above, in addition to the ordinary salary dynamics.

### LABOUR RELATIONS

31/12/2017 saw the expiry of the agreement that had been in place since 2014, introducing flexible benefits. The Parent Company has chosen to stipulate the Welfare Plan with the company unitary trade

union representatives. The agreement stipulated on 23 February 2018 takes welfare back within the scope of the legislation approved last year, whilst maintaining the tax benefits of the previous treatment. During the first quarter of 2018, moreover, an Agreement was also stipulated supplementing the results premium.

## 4 ANALYSIS OF THE MAIN NON-ECONOMIC RESULTS

### 4.1 THE ENVIRONMENT

The Group continues to focus on all major environmental issues, from the impact on air quality to noise, energy savings and the use of alternative sources.

In view of the sensitivity to, and respect for, the local area where it operates, through the Regional Agreement for the Decarbonisation of the Airport signed in 2015 with regional authorities, the Parent Company undertook to carry out several projects for a total of Euro 6.5 million. These investments will be made over a period of time consistent with the timing for the completion of work contained in the airport's Master Plan, i.e. by the end of 2023.

In the first quarter of 2018 work continued on the creation of an air quality monitoring system, which will more precisely assess the environmental impact of airport operations.

### 4.2 QUALITY

The development strategies of Bologna Airport combine a great 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 always pleasant.

#### User satisfaction

The first quarter of 2018 revealed very positive satisfaction levels, despite the strong traffic growth. More specifically, positive performance was booked for the satisfaction indicators relating to the ease of orientation and information, comfort and satisfaction for stores and food & beverage. Waiting times had instead worsened slightly, in particular seeing security wait time rise on the first quarter of 2017, along with wait time at check-in and wait time for the return of the first and last item of luggage.

Main Quality Indicators		January-March 2018	January-March 2017
Overall Satisfaction	% satisfied passengers	98.5%	96%
Regularity and speed of service	% satisfied passengers	97.4%	95%
Perception of general cleanliness	% satisfied passengers	98.9%	98%
Perception of toilet cleanliness and functionality	% satisfied passengers	96.3%	91.5%
Waiting time at check-in	Time in 90% of cases	13'07"	11'58"
Waiting time at baggage x-ray	Time in 90% of cases	06'34"	06'08"
Delivery time for the first/last bag from aircraft block-on	First bag (time in 90% of cases)	(25)	(21)
	Last bag (time in 90% of cases)	(33)	(29)

Source: Data from the Company

In terms of the Airport Service Quality programme of ACI World, which represents the most significant global airport benchmark in the area of service quality, Bologna Airport improved its absolute performance and performance compared to other Italian airports that participate in the program. The summary indicator for “overall satisfaction” (measured on a scale of 1 to 5) reached the threshold of 3.82 during the first quarter of the year (3.78 during the first quarter of 2017). The best performance was booked for information and ease of orientation and courtesy and helpfulness of airport staff.

## 5 LEGISLATIVE FRAMEWORK

There were no major changes compared with what was indicated in the Directors’ Report of the 2017 Financial Statements, and the latter document should be referred to for more details.

## 6 DISPUTES

There were no major changes compared with what was indicated in the Directors’ Report of the 2017 Financial Statements, and the latter document should be referred to for more details.

## 7 MAIN RISKS AND UNCERTAINTIES

With regard to the information required by Article 2428, paragraph 2, no 6-*bis*, the Group holds significant quantities of financial instruments; however, in view of investment selection criteria such as:

- the minimisation of risk relative to the return on invested capital;
- the differentiation of credit institutions;
- the term that is usually less than two years;
- the return offered,

the Group believes that **financial risks**, defined as risks of a change in value of the financial instruments, are limited.

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 recent 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.

Finally, the Group’s **credit risk** presents a moderate degree of concentration in that 47% of receivables are from its ten largest clients. This risk was faced by implementing specific credit control and management instruments and procedures with regards to customers, as well as through an appropriate provision made for doubtful debt, according to principles of prudence and in line with the new accounting standards IFRS 15 and IFRS 9, on which basis the credit risk assessment processes were revised, strengthening the *ex ante* approach rather than seeking to collect receivables that have already fallen due.

The commercial policies implemented by the Group with the aim of limiting exposure call for the following:

- request for immediate payment of transactions made with end consumers or with occasional counterparties (i.e. parking);
- request for advance payment to occasional carriers 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 Ryanair in particular. 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. As at 31 March 2018, Ryanair passengers represented 46% 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 carrier'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. 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 carriers 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 Group is actively developing a mix of traffic so as to maintain a profit margin.

### **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 time frame 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 criterion 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.

### **Risk relative to the significance of intangible assets on the total assets and net equity of the Group**

The Group's consolidated financial statements contain non-current assets which include, among other things, Concession Rights of Euro 157 million at 31 December 2017 and Euro 156 million at 31 December 2016. The total incidence on all assets is 60.02% as at 31 December 2017 and 59.83% as at 31 December 2016. The total incidence of Concession Rights on the Group's shareholders' equity is respectively 91.27% as at 31 December 2017 and 93.34% as at 31 December 2016. These amounts express the values of the Concession Rights as determined in application of IFRIC Interpretation 12 - Service Concession Arrangements ("IFRIC 12") to all freely transferable assets received from ENAC in 2004.

For the purposes of preparing the Group's consolidated financial statements, the Concession Rights were subject to an impairment test in accordance with IAS 36.

The impairment test did not show a permanent loss of value with reference to the amounts booked among Concession Rights for the year 2017 and, as a result, there were no write-downs of these assets.

For further information, please see the section "Checking the recoverability of the value of the assets or groups of assets" in Note 1 to the 2017 consolidated financial statements.

### **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 ALTERNATIVE PERFORMANCE INDICATORS

This Directors' Report uses several performance indicators to allow for a better assessment of operating performance, assets and liabilities and cash flows.

With regard to these indicators, on 3 December 2015, CONSOB issued Communication 92543/15 which implements the Guidelines enacted on 5 October 2015 by the European Security and Markets Authority (ESMA) with regard to their presentation in regulated distributed information or in statements published starting on 03 July 2016. These Guidelines, which update the previous CESR Recommendation (CESR/05-178b), are aimed at promoting the utility and transparency of the alternative performance indicators included in regulated information or in statements falling within the scope of Directive 2003/71/EC to improve their comparability, reliability and comprehension.

In keeping with the communications referenced above, the criteria used to develop these indicators are indicated below:

- **EBITDA:** Earnings before interest, taxation, depreciation and amortisation. Management defines this as profit before taxes for the period and before financial income and expenses, income and expenses from investments, amortisation and depreciation, provisions and write-downs. Thus, it specifically coincides with gross operating margin (EBITDA). EBITDA is not an approved IFRS accounting measure, and thus must be considered an alternative measure for assessing the Group's operating performance. Since the determination of this measure is not governed by the reference accounting standards for preparing the Group's consolidated financial statements, the criterion applied for its determination and measurement might not be the same as that used by other groups, and thus this figure might not be comparable with that presented by such groups;
- **Adjusted EBITDA:** measure used by the Group's management to monitor and assess the Group's operating performance. This indicator is calculated by subtracting from EBITDA the profit calculated as the difference between construction revenues and the costs of construction that the Group carries out as Airport operator.
- **Net Financial Position:** the composition of the net financial position is stated in accordance with the provisions of the CONSOB Communication of 28 July 2006, and in compliance with the ESMA/2011/81 Recommendations.

## 9 GUARANTEES PROVIDED

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

in thousands of Euro	at 31/03/2018	at 31/03/2017	Change abs.	Change %
Sureties	6,348	9,348	(3,000)	-32.1%
Lien on equity financial instrument	10,873	10,873	0	0%
Patronage letters	2,122	2,380	(258)	-10.8%
<b>Total guarantees issued</b>	<b>19,343</b>	<b>22,601</b>	<b>(3,258)</b>	<b>-14.4%</b>

As at 31 March 2018, the guarantees issued by the Group amount to Euro 19.3 million and refer to:

- sureties, the largest of which were:

- in favour of ENAC required by the Full Management Agreement (Euro 4.4 million);
- in favour of Marconi Express S.p.A. for the proper fulfilment of obligations assumed by the Parent Company with the signing of the contribution agreement of 30 September 2016 (Euro 0.87 million vs Euro 3.87 million as at 31 March 2017);

- lien on the equity financial instrument issued by Marconi Express S.p.A. and signed by the Parent Company with a nominal value of Euro 10.87 million, with a contribution of Euro 10 million as at 31 March 2018. The lien aims 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 2.1 million.

## **10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK**

After the end of the quarter, 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 April 2018, the hub recorded 713,516 passengers, making for a rise of 1.7% on the same month of 2017. The figure is influenced by the impact of the prolonged suspension of flights on Sunday 8 April, caused by the removal of a Second World War device. In the first four months of 2018, total passenger traffic reached 2,511,063, representing a 7.3% increase over the same period of 2017, and movements were 20,542, up by 2.8% on the previous year.

With regard to the launch of new connections and additional flights:

- starting 7 April 2018, Ural Airlines has launched new connections for six destinations in Russia, provided on a weekly basis;
- Vueling has increased frequencies on the Bologna-Barcelona route (from 7 to 12 times a week), starting 1 May 2018.

### **TAG Bologna Srl – changes to corporate structures**

On 24 April 2018, the sale of minority shares coming to 24.5% was stipulated by the shareholder Sirio s.p.a. to the shareholder B.Group s.p.a., which, therefore, as from last 8 May, the date on which the deed was deposited with Companies House, owns 49% of TAG Bologna s.r.l.

### **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 31 March 2018.

### **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 May 2018

## **Consolidated financial statements at 31 March 2018**

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



## Statement of Consolidated Financial Position

<i>in thousands of Euro</i>	Notes	at 31.03.2018	at 31.12.2017
Concession Rights		156,159	156,523
Other intangible assets		1,593	1,784
<b>Intangible assets</b>	<b>1</b>	<b>157,752</b>	<b>158,307</b>
Property, plant and equipment		14,374	14,670
Investment property		4,732	4,732
<b>Tangible assets</b>	<b>2</b>	<b>19,106</b>	<b>19,402</b>
Investments	<b>3</b>	43	43
Other non-current financial assets	<b>4</b>	19,829	19,827
Deferred tax assets	<b>5</b>	6,809	6,799
Other non-current assets	<b>6</b>	1,491	1,496
<b>Other non-current assets</b>		<b>28,172</b>	<b>28,165</b>
<b>NON-CURRENT ASSETS</b>		<b>205,030</b>	<b>205,874</b>
Inventories	<b>7</b>	523	538
Trade receivables	<b>8</b>	12,724	13,220
Other current assets	<b>9</b>	5,342	4,188
Current financial assets	<b>10</b>	20,612	20,617
Cash and cash equivalents	<b>11</b>	18,956	16,209
<b>CURRENT ASSETS</b>		<b>58,157</b>	<b>54,772</b>
Assets held for sale	<b>12</b>	0	117
<b>TOTAL ASSETS</b>		<b>263,187</b>	<b>260,763</b>

<i>in thousands of Euro</i>	Notes	at 31.03.2018	at 31.12.2017
Share capital		90,314	90,314
Reserves		81,174	65,218
Profit (Loss) for the period		2,307	15,969
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>13</b>	<b>173,795</b>	<b>171,501</b>
<b>MINORITY INTERESTS</b>	<b>13</b>	<b>840</b>	<b>821</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>174,635</b>	<b>172,322</b>
Severance and other personnel provisions	<b>14</b>	4,352	4,405
Deferred tax liabilities	<b>15</b>	2,386	2,371
Provisions for renewal of airport infrastructure	<b>16</b>	9,956	9,575
Provisions for risks and charges	<b>17</b>	1,341	1,265
Non-current financial liabilities	<b>18</b>	18,988	19,109
Other non-current liabilities		168	169
<b>NON-CURRENT LIABILITIES</b>		<b>37,191</b>	<b>36,894</b>
Trade payables	<b>19</b>	13,198	16,208
Other liabilities	<b>20</b>	26,831	24,174
Provisions for renewal of airport infrastructure	<b>21</b>	3,498	3,498
Current financial liabilities	<b>22</b>	7,834	7,667
<b>CURRENT LIABILITIES</b>		<b>51,361</b>	<b>51,547</b>
<b>TOTAL LIABILITIES</b>		<b>88,552</b>	<b>88,441</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>263,187</b>	<b>260,763</b>

## Consolidated Income Statement

<i>in thousands of Euro</i>	Notes	for the quarter closed at 31.03.2018	for the quarter closed at 31.03.2017
Revenues from aeronautical services		11,902	10,767
Revenues from non-aeronautical services		9,204	8,310
Revenues from construction services		1,042	942
Other operating revenues and income		277	133
<b>Revenues</b>	<b>23</b>	<b>22,425</b>	<b>20,152</b>
Consumables and goods		(476)	(456)
Services costs		(5,444)	(4,735)
Costs for construction services		(993)	(897)
Leases, rentals and other costs		(1,783)	(1,628)
Other operating expenses		(754)	(697)
Personnel costs		(6,730)	(6,581)
<b>Costs</b>	<b>24</b>	<b>(16,180)</b>	<b>(14,994)</b>
Amortisation of concession rights		(1,406)	(1,371)
Amortisation of other intangible assets		(205)	(147)
Depreciation of tangible assets		(533)	(470)
<b>Depreciation, amortisation and impairment</b>	<b>25</b>	<b>(2,144)</b>	<b>(1,988)</b>
Provisions for doubtful accounts		(57)	(36)
Provisions for renewal of airport infrastructure		(493)	(520)
Provisions for other risks and charges		(76)	(68)
<b>Provisions for risks and charges</b>	<b>26</b>	<b>(626)</b>	<b>(624)</b>
<b>Total costs</b>		<b>(18,950)</b>	<b>(17,606)</b>
<b>Operating result</b>		<b>3,475</b>	<b>2,546</b>
Financial income	<b>27</b>	54	222
Financial expenses	<b>27</b>	(251)	(212)
<b>Result before taxes</b>		<b>3,278</b>	<b>2,556</b>
Taxes for the period	<b>28</b>	(952)	(780)
<b>Profit (Loss) for the period</b>		<b>2,326</b>	<b>1,776</b>
<b>Minority interests in profit (loss)</b>		<b>19</b>	<b>16</b>
<b>Group profit (loss)</b>		<b>2,307</b>	<b>1,760</b>
<b>Undiluted earnings/(losses) per share (in Euro)</b>		<b>0.06</b>	<b>0.05</b>
<b>Diluted earnings/(losses) per share (in Euro)</b>		<b>0.06</b>	<b>0.05</b>

## Consolidated Statement of Comprehensive Income

<i>in thousands of Euro</i>	for the quarter closed at 31.03.2018	for the quarter closed at 31.03.2017
<b>Profit/(loss) for the period (A)</b>	<b>2,326</b>	<b>1,776</b>
<i>Other profits (losses) that will be reclassified in the net result for the period</i>	0	0
<b><i>Total other profits (losses) that will be reclassified in the net result for the period (B1)</i></b>	<b>0</b>	<b>0</b>
<i>Other profits (losses) that will not be reclassified in the net result for the period</i>	0	0
Actuarial gains (losses) on severance and other personnel provisions	0	0
Tax impact on actuarial gains (losses) on severance and other personnel provisions	0	0
<b><i>Total other profits (losses) that will not be reclassified in the net result for the period (B2)</i></b>	<b>0</b>	<b>0</b>
<b>Total other profits (losses) net of taxes (B1 + B2) = B</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive profit (loss) net of taxes (A + B)</b>	<b>2,326</b>	<b>1,776</b>
<b>of which Minority Interests</b>	<b>19</b>	<b>16</b>
<b>of which Group</b>	<b>2,307</b>	<b>1,760</b>

## Consolidated Cash Flow Statement

<i>in thousands of Euro</i>	<b>at 31.03.2018</b>	<b>at 31.03.2017</b>
<b>Core income-generating operations</b>		
Result for the period before taxes	3,278	2,556
<i>Adjustments to items with no impact on cash and cash equivalents</i>		
- Margin from construction services	(49)	(45)
+ Depreciation and amortisation	2,144	1,988
+ Provisions	626	624
+/- Interest expense/income on discounting provisions and severance	114	(144)
+/- Interest income and financial charges	83	134
+/- Losses/gains and other non-monetary costs/revenues	1	1
+/- Severance provisions and other personnel provisions	32	29
<b>Cash flow (generated/absorbed) by operating activities before changes in working capital</b>	<b>6,229</b>	<b>5,143</b>
Change in inventories	15	0
(Increase)/decrease in trade receivables	444	178
(Increase)/decrease in other receivables and current/non-current assets (non-financial)	(1,139)	(744)
Increase/(decrease) in trade payables	(3,011)	(3,191)
Increase/(decrease) in other liabilities, various and financial	1,748	180
Interest paid	(8)	(16)
Interest collected	51	76
Taxes paid	0	0
Severance paid	(105)	(5)
Use of provisions	(222)	(507)
<b>Cash flow generated/(absorbed) by net operating activities</b>	<b>4,002</b>	<b>1,114</b>
Purchase of tangible assets	(240)	(90)
Payment from sale of tangible assets	2	0
Purchase of intangible assets/concession rights	(1,328)	(1,039)
Payment from sale of intangible assets	321	0
Purchase/capital increase of equity investments	0	0
Payment from sale of equity investments	117	158
Change in investment in current and non-current financial assets	0	2,000
<b>Cash flow generated/(absorbed) by investment activities</b>	<b>(1,128)</b>	<b>1,029</b>
Proceeds from the issuance of shares	0	0
Dividends paid	0	0
Loans received	0	0
Loans repaid	(127)	(126)
<b>Cash flow generated/(absorbed) by financing activities</b>	<b>(127)</b>	<b>(126)</b>
<b>Final cash change</b>	<b>2,747</b>	<b>2,017</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16,209</b>	<b>20,110</b>
<b>Final cash change</b>	<b>2,747</b>	<b>2,017</b>
<b>Cash and cash equivalents at end of period</b>	<b>18,956</b>	<b>22,127</b>

## 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	Profit (Loss) for the period	Group Shareholders' Equity	Minority interests	Shareholders' equity
<b>Shareholders' Equity at 31.12.2016</b>	<b>90,314</b>	<b>25,683</b>	<b>5,018</b>	<b>34,923</b>	<b>(3,222)</b>	<b>(933)</b>	<b>2,413</b>	<b>11,311</b>	<b>165,507</b>	<b>607</b>	<b>166,114</b>
Allocation of the 2016 financial year result	0	0	0	668	0	0	10,643	(11,311)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	1,760	1,760	16	1,776
<b>Shareholders' Equity at 31.03.2017</b>	<b>90,314</b>	<b>25,683</b>	<b>5,018</b>	<b>35,591</b>	<b>(3,222)</b>	<b>(933)</b>	<b>13,056</b>	<b>1,760</b>	<b>167,267</b>	<b>623</b>	<b>167,890</b>

in thousands of Euro	Share capital	Share Premium Reserve	Legal Reserve	Other Reserves	FTA Reserve	Actuarial Gain (Loss) Reserve	Profits (Losses) Carried Forward	Reserve for assets held for sale	Profit (Loss) for the period	Group Shareholders' Equity	Minority interests	Shareholders' equity
<b>Shareholders' Equity at 31.12.2017</b>	<b>90,314</b>	<b>25,683</b>	<b>5,545</b>	<b>35,600</b>	<b>(3,222)</b>	<b>(914)</b>	<b>2,513</b>	<b>13</b>	<b>15,969</b>	<b>171,501</b>	<b>821</b>	<b>172,322</b>
Allocation of the 2017 financial year result	0	0	0	836	0	0	15,133	0	(15,969)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	0
Assets held for sale	0	0	0	0	0	0	0	(13)	0	(13)	0	(13)
Total comprehensive profit (loss)	0	0	0	0	0	0	0	0	2,307	2,307	19	2,326
<b>Shareholders' Equity at 31.03.2018</b>	<b>90,314</b>	<b>25,683</b>	<b>5,545</b>	<b>36,436</b>	<b>(3,222)</b>	<b>(914)</b>	<b>17,646</b>	<b>0</b>	<b>2,307</b>	<b>173,795</b>	<b>840</b>	<b>174,635</b>

## 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 “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 forty-year duration starting on 28 December 2004. Its registered office is located at Via del 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 located at Via del 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 located at Via del 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 as at 31 March 2018

### 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 quarter ended 31 March 2018 and includes comparative data for the period ended 31 December 2017, limited to items included in the Statement of Consolidated Financial Position, and comparative data for the quarter from 1 January 2017-31 March 2017, limited to entries included in the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared on the basis of historical cost, with the exception of financial assets held for sale and the intangible assets comprised of energy certificates, which were recorded at their fair value, and on the basis of a “going concern” assumption. In actual fact, the Group has considered that there are no significant uncertainties (as defined under paragraph 25 of IAS 1) about the company’s ability to continue as a going concern.

The consolidated financial statements are 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.

The publication of the Consolidated Interim Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the Group) for the quarter ended 31 March 2018 was authorised by the Board of Directors on 14 May 2018.

## Content and Form of the Consolidated Interim Report

The Consolidated Interim Report at 31 March 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 2017 Consolidated Financial Statements prepared in accordance with the IFRS issued by the IASB.

The accounting standards and criteria used are those used to prepare the financial statements as at 31 December 2017 with the exception of the new accounting standards, amendments and interpretations that came into force starting 1 January 2018 and applied for the first time by the Group in preparing this Interim Directors’ Report as at 31 March 2018:

- IFRS 15 – Revenue from Contracts with Customers
- IFRS 9 – Financial Instruments
- IFRS 2 – Share-based payments
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration
- Improvements to IFRSs.

More specifically, the Group applies the new accounting standard on revenues, IFRS 15, as from the compulsory date of effect, adopting the modified retrospective method; as mentioned in the Notes to the 2017 Financial Statements, the application of the new standard has not had any significant impact, as nor indeed has the application of IFRS 9. Considering the irrelevant impacts deriving from the application of these two new IFRSs, the Group will not restate the comparative disclosure, but rather will acknowledge this in the notes in connection with each item that has been impacted by the introduction of these accounting standards.

This Interim Directors’ Report has not been audited.

The Group has chosen the Separate and Comprehensive Income Statement presentation indicated as preferable in the IAS 1 Accounting Standard, and deems it to be more effective in representing business events. In particular, the presentation of the Statement of Consolidated Financial Position utilised a format that divides assets and liabilities into current and non-current assets and liabilities.

An asset is current when:

- it is assumed that it will be realised, or that it is held for the purpose of sale or consumption during the normal operating cycle;
- it is held principally for the purpose of trading it;
- it is assumed that it will be realised within twelve months following the end of the financial year; or
- it consists of cash or cash equivalents unless it is prohibited to exchange or use it to settle a liability for at least twelve months following the end of the financial year.

All other assets are classified as non-current.

A liability is current when:

- it is planned that it will be paid off within its normal operating cycle;
- it is held principally for the purpose of trading it;
- it must be paid no later than twelve months following the end of the financial year;
- the entity has no unconditional right to postpone payment of the liability for at least twelve months following the end of the financial year.

The Group classifies all other liabilities as non-current.

Assets and liabilities for prepaid and deferred taxes are classified as non-current assets and liabilities.



The presentation of the Consolidated Income Statement employed a format that allocates revenues and costs by type, and the presentation of the Consolidated Cash Flow statement employs the indirect method, which divides cash flows among operating, investing and financing activities.

### Consolidation scope

The Consolidated Financial Statements were 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 the 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 31 March 2018 and 31 December 2017 as to their company names and the portion of the share capital held directly or indirectly by the Group.

<i>in thousands of Euro</i>	Currency	Share capital	at 31.03.2018	at 31.12.2017
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 31 March 2018 and 31 December 2017 as to their company names and the portion of the share capital held directly or indirectly by the Group.

<i>in thousands of Euro</i>	Currency	Share capital	at 31.03.2018	at 31.12.2017
Ravenna Terminal Passeggeri S.r.l.	Euro	165	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 the performance of decisions regarding resource allocation.

The following are the Group's operating segments that have been identified in accordance with IFRS 8:

- 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.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018 Aviation	for the quarter ended 31.03.2018 Non-Aviation	for the quarter ended 31.03.2018 Others	Total for the quarter ended at 31.03.2018
Revenues	12,719	9,706	0	22,425
Costs	(11,401)	(4,779)	0	(16,180)
<b>Gross operating profit</b>	<b>1,318</b>	<b>4,927</b>	<b>0</b>	<b>6,245</b>
Depreciation, amortisation and impairment	(1,370)	(774)	0	(2,144)
Provisions	(509)	(117)	0	(626)
<b>Operating result</b>	<b>(561)</b>	<b>4,036</b>	<b>0</b>	<b>3,475</b>
Financial income	0	0	54	54
Financial expenses	0	0	(251)	(251)
<b>Result before taxes</b>	<b>(561)</b>	<b>4,036</b>	<b>(197)</b>	<b>3,278</b>
Taxes for the period	0	0	(952)	(952)
<b>Profit (Loss) for the period</b>	<b>(561)</b>	<b>4,036</b>	<b>(1,149)</b>	<b>2,326</b>
<b>Minority interests in profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Group profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,307</b>

<i>in thousands of Euro</i>	for the quarter ended 31.03.2017 Aviation	for the quarter ended 31.03.2017 Non-Aviation	for the quarter ended 31.03.2017 Others	Total for the quarter ended at 31.03.2017
Revenues	11,715	8,437	0	20,152
Costs	(10,552)	(4,442)	0	(14,994)
<b>Gross operating profit</b>	<b>1,163</b>	<b>3,995</b>	<b>0</b>	<b>5,158</b>
Depreciation, amortisation and impairment	(1,301)	(687)	0	(1,988)
Provisions	(534)	(90)	0	(624)
<b>Operating result</b>	<b>(672)</b>	<b>3,218</b>	<b>0</b>	<b>2,546</b>
Financial income	0	0	222	222
Financial expenses	0	0	(212)	(212)
<b>Result before taxes</b>	<b>(672)</b>	<b>3,218</b>	<b>10</b>	<b>2,556</b>
Taxes for the period	0	0	(780)	(780)
<b>Profit (Loss) for the period</b>	<b>(672)</b>	<b>3,218</b>	<b>(770)</b>	<b>1,776</b>
<b>Minority interests in profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>
<b>Group profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,760</b>

The following tables provide segment information on assets:

<i>in thousands of Euro</i>	at 31.03.2018 Aviation	at 31.03.2018 Non Aviation	at 31.03.2018 Other	Total at 31.03.2018
<b>Non-current assets</b>	<b>150,767</b>	<b>26,233</b>	<b>28,029</b>	<b>205,030</b>
<b>Intangible assets</b>	<b>144,974</b>	<b>12,778</b>	<b>0</b>	<b>157,752</b>
Concession Rights	144,186	11,973	0	156,159
Other intangible assets	788	805	0	1,593
<b>Tangible assets</b>	<b>5,703</b>	<b>13,402</b>	<b>0</b>	<b>19,106</b>
Property, plant and equipment	5,703	8,670	0	14,374
Investment property	0	4,732	0	4,732
<b>Other non-current assets</b>	<b>90</b>	<b>52</b>	<b>28,029</b>	<b>28,172</b>
Investments	0	0	43	43
Other non-current financial assets	0	0	19,829	19,829
Deferred tax assets	0	0	6,809	6,809
Other non-current assets	90	52	1,348	1,491
<b>Current assets</b>	<b>13,444</b>	<b>4,487</b>	<b>40,226</b>	<b>58,157</b>
Inventories	307	216	0	523
Trade receivables	9,301	3,423	0	12,724
Other current assets	3,836	848	658	5,342
Current financial assets	0	0	20,612	20,612
Cash and cash equivalents	0	0	18,956	18,956
<b>Total assets</b>	<b>164,211</b>	<b>30,720</b>	<b>68,255</b>	<b>263,187</b>

<i>in thousands of Euro</i>	at 31.03.2017 Aviation	at 31.03.2017 Non Aviation	at 31.03.2017 Other	Total at 31.03.2017
<b>Non-current assets</b>	<b>149,687</b>	<b>23,118</b>	<b>30,761</b>	<b>203,566</b>
<b>Intangible assets</b>	<b>144,550</b>	<b>11,727</b>	<b>0</b>	<b>156,277</b>
Concession Rights	144,005	11,161	0	155,166
Other intangible assets	545	566	0	1,111
<b>Tangible assets</b>	<b>5,067</b>	<b>11,368</b>	<b>0</b>	<b>16,435</b>
Property, plant and equipment	5,067	6,636	0	11,703
Investment property	0	4,732	0	4,732
<b>Other non-current assets</b>	<b>70</b>	<b>23</b>	<b>30,761</b>	<b>30,854</b>
Investments	0	0	147	147
Other non-current financial assets	0	0	21,969	21,969
Deferred tax assets	0	0	7,358	7,358
Other non-current assets	70	23	1,287	1,380
<b>Current assets</b>	<b>12,759</b>	<b>4,528</b>	<b>38,691</b>	<b>55,978</b>
Inventories	305	214	0	519
Trade receivables	9,648	3,592	0	13,240
Other current assets	2,806	722	633	4,161
Current financial assets	0	0	15,931	15,931
Cash and cash equivalents	0	0	22,127	22,127
<b>Total assets</b>	<b>162,446</b>	<b>27,646</b>	<b>69,452</b>	<b>259,544</b>

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. It also incorporates 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, the 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. These consist of 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 accounting, which are allocated on the basis of a specific examination of the individual cost/revenue item;
- revenues and costs for construction services allocated according to the analytical breakdown and related investments;
- incentives for the expansion of air traffic allocated entirely to the Aviation SBU in line with what is done in 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 as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	<b>at 31.03.2018</b>	<b>at 31.12.2017</b>	<b>Change</b>
Concession Rights	156,159	156,523	(364)
Software, licences and similar rights	1,209	1,105	104
Other intangible assets	70	71	(1)
Energy Certificates	68	321	(253)
Other intangible assets under development	246	287	(41)
<b>TOTAL INTANGIBLE ASSETS</b>	<b>157,752</b>	<b>158,307</b>	<b>(555)</b>

As at 31 March 2018, the Concession Rights item rose by Euro 1.04 million (which represents the fair value of the construction services performed during the quarter), mainly due to work to:

- requalification of the peripheral network nodes aimed at renewing the airport information network in view of the terminal expansion and the implementation of new services;
- expansion of new premises at the UPS premises still in progress;
- development of supplementary plant works to service the fire brigade training area;
- installation of equipment for reading new generation credit cards, aimed at improving quality of passenger services at car parks;
- development of new commercial spaces intended for car hire within the passenger terminal.

Please also note that during the first quarter of 2018, the definitive and executive design activities were started for the execution and management of works relative to the re-protection of certain buildings currently used by government entities.

Amortisation of concession rights for the period under review totalled Euro 1.4 million, and it was applied on the basis of the remaining duration of the Airport concession relative to the first quarter of 2018.

Software, licences and similar rights rises by Euro 0.3 million. This increase mainly concerns the design and analysis works prior to creating the humanoid robot called “Pepper” used in the check-in area to provide passengers with verbal information in a fun, entertaining manner, as well as to the renewal of the website and standardisation and integration of the HR management systems.

The increase relating to “Energy certificates” regards the optimisation of 194 white certificates relative to the trigeneration plant, the counter-entry of which is under Other revenues and income on the income statement.

Other intangible assets under development included amounts incurred for software developments not completed as at 31 March 2018.

## Test of the Recoverable Value of Assets or Asset Groups

The Group performed impairment tests to assess whether there had been long-term impairment of the "Concession rights" in the year ended 31 December 2017 and in previous years. Impairment testing did not reveal any permanent loss of value.

## 2. Tangible assets

The following table presents a breakdown of tangible assets as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	<i>at 31.03.2018</i>	<i>at 31.12.2017</i>	<i>Change</i>
Land	2,763	2,763	0
Buildings and minor construction and improvements	4,399	4,500	(101)
Machinery, equipment and facilities	3,087	3,299	(212)
Furniture, office machinery, transport equipment	1,873	1,952	(79)
Property, plant and equipment under construction and advances	2,252	2,156	96
Investment property	4,732	4,732	0
<b>TOTAL TANGIBLE ASSETS</b>	<b>19,106</b>	<b>19,402</b>	<b>(296)</b>

During the first quarter of 2018, the total increase seen in this category comes to Euro 0.24 million and mainly relates to the purchase of equipment and devices for the analysis and control of liquids at customs, as well as furnishings and electronic machines installed at some passenger terminal areas and offices.

"Tangible assets under construction" include amounts incurred for unfinished projects as at 31 March 2018. These include the first two tranches totalling Euro 1.78 million of the Parent Company's contribution to Marconi Express S.p.A. to build the "Aeroporto" station of the People Mover corresponding to work progress of 66% in the airport area.

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 Parent Company confirms that the cost at which it was recognised approximates the fair value of the land, due to its nature and strategic value.

## 3. Investments

The following table presents a breakdown of investments at 31 March 2018, compared with the data at 31 December 2017. The amount and composition of the investments remain unchanged.

<i>in thousands of Euro</i>	<i>at 31.12.2017</i>	<i>Increases/Acquisitions</i>	<i>Decreases/Disposals</i>	<i>Write- downs</i>	<i>at 31.03.2018</i>
Other investments	43	0	0	0	43
<b>TOTAL INVESTMENTS</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43</b>

<i>in thousands of Euro</i>	Share held	at 31.03.2018	at 31.12.2017	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	40	40	0
<b>TOTAL OTHER INVESTMENTS</b>		<b>43</b>	<b>43</b>	<b>0</b>

#### 4. Other non-current financial assets

The following table shows changes in other non-current financial assets for the quarter ended 31 March 2018, compared with the data as at 31 December 2017.

<i>in thousands of Euro</i>	at 31.12.2017	Increases/ Purchases	Decreases/ Sales	Write-downs	at 31.03.2018
Equity financial instruments	10,000	0	0	0	10,000
Deposit accounts/Savings bonds	9,570	0	0	0	9,570
Other financial assets	257	2	0	0	259
<b>TOTAL OTHER NON-CURRENT FINANCIAL ASSETS</b>	<b>19,827</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>19,829</b>

Other non-current financial assets are basically unchanged on 31 December 2017. It consists of:

- Euro 10 million for the equity financial instrument in Marconi Express S.p.A., the company licensed to build and manage the infrastructure for the express railway link (People Mover) between the airport and Bologna's main train station. This financial instrument, subscribed on 21 January 2016 for a total value of Euro 10.9 million, is booked as at 31 March 2018 for Euro 10 million, which corresponds to the amount effectively paid or the cost incurred as at that date. The investment in question, in addition to the strategic-operative interest connected with the improvement to airport access, meets with the Group's objective to both collect contract cash flows and potentially make a future sale of the financial asset. In accordance with the new standard IFRS 9, it is therefore classified under financial assets "held to collect and sell - HTC&S". The characteristics of this financial instrument do not pass the SPPI test; consequently, this asset must be valued at fair value to profit and loss. 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. In short, the application of the new accounting standard to the financial instruments does not alter the valuation of the participatory financial instrument in Marconi Express.
- Euro 9.6 million to "bank/time deposits", of which:
  - Euro 8 million in time deposits purchased in December 2017 and maturing in June 2019;
  - Euro 1.5 million in time deposits purchased in November 2017 and maturing in May 2019.
 Investments in time deposits satisfy the Group's need to make temporary investments of liquid funds in order to collect contract cash flows. In accordance with IFRS 9, they are therefore classified as "Held to collect - HTC". The contractually-defined due date, the rate of return defined and calculated on the notional figure, allow for the SPPI test to be passed and, therefore, valuation at amortised cost in continuity with that done in previous years, in application of IAS 39.
- Euro 0.25 million of a capitalisation product with a maturity of 5 years, which the Group has classified, in accordance with the new standard IFRS 9, under "Held to collect - HTC" insofar as it represents the same business model as the previous item. In the case in point, however, the maturity is defined by contract but the return is linked to the performance of equity management and,

therefore, this financial instrument is measured at fair value to profit and loss. In this case too, there are no changes with respect to the previous method of accounting.

## 5. Deferred tax assets

The following table shows the overall change in deferred tax assets for the quarter ended 31 March 2018, compared with the data at 31 December 2017.

<i>in thousands of Euro</i>	at 31.12.2017	Provisions	Uses	at 31.03.2018
Deferred tax assets	6,799	246	(236)	6,809
<b>DEFERRED TAX ASSETS</b>	<b>6,799</b>	<b>246</b>	<b>(236)</b>	<b>6,809</b>

## 6. Other non-current assets

The following table shows the breakdown of other non-current assets as at 31 March 2018, compared with 31 December 2017; there are substantively no changes.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Non-current prepayments and accrued income	103	108	(5)
Security deposits	84	84	0
Non-current tax receivables	1,304	1,304	0
<b>OTHER NON-CURRENT ASSETS</b>	<b>1,491</b>	<b>1,496</b>	<b>(5)</b>

## 7. Inventories

The following table presents the breakdown of inventories as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Inventories of raw materials, supplies and consumables	484	487	(3)
Inventory of finished products	39	51	(12)
<b>INVENTORIES</b>	<b>523</b>	<b>538</b>	<b>(15)</b>

## 8. Trade receivables

The following table provides a breakdown of trade receivables and related provisions:

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Trade receivables	13,685	14,128	(443)
Provision for doubtful receivables	(961)	(908)	(53)
<b>TRADE RECEIVABLES</b>	<b>12,724</b>	<b>13,220</b>	<b>(496)</b>

As at 31 March 2018, trade receivables (Euro 12.7 million) are stated net of the Provision for doubtful debt of Euro 1 million; measurement of this was impacted, albeit insignificantly so, by the new accounting standards and, in particular, by IFRS 9, with adoption as from 1 January 2018 of the provision matrix method. As mentioned, in the Notes to the 2017 financial statements commenting on the new accounting



standards, the impact is not significant considering that most of the provision consists of the impairment applied on the basis of the specific analyses of non-performing and/or disputed items, the probability of collection is also estimated by means of the support of lawyers appointed to monitor the disputes and considering the surety guarantees received from customers. On the residual receivables, divided up into categories of customers and classes of due dates, the simplified parametric method was applied, as permitted by IFRS 9, to companies with a diversified, split customer portfolio.

Changes in provisions for doubtful accounts were as follows:

<i>in thousands of Euro</i>	at 31.12.2017	Provisions	Uses	Releases	at 31.03.2018
Provisions for doubtful trade receivables	(908)	(60)	7	0	(961)
<b>PROVISIONS FOR DOUBTFUL TRADE RECEIVABLES</b>	<b>(908)</b>	<b>(60)</b>	<b>7</b>	<b>0</b>	<b>(961)</b>

## 9. Other current assets

The following table shows the breakdown of other current assets as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
VAT credit	148	303	(155)
Direct tax receivables	8	5	3
Other tax receivables	0	26	(26)
Receivables from personnel	85	74	11
Other receivables	5,101	3,780	1,321
<b>OTHER CURRENT ASSETS</b>	<b>5,342</b>	<b>4,188</b>	<b>1,154</b>

The most significant change, within Other Receivables, of which details are given below, regards accrued income and prepayments, which are significantly higher during the quarter with respect to the end of the year, due to the different billing timing with respect to the accrual of the price.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Accrued income and prepayments	954	316	638
Advances to suppliers	154	14	140
Receivables from retirement and social security institutions	201	60	141
Receivables for municipal surcharge	4,262	3,897	365
Provisions for other doubtful current receivables	(1,075)	(1,085)	10
Other current receivables	605	578	27
<b>TOTAL OTHER RECEIVABLES</b>	<b>5,101</b>	<b>3,780</b>	<b>1,321</b>

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 is exclusively equity in nature and lacks any provision to the income statement. It has been reclassified to discount the respective receivables for the municipal surcharge to highlight the unlikely nature of the collection. Changes were as shown in the table below:

<i>in thousands of Euro</i>	at 31.12.2017	Provisions/Increases	Uses	Releases	at 31.03.2018
Provisions for doubtful receivables for municipal surcharge	(1,085)	0	0	10	(1,075)
<b>TOTAL PROVISIONS FOR OTHER DOUBTFUL RECEIVABLES</b>	<b>(1,085)</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>(1,075)</b>

## 10. Current Financial Assets

The following table presents a breakdown of current financial assets as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Bonds	4,549	4,574	(25)
Time deposits	16,000	16,000	0
Other financial receivables	63	43	20
<b>CURRENT FINANCIAL ASSETS</b>	<b>20,612</b>	<b>20,617</b>	<b>(5)</b>

Other current financial assets are basically unchanged on 31 December 2017, as shown in the table below:

<i>in thousands of Euro</i>	at 31.12.2017	Increases/Acquisitions	Decreases/Disposals	Write-downs	at 31.03.2018
Bonds	4,574	0	(25)	0	4,549
Deposit accounts	16,000	0	0	0	16,000
Other financial receivables	43	20	0	0	63
<b>TOTAL OTHER CURRENT FINANCIAL ASSETS</b>	<b>20,617</b>	<b>20</b>	<b>(25)</b>	<b>0</b>	<b>20,612</b>

Detailed breakdown:

- bonds: this is a senior bond with a nominal value of Euro 4.5 million acquired in 2016 and maturing in September 2018. Investments in bonds satisfy the Group's need to make temporary investments of liquid funds in order to collect contract cash flows. In accordance with IFRS 9, they are therefore classified as "Held to collect - HTC". The bonds in question are not convertible and have defined maturities; this allows for the SPPI test to be passed and, therefore, valuation at amortised cost in continuity with that done in previous years, in application of IAS 39.
- bank time deposits: this item regards temporary uses of liquidity in:
  - certificates of deposit in the amount of:
    - Euro 7 million subscribed in December 2017 and maturing in December 2018;
  - time deposits in the amount of:
    - Euro 1 million subscribed in April 2017 and maturing in October 2018;
    - Euro 4 million subscribed in March 2017 and maturing in September 2018;
  - savings bonds for
    - Euro 4 million subscribed in August 2016 and maturing in August 2018.

This category of financial investments also satisfies the Group's need to make temporary investments of liquid funds in order to collect contract cash flows. In accordance with IFRS 9, they are classified as "Held to collect - HTC". The contractually-defined due date, the rate of return defined and calculated on the notional figure, allow for the SPPI test to be passed and, therefore, valuation at amortised cost in continuity with that done in previous years, in application of IAS 39.

## 11. Cash and cash equivalents

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Bank and postal deposits	18,931	16,182	2,749
Cash on hand	25	27	(2)
<b>CASH AND CASH EQUIVALENTS</b>	<b>18,956</b>	<b>16,209</b>	<b>2,747</b>

The item "Bank and postal accounts" represents balances of bank current accounts.

## 12. Assets held for sale

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

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Investment in Bologna Congressi Spa	0	117	(117)
<b>ASSETS HELD FOR SALE</b>	<b>0</b>	<b>117</b>	<b>(117)</b>

As at 31 December 2017, this item consisted of the 10% equity investment held in Bologna Congressi Spa, an investment that was sold on 23 February 2018 to Bologna Fiera Spa, the majority shareholder of Bologna Congressi spa. As at 31 December 2017, the capital gain on the disposal of Euro 0.013 million had been entered into a shareholders' equity reserve. As at 31 March 2018, considering that the operation had been completed, the reserve was zeroed and the capital gain entered amongst financial income, under item 27 of the Income Statement.

# LIABILITIES AND SHAREHOLDERS' EQUITY

## 13. Shareholders' equity

The following table presents a breakdown of shareholders' equity as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Share capital	90,314	90,314	0
Reserves	81,174	65,218	15,956
Profit (Loss) for the period	2,307	15,969	(13,662)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>173,795</b>	<b>171,501</b>	<b>2,294</b>

### i. Share capital

As at 31 March 2018, the Parent Company's share capital totalled Euro 90,314,162; it was fully paid up and consisted of 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 quarter ended 31.03.2018	for the quarter ended 31.03.2017
Group profit/(loss) for the period	2.307.184	1,760,029
Average number of outstanding shares	36.125.665	36,125,665
<b>Undiluted earnings/(losses) per share</b>	<b>0.06</b>	<b>0.05</b>
<b>Diluted earnings/(losses) per share</b>	<b>0.06</b>	<b>0.05</b>

## ii. Reserves

The following table details reserves at 31 March 2018, compared with 31 December 2017.

in thousands of Euro	at 31.03.2018	at 31.12.2017	Change
Share premium reserve	25,683	25,683	0
Legal Reserve	5,545	5,545	0
Extraordinary reserve	36,436	35,600	836
FTA Reserve	(3,222)	(3,222)	0
Profits (Losses) carried forward	17,646	2,513	15,133
OCI reserve	(914)	(914)	0
Reserve for assets held for sale	0	13	(13)
<b>TOTAL RESERVES</b>	<b>81,174</b>	<b>65,218</b>	<b>15,956</b>

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, following the OPVS carried out during the parent company's stock market listing process, which was completed on 14 July 2015.

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 Italian Civil Code.

The extraordinary reserve has risen as a result of the allocation of the FY 2017 profit of the subsidiary FFM.

The profits/losses carried forward reserve rises due to:

- the attribution of profits/losses deriving from the IAS entries of the subsidiaries;
- the Group share of the previous year result of the subsidiary Tag;
- the parent company's profit booked for the previous year, awaiting allocation to be resolved by the Shareholders' Meeting on 24 April 2018.

The reserve for assets held for sale that as at 31 December 2017 included the capital gain of the carrying value of the equity Investment in Bologna Congressi Spa and the value of sale, has been zeroed due to the operation reaching completion on 23 February 2018, with the allocation of the greater value to financial income on the income statement of the quarter in question.

The OCI reserve has not changed on 31 December 2017, as the Group has chosen to discount severance indemnity and other personnel provisions, as envisaged by the revised version of IAS 19, only on the half-year and annual financial statements.

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:

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Share capital – minority interests	155	155	0
Reserves – Minority interests	666	451	215
Profit (loss) for the period – minority interests	19	215	(196)
<b>MINORITY INTERESTS</b>	<b>840</b>	<b>821</b>	<b>19</b>

Changes to the shareholders' equity of minority interests is due to the allocation of the result achieved the previous year and the pertinent portion of the quarter result.

#### 14. Severance and other personnel provisions

The following table presents a breakdown of severance and other personnel provisions as at 31 March 2018, compared with the data as at 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Severance	4,207	4,287	(80)
Other personnel provisions	145	118	27
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>4,352</b>	<b>4,405</b>	<b>(53)</b>

The related change is shown in the table below:

<i>in thousands of Euro</i>	at 31.12.2017	Service Cost	Net Interest	Benefits Paid	Actuarial Gains (Losses)	at 31.03.2018
Severance	4,287	5	20	(105)	0	4,207
Other personnel provisions	118	27	0	0	0	145
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>4,405</b>	<b>32</b>	<b>20</b>	<b>(105)</b>	<b>0</b>	<b>4,352</b>

Actuarial gains/losses did not change during the quarter, as a consequence of that explained in Note 13.

#### 15. Deferred Tax Liabilities

The following table shows a breakdown of changes to deferred tax liabilities during the first quarter of 2018. Deferred tax was entered when transitioning to the IFRSs following the application of IFRS 12 - Service concession arrangements.

<i>in thousands of Euro</i>	at 31.12.2017	Provisions	Uses	at 31.03.2018
Deferred tax liabilities	2,371	15	0	2,386
<b>DEFERRED TAX LIABILITIES</b>	<b>2,371</b>	<b>15</b>	<b>0</b>	<b>2,386</b>

## 16. 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 quarter of 2018:

<i>in thousands of Euro</i>	at 31.12.2017	Provisions	Uses	Reclassifications	at 31.03.2017
Provisions for renewal of airport infrastructure (non-current)	9,575	599	0	(218)	9,956
<b>PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (NON-CURRENT)</b>	<b>9,575</b>	<b>599</b>	<b>0</b>	<b>(218)</b>	<b>9,956</b>

The increases for the quarter totalled Euro 0.6 million, of which Euro 0.5 million was classified under provisions in the income statement net of Euro 0.1 million classified under financial expense from discounting. Amounts used during the period in question were recognised under current liabilities in Note 21.

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

The following table shows the breakdown of changes in provisions for risks and charges for the first quarter of 2018:

<i>in thousands of Euro</i>	at 31.12.2017	Provisions	Uses/Releases	at 31.03.2018
Provisions for ongoing disputes	842	8	0	850
Provisions for employee back pay	270	68	0	338
Provisions for other risks and charges	153	0	0	153
<b>PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)</b>	<b>1,265</b>	<b>76</b>	<b>0</b>	<b>1,341</b>

The main change concerned the provision for employee back pay, which, while awaiting the renewal of the National Collective Agreement of Airport Operators (which expired on 31 December 2016) and of Assohandlers (which expired on 30 June 2017), arises from the estimate of the liability for the lump-sum/employee back pay for the quarter under analysis.

### 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 Euro 5 million 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.

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.

Lastly, with respect to Alitalia's special administration procedure, the Group has assessed the contingent liability related to the risk of the revocation of receivables collected in the six months prior to the

procedure in the amount of Euro 1.49 million net of the municipal surcharge. As at the date of this document, taking into account known information and defence elements to which an objection can be made if such a request is made, the directors have decided to provide appropriate disclosure of this in the notes without making any provision and, in the meantime, will continue to closely monitor the carrier's situation.

## 18. Non-current financial liabilities

The following table presents a breakdown of non-current financial liabilities at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Loans - non-current portion	18,988	19,109	(121)
<b>NON-CURRENT FINANCIAL LIABILITIES</b>	<b>18,988</b>	<b>19,109</b>	<b>(121)</b>

The non-current portion of loans consists of medium- and long-term loans taken out by the Group. In the first quarter of 2018, loan instalments totalling Euro 0.1 million were repaid.

At 31 March 2018, total liabilities for loans were Euro 24.8 million, of which Euro 19 million under the subject item, Loans - non-current portion, and Euro 5.8 million under Loans - current portion (Note 22).

The following are the contractual terms and conditions of loans outstanding at 31 March 2018:

Financial liabilities	Debt	Rate	Instalments	Maturity	Covenants
Intesa San Paolo 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 San Paolo S.p.A.	Loan	3% 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	2.026	No

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. Note that in the Group's loan agreements there are no cross-default clauses with companies outside the Group. At 31 March 2018, the Group had not received any communication regarding the application of the cross default clauses by its lenders.

## 19. Trade payables

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Trade payables	13,198	16,208	(3,010)
<b>TRADE PAYABLES</b>	<b>13,198</b>	<b>16,208</b>	<b>(3,010)</b>

At 31 March 2018, trade payables came to Euro 13.2 million, down on 31 December 2017, also due to the seasonal effect.

## 20. Other Liabilities

The following table presents a breakdown of current liabilities as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	<b>at 31.03.2018</b>	<b>at 31.12.2017</b>	<b>Change</b>
Current tax payables	2,790	1,671	1,119
Current payables to personnel and social security institutions	5,186	4,034	1,152
ENAC concession fees and other State payables	13,585	14,556	(971)
Other current payables, accrued expenses and deferred income	5,270	3,913	1,357
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>26,831</b>	<b>24,174</b>	<b>2,657</b>

#### **i. Current tax payables**

The following table shows a breakdown of current tax payables as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	<b>at 31.03.2018</b>	<b>at 31.12.2017</b>	<b>Change</b>
VAT payables	110	0	110
Direct tax payables	1,705	762	943
Other tax payables	975	909	66
<b>CURRENT TAX PAYABLES</b>	<b>2,790</b>	<b>1,671</b>	<b>1,119</b>

Growth in direct tax payables is due to IRES and IRAP estimated for the first quarter of 2018, which are added to the payable entered as at 31 December 2017. 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 as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	<b>at 31.03.2018</b>	<b>at 31.12.2017</b>	<b>Change</b>
Payables to personnel for salaries	1,045	921	124
Payables to personnel for deferred compensation	2,823	2,069	754
Payables to social security institutions	1,318	1,044	274
<b>CURRENT PAYABLES TO PERSONNEL AND SOCIAL SECURITY INSTITUTIONS</b>	<b>5,186</b>	<b>4,034</b>	<b>1,152</b>

#### **iii. ENAC concession fees and other state payables**

The payable to ENAC for concession fees and other State payables mainly includes:

- Euro 11.66 million (Euro 11.36 million in December) in relation to the payable 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 2009-2017 in



addition to the amount accrued as at 31 March 2018 which is being disputed. For additional details on this matter, see the Directors' Report for the 2017 Financial Statements;

- Euro 1.59 million (Euro 2.87 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 as at 31 March 2018, compared with 31 December 2017.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Payables for municipal surcharge	3,187	2,811	376
Other current payables	1,021	986	35
Current accrued expenses and deferred income	1,062	116	946
<b>TOTAL OTHER CURRENT PAYABLES, ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>5,270</b>	<b>3,913</b>	<b>1,357</b>

The first item concerns the municipal surcharge on passenger boarding fees charged to carriers but not yet collected at 31 March 2018. The portion of the municipal surcharge payable pertaining to surcharge receivables 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.

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

The following table details changes in provisions for renewal of Airport infrastructure for the first quarter of 2018.

<i>in thousands of Euro</i>	at 31.12.2017	Provisions	Uses	Reclassifications	at 31.03.2018
<b>PROVISIONS FOR RENEWAL OF AIRPORT INFRASTRUCTURE (CURRENT)</b>	<b>3,498</b>	<b>0</b>	<b>(218)</b>	<b>218</b>	<b>3,498</b>

This item includes the current portion of provisions for renewal of Airport infrastructure. Uses as at 31 March 2018 mainly regard waterproofing of the water collection tank top of the Olmi quarry and other interventions, such as the replacement of the public information monitor and heat pumps at the freight terminal as well as interventions aimed at improving water storage conditions in the passenger terminal.

#### 22. Current financial liabilities

The following table provides a breakdown of current financial liabilities for the first quarter of 2018.

<i>in thousands of Euro</i>	at 31.03.2018	at 31.12.2017	Change
Loans - current portion	5,809	5,807	2
Payables for municipal surcharge	1,855	1,806	49
Other current financial debt	170	54	116
<b>CURRENT FINANCIAL LIABILITIES</b>	<b>7,834</b>	<b>7,667</b>	<b>167</b>

For details of the items “Loans – current portion” and “Other current financial debt”, see the explanation in Note 18 “Non-Current Financial Liabilities,” which indicates the loans obtained by the Group and outstanding as at 31 March 2018.

Payables for the municipal surcharge on passenger boarding fees relate to the portion received from the airlines in March and paid on to lenders in April 2018.

## NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED INCOME STATEMENT

The following are comments on the principal items of the income statement for the period ended on 31 March 2018, compared with those posted for the period ended on 31 March 2017.

### REVENUES

#### 23. Revenues

The application of the new accounting standard on revenues, IFRS 15, applied to all contracts with customers starting 1 January 2018, has led to the identification of the following revenue streams:

1. Airport fees
2. Sub-licensing/Lease of commercial and non-commercial space
3. Parking
4. Construction services
5. Other

**Airport fees** include the fees for services provided by the infrastructure and services provided exclusively by the Group for landing, take-off, lighting and aircraft parking, boarding, disembarking, and the processing of passengers and cargo, as well as for the use of centralised infrastructure.

They include:

- passenger boarding fees;
- aircraft landing and departure fees;
- aircraft stopover and recovery fees;
- freight loading and unloading charges;
- fees for security checks on departing passengers;
- fees for security checks on checked luggage;
- fees for PRM;
- fees due for the use of certain centralised infrastructure.

For further details, see the Description of the Business paragraph of the Directors' Report. Given the public utility nature of airport services, airport charges are subject to regulation, in compliance with the current regulatory framework and the tariff models developed by the Airport Regulatory Authority ("ART").

The Group fulfils its obligations in relation to airport fees by providing carriers with airport infrastructure for landing, take-off, lighting and parking of aircraft, boarding and disembarking of passengers and cargo, as well as use of centralised infrastructure (e.g., de-icing). These fees are billed on a bi-monthly and/or monthly basis, and the standard payment terms are 30 days from the end of the invoicing month, except for the municipal surcharge on passenger boarding fees, whose payment is immediately upon invoicing.

**Revenues from sub-licensing/commercial and other leases** are included in the fees for provision of the areas and commercial and operating space within the airport (so-called sub-concessions) and outside of it (so-called leases).

This category includes sub-licensing/leases at commercial tariffs (retail sub-concessions, sub-concession of parking spaces, etc.) and regulated tariffs (fees for the exclusive use of assets or fees due for the use of airport infrastructure dedicated to individual carriers or operators, such as check-in desks, offices and operating premises).

The Group fulfils its obligations in relation to these types of services by providing its customers (carriers, handlers, etc.) with operating and/or commercial space. These fees are generally billed in advance on a quarterly and/or half-yearly basis, and the standard payment terms for this type of contract are 30 days from the end of the invoicing month.

The sub-licensing agreements stipulated between the Group and its customers are included within the definition of IAS 17 - Leasing and are therefore excluded from the application of IFRS 15 (ref. IFRS 15.5). Starting from 1 January 2019, therefore, they will fall under the definition and governance of IFRS 16, which will replace IAS 17.

The application of the new standard therefore focused on verification that the sub-licensing contracts whose main subject was the leasing of specifically identified areas did not also include other services such as advertising and administrative/utilities services pursuant to the definitions envisaged by IFRS 15. In this case, reclassification was applied of the presentation in the financial statements of revenues by Revenue Stream subject to IFRS 15.

**Parking revenues** comprise the fees for use of parking spots within and outside of the airport, based on a public rate applied to all sales made.

The Group fulfils its obligations in relation to this service by providing its customers with parking spots. This service is billed only upon request by the customer; the parking service is usually settled in cash. There are no impacts from application of IFRS 15.

**Revenues from Construction Services** pertain to the expansion of the construction services provided by the Group to the concession grantor authority, for implementation of the investments in connection with Concession Rights. The Group, which is not a construction company, subcontracts infrastructure construction and improvement activities to third parties. As such, the fair value of the consideration for construction/improvement services performed by the Group is equal to the fair value of the consideration for construction/improvement services performed by third parties, plus a mark-up representing the internal "Project Management" costs incurred for the planning and coordination activities performed by the appropriate internal unit. The application of IFRS 15 did not cause any change to the booking of revenues from construction services.

**Other revenues:** this revenue stream includes the residual obligations compared to the previous categories of contracts (security services, MBL services, training courses, trolley collection services, luggage storage service, etc.). Billing for the various services within this category is generally done on a summary monthly basis for ongoing services and/or individual orders. A number of services also envisage immediate billing. The standard payment terms for this type are 30 days from the end of the invoicing month. Advance payment is required for some types of services (e.g., courses, issue of cards).

In summary, in addition to the above, the contract analysis activity and the regrouping of revenue accounts based on the new revenue streams, after separating the fees underlying the various contractual obligations, have allowed the analysis of the impacts to be identified as follows:

- Disclosure on revenues regrouped according to the new revenue streams (see the tables below);
- Disclosure on revenues by revenue stream, including changes in the relative credit (see the tables below);
- Contracts with customers do not include significant financing components, as the payment conditions are generally 30 days from the end of the invoicing month;
- No cases were identified in which the fee was settled other than in cash;
- No change in the timing of revenue recognition.

With regard to contracts with variable fees, the following is noted: commercial incentive contracts with carriers recognised as an offset to revenues from airport fees may envisage variable fees based on achievement of a specific traffic volume and/or quantity of new routes during the validity period (typically measured in IATA seasons). From 2018, even the one-off promotional incentives, such as those for the start-up of new flights until now recognised in services costs will be stated as a reduction of revenues from

airport fees, as already occurs for variable incentives based on traffic. In the first quarter of 2017, this is Euro 0.1 million as compared with Euro 25 thousand during the first quarter of 2018.

The reclassification of Group revenues according to the revenue families defined by IFRS 15 is stated in the table below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Airport fees	10,419	9,256	1,163
Parking	3,559	3,180	379
Revenues from construction services	1,042	942	101
Other	2,693	2,490	204
<b>TOTAL REVENUES FROM REVENUE STREAM IFRS 15</b>	<b>17,714</b>	<b>15,867</b>	<b>1,846</b>

The reconciliation of revenues by IFRS 15 revenue stream and total revenues (Note 23 of the Income Statement) is shown below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Airport fees	10,419	9,256	1,163
Parking	3,559	3,180	379
Revenues from construction services	1,042	942	101
Others	2,693	2,490	204
<b>TOTAL REVENUES FROM REVENUE STREAM IFRS 15</b>	<b>17,714</b>	<b>15,867</b>	<b>1,846</b>
Sub-licensing/Lease of commercial and non-commercial space	4,700	4,259	441
<b>TOTAL REVENUES FROM REVENUE STREAM NON IFRS 15</b>	<b>4,700</b>	<b>4,259</b>	<b>441</b>
Revenues NON IFRS 15	11	25	(15)
<b>TOTAL REVENUES</b>	<b>22,425</b>	<b>20,152</b>	<b>2,273</b>

Finally, the revenues are shown by IFRS 15 revenue stream, complete with changes to the related receivable/collections made during the period.

<i>in thousands of Euro</i>	receivables as at 31.12.2017	Turnover (*)	Collections/offsetting	receivables as at 31.03.2018
Airport fees (*)	7,069	12,655	-11,496	8,227
Parking	75	4,483	-4,468	90
Revenues from construction services	0	1,042	-1,042	0
Others	1,524	2,997	-2,725	1,795
<b>TOTAL REVENUE STREAM IFRS 15</b>	<b>8,667</b>	<b>21,176</b>	<b>-19,731</b>	<b>10,113</b>

(\*) The data included in the "Turnover" column differs from the Revenues stated in the table above insofar as it includes VAT but not period provisions (e.g. credit notes receivable for incentives, invoices to be issued).

Finally, the standard detailed tables are given of revenues by business categories (Note 23 of the Income statement), for the first quarter of 2018 and 2017.

For a more detailed analysis, please see the Directors' Report.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Revenues from aeronautical services	11,902	10,767	1,135
Revenues from non-aeronautical services	9,204	8,310	894
Revenues from construction services	1,042	942	100
Other operating revenues and income	277	133	144
<b>TOTAL REVENUES</b>	<b>22,425</b>	<b>20,152</b>	<b>2,273</b>

### i. Revenues from aeronautical services

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Revenues from centralised infrastructure/other airport services	171	158	13
Revenues from fees/exclusive-use assets	289	279	10
Revenues from airport fees	14,593	13,293	1,300
Revenues from PRM fees	927	840	87
Incentives for the development of air traffic	(5,207)	(4,964)	(243)
Handling services	623	692	(69)
Other aeronautical revenues	506	469	37
<b>TOTAL REVENUES FROM AERONAUTICAL SERVICES</b>	<b>11,902</b>	<b>10,767</b>	<b>1,135</b>

The breakdown in Revenues from airport fees is provided below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Passenger boarding fees	7,206	6,561	645
Landing, take-off and parking fees	4,141	3,899	242
Passenger security fees	2,332	2,051	281
Hold luggage security fees	662	576	86
Freight loading and unloading charges	204	206	(2)
Rights - Other	48	0	48
<b>TOTAL REVENUES FROM AIRPORT FEES</b>	<b>14,593</b>	<b>13,293</b>	<b>1,300</b>

### ii. Revenues from non-aeronautical services

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Sub-licensing of retail areas and premises	4,087	3,677	410
Parking	3,559	3,180	379
Other commercial revenues	1,558	1,453	105
<b>TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES</b>	<b>9,204</b>	<b>8,310</b>	<b>894</b>

Other commercial revenues are itemised below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Ticketing	9	13	(4)
Marconi Business Lounge	595	542	53
Advertising	357	302	55
Miscellaneous commercial revenues	597	596	1
<b>TOTAL OTHER COMMERCIAL REVENUES</b>	<b>1,558</b>	<b>1,453</b>	<b>105</b>

### iii. Revenues from construction services

Revenues from construction services pertain to the expansion of the construction services provided by Aeroporto Guglielmo Marconi di Bologna S.p.A. to the concession grantor authority ENAC, for the purpose of the implementation of the investments previously commented upon in connection with Concession Rights in Note 1.

At 31 March 2018, these revenues totalled Euro 1 million, which was up on the first quarter of 2017 (Euro 0.9 million)

#### iv. Other revenues and income

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Compensation, reimbursements and other income	277	133	144
<b>TOTAL OTHER OPERATING REVENUES AND INCOME</b>	<b>277</b>	<b>133</b>	<b>144</b>

## COSTS

### 24. Costs

#### i. Consumables and goods

The following table shows a breakdown of the cost of consumables and goods for the first quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Consumables and goods	204	116	88
Maintenance materials	59	46	13
Fuels	213	294	(81)
<b>TOTAL CONSUMABLES AND GOODS</b>	<b>476</b>	<b>456</b>	<b>20</b>

This category highlights growth mainly due to the greater consumption of de-icing fluid for the runways, linked to the weather conditions of the first few months of the year. This growth was partially offset by the reduced costs of fuel and diesel.

#### ii. Services costs

The following table shows a breakdown of services costs for the first quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Maintenance costs	1,092	846	246
Utilities	605	578	27
Cleaning and similar services	498	474	24
Third-party services	2,069	1,562	507
Marconi Business Lounge services	81	71	10
Advertising, promotion and development	158	323	(165)
Insurance	202	180	22
Professional and consultancy services	444	403	41
Fees and reimbursements for statutory bodies	208	208	0
Other services costs	87	90	(3)
<b>TOTAL SERVICES COSTS</b>	<b>5,444</b>	<b>4,735</b>	<b>709</b>

Services costs increased compared with the first quarter of 2017 due mainly to greater expenses for:

- maintenance for greater interventions on buildings and extra interventions also caused by the snow;
- third party services such as the PRM service connected with increased traffic and snow clearance costs for weather conditions recorded in the early months of the year.

Savings on advertising, promotion and development costs (Euro -165 thousand) drop to Euro -40 thousand, considering the one-off traffic development costs incurred during the first quarter of 2017, which in

accordance with the new standard IFRS 15, as from 1 January 2018, are stated as a discount of aeronautical revenues.

Below are further details of maintenance costs:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Maintenance costs of owned assets	255	208	47
Maintenance costs of airport infrastructure	750	553	197
Maintenance costs of third-party assets	87	85	2
<b>TOTAL MAINTENANCE COSTS</b>	<b>1,092</b>	<b>846</b>	<b>246</b>

The following shows a breakdown of third-party services:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Snow clearance	646	233	413
Porterage, transport and third-party services	147	97	50
PRM services	327	298	29
De-icing services and other public service costs	197	192	5
Security services	297	291	6
Other third-party services	455	451	4
<b>TOTAL THIRD-PARTY SERVICES</b>	<b>2,069</b>	<b>1,562</b>	<b>507</b>

### iii. Construction service costs

These were costs for construction services related to the reporting of construction 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 quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Concession fees	1,273	1,166	107
Rental fees	83	90	(7)
Payable rents	129	123	6
Data processing fees	293	247	46
Other costs for using third-party assets	5	2	3
<b>TOTAL LEASES, RENTALS AND OTHER COSTS</b>	<b>1,783</b>	<b>1,628</b>	<b>155</b>

Overall, the item “Leases, rentals and other costs” reflected an increase in airport concession fees and security service fees caused by greater traffic.

### v. Other operating expenses

The following table shows a breakdown of other operating expenses for the first quarter of 2018 and 2017.



<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Tax charges	357	326	31
Fire-fighting service contribution	300	291	9
Capital losses	1	1	0
Other operating costs and expenses	96	79	17
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>754</b>	<b>697</b>	<b>57</b>

vi. **Personnel costs**

The following table shows a breakdown of personnel costs for the first quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Salaries and wages	4,731	4,577	154
Social security contributions	1,325	1,275	50
Severance	316	311	5
Pension and similar	44	44	0
Other personnel costs	314	374	(60)
<b>TOTAL PERSONNEL COSTS</b>	<b>6,730</b>	<b>6,581</b>	<b>149</b>

Personnel costs rise due to the increase in the workforce and normal salary dynamics.

Other personnel costs break down as follows:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Staff canteen	151	154	(3)
Personnel training and refresher courses	68	83	(15)
Personnel travel expenses	35	30	5
Other personnel provisions	27	26	1
Miscellaneous personnel costs	33	81	(48)
<b>TOTAL OTHER PERSONNEL COSTS</b>	<b>314</b>	<b>374</b>	<b>(60)</b>

The following is the average staffing level broken down by category for the two quarters in question:

<i>Average workforce (no. of staff)</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Executive Managers	9	10	(1)
White-collar workers	385	378	7
Blue-collar workers	99	100	(1)
<b>TOTAL PERSONNEL</b>	<b>493</b>	<b>488</b>	<b>5</b>

Below is a breakdown of the workforce by category at the end of the two quarters compared:

<i>Workforce (no. of staff)</i>	at 31.03.2018	at 31.03.2017	Change
Executive Managers	10	10	0
White-collar workers	392	390	2
Blue-collar workers	101	101	0
<b>TOTAL PERSONNEL</b>	<b>503</b>	<b>501</b>	<b>2</b>

## 25. Depreciation, amortisation and impairment

The following table shows a breakdown of this category for the first quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Amortisation of concession rights	1,406	1,371	35
Amortisation of other intangible assets	205	147	58
Depreciation of tangible assets	533	470	63
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>2,144</b>	<b>1,988</b>	<b>156</b>

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 quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Provisions for doubtful accounts	57	36	21
Provisions for renewal of airport infrastructure	493	520	(27)
Provisions for other risks and charges	76	68	8
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>626</b>	<b>624</b>	<b>2</b>

Provisions totals Euro 0.6 million, as in the comparative quarter. For comments on changes to the related provisions, please refer to Notes 8, 16 and 17.

## 27. Financial income and expenses

The following table shows a breakdown of financial income and expenses for the first quarter of 2018 and 2017.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Income from the sale of investments	13	0	13
Income from securities	8	11	(3)
Financial income other than the previous items	33	56	(23)
Financial income from discounting provisions	0	155	(155)
<b>TOTAL FINANCIAL INCOME</b>	<b>54</b>	<b>222</b>	<b>(168)</b>
Interest expenses and bank charges	(135)	(191)	56
Financial expenses from discounting provisions	(114)	(11)	(103)
Other financial expenses	(2)	(10)	8
<b>TOTAL FINANCIAL EXPENSES</b>	<b>(251)</b>	<b>(212)</b>	<b>(39)</b>
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>(197)</b>	<b>10</b>	<b>(207)</b>

The reduction in financial income in the first quarter of 2018 is primarily due to the absence of income for the discounting of provisions and in particular the provision for the renewal of airport infrastructures; during the first quarter of 2017, this item came to Euro 0.15 million. By contrast, in the first quarter of 2018, financial expenses are booked from discounting for Euro 0.1 million. In addition to this effect, due to

the discounting rate performance, a decline is also recorded in bank financial expense, due to the lesser period debt and revised economic conditions of a loan starting April 2017.

## 28. Taxes for the period

<i>in thousands of Euro</i>	for the quarter ended 31.03.2018	for the quarter ended 31.03.2017	Change
Current, deferred and prepaid taxes	(952)	(780)	(172)
<b>TOTAL TAXES FOR THE PERIOD</b>	<b>(952)</b>	<b>(780)</b>	<b>(172)</b>
<b>Taxes for the period as a % of result before taxes</b>	<b>29.04%</b>	<b>30.52%</b>	

**Income taxes** rose mainly due to the increase in the result before taxes (Euro +0.7 million).

### 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 since the receivables, payables, revenues and expenses with regard to 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 a government entity 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 Group's relationship with the Bologna Chamber of Commerce, because there are no significant transactions with that shareholder.

On 29 January 2018, with the co-option of director Livio Fenati, Telepass Spa became a related party. With regards to the latter, as at 31 March 2018 costs for services and trade payables are recorded for Euro 30 thousand in connection with the contract for the collection of Telepass payments for parking.

Infra-group transactions are in addition to these; they are carried out under the scope of normal business and at arm's length, are commercial and financial in nature and relate to the adhesion to the tax consolidation system. The main transactions are described below.

During the quarter under review, trade relationships on the asset side between the Parent Company and the subsidiary Tag Bologna S.r.l. mainly concerned the twenty-year sub-licensing of infrastructure dedicated to general aviation traffic support and the supply of certain services, for a total of Euro 8 thousand.

AdB's service agreements with the subsidiary mainly involve contributions to operating expenses to cover costs related to the management and maintenance of the infrastructure of the general aviation terminal used for the boarding and disembarkation of passengers based on the resulting balance sheet advantage for AdB from including these costs in the calculation base of passenger boarding fees. In all, costs for the first quarter of 2018 due to the subsidiary come to Euro 47 thousand.

Non-commercial relationships with Tag included:

- the tax consolidation contract renewed in January 2018 for FYs 2018-2020;
- the binding patronage letter issued by AdB and minority shareholders of Tag in proportion to stakes held, in favour of Monte dei Paschi di Siena in relation to the long-term loan provided by the latter bank to Tag. As at 31 March 2018, the portion of the secured loan related to AdB totalled Euro 2.1 million.

During the quarter under review, trade relationships between the Parent Company and the subsidiary Fast Freight Marconi S.p.A. consisted of providing the following services:

- sub-licensing of offices and operating areas and premises;
- management and staffing, which includes the following staff services: accounting, administration, finance, management control, management reporting, personnel, legal, ICT, staff secondment and single director;
- security for baggage and cargo x-rays.

In all, costs for the first quarter of 2018 due to the subsidiary come to Euro 99 thousand.

Non-commercial relationships with FFM included:

- the tax consolidation contract renewed in January 2018 for FYs 2018-2020;
- AdB's joint obligation on a guarantee of Euro 0.9 million issued by Assicurazioni Generali in favour of the Bologna Customs Agency for various customs deposits of FFM.

\* \* \*

As regards the type and management of the Group's financial risks, we would refer you to the information given by the directors in the Directors' Report.

\* \* \*

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

Bologna, 14 May 2018

## Annex 1

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

## Interim Directors' Report at 31 March 2018

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.

*Executive in Charge of the Preparation of  
Company Accounting Documents*  
**(Patrizia Muffato)**





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