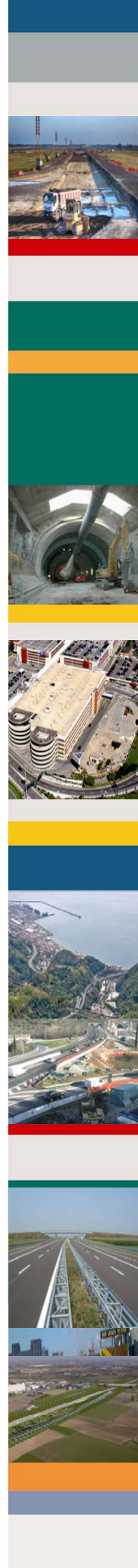


Financial Statements at 31 December 2017





Spea Engineering S.p.A.
ATLANTIA GROUP

Share Capital 6,966,000 €

Fully paid-up

Tax Code, VAT number and

Register of Companies No. 00747280154

Registered Office in Rome

Via Bergamini, 50

Phone 06 4363.1

Fax 06 4363.7001

Company subject to management and coordination by Atlantia S.p.A.
pursuant to article 2497 of the Italian Civil Code.

2017 REPORTS AND FINANCIAL STATEMENTS

• Report on Operations

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CORPORATE BODIES

BOARD OF DIRECTORS

In office for the three-year period 2016-2018

Chairman	Directors
COSTA Paolo	DAMASCO Michelangelo
	LITTARRU Gian Luca
	TOMASI Roberto
Managing Director	
GALATA' Antonino	

BOARD OF STATUTORY AUDITORS

In office for the three-year period 2017-2019

Chairman	Regular Statutory Auditors
De BARTOLOMEIS Giovanna	BASTIANI Alessia
	CEMPELLA Pier Giorgio
	Alternate Statutory Auditors
	ANTONELLI Sara
	BALELLI Andrea

AUDITING COMPANY

For the period 2012-2020

DELOITTE & TOUCHE S.p.A. – Via Tortona, 25 - Milan

HIGHLIGHTS

Amounts in thousands of Euros

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues	105.710	150.024	148.412	116.666	89.694	77.433	107.306	124.008	110.568
Ebitda	33.597	50.870	55.460	40.908	25.549	19.028	28.874	29.072	15.373
Ebitda Margin	31,8%	33,9%	37,4%	35,1%	28,5%	24,6%	26,9%	23,4%	13,9%
Ebit	30.882	49.138	52.951	38.327	22.482	15.902	24.851	25.583	10.433
Ebit Margin	29,2%	32,8%	35,7%	32,9%	25,1%	20,5%	23,2%	20,6%	9,4%
Net result	19.590	31.856	34.276	27.239	13.471	9.772	16.408	17.734	6.870
Average personnel (no. of units)	579	670	739	724	650	607	674	683	687
Labour costs / Revenues	37,5%	31,7%	35,5%	42,1%	49,4%	52,5%	43,8%	39,4%	44,2%
Net Invested Capital	35.245	37.939	46.428	60.098	46.727	54.734	78.051	81.257	79.037
Net cash and cash equivalents	-4.773	-19.935	-17.222	-791	-3.634	-5.398	-9.319	-12.372	-9.312
Equity	40.018	57.874	63.650	60.889	50.360	60.132	87.370	93.628	88.349
Cash Flow	22.306	33.588	36.785	29.821	16.538	12.897	20.431	21.222	11.811
ROI	87,6%	129,5%	114,0%	63,8%	48,1%	29,1%	31,8%	31,5%	13,2%
ROE	95,9%	122,4%	116,7%	80,9%	36,5%	19,4%	23,1%	23,4%	8,4%

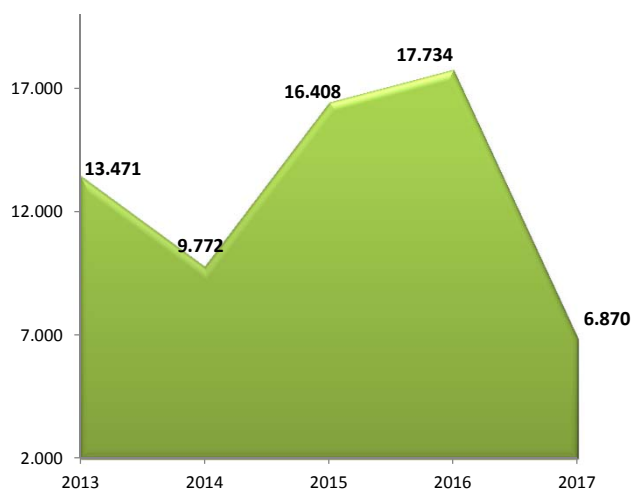
It is specified that the economic and equity ratios shown in the table are not ratios defined by the reference accounting standards, therefore they might be inconsistent, thus incomparable, with those adopted by other Companies.

As regards the economic ratios, reference is made to the analysis of the income results below in this Report on Operations, while for the equity and financial ratios see the analysis of the assets and liabilities structure.

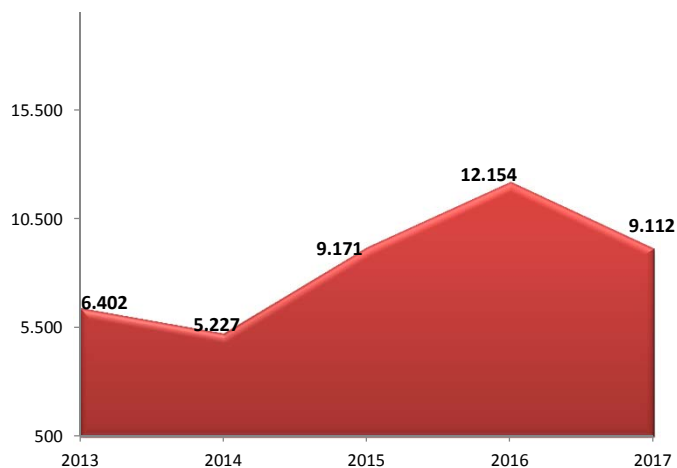
It is specified that the ratios mean the following:

- **Cash Flow** = the sum of profit plus amortization and depreciation, amounts set aside to provisions for liabilities and charges, plus amounts set aside to other valuation reserves.
- **ROI** = Ebit/Net invested capital
- **ROE** = Year's profit/Equity net of year's profit

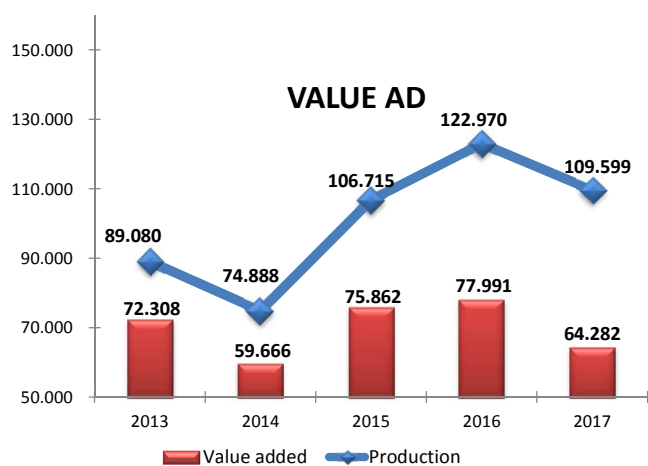
NET PROFIT FOR THE YEAR



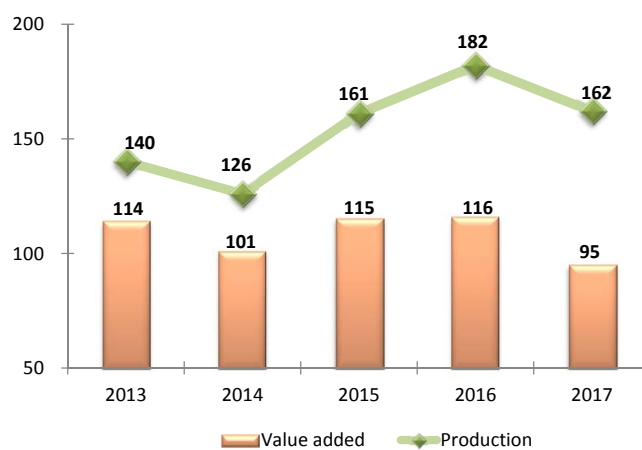
CASH AND CASH EQUIVALENTS



TYPICAL PRODUCTION



PER-CAPITA PRODUCTION PER-CAPITA VALUE ADDED



€thousands

General

The year 2017 – the economic and financial results of which we submit for your approval, together with the Notes to the Financial Statements – showed a reduction in the volumes compared with the values for the previous year, mainly due to the closure of works management construction sites of jobs being completed and to a slowdown of airport activities, in spite of the new investments in infrastructures, launched during the previous year.

Within design activities, the most significant activities included environmental and geotechnical monitoring performed throughout the national territory. The future progress of these activities will depend on the start of new sites; the final design, specialist surveys and executive design of the Genoa Junction; the preliminary and final design of the Bologna By-pass.

Works Management remains deployed on activities mainly concerning the expansion of the 3rd lane on the A1 Barberino-North Florence lots 1 and 2, and the completion of lots for the Variante di Valico (alternative route) between Bologna and Florence; the expansion of the 4th dynamic lane between Fiorenza-Sesto San Giovanni Lot 1; the installation of Labs for activities preliminary to operations and the completion of the 3rd lanes on the A14 Motorway.

As for New Activities, the Company's focus on the foreign market led to the acquisition of new contracts and the start of works in both Eastern Europe and Eastern Africa. These activities continued both at the Branches and in Italy.

As for the airport sector, the main activities concerned – for design – the EAST HUB air terminal, the 2nd phase of departures and arrivals layout at T5 and the environmental monitoring to complete the South Fiumicino project; and – for works management – the New Pier C and related works, the Works Management and CSE/CSP (Safety Coordination during Execution/Safety Coordination during Design) for the upgrading of runways.

Maintenance activities referred to supplementary works for civil and mechanical EMN design in the Fiumicino and Ciampino airports.

Other activities performed for the Group continued during the year, consisting in works supervision and design and management of maintenance and rehabilitation of auxiliary and supplementary works, as well as in surveys and design for II Phase Tunnel Safety Plans.

The process to internalize activities is continuously optimized and improved. The higher volume recognized during 2017 results from the activities preliminary to the start of new works and specialist surveys for the Genoa Junction.

Analyses of the characteristics and costs of the activities to perform, proper identification of strengths and weaknesses for each type of activity and a more accurate estimate of internal personnel requirements, including the necessary training, supply of equipment, vehicles and tools as necessary to perform the activities, will continue to be essential elements to compare internal costs with external services costs and to evaluate full or partial feasibility of the internalization process.

During 2017, the Company continued to strengthen its decision to go back to the non-captive market, in particular international market, after it had focussed exclusively on the captive market for years, especially on the investment plan of Autostrade per l'Italia and its subsidiary companies.

The merger with ADR Engineering in 2015 enabled Spea to extend its business to the airport sector and to enter the international airport market.

During 2017, the activities performed by Spea in terms of core production (including changes in provisions) decreased by 10.9 % compared to the previous year, and they amount to 109.6 million € (123.0 million € in 2016).

The overall production for the Group (intended as consolidation area) totalled 99.1 million €, i.e. 90.3% of the total amount (111.6 million € in 2016, i.e. 90.7% of the total amount).

Production is mainly the result of the design, works management and operating services activities performed for Autostrade per l'Italia, for which works totalling 74.8 million € were carried out (71.4 million € in 2016), increasing by 4.8%, and design, works management and maintenance activities in the airport sector for Aeroporti di Roma, totalling 21.3 million € (33.5 million € in 2016). The activities related to the implementation of the investment and maintenance plan, technical-specialist services consisting in professional assistance, design and works management for airport works and infrastructures by the other Group concessionary companies to which the Company provided its services contributed for 2.9 million € (6.6 million € in 2016). The contribution of the activities performed for non-captive Buyers in Italy and abroad resulted in production amounting to 10.5 million € (11.4 million € in 2016).

Production costs amounted to 102.5 million € (100.0 million € in 2016), increasing by 2.5% compared to 2016. This change mainly results from the more extended use of external professional services that could not be performed internally, and from the amounts set aside for pending disputes, while the Company is still implementing a cost reduction policy with a more prudent management of any expenses needed to run its offices. The cost increase also affected, to a minor extent, labour costs, up by 0.3 million €.

Year 2017 closed with a profit of 6.9 million €, decreasing compared to 2016 (17.7 million €), since mostly residual completion activities were carried out in the year, as opposed to the major activities performed in 2016.

In 2017 the financial position, which last year showed cash at bank and in hand totalling 12.2 million €, closed with a positive balance of 9.1 million €. This cash increase is better analysed in paragraph "Financial Management" below.

The jobs assigned by the main Companies of the Group, those which are being formalized and the promotional activities performed in Italy and abroad resulted in an order book totalling about 215 million € at 31 December 2017.

At 31 December 2017, personnel on payroll amounted to 705 units, with an increase compared to 31 December 2016 (678 units in 2016).

In compliance with the obligations set forth in article 154 bis of Law 262/2005 ("Provisions for the protection of savings and regulations on financial markets"), under which Spea was included among the Group Companies whose specific processes and risks should be monitored, as they are sensitive processes and risks in the determination of material errors in the Group financial reporting, during 2017 the Company continued to analyse, formalize and update accounting and administrative procedures as required for the Company's documents and operations verification.

The implementation of these processes will enable the Executive in charge from Atlantia S.p.A. to draft the report prescribed by the abovementioned Law, concerning the adequacy and actual implementation of administrative and accounting procedures.

The certification is issued every six months. Within this framework, please note that like the other Group companies included in the consolidation area, Spea prepares a specific reporting package based on the international accounting standards (IFRS) adopted by Atlantia Group.

As for the protection of health and safety at work, during 2017 the Company performed several activities, including the arrangement of training and refresher meetings for the personnel involved, and the update of the "Risk Assessment Document" (Documento di Valutazione dei Rischi – DVR) to adjust it to the changes in legislation occurred over time.

In November 2017, Spea Engineering S.p.A. was awarded certification OHSAS 18001:2007 again.

During the year, the Environmental Management System integrated to the Occupational Health and Safety System was developed and applied pursuant to Standard ISO 14001:2015. In November 2017, along with the OHSAS 18001:2007 certification, Spea Engineering S.p.A. obtained the ISO 14001:2017 certifying its environmental management system. The development of the Environmental Management System was supported by an external provided and by internal resources from the Company's Safety and Quality Offices.

The Company continued health monitoring involving all the personnel exposed to construction site and office risks. The doctor for the Pescara area was replaced, while all the other Company Doctors already in office were confirmed. In 2017 all workers whose fitness for work certification was about to expire underwent a medical examination, as prescribed by the Company's health protocol.

The Company Doctors performed inspections at Spea's workplaces.

An external provider was engaged to deliver Fire-Fighting, First Aid, Supervisors and Category 3 PPE training and induction.

The same external provider also delivered training, information and induction on confined spaces.

Moreover, in-house basic training courses were delivered to workers and supervisors in accordance with the State-Region Agreement, and several employees received training and information on internal procedures.

Several internal audits were performed to verify the implementation of the Occupational Health and Safety and Environmental Management System (SGSSLA – Sistema di Gestione Salute e Sicurezza sul Lavoro e Ambiente), both for compliance of Spea's offices, and for CSEs' activities, as well as for compliance with the Company's Environmental standards and procedures.

Within the framework of the tasks of "supervision for operation of and compliance with the Organization, Management and Control Model", which are assigned under Legislative Decree 231/01, Spea Supervisory Board met six times during 2017.

The Supervisory Board acquired and analysed information flows from the Company's functions in accordance with the Organization, Management and Control Model (the "Model") and Operating Procedure "Management/Monitoring of relationships with Public Administration and information flows to the Supervisory Board".

During the year, the Supervisory Board reminded the persons responsible within the Company of the importance of timely reporting and asked for non-received flows to be sent.

In order to perform its tasks, and in particular the monitoring under Decree 231, Spea Supervisory Board was supported by the Group Internal Audit Function. In 2017, the analysis performed by the Function mainly focussed on the Company's consultancy and payments. The process was found to be properly controlled, and the audits did not show profiles under Legislative Decree 231/2001.

With reference to the activities performed in 2017, no reprehensible facts or breaches of the Model occurred, and no acts or conducts resulting in breaches of the provisions of Legislative Decree 231/2001 were reported.

The periodic re-certification inspection performed on the Company in 2017 by Certification Entity DNV GL Business Assurance Italia S.r.l. confirmed the conformity of the Company's Quality Management System with European standard UNI EN ISO 9001:2008.

Dear Shareholders:

The results achieved during the year derive from the professional contribution of each resource. Therefore, we wish to thank all the Personnel at every level of responsibility for the efforts made and for the abilities and competences they have proven to have.

For the new year, the Company is committed to continuing the innovation process started during the last periods and aimed at meeting our customers' needs by identifying new projects, applying different methods, improving organization and processes and paying systematic attention to costs, times and quality of works design and execution.

OPERATIONS PERFORMED DURING THE YEAR

REFERENCE STRATEGIC AND OPERATIONAL FRAMEWORK

During 2017 the Company continued its commitment to performing design and works management activities, keeping its role of technical-operational support for the Group, aiming at always providing appropriate responses in terms of ability, streamlining and safety required to extend the network assigned in concession, performing activities at airport facilities and continuing to search for new domestic and international markets.

ORDER BOOK

OPERATING PERFORMANCE DURING THE YEAR

In 2017 the net value of the jobs acquired and of the updates of jobs in progress totalled 103.4 million €, of which 56.9% (i.e. 58.9 million €) accounted for Autostrade per l'Italia jobs and 29.4% (i.e. 30.4 million €) refer to Aeroporti di Roma (in 2016, the amount was 144.9 million €, of which 70.6%, i.e. 102.3 million €, were Autostrade per l'Italia jobs and 20.8%, i.e. 30.2 million €, were Aeroporti di Roma jobs).

As the year's production, excluding the change in provisions for liabilities and charges, amounts to 110.1 million € (at 31 December 2016 it was 119.5 million €), the residual portion of the order book at 31 December 2017, including contracts which were formally executed or under definition, amounts to 215.1 million €, decreasing by 3.0% compared to the previous year. This figure also includes the whole order book referring to contracts acquired in the framework of Joint Arrangements with third-party partners.

The main jobs acquired or under formalization can be summarized as follows:

ITALY

Autostrade per l'Italia

- *Design*
- Supplementary works North Florence-South Florence – A1
- Expansion of 3rd lane Incisa-Valdarno section – A1
- Expansion of 4th lane South Milan-Lodi – A1
- Geotechnical and surveying monitoring of the Santa Lucia Tunnel
- Environmental monitoring of Variante di Valico Lots 5-8/9-11/12/13
- Monitoring of slope covering Val di Sambro Tunnel – A1

- Pre-works environmental monitoring for the water section of the Genoa Junction
- Expansion of 3rd lane Florence-Pistoia – A11
- Expansion of 3rd lane Monselice-South Padua and Bologna-South Ferrara sections – A13
- Expansion of 4th lane Bologna-Ravenna – A14
- Bologna By-pass – executive design, safety, surveys
- *Works Management*
- Works Management La Quercia-Aglio Base Tunnel Lots 9-11
- Works Management North Badia-Barberino completion Lots 9-11
- Expropriations on behalf of Autostrade per l'Italia
- ASPI laboratories
- *Operating Services*
- Works supervision and control services
- Design and management of maintenance and restoration works relating to intervention plans and improvements of the motorway surface
- Works Management and Surveys for II Phase Tunnel Safety Plans
- Overpass maintenance engineering activities
- Seismic analyses
- During the year no. 444 (491 in 2016) terotechnology jobs were assigned, of which no. 149 (216 in 2016) design jobs, no. 215 (214 in 2016) works management jobs and no. 80 (61 in 2016) testing jobs.

Aeroporti di Roma

- *Design*
- Fiumicino – Works management for new Pier C and connected works
- Fiumicino – EAST HUB Air Terminals
- Fiumicino – Terminal adjustment for Fire Prevention Certificate
- Fiumicino – Redevelopment of departure lounge and expansion of arrivals T3
- Fiumicino – Office hub and Business City final design and executive design
- Supplementary works civil/mechanical/electrical EMN design
- *Works Management*
- Fiumicino – Hydraulic risk mitigation Runway 1 and TWY Alfa
- Fiumicino – Terminal 5 redevelopment works
- Safety – CSE jobs
- Supplementary Works Management tasks civil/mechanical/installation EMN design

Società Autostrade Meridionali (SAM)

1) Operating Services

- Renewal of the job to perform the supervision of works

Società Tangenziale di Napoli

1) Works Management

Seismic and structural upgrading of the Capodichino Viaduct

2) Operating Services

- Renewal of the job to perform the supervision of works

S.A.T.

1) Operating Services

- Renewal of the job to perform the supervision of works
- Supplementary works

ABROAD

ACA Aeroport Nice Cote d'Azur

Nice – Redevelopment of air station 3/31-39

Autorité Routiere de Madagascar

Madagascar – Rehabilitation of the Kamoro Bridge, phase B

Autostrade TECH

Albania – Design of toll stations for the Millot-Morine Motorway

Albanian Road Authority

Albania – Study – Design for the widening of Tirane-Durres Motorway

Ethiopian Roads Authority

Ethiopia – Consultancy Services for Development of Roads Asset

Ministry of Finance

Albania – Technical Assistance for the improvement of road safety standards

Office National des Aeroports

Morocco – New terminal at Rabat Airport

Public Company Roads of Brcko

Bosnia – Supervision of construction of the Brcko

Roads Department of the Ministry of Regional Development

Georgia – Design E-60 section Khevi-Argveta

Rwanda Transport Development Agency

Rwanda – Consultancy Services for Kigali/Bugesera International Airport

Safege

Egypt – framework agreement to support EIB advisory services activities EU28 L.3

The Ministry of Finance

Montenegro – Development of a Road Database

The order book at 31 December 2017 by activity sectors, compared to the previous year, is as follows:

(Million euros)	31 December 2017	31 December 2016	Difference	%
Design	85.6	89.3	-3.7	-4.2
Works Management (*)	69.2	84.5	-15.3	-18.1
Operating Services	20.4	18.7	1.7	9.1
New Activities (*)	12.8	11.3	1.5	13.2
Airport Activities	27.1	18.0	9.1	50.5
Total	215.1	221.8	-6.7	3.0

(*) This figure also includes the whole order book referring to contracts acquired in the framework of Joint Arrangements with third-party partners.

PRODUCTION AND MAIN JOBS PERFORMED

In 2017, production decreased by 13.4 million € compared to 2016, including the effect of the release of provisions for jobs. The production by activity sectors in 2017, compared to the previous year, can be summarized as follows:

(Million euros)	31 December 2017	31 December 2016	Difference	%
Design	36.9	30.2	6.7	22.2
Works Management	19.0	28.0	-9.0	-32.1
Operating Services	21.5	21.1	0.4	2.0
New Activities	10.7	10.0	0.7	7.0
Airport Activities	21.5	33.7	-12.2	-36.2
Total	109.6	123.0	-13.4	-10.9

The comparison shows an increase (22.2%) in production from "Design" activities compared to the previous year (30.2 million € at 31 December 2016), mainly as a result of activities being resumed with respect to new infrastructure investments. These activities mostly involved final

design, Environmental Impact Study, environmental monitoring and surveys at the Genoa Junction for 3,268 thousand € (8.9%); executive design, Genoa Gronda Coordination and Safety Plan for 5,768 thousand € (15.7%); Bologna By-pass, on-site enhancement, supplementary works, executive design, surveys for 8,824 thousand € (24.0%); as well as environmental, geotechnical and land survey monitoring activities over the entire motorway network for 8,160 thousand € (22.2).

"Works management" activities amount to 19.0 million € (at 31 December 2016 they amounted to 28.0 million €), decreasing by 32.1% compared to the previous year, mainly as a result of construction sites being closed for jobs completed. Productions are mainly ascribable to all the activities of the Variante di Valico including the Base Tunnel for 5,157 thousand € (27.1%); activities relating to the expansion of the 3rd lane for Lots 0-1 and 2 of the A1 Barberino-North Florence for 5,113 thousand € (26.9%); activities concerning the expansion of the 3rd lane of the A14 Motorway lots for 1,707 thousand € (9.0%); expansion of the 4th dynamic lane Fiorenza-Sesto San Giovanni and expansion of the 5th lane A8 Milan toll station, Lainate interconnection, for 1,989 thousand € (10.5); and the installation of construction site laboratories for 1,868 thousand € (10.0%).

"Operating Services" activities, essentially unchanged compared to the previous year, totalled 21.5 million €, confirming the design and works management commitments for maintenance, restoration and adjustment works of the motorway network and of the service areas. Moreover, the Company continued the planned supervision of works within the Group network.

The production of "New Activities" (10.7 million €) increased by 7.0% compared to the previous year, as a result of the start of previously acquired works and of newly acquired works for foreign jobs executed both by the Italian Company and by the Branches (Albania, Armenia, Georgia, Madagascar and Moldova).

During the year, "Airport Activities" accounted for 21.5 million € of production (33.7 million € at 31 December 2016), down by 36.2% compared to the previous year.

These activities mainly referred to preliminary and final design and Environmental Impact Study of Runway 4 for 889 thousand € (4.2%); the design of technical and financial feasibility and surveys for the new layout of arrivals and departures at T5 for 830 thousand € (4.0%); works management for the new Pier C and related works for 2,547 thousand € (12.0%); supplementary design and works management of civil, mechanical and electrical works for 2,231 thousand € (10.5%); and safety-related CSE and CSP works for 1,594 thousand € (7.5%).

The following major jobs were performed during the year:

- **Design**

The jobs mentioned in the chapter "Order Book" started regularly and the following activities continued:

- Environmental, structural and geotechnical monitoring of the Variante di Valico lots
- Final design, Environmental Impact Study surveys and Environmental monitoring for the Genoa Junction

- Executive design, Safety and Coordination Plan for the Genoa Gronda
- A1 – Final and executive design + Environmental Impact Study South Florence-Incisa San Donato variant
- A1 – Design of supplementary works North Florence-South Florence
- A1 – Executive design + SIC 4th lane expansion South Milan-Lodi section
- Bologna By-pass – on-site enhancement, supplementary works, surveys and executive design
- A11 – executive design + SIC 3rd lane expansion Florence-Pistoia
- A12 – Final design + Environmental Impact Study Lots 4-5 Livorno-Civitavecchia
- Environmental monitoring of A14 lots
- A13 – Final design + Environmental Impact Study 3rd lane expansion Bologna-Padua section
- A14 – Executive design + SIC for 4th lane expansion Bologna-Ravenna section

- **Works Management and Technical Assistance**

The activities in the sector, which also involved expropriation tasks, mostly concerned:

- Works on all the Variante di Valico lots including the Base Tunnel (lots 9, 11 and 13)
- A1 – Works for 3rd lane expansion Lots 0, 1 and 2 in the Barberino-North Florence section
- A1 – Works Management Lot 1 North of the South Florence-Incisa section
- A14 – 3rd lane enhancement works
- Expansion of the 4th dynamic lane Fiorenza-Sesto San Giovanni
- Activities and installation of Laboratories along Motorways A1 and A14
- Expropriations on behalf of ASPI and for other Group Companies
- A56 – Tangenziale di Napoli – sundry works within the network

- **ABROAD** – Activities are being performed at the Romanian Branch to update the feasibility study of the Sibiu-Pitesti Motorway of about 100 km and for the warranty period of Lot E.

- **Operating Services**

- Supervision: works supervision activities continued with ASPI and with the Group Concessionary Companies
- Terotechnology and supplementary works: design and works management activities for the Group Companies concerning maintenance, restoration of supplementary works and the extension, adjustment and upgrading of motorway toll gates, variable message signs, coordination for the road surface and other operating structures and studies to assess seismic risks in tunnels and acoustic treatment, monitoring of hydraulic structures and anchor inspections in tunnels were performed
- Other network works for testing, tunnel lighting systems and minor works.

- **New Activities**

The jobs mentioned in the chapter “Order Book” started regularly. The main jobs refer to the following works:

- Albania: studies and design for the expansion of the 3rd lane along the Tirane-Durres Motorway
- Georgia: Design E60 Khevi-Argveta section
- Madagascar: rehabilitation of the Kamoro Bridge, phase B
- Bosnia: Sect. Corridor VC motorway studies
- Bosnia: Supervision for the construction of the BRCKO By-pass
- Rwanda: contract for consultancy, development and review of transport projects
- Armenia: Design Consul. Serv. North-South Road Corridor
- Armenia: Works management for construction and supervision of Tranche 3 N/S Corridor
- Armenia: Works management Lanjik–Gyumri Road Tranche 3
- Moldova: Works management for R1 Chisinau-Ungheni-Sculeni
- Moldova: Works management for R33 Hincesti-Lapusna – M1

- **Airport Activities**

The jobs mentioned in the chapter “Order Book” started regularly. The main jobs refer to the following works:

- Fiumicino – T5, 2nd stage of layout of arrivals and departures
- Fiumicino – preliminary and final design and environmental impact study Runway 4
- Terminal adjustment for Fire Prevention Certificate
- Environmental monitoring of South Fiumicino
- Fiumicino – construction of building for EPUA III airport offices
- Fiumicino – Electrical maintenance system for runways and aprons
- Fiumicino – Works Management new aprons 1st Phase West Area
- Fiumicino – Works management for new Pier C and connected works
- Fiumicino – Hydraulic risk mitigation Runway 1 and TWY Alfa
- Safety and 2016/2017 CSE-CSP
- Supplementary maintenance works civil/mechanical/electrical EMN
- Ciampino – redevelopment of runways, aprons, arrival and departure terminals
- Ciampino – redevelopment of air infrastructures maintenance plan

During the year, production broken down by Buyer is as follows (in thousands of euros):

Buyers	Design	Works Management	New Activities	Airport Activities	S.V.E	Total	% 2017	% 2016
Autostrade per l'Italia	35,869	18,592	140		20,225	74,826	68	58
Aeroporti di Roma				21,327		21,327	19	27
R.A.V.		-19			47	28		-
Autostrade Meridionali	102	-47			652	707	1	2
Tangenziale di Napoli		336			398	734	1	
Stalexport S.A.								-
Autostrade Tech			55			55		-
Spea do Brasil			-8			-8		
AB Concessoes			-1			-1		
Atlantia					3	3		-
Aeroports de la Cote d'Azur			53			53		
ADR Mobility				139		139		-
AD Moving					13	13		
ADR Assistance				15		15		
Leonardo Energia				-2		-2		
Fiumicino Energia				20		20		
S.A.T.	747	115	47		177	1,086	1	4
Soc.It.Trafo .Bianco	38				34	72		
Extra Group	83	21	10,447		-19	10,532	10	9
Total	36,839	18,998	10,733	21,499	21,530	109,599	100	100

Market development activities

During the year, the Company continued its commitments and efforts to extend the domestic and foreign markets, not only to acquire new business, but also to encompass new countries and opportunities.

In Italy, the number and value of public tendering procedures for engineering and architecture services (OICE data) grew by over 17% and 56.4%, respectively, compared to last year, which had experienced a decrease due to the entry into force of a new Public Contract Consolidated Code; namely, Anas called tenders for framework agreements for the entire national territory, regarding a number of design and maintenance activities, in which the Company has bidden.

In the Italian market, we followed some twenty initiatives and the Company acquired several airport jobs on behalf of the managing body of the Naples airport.

In the foreign market, the Company participated in some 125 initiatives in the year, submitting approx. 30 bids and acquiring 14 jobs, i.e. a percentage in excess of 40%.

Many development activities were performed, aimed partly at strengthening known countries and markets and partly at penetrating countries and markets with new sectors, such as that of airport engineering services and technical support services (RAMS, Road Safety, etc.) to Public Entities.

Jobs have been acquired in 5 new countries: Azerbaijan, Kyrgyzstan, Morocco, Cameroon and Egypt. In Morocco and Kyrgyzstan, the jobs acquired are in the airport sector.

Branch consolidation and development activities continued in Albania, Armenia, Georgia, Moldova, Madagascar and Romania, while the activities linked to the Brazilian subsidiary company slowed down due to the country's financial situation. A new Project Office was opened in Ethiopia.

Initiatives in progress or acquired during the year include:

Albania: the activities to design the expansion of the Tirana-Durres motorway and the new Thumane-Vore motorway were completed; the technical support activity for a Road Safety Standards programme financed by the European Commission began; the final design for the new toll station near Kukes on the Milot-Morine motorway was developed;

Armenia: the contracts to develop the North-South corridor on behalf of ADB and EIB are continuing;

Azerbaijan: contract acquired to define a new H&M system for the Ministry of Transports;

Bosnia Herzegovina: works management being performed to build the Brcko By-pass continued, while the job assigned by the European Commission to perform studies and design of the European motorway Corridor VC was completed;

Brazil: activities for the "Engineering design and work supervision of road rehabilitation and maintenance" service financed by the WB for the Bahia Infrastructure and Transport Department are ongoing; the design phase was completed, and the Works Management was launched;

Cameroon: Works Management activities started for the renovation and upgrading of the Yaoundè – Bafoussam – Babadjou motorway section;

Ethiopia: activities for "Consultancy Services For Development Of Road Asset Management System" on behalf of the Ethiopian Roads Authority and financed by the African Development Bank (AFDB) are ongoing;

France: Works Management activities started for the expansion of the new apron in the Nice airport; the design activities for the new apron in the Bastia airport were also launched;

Georgia: works management activities to build the E-60 Samtredia Grigoleti motorway continued; two jobs were acquired for the design of the E60 motorway in the sections Khevi-Ubisa-Shorapani-Argveta and Batumi-Sarpi for the Ministry of Transports and financed by the ADB, activities ongoing in both lots;

Luxembourg EIB (European Investment Bank): activities concerning the support framework to the Bank are ongoing, with advisory services (IEBAS) for activities inside and outside the 28 European Member States; namely, technical advisory was provided to analyse a new transport model to connect the Greater Cairo to the Suez Canal in Egypt;

Macedonia: design activities to restore and upgrade a section of state roads in the north of the country are ongoing;

Madagascar: works management reaching completion for the new Kamoro cable-stayed bridge and restoration of the Manajeba bridge;

Morocco: the (preliminary, final and executive) design of the new Passenger Terminal serving the Rabat Airport is ongoing;

Moldova: Works management activities continued to rehabilitate and improve roads R1 and R33;

Montenegro: activities to prepare a "Road Data Base" for the Ministry of Transports and financed by the EU are ongoing;

Romania: feasibility study being updated for the Sibiu Pitesti Motorway, for approximately 120 km; activities continued for the warranty period of Lot E;

Rwanda: jobs being performed for the study, analysis and construction of the Kigali – Bugesera expressway, connecting the international airport (BIA), and for the feasibility study of a bus rapid transit (BRT) system for the city of Kigali;

Serbia: the activities concerning three "Road rehabilitation and upgrading" projects on state roads IA 3, IB 35 and IB 21, financed by the EIB, are ongoing.

ORGANIZATION

In 2017, no substantial changes in the organisational structure occurred compared to the prior year.

Following the approval of works regarding the Genoa Gronda Project, a dedicated team was established, which required the reallocation of resources from specialist offices and recruiting of new specialist figures from the market.

During the year, the regular update activity for the procedural system –in connection with both regulatory changes and management, organisation and control changes (Legislative Decree 231/01) – led to the issue of 23 new procedures and technical instructions, both new issues and revised standards.

Labour costs

The year 2017 closed with an increase in labour costs linked to the increase in the average personnel (up by 1.9 units compared with last year), net of reclassifications pursuant to the 2017 restated version of the OIC.

The average cost per person is € 74.0, virtually unchanged compared with 2016, which closed with an average cost per person of € 73.8. This result was affected by the non-renewal of the national collective bargaining agreement and of provincial integrative contracts, as well as by the application of management policies aimed at containing variable costs, and especially those referring to the use of holidays and leaves.

PERSONNEL TREND

As regards Executives, there have been two changes, i.e. a dismissal in January 2017 and the appointment of a Middle Manager as an Executive in August 2017.

During the year, 9 employment contracts were converted into open-ended contracts; all of them fall within the scope of the new progressive entitlement employment contract type provided for by the Italian Jobs Act.

49 new resources entered the Company, 42 of which with a fixed-term contract; 22 resources left the Company, 17 of which were workers with open-ended contracts. 55% of the new resources joined the Road Design Technical Department.

During the year, 68 mobility initiatives were implemented, including 45 transfers, 17 units in internal mobility and 6 units posted to Group companies.

	PERSONNEL			AVERAGE PERSONNEL		
	2017	2016	DELTA	2017	2016	DELTA
Executives	14	14		13.4	13.7	-0.3
Middle Managers	106	98	8	104.1	100.4	3.7
White-collar workers	585	566	19	559.0	560.5	-1.5
TOTAL	705	678	27	676.5	674.6	1.9

At 31 December 2017 Spea personnel include 502 men (489 units at 31 December 2016) and 203 women (189 units at 31 December 2016).

At 31 December 2017 personnel by Organizational Units broke down as follows:

	2017	2016	Difference
➤ Top Management and Staff Functions	66	64	2
➤ Design of New Motorway Structures	185	151	34
➤ Works Management – Road Infrastructures	114	132	-18
➤ Design and Works Management of Airport Infrastructures	93	87	6
➤ Operations and New Activities	219	138	81
➤ Development	5	3	2
➤ Posted to Group Companies	23	19	4

In addition to these resources the Company has 9 units operating at the Bucharest Branch under a Romanian employment contract.

The following is a summary of the personnel education:

	2017	2016	Difference
➤ Engineers	255	231	24
➤ Architects	56	51	5
➤ Other University Degrees	73	71	2
Total University Graduates	384	353	31
➤ Surveyors	213	215	-2
➤ Other School Graduates	91	89	2
Total School Graduates	304	304	0
Total School and University Graduates	688	657	31

The above table shows that 54.4% of the personnel are University Graduates, while 43% are School Graduates, totalling 97.4%.

The average age of personnel is as follows:

	2017	2016
Executives	56.85	55.92
Middle Managers	51.03	50.32
White-collar workers	43.56	43.63
General average	44.94	44.88

Average seniority within the Company is as follows:

	2017	2016
Executives	23.61	23.24
Middle Managers	17.09	16.21
White-collar workers	12.27	12.61
General average	13.22	13.35

PERSONNEL TRAINING AND DEVELOPMENT ACTIVITIES

Training activities consisted in 100 different courses, with a total of 1,174 training activities. 581 employees, including 6 executives, 78 middle managers and 130 seventh-level workers, took part in these training activities. Days/man totalled 1,538, up by 54.7% compared with 2016, and 82.4% of the personnel attended training activities during the year.

Training focussed on the Safety area (41.92%, with an increase in terms of hours of training by 96.7% compared with 2016), the technical-specialist area (26.8%), the language area (18.13%) and the IT area (12.84%); sundry courses accounted for 0.31% of total training.

INDUSTRIAL RELATIONS AND LITIGATIONS

As to industrial relations, the talks with the counterparties proved constructive and allowed reaching agreements that contributed to the determination of the annual result bonus, based on targets linked to an improved efficiency and quality in terms of environmental sustainability and life/work balance.

Under the agreement reached, part of the bonus will be paid in the form of flexible benefit, with the allocation of the expense budget under the agreement. The benefit will be spent on tax-exempt services pursuant to articles 51 and 100 of the Consolidating Act on Income Taxes, which will be provided to workers and their families with educational, recreational, social assistance, healthcare or religious purposes.

With reference to individual litigations, 5 disputes were pending at 31 December 2017.

INFORMATION SYSTEMS

TECHNOLOGICAL DEVELOPMENT ACTIVITIES

In addition to management and development activities aimed at aligning the computer system with the new Company organization, and the support needed to ensure that internal mobility plans were implemented, technological development included wide-ranging innovations and improvements.

Investments were made to improve/change labour organization, in order to simplify processes and make them more efficient, improve production capacity, reduce waste and minimize operating costs.

Below are the most significant investments (studies and projects) implemented during the year:

- Bentley ProjectWise (PLM) implementation project to manage design jobs;
- BIM methodology implementation project, extension of the STR VISION CPM information system and support to development of the East Hub Pier "A" pilot project;
- Project to improve business continuity and service levels for the Fiumicino offices;
- Implementation project for the new design office in Genoa (approx. 50 fully-equipped workstations for on-site designers), aimed at the executive design of the Genoa Gronda in 11 months;
- Project to upgrade security systems through the implementation of additional proactive protection levels;
- Project to expand the STR VISION CPM Information System aimed at systematizing and managing safety costs in an integrated manner;
- Project to expand the STR VISION CPM Information System aimed at systematizing and managing Works Management activities in an integrated manner using IPAD and the Register of Measures APP;
- Project to expand the SINEX Information System aimed at systematizing the management, by Contract Managers, of Works Management contracts of the DENA/SVE Function;
- Project to improve the efficiency of Department Systems, by replacing the most critical ones with new ones (servers, multi-functions);
- Project to improve the efficiency of workstations, by replacing/updating approx. 300 workstations;
- Project to improve operations in mobility through the extension of the use of VPN, Smartphones, Tablets, Ultrabooks and time clock apps.
- Project to improve the efficiency and optimizing the printing centre in Milan, with a view to reducing the use of external providers for small formats ($\leq A3$);
- Completion of the Information System implementation project aimed at managing the Santa Lucia mechanized excavation.

INFORMATION PURSUANT TO ART. 2428, PARAGRAPH 3, 6 BIS OF THE ITALIAN CIVIL CODE

With reference to the abovementioned article, concerning the Company objectives and policies on its financial risk management and exposure, the following information is provided:

- **Credit risk**

The Company operates in different business sectors, mainly with Group Companies. Though it is exposed to credit risk concentration, since they are customers with a strong equity and financial position, the Company thinks that its bad debt risk is limited.

- **Liquidity and interest rate risk**

The Company does not have problems in finding the funds required to fulfil its commitments thanks to an efficient management of the cash flows derived from current operations and, in particular, it is not exposed to the interest rate risk related to normal collection and payment operations.

The Company also has a running account with ASPI regulated under standard market conditions.

- **Currency risk**

Although it is expanding to the foreign market, the Company performs operations mainly at a national level, thus this risk is not material. The offer of services to the market is made mainly in Euros.

Finally, it is highlighted that the Company does not have outstanding financial derivatives.

TRANSACTIONS WITH SUBSIDIARY, ASSOCIATED AND CONTROLLING COMPANIES AND WITH COMPANIES CONTROLLED BY CONTROLLING COMPANIES

Spea Engineering S.p.A is subject to management and coordination by Atlantia S.p.A.

TRANSACTIONS WITH THE COMPANY PERFORMING MANAGEMENT AND COORDINATION

Income Statement	31/12/2017	Transaction description
Production value	3,578	Revenues from services and change in work in progress on order
Production costs	25,000	Resources posted to the Company and consideration to Directors
Financial income	-	

Balance Sheet	31/12/2017	Transaction description
Work in progress on order	8,200	
Trade receivables and accrued income and prepaid expenses	4,022,243	Trade receivables, Tax receivables for National Consolidated Tax Return and IRES on IRAP, labour cost 2009/2011
Trade payables and accrued expenses and prepaid income	60,000	Payables for invoices to receive
Commitments receivable	-	
Commitments payable	-	

The account summarizing the essential data of the latest financial statements approved by the Company performing management and coordination is enclosed to the Notes.

For Income Statement and Balance Sheet transactions with Companies subject to Atlantia control or Spea associated companies, specific reference is made to the Notes to the Financial Statements and to the detailed accounts.

On this regard, note that the transactions are regulated by contracts under market conditions.

SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2017

No events occurred after 31 December 2017 that might lead to material changes in the current Balance Sheet and Income Statement items compared to those approved by the Company's Bodies and therefore requiring adjustments or additional notes to the financial statements.

As in the previous years, the Company will be engaged as technical and operational support of Autostrade per l'Italia S.p.A., Aeroporti di Roma S.p.A. and the other Atlantia Group Companies. It will mainly operate in the design and works management of transport infrastructure works, and it will also promote its competences on domestic and international markets.

Also, it will be necessary to continue with actions aimed at optimizing the relation between the activities performed with internal resources and those requiring external resources, trying to reduce the latter to increase the value added and keep the acquired know-how within the Company.

The level of the activities performed during 2017 is expected to be kept during 2018.

In particular, the Company will be engaged in the following activities:

1. The "Design" Function will mainly continue its activities preliminary to the executive design of the Genoa Road and Motorway Junction, the executive design of the Bologna By-pass, the completion of jobs final and executive design activities under article 15 based on the approval of the respective CDS, environmental monitoring and geotechnical/surveying monitoring along different motorway sections.
2. The "Works Management" Function will mainly operate in the works management of the Barberino Mugello – North Florence section, Lots 1 and 2, in the continuation of the works management of the North Florence-South Florence section, in Lot 1 North of the South Florence – Incisa Section, in the upgrading of the Fiorenza – S. S. Giovanni section along A4, and in the installation of Laboratories preliminary to operating activities.
3. Expropriations on behalf of ASPI and for the other Group companies will continue.
4. The "Operating Services" Function will continue to be engaged in the works supervision and in the design and management of maintenance and rehabilitation of ancillary and supplementary works.
5. The "New Activities" Function will execute the acquired jobs and will continue to search for new work opportunities in Italian and foreign markets, as started in the previous years.

The "Airport Activities" Function will perform design activities for infrastructure and facilities adjustments at the Fiumicino and Ciampino Airports. The Business District will be designed, the renovation of the T3 departure lounge and of the East Hub will be launched. As to works management, the activities for the new west area aprons will continue and the activities on the Hub will start.

TREASURY SHARES AND SHARES OR QUOTAS OF CONTROLLING COMPANIES

The Company does not own, directly or through trust Companies or through intermediary, treasury shares or shares or quotas of Controlling Companies.

LIST OF REGISTERED OFFICES AND OPERATING OFFICES

Below is a list of the Company operating offices:

Registered Office

Rome Via Bergamini, 50

Operating Office

Milan Via G. Vida, 11

Motorway Surveillance Technical Offices

In all the Section Managements and in the Operating offices of Autostrade Group Concessionary Companies, Spea operates with its own Motorway Supervision Technical Office, with a total of 8 offices.

Works Management

Barberino di Mugello (FI) c/o Cantiere Pavimental Loc Cornocchio
 Calenzano (FI) Via Bovio, 25/27
 Casalecchio di Reno (BO) Via IV Novembre, 12/04 Loc. Borgonuovo
 Casalecchio di Reno (BO) Via Magnanelli, 5
 Falconara Marittima (AN) Via Adriatica, 19
 Florence Via di Lanciola, snc
 Genoa Via Scarsellini, 119
 Mondolfo (PU) Via Sterpettine, snc
 Monzuno (BO) Val di Setta 72/A località Rioveggio
 Naples Via Galileo Ferraris, 1
 Novate Milanese Via Brodolini, snc
 Porto Sant'Elpidio c/o Cantiere Pavimental – Via dell'Arte, 6
 Saint Pierre (AO) Loc. Les Iles c/o RAV
 Tarquinia (VT) Area di Servizio Corneto Ovest – sv. Civitavecchia

Design and Monitoring

Barberino di Mugello (FI) Viale Matteotti, 2/A
 Genoa - Via Scarsellini, 119

Airport Area

Fiumicino (Rome) Via Lago di Traiano, 100

Foreign Branches

Albania – Tirana Munic. Unit No. 5, Rruga Abdyl Frasheri, kati 3
 Armenia – Yerevan V. Vagharshyan, 8/1
 Georgia – Tbilisi No. 3 Ardoni Str.
 Madagascar – Antananarivo Immeuble Heritage-Lot IVX 72Bis Ankazomanga
 Moldova – Chisinau Str. Stefan cel Mare, 65 MD-2001
 Romania – Bucharest Str. Aristide Pascal, 18, etaj 2-3 Sector 3

SUMMARY OF THE ECONOMIC, ASSET AND FINANCIAL MANAGEMENT

ECONOMIC MANAGEMENT

The Balance Sheet and Income Statement results for 2017 are shown in compliance with articles 2424 and 2425 of the Italian Civil Code. Conversely, in the schedules provided in the following pages they have been reclassified based on management criteria. It is specified that the reclassifications are explained at the bottom of the schedules.

Total revenues in 2017 decreased, compared to the previous year, by 13.4 million €, i.e. by 10.8%.

The decrease was mostly due to a reduction in Works Management activities, especially as a result of the closure of construction sites for jobs being completed, and of a different production mix for the Functions.

The item external production costs is in line with 2016 with no significant changes – at 31 December 2017, it stands at 46.0 million € (45.7 million € at 31 December 2016).

The value added amounts to 64.3 million €, sharply decreasing by 13.7 million € (17.6%) compared to the previous year.

The per-capita value added decreased by 17.8% and amounts to 95 thousand € (116 thousand € in 2016).

Net labour costs reported no significant changes compared to the previous year and they amount to 49.0 million € (including temporary workers and excluding posted personnel). The average personnel increased by 1.89 units; the average cost per person is in line with the prior year and stands at 74.9 thousand € (74.8 thousand € in 2016).

For these reasons, EBITDA amounted to 15.4 million € in 2017 (29.1 million € in 2016). In 2017, EBITDA accounted for 13.9% of total revenues, while in 2016 it was 23.4%.

Amortization and depreciation, for 3.4 million €, increased by 15.3% compared to last year, while the amounts set aside to provisions for liabilities and charges, for 1.3 million €, sharply increased compared to the 92 thousand € of 2016.

The other adjustment provisions stood at 0.2 million €, with a decrease compared to the 0.4 million € of the last year.

EBIT, strongly decreasing as well, amounted to 10.4 million € (25.6 million € in 2016); in 2017, EBIT accounted for 9.4%, of total revenues, while in 2016 it accounted for 20.6%.

The balance of financial income and charges amounts to a negative amount of 0.2 million €, increasing compared to the previous year.

Taxes for the year, including the balance of prepaid taxes for 2017, amount to 3.3 million € (7.8 million € in 2016).

Therefore, the net profit for the year amounts to 6.9 million € (17.7 million € in 2016), remunerating the equity for 8.4% (23.4% in 2016).

ANALYSIS OF INCOME RESULTS

Amounts in Euros

	2017	2016	Changes 2017 - 2016		% incidence on revenues	
			Amount	%	2017	2016
REVENUES						
Revenues from sales and services	116.393.347	106.301.247	10.092.100	9,5%	105,3%	85,7%
Change in work in progress on order	(6.794.610)	16.668.381	(23.462.991)	-140,8%	-6,1%	13,4%
Other operating income (1)	968.819	1.038.517	(69.698)	-6,7%	0,9%	0,8%
A) TOTAL REVENUES	110.567.556	124.008.145	(13.440.589)	-10,8%	100,0%	100,0%
External production costs (1) (2)	(46.039.940)	(45.661.896)	(378.044)	0,8%	-41,6%	-36,8%
Other costs and balance between capital gains/losses	(245.578)	(355.687)	110.109	-31,0%	-0,2%	-0,3%
B) VALUE ADDED	64.282.038	77.990.562	(13.708.524)	-17,6%	58,1%	62,9%
Net labour costs (1) (2)	(48.908.914)	(48.918.291)	9.377	0,0%	-44,2%	-39,4%
C) EBITDA	15.373.124	29.072.271	(13.699.147)	-47,1%	13,9%	23,4%
Amortization and depreciation	(3.433.120)	(2.978.378)	(454.742)	15,3%	-3,1%	-2,4%
Other allocations for adjustments (3)	(164.611)	(418.235)	253.624	-60,6%	-0,1%	-0,3%
Amounts set aside to provisions for liabilities and charges	(1.342.536)	(92.273)	(1.250.263)	1355,0%	-1,2%	-0,1%
D) EBIT	10.432.857	25.583.385	(15.150.528)	-59,2%	9,4%	20,6%
Financial income and charges	(227.179)	(79.700)	(147.479)	185,0%	-0,2%	-0,1%
E) PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	10.205.678	25.503.685	(15.298.007)	-60,0%	9,2%	20,6%
Extraordinary income and charges	0	0	0	0,0%	0,0%	0,0%
F) PROFIT BEFORE TAXES	10.205.678	25.503.685	(15.298.007)	-60,0%	9,2%	20,6%
Income taxes for the year	(3.335.436)	(7.770.126)	4.434.690	-57,1%	-3,0%	-6,3%
G) PROFIT FOR THE YEAR	6.870.242	17.733.559	(10.863.317)	-61,3%	6,2%	14,3%
(1) Net of recovered costs						
(2) Net of the capitalized portion						
(3) Amounts set aside to Bad debt provision						

The assets and liabilities position at 31 December 2017 shows an increase in non-current assets by 1.2 million €. The working capital shows a more significant change of -3.8 million €, which, deducting the change in equity by -5.3 million €, decreases cash and cash equivalents by 3.0 million €.

The analysis of individual items shows that the change resulting from the balance of investments and divestments in equipment and the year's depreciation is 0.5 million € for tangible assets. Long-term investments remained unchanged, while intangible assets increased by 0.8 million €.

As mentioned above, the working capital decreased by 3.8 million €, resulting from the following changes:

- Inventories of work in progress -6.3 million €;
- Trade receivables +3.9 million €;
- Other Assets +1.1 million €;
- Trade payables +1.4 million €;
- Other liabilities +0.03 million €;
- Provisions for liabilities and charges +1.2 million €.

Inventory of work in progress decreased by 6.3 million € compared with the balance at 31 December 2016 and are partially offset by an increase in trade receivables, as a result of work volumes that have reached a contractually billable phase.

Trade receivables increased by 3.9 million €, mainly as a result of higher works volumes that reached a billable phase under the contracts at the end of 2017 compared to 2016.

Trade payables increased by 1.4 million € and include greater use of specialist professional services, as a consequence of preliminary activities and specialist surveys linked to the completion and upgrade of the Genoa Gronda executive design, as well as due to work peaks.

Other liabilities are in line with last year with no material changes.

Provisions for liabilities and charges increased by 1.2 million €, mainly as a result of significant amounts being set aside to income statement in the provisions for disputes and contractual risks.

The Severance indemnity reserve amounts to 5.6 million €, and it is basically in line with the balance at 31 December 2016. This item was impacted by the reform of supplementary social security on severance indemnity and by personnel leaving the Company.

Equity decreased by 5.3 million €, as a result of the 2016 profit allocated to reserve and the higher profit for the year.

Cash and cash equivalents at 31 December 2017 equal 9.1 million €.

ANALYSIS OF THE ASSETS AND LIABILITIES STRUCTURE

Amounts in Euros

	31/12/2017	31/12/2016	Changes 31/12/2017- 31/12/2016: amount
A) NON-CURRENT ASSETS			
Intangible assets	1.887.151	1.125.819	761.332
Tangible assets	5.433.990	4.947.510	486.480
Long-term investments	168.182	168.182	0
	7.489.323	6.241.511	1.247.812
B) WORKING CAPITAL			
Inventories	121.485.420	127.770.360	(6.284.940)
Trade receivables	39.895.026	35.986.470	3.908.556
Other assets	13.005.162	11.875.865	1.129.297
Trade payables	(67.878.029)	(66.477.309)	(1.400.720)
Provisions for liabilities and charges	(14.753.131)	(13.583.114)	(1.170.017)
Other liabilities	(14.579.937)	(14.614.922)	34.985
	77.174.511	80.957.350	(3.782.839)
C) INVESTED CAPITAL, less liabilities for the year (A+B)	84.663.834	87.198.861	(2.535.027)
D) PROVISIONS FOR MEDIUM/LONG-TERM LIABILITIES AND CHARGES			
Severance indemnity reserve	(5.627.115)	(5.942.337)	315.222
E) INVESTED CAPITAL, less liabilities for the year and provisions for medium/long-term liabilities and charges (C-D)	79.036.719	81.256.524	(2.219.805)
covered by:			
F) EQUITY			
Paid-up capital	6.966.000	6.966.000	0
Retained earnings and undistributed reserves	65.488.187	59.904.628	5.583.559
Merger surplus	9.024.278	9.024.278	0
Profit for the year	6.870.242	17.733.559	(10.863.317)
	88.348.707	93.628.465	(5.279.758)
G) MEDIUM/LONG-TERM FINANCIAL BORROWINGS			
	(199.530)	(217.729)	18.199
H) SHORT-TERM NET FINANCIAL BORROWINGS (NET CASH AND CASH EQUIVALENTS)			
. short-term financial payables	0	0	0
. short-term cash and cash equivalents and financial receivables	(9.112.458)	(12.154.212)	3.041.754
TOTAL	(9.112.458)	(12.154.212)	3.041.754
TOTAL NET FINANCIAL BORROWINGS (G+H)	(9.311.988)	(12.371.941)	3.059.953
I) TOTAL, LIKE IN "E" (F+G+H)	79.036.719	81.256.524	(2.219.805)

As highlighted in the above paragraph, at 31 December 2017 cash and cash equivalents amounted to 9.1 million € (12.1 million € at 31 December 2016), decreasing by 3.0 million €.

This decrease basically results from the change in working capital (3.8 million € compared to 31 December 2016), mainly as a result of the increase in receivables, trade payables, other assets and provisions for liabilities and charges by 3.9 million €, 1.4 million €, 1.1 million € and 1.2 million respectively, and the decrease in work in progress by 6.3 million €.

The year's investments amount to 4.8 million €.

The Severance indemnity reserve is in line with the previous year's balance.

Dividends for 2016 amounting to 12.2 million € were paid during the year.

The credit lines granted by Credit Institutions, without being backed by collaterals, amounted to 12.0 million €.

The cash and cash equivalents deposited at the Credit Institutions where the Company has current accounts, totalling 9.1 million € (12.1 million € in 2016), in addition to 0.2 million € (0.2 million € in 2016) deposited in the current account maintained with ASPI, whose credit line limit is 0.5 million €.

Like in 2016, in accordance with new OIC Accounting Standard 10, the "Cash Flow Statement" was prepared based on the indirect method.

CASH FLOW STATEMENT

Amounts in Euros

	2017	2016
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) for the year	6.870.242	17.733.559
Income taxes	3.335.436	7.770.126
Interest expense/(interest income)	70.348	86.403
(dividends)		
(Gains)/ losses on sale	(52.917)	(23.442)
1 Profit (loss) for the year, before income taxes, interest, dividends and gains/ losses on sale	10.223.109	25.566.646
<i>Adjustments to non-monetary items that did not have contra-entry in the net working capital</i>		
Amounts set aside to provisions	292.198	282.645
Amortization and depreciation of non-current assets	3.433.120	2.978.378
Impairment	0	418.235
Value adjustments to financial assets and liabilities of financial derivatives not leading to monetary movements		
Other adjustments to non-monetary items	5.698	2.852
<i>Total adjustments to non-monetary items</i>	3.731.016	3.682.110
2 Cash flow before changes in the net working capital	13.954.125	29.248.756
<i>Changes in the net working capital</i>		
Decrease/(increase) in inventories	6.284.940	(13.151.484)
Decrease/(increase) in receivables from customers	(3.908.556)	(4.308.975)
Increase/(decrease) in payables to suppliers	1.400.720	17.609.177
Decrease/(increase) in accrued income and prepaid expenses	(86.899)	(161.448)
Increase/(decrease) in accrued expenses and prepaid income		0
Other changes in the net working capital	2.376.977	(2.073.831)
<i>Total changes in the net working capital</i>	6.067.182	(2.086.561)
3 Cash flow after changes in the net working capital	20.021.307	27.162.195
<i>Other adjustments</i>		
Interest collected/(paid)	(100.036)	(89.253)
(Income taxes paid)	(5.478.185)	(9.139.153)
Severance Indemnity Reserve used	(583.420)	(520.294)
Dividends collected		
(Withdrawal from provisions)		
<i>Total other adjustments</i>	(6.161.641)	(9.748.700)
4 Cash flow after other adjustments	13.859.666	17.413.495
CASH FLOW FROM OPERATING ACTIVITIES (A)	13.859.666	17.413.495
B) CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Tangible assets</i>		
(Investments)	(2.439.687)	(1.755.843)
Divestments	53.138	30.435
<i>Intangible assets</i>		
(Investments)	(2.241.476)	(1.173.752)
Divestments		
<i>Long-term investments</i>		
(Investments)		(68.476)
Divestments	18.199	48.001
<i>Short-term investments</i>		
(Investments)	(141.594)	(34.270)
Divestments		
<i>Acquisition of business units, net of cash at bank and in hand</i>		
<i>Sale of business units, net of cash at bank and in hand</i>		
CASH FLOW FROM INVESTING ACTIVITIES (B)	(4.751.420)	(2.953.905)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Borrowings</i>		
Increase (decrease) in short-term payables to banks	0	(1.116)
Loans raised		
(Loans repaid)		
<i>Equity</i>		
Paid-in capital increase		
(Capital repaid)		
Sale (purchase) of treasury shares		
(Dividends (and advance payments on dividends) paid)	(12.150.000)	(11.475.000)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(12.150.000)	(11.476.116)
Increase (decrease) in cash at bank and in hand (A + B + C)	(3.041.754)	2.983.474
FOREIGN EXCHANGE EFFECT ON CASH AT BANK AND IN HAND		
Cash at bank and in hand at the beginning of the year	12.154.212	9.170.738
<i>Including</i>		
current bank accounts and post-office deposits	12.144.324	9.159.480
cheques		
cash in hand	9.888	11.258
Cash at bank and in hand at year-end	9.112.458	12.154.212
<i>Including</i>		
current bank accounts and post-office deposits	9.104.519	12.144.324
cheques		
cash in hand	7.939	9.888
-		

MOTIONS TO THE SHAREHOLDERS' MEETING

Dear Shareholders:

To conclude this Report and making reference to the Notes to the Financial Statements for the comments on each Balance Sheet and Income Statement item, we ask you:

- to approve the Report on Operations of the Board of Directors and the Financial Statements at 31 December 2017, showing a net profit of 6,870,242 €;
- to allocate the year's profit as follows:
 - 6.750,000 € to the Shareholders as ordinary dividend, amounting to 5.0 € for each of the 1,350,000 shares of 5.16 € each;
 - 120,242 € to the extraordinary reserve, as the legal reserve has reached the maximum amount under Article 2430 of the Italian Civil Code;
- to establish that the dividend payment date will be 15 May 2018.

Dear Shareholders:

We hope that our actions will be approved and we thank you for your trust.

The Board of Directors

FINANCIAL STATEMENTS

ACCOUNTS AT 31/12/2017

Balance Sheet

Income Statement

Cash Flow Statement

2017 REPORTS AND FINANCIAL STATEMENTS

• Financial Statements

BALANCE SHEET

Amounts in Euros

ASSETS	31 December 2017		31 December 2016	
A) SUBSCRIBED SHARE CAPITAL				
UNPAID		0		0
B) NON-CURRENT ASSETS				
I INTANGIBLE ASSETS				
3. Industrial patent rights and Intellectual property rights	1.885.818		1.123.486	
7. Other	1.333		2.333	
	<u>1.887.151</u>		<u>1.125.819</u>	
II TANGIBLE ASSETS				
1. Land and buildings	24.265		48.825	
2. Plant and machinery	861.016		79.108	
3. Industrial and commercial equipment	1.561.904		1.855.811	
4. Other tangible assets	2.986.805		2.963.766	
	<u>5.433.990</u>		<u>4.947.510</u>	
III LONG-TERM INVESTMENTS				
1. Investments in:				
a) Subsidiary companies				
b) Associated companies	20.989		20.989	
c) Controlling companies				
d) Companies controlled by controlling companies	42.043		42.043	
d bis) Other companies	105.150		105.150	
	<u>168.182</u>		<u>168.182</u>	
2. Receivables				
d bis) From others				
Due within 12 months	41.482		34.405	
Due beyond 12 months	158.048		183.324	
	<u>199.530</u>		<u>217.729</u>	
	<u>367.712</u>		<u>385.911</u>	
Total non-current assets (B)		<u><u>7.688.853</u></u>		<u><u>6.459.240</u></u>
C) CURRENT ASSETS				
I INVENTORIES				
3. Work in progress on order	121.485.420		127.770.360	
	<u>121.485.420</u>		<u>127.770.360</u>	
II RECEIVABLES				
1. From customers				
Due within 12 months	5.698.896		3.018.621	
Due beyond 12 months	9.121	5.708.017	3.018.621	
2. From subsidiary companies		519.415	717.458	
3. From associated companies		445.330	663.894	
4. From controlling companies				
Due within 12 months	26.433.919		24.312.720	
Due beyond 12 months	5.702.579	32.136.498	7.713.747	32.026.467
5. From companies controlled by controlling companies				
Due within 12 months	5.420.201		2.374.258	
Due beyond 12 months	113.625	5.533.826	77.644	2.451.902
5.bis Tax receivables		1.868.154		3.001.891
5.ter Prepaid taxes		4.319.228		3.960.113
5.querter From others				
Due within 12 months	910.164		790.926	
Due beyond 12 months		910.164	790.926	
	<u>51.440.632</u>		<u>46.631.272</u>	
III SHORT-TERM INVESTMENTS				
7. Financial assets for the Controlling Company's centralized cash management	371.057		229.463	
	<u>371.057</u>		<u>229.463</u>	
IV CASH AT BANK AND IN HAND				
1. Current bank accounts and post-office deposits	9.104.519		12.144.325	
3. Cash in hand	7.939		9.887	
	<u>9.112.458</u>		<u>12.154.212</u>	
Total current assets (C)		<u><u>182.409.567</u></u>		<u><u>186.785.307</u></u>
D) ACCRUED INCOME AND PREPAID EXPENSES				
1. Accrued income and other prepaid expenses	1.088.499		1.001.600	
Total accrued income and prepaid expenses (D)		<u><u>1.088.499</u></u>		<u><u>1.001.600</u></u>
Total Assets (A + B + C + D)		<u><u>191.186.919</u></u>		<u><u>194.246.147</u></u>

BALANCE SHEET

Amounts in Euros

LIABILITIES	31 December 2017	31 December 2016
A) EQUITY		
I SHARE CAPITAL	6.966.000	6.966.000
IV LEGAL RESERVE	1.393.200	1.393.200
VI OTHER RESERVES, WITH SEPARATE INDICATION		
EXTRAORDINARY RESERVE	64.094.987	58.511.428
MERGER SURPLUS	9.024.278	9.024.278
VIII RETAINED EARNINGS (LOSSES)		0
IX PROFIT (LOSS) FOR THE YEAR	6.870.242	17.733.559
Total equity (A)	88.348.707	93.628.465
B) PROVISIONS FOR LIABILITIES AND CHARGES		
2. Taxation, including deferred taxation		
4. Other		
a) for pending disputes	3.833.999	3.107.819
b) for contractual risks	7.630.050	6.640.243
c) for completion of jobs	3.009.082	3.489.218
d) other charges	280.000	345.834
Total provisions for liabilities and charges (B)	14.753.131	13.583.114
C) SEVERANCE INDEMNITY RESERVE	5.627.115	5.942.337
D) PAYABLES		
4. Payables to banks		
6. Payments received on account		
♦ Due beyond 12 months	25.954.300	29.447.854
7. Payables to suppliers	39.706.812	34.600.823
9. Payables to subsidiary companies		228.324
10. Payables to associated companies	84.413	132.509
11. Payables to controlling companies	1.489.219	1.244.481
11 bis. To companies controlled by controlling companies	643.285	823.318
12. Tax payables	2.757.841	2.532.446
13. Payables to social security institutions	5.667.359	5.759.406
14. Other payables	6.154.737	6.323.070
Total payables (D)	82.457.966	81.092.231
E) ACCRUED EXPENSES AND PREPAID INCOME		
Accrued expenses and other prepaid income		
Total accrued expenses and prepaid income (E)	0	0
Total liabilities (A + B + C + D + E)	191.186.919	194.246.147

INCOME STATEMENT

Amounts in Euros

	2017	2016
A) PRODUCTION VALUE		
1. Revenues from sales and services	116.393.347	106.301.247
3. Change in work in progress on order	(6.794.610)	16.668.381
5. Other operating income	3.344.648	3.017.525
Total production value (A)	112.943.385	125.987.153
B) PRODUCTION COSTS		
6. Raw materials, consumables and goods for resale	853.184	1.036.938
7. Services	42.693.828	42.377.262
8. Hire and leases	2.945.272	2.658.157
9. Personnel costs:		
a) Salaries and wages	35.333.356	35.527.100
b) Social security costs	10.169.273	10.185.041
c) Severance indemnity reserve	292.198	282.645
e) Other costs	4.984.434	4.462.526
	50.779.261	50.457.312
10. Amortization, depreciation and write-downs		
a) Amortization of intangible assets	1.480.139	1.034.163
b) Depreciation of tangible assets	1.952.981	1.944.215
d) Write-downs of current receivables and cash at bank and in hand	164.611	
	3.597.731	2.978.378
12. Amounts set aside to provisions for liabilities and charges		
a) For pending disputes	1.062.536	92.273
b) For contractual risks		
c) For completion of jobs		
d) For other liabilities and charges	280.000	
	1.342.536	92.273
14. Other operating charges	298.716	385.213
Total production costs (B)	102.510.528	99.985.533
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS (A - B)	10.432.857	26.001.620
C) FINANCIAL INCOME AND CHARGES		
15. Income from investments	0	0
16. Other financial income:		
a) From long-term receivables other	2.609	2.787
d) Other financial income interest and fees from controlling companies interest and fees from others and other income	30.399 342	2.112
	33.350	4.899
17. Interest and other financial charges interest and fees to controlling companies interest and fees to others and other charges	315 103.383	582 90.720
	103.698	91.302
17.bis Exchange (gains) and losses	156.831	(6.703)
Total financial income and charges (15+16-17+/-17 bis)	(227.179)	(79.700)
D) VALUE ADJUSTMENTS OF INVESTMENTS		
19. Write-down		
a) Of investments		418.235
Total value adjustments of investments	0	418.235
PROFIT BEFORE TAXES (A - B +/- C +/- D +/- E)	10.205.678	25.503.685
20. Current, deferred and prepaid income taxes for the year		
a) Taxes for the year	3.582.817	6.713.194
b) Previous years' taxes	111.735	(5.478)
b) Prepaid taxes	(359.116)	1.062.410
	3.335.436	7.770.126
21. Profit for the year	6.870.242	17.733.559

CASH FLOW STATEMENT

Amounts in Euros

	2017	2016
A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) for the year	6.870.242	17.733.559
Income taxes	3.335.436	7.770.126
Interest expense/(interest income)	70.348	86.403
(dividends)		
(Gains)/ losses on sale	(52.917)	(23.442)
1 Profit (loss) for the year, before income taxes, interest, dividends and gains/ losses on sale	10.223.109	25.566.646
<i>Adjustments to non-monetary items that did not have contra-entry in the net working capital</i>		
Amounts set aside to provisions	292.198	282.645
Amortization and depreciation of non-current assets	3.433.120	2.978.378
Impairment	0	418.235
Value adjustments to financial assets and liabilities of financial derivatives not leading to monetary movements		
Other adjustments to non-monetary items	5.698	2.852
<i>Total adjustments to non-monetary items</i>	3.731.016	3.682.110
2 Cash flow before changes in the net working capital	13.954.125	29.248.756
<i>Changes in the net working capital</i>		
Decrease/(increase) in inventories	6.284.940	(13.151.484)
Decrease/(increase) in receivables from customers	(3.908.556)	(4.308.975)
Increase/(decrease) in payables to suppliers	1.400.720	17.609.177
Decrease/(increase) in accrued income and prepaid expenses	(86.899)	(161.448)
Increase/(decrease) in accrued expenses and prepaid income		0
Other changes in the net working capital	2.376.977	(2.073.831)
<i>Total changes in the net working capital</i>	6.067.182	(2.086.561)
3 Cash flow after changes in the net working capital	20.021.307	27.162.195
<i>Other adjustments</i>		
Interest collected/(paid)	(100.036)	(89.253)
(Income taxes paid)	(5.478.185)	(9.139.153)
Severance Indemnity Reserve used	(583.420)	(520.294)
Dividends collected		
(Withdrawal from provisions)		
<i>Total other adjustments</i>	(6.161.641)	(9.748.700)
4 Cash flow after other adjustments	13.859.666	17.413.495
CASH FLOW FROM OPERATING ACTIVITIES (A)	13.859.666	17.413.495
B) CASH FLOWS FROM INVESTING ACTIVITIES		
<i>Tangible assets</i>		
(Investments)	(2.439.687)	(1.755.843)
Divestments	53.138	30.435
<i>Intangible assets</i>		
(Investments)	(2.241.476)	(1.173.752)
Divestments		
<i>Long-term investments</i>		
(Investments)		(68.476)
Divestments	18.199	48.001
<i>Short-term investments</i>		
(Investments)	(141.594)	(34.270)
Divestments		
<i>Acquisition of business units, net of cash at bank and in hand</i>		
<i>Sale of business units, net of cash at bank and in hand</i>		
CASH FLOW FROM INVESTING ACTIVITIES (B)	(4.751.420)	(2.953.905)
C) CASH FLOWS FROM FINANCING ACTIVITIES		
<i>Borrowings</i>		
Increase (decrease) in short-term payables to banks	0	(1.116)
Loans raised		
(Loans repaid)		
<i>Equity</i>		
Paid-in capital increase		
(Capital repaid)		
Sale (purchase) of treasury shares		
(Dividends (and advance payments on dividends) paid)	(12.150.000)	(11.475.000)
CASH FLOW FROM FINANCING ACTIVITIES (C)	(12.150.000)	(11.476.116)
Increase (decrease) in cash at bank and in hand (A + B + C)	(3.041.754)	2.983.474
FOREIGN EXCHANGE EFFECT ON CASH AT BANK AND IN HAND		
Cash at bank and in hand at the beginning of the year	12.154.212	9.170.738
<i>Including</i>		
current bank accounts and post-office deposits	12.144.324	9.159.480
cheques		
cash in hand	9.888	11.258
Cash at bank and in hand at year-end	9.112.458	12.154.212
<i>Including</i>		
current bank accounts and post-office deposits	9.104.519	12.144.324
cheques		
cash in hand	7.939	9.888
-		

GENERAL

The engineering services in the motorway, road and airport sector provided by the Company, from its establishment (1961) to date, in particular, can be described as follows:

- A) engineering services, in Italy and abroad, in particular the concept, study and design:
 - of motorways, airports, roads, bridges, viaducts and other transport and non-transport infrastructural works;
 - of building, civil and industrial construction works;
 - of hydraulic and reclamation works;
 - of works relating to land management;
- B) services provided on behalf of third parties, relating to works management, technical supervision, different consultancy services, etc., as well as studies and research, papers, appraisals, estimates and geological, aerophotogrammetric and land surveys connected with the corporate purposes;
- C) receiving concessions of integrated engineering services on behalf of third parties;
- D) being assigned different jobs on behalf of third parties and representation as agent company.

The Notes to the Financial Statements, the balance sheet and the income statement have been drawn up in euro units without decimal figures, unless otherwise specified, as set forth in article 16 paragraph 8 of Legislative Decree 213/98 and article 2423 paragraph 5 of the Italian Civil Code.

Moreover, the items which in 2017 and 2016 were equal to zero have been omitted.

Spea Engineering is part of Atlantia Group. Its share capital, amounting to 6,966,000 €, fully paid-up, consists of no. 1,350,000 shares with nominal value of 5.16 € each, owned by Atlantia S.p.A. (60%), Autostrade per l'Italia S.p.A. (20%) and Aeroporti di Roma S.p.A. (20%).

ACCOUNTING STANDARDS

The financial statements at 31 December 2017 have been prepared in accordance with the Italian Civil Code, as construed and supplemented by the accounting standards and principles drafted by the Italian Accounting Board (Organismo Italiano di Contabilità – O.I.C.) and, finally, if missing and to the extent that they do not contrast with the Italian accounting standards and principles, with the standards issued by the International Accounting Standard Board (I.A.S.B.)

The financial statements have been prepared in accordance with the going concern principle, as there are no significant uncertainties in this respect.

The financial statements at 31 December 2017 include the balance sheet, the income statement and the cash flow statement pursuant to articles 2423 ter, 2424, 2424 bis, 2425 and 2425 bis of the Italian Civil Code, and these Notes, which are integral part of the financial statements pursuant to article 2423, paragraph 1 of the Italian Civil Code and provide the information prescribed in articles 2427 and 2427 bis of the Italian Civil Code and in the other standards referring to them.

The Notes to the Financial Statements aim at explaining, analysing and sometimes supplementing the figures in the accounts and contain the disclosures pursuant to articles 2427 and 2427 bis of the Italian Civil Code, pursuant to other provisions on financial statements in the Italian Civil Code itself, and pursuant to past laws. Furthermore, they provide any ancillary information as deemed useful to give a more transparent and complete view of the Company, although no legal provision so requires expressly.

As prescribed in article 2428 of the Italian Civil Code the situation and the operating performance of the Company, the transactions with controlling and affiliated companies, the significant events occurred after 31 December 2017 and the business outlook are described in the Report on Operations drawn up by the Board of Directors of the Company, to which reference is made.

As regards the transactions with subsidiary, associated and controlling companies and with companies subject to the control of the latter, reference is made also to the annexes to the Balance Sheet and Income Statement items.

For a comment on the cash flow statement, see the Report on Operations annexed to these financial statements.

No events occurred after 31 December 2017 that might lead to material changes in the current Balance Sheet and Income Statement items compared to those approved by the Company's Bodies and therefore requiring adjustments or additional notes to the financial statements.

The amounts are stated in euro units, unless otherwise provided.

The accounting principles mentioned below have been adjusted to the changes, integrations and new provisions of the Italian Civil Code as introduced by Legislative Decree 139/2015, which transposed the accounting Directive 34/2013/EU into the Italian legal system. In particular, the national accounting standards were restated by the OIC in the version issued on 22 December 2016.

The criteria adopted in the evaluation of the financial statements items, in the value adjustments and in the translation of values not originally expressed in the currency which is legal tender in the country are consistent with the provisions of the Italian Civil Code in force,

including articles 2423 bis (standards on the preparation of the financial statements) and 2426 (evaluation criteria).

During the year, no exceptional cases requiring deviations pursuant to article 2423, 4th paragraph of the Italian Civil Code occurred, and no revaluations of assets were performed under special laws on the matter.

The evaluation criteria, as described below, have not changed compared to those applied to prepare 2016 financial statements, in particular as regards the evaluations and the continuity of the same principles. The financial statements items were evaluated based on the general prudence and matching principles in a going concern perspective, and considering the function of the asset or liability in question, where not in conflict with the other regulations on the financial statements.

The most significant evaluation criteria applied in preparing the financial statements at 31 December 2017 pursuant to article 2426 of the Italian Civil Code and the abovementioned accounting standards are as follows:

INTANGIBLE ASSETS

Intangible assets are recognised, having heard the Board of Statutory Auditors' opinion whenever the law so prescribes, at the purchase cost, calculated in accordance with article 2426 No. 1 of the Italian Civil Code, and they are systematically amortized over their expected service life. According to the single cases of capitalized costs, this period lasts 3 financial years. The applied rates are summarized in the following table:

Industrial patent rights and intellectual property rights

	Rates
Intellectual property rights	33.3%
Other intangible assets	10%

Assets which at year-end are impaired with respect to their recognized value are accounted at this lower amount. The write-down will not be kept in the following years if the reasons for the adjustment no longer apply.

TANGIBLE ASSETS

Tangible assets are recognized at the purchase cost, determined pursuant to article 2426 No. 1 of the Italian Civil Code.

The cost, determined as above, of tangible assets with limited use in time, is systematically depreciated every year applying the rates which are deemed appropriate to represent the economic technical life to consider the average period of use, as this measure is consistent with the residual possible use of the assets.

The applied rates are summarized in the following tables:

Land and Buildings

	Rates
Light-weight constructions	10%

Plant, Machinery

	Rates
Electric air-conditioning and ventilation equipment	15%
Telephone equipment	20%
Industrial motor vehicles	15%

Industrial equipment

	Rates
Measuring equipment and instruments	15%

Other tangible assets

	Rates
Office furniture and fixtures	12%
EDP machines and systems	20%
Reproduction and printing machines	20%
Cars	25%
Transport motor vehicles	20%
Sundry equipment	15%

Assets which at year-end are impaired with respect to their recognized value are accounted at this lower amount. The write-down will not be kept in the following years if the reasons for the adjustment no longer apply.

Due to the type of business performed by the Company, the deterioration affecting assets with unit cost not exceeding 516 euros and the complex management of disposals for their systematic and frequent replacement, the related cost is fully recognized in the year when the asset is purchased.

INVESTMENTS

Investments recognized among long-term investments are measured at the purchase or subscription cost.

The cost is impaired when the investee shows losses, and when profits which could absorb these losses are not expected in the foreseeable future, or when the prospects of profitability of the investees do not allow to fully recover the recognized value. If the reasons for the write-down no longer apply the original value of the investment is restored within the limits of the write-downs made with the effect recognized in the income statement.

INVENTORIES

Work in progress on order includes jobs being executed at year-end under contracts with the buyers. It is recognized based on the contract amounts, reasonably accrued according to the actual completion percentage, calculated based on the quantities produced or the cost incurred, plus payments received on account and less the final amounts invoiced. Any losses for completion are set aside to the "Provision for liabilities and charges".

RECEIVABLES

Receivables, which are classified according to their characteristics under "Long-term investments" or "Current assets", are recognized at their nominal value, which can be adjusted

to consider the estimated lower realization amount, recognizing a specific bad debt provision which directly adjusts them.

The amortized cost method is not applied when effects are irrelevant, or when transaction costs, the fees paid by the parties and any other difference between the initial and final value are immaterial.

Transactions in foreign currency

Transactions originally expressed in foreign currency are accounted based on the exchange rates effective at the transaction date.

The conversion of assets and liabilities in foreign currency and of those relating to foreign Branches is made at the exchange rate effective at year-end. Gains and losses resulting from the conversion of receivables and payables are credited and debited respectively to the income statement under 17 bis "Exchange gains and losses".

CASH AT BANK AND IN HAND

Cash at bank and in hand at year-end are measured at the nominal value. Cash at bank and in hand denominated in foreign currencies are measured at the exchange rate at year-end.

EQUITY

This item is the difference between all asset and liability items, determined in accordance with the principles described in this document, and it includes any payment made by shareholders upon establishment of the Company and following capital increases, reserves of any kind, previous years' profits and losses which were carried forward and the profit or loss for the year 2017.

PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are estimated based on costs and charges of specific nature, certain or likely to be incurred, whose amount or occurrence date is not known at year-end. The allocations reflect the best possible estimate based on the information available at the reporting date.

SEVERANCE INDEMNITY RESERVE

The Severance indemnity reserve (TFR) is determined in accordance with article 2120 of the Italian Civil Code and with the National Collective Bargaining Agreement in force. The Severance indemnity reserve includes the total single indemnities accrued for the employees, net of advances paid and of the substitute tax, and corresponds to the amount which should have been paid to the employees in case of termination of the employment contract at 31 December 2006.

For the Severance indemnity reserve the provisions of the reform of supplementary pension implemented with Legislative Decree 252/2005, then amended by Law no. 296 – 2007 Finance Act, of 26 December 2006, apply, according to the choice made by each employee to allocate the indemnity to specific pension funds or to the fund kept by INPS for the indemnity accrued as from 1 January 2007.

PAYABLES

They are recognized at their nominal value, which is deemed to represent their estimated payment value.

Transactions in foreign currency

Transactions originally expressed in foreign currency are accounted based on the exchange rates effective at the transaction date.

The conversion of assets and liabilities in foreign currency and of those relating to foreign Branches is made at the exchange rate effective at year-end. Gains and losses resulting from the conversion of receivables and payables are credited and debited respectively to the income statement under 17 bis "Exchange gains and losses".

ACCRUED INCOME AND PREPAID EXPENSES

Accruals and prepayments (accrued income and expenses and prepaid income and expenses) are determined on an accrual and cash basis, in order to charge to the year the related portion of income and expenses common to two or more years.

REVENUES AND COSTS

Revenues and costs are recognized based on the principle of prudence and on an accrual basis, determined according to the criteria described in "Inventories" with reference to costs and revenues related to Work in progress.

Intercompany transactions are regulated under standard market conditions.

CURRENT AND DEFERRED INCOME TAXES

Current income taxes for the year are determined based on a realistic estimate of the taxes payable, applying tax laws currently in force.

In 2017 the Company renewed its participation in the National Consolidated Tax Return prepared by the Controlling Company Atlantia S.p.A for the years 2017/2019; therefore, the credit or debit balance for current taxes is shown, for IRES, under "Receivables from Controlling Companies" or "Payables to Controlling Companies", respectively.

IRAP payable for the year is recognized among the Balance Sheet liabilities, under "Tax payables", net of advances paid, while the possible positive unbalance is recognized among "Current assets" under "Tax receivables".

Deferred taxes, resulting from income items subject to deferred taxation, are not recognized only if the related liability is unlikely to emerge, and their counterbalance is "Provision for taxation, including deferred taxation".

Future tax assets, resulting from income items whose deduction is deferred, are recognized only if their future realization is reasonably certain and are recognized among "Current assets" under "Prepaid taxes".

MEMORANDUM ACCOUNTS

With reference to the guarantees provided and the commitments undertaken, the following is specified:

→ guarantees are recognized at the residual amount of the payable or other guaranteed obligation;

Use of estimates

OTHER INFORMATION

The preparation of the financial statements requires the Management to make estimates and assumptions that have effects on the value of assets and liabilities in the financial statements and/or on the reporting of contingent assets and liabilities at the balance sheet date. The adopted estimates and assumptions are based on experience and other factors that are deemed significant. Therefore, the final results might differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of any change made to them are shown in the income statement in the period when the estimate is reviewed, if such review has effects

only on that year, or also in future years if the review has effects on the current and future years.

The financial statements items that are the most affected by uncertainty assumptions are provisions for liabilities and charges and the bad debt provision. In particular, the financial statements show the estimate of liabilities based on the best knowledge of the counterparties' solvency conditions and the progress of litigations, using any information provided by legal and tax advisors who support the Company and considering contracts in place with the counterparties. The estimate of risks is subject to the contingency of uncertainty that is typical of any estimate of future event and outcome of litigation proceedings, and it cannot be excluded that charges that cannot be estimated today will arise in future years, as a result of worse litigation conditions and counterparties' solvency.

With reference to estimates connected with the measurement of provisions for contractual risks and provision for completion of jobs, they are determined based on past experience of similar jobs at the same progress, also considering the best knowledge available at the reporting date in connection with the specific status of the job involved.

Proposal for profit allocation

As shown in the Report on Operations, the profit for the year is proposed to be allocated as follows:

- 6,750,000 € to the Shareholders as ordinary dividend, amounting to 5.0 € for each of the 1,350,000 shares of 5.16 € each;
- 120,242 € to the extraordinary reserve, as the legal reserve has reached the maximum amount under Article 2430 of the Italian Civil Code.

EXEMPTION FROM THE OBLIGATION TO DRAW UP THE CONSOLIDATED FINANCIAL STATEMENTS

The Company did not draw up the consolidated financial statements as the exemption conditions set forth in article 27 of Legislative Decree 127/91 are met. Namely, the consolidated financial statements are prepared by the Controlling Company Atlantia S.p.A. A copy of the Controlling Company's consolidated financial statements, of the Notes and of the Supervisory Board's Report shall be published pursuant to the law.

BALANCE SHEET AND INCOME STATEMENT ITEMS

The amounts in brackets refer to the financial statements at 31 December 2017.

BALANCE SHEET

Non-current assets

€ 7,688,853 (6,459,240)

Assets

Intangible assets

€ 1,887,151 (1,125,819)

These assets, globally increasing by 761 thousand €, include mainly "Industrial patent rights and intellectual property rights". Changes in this item are detailed in account no. 1; for more comments, reference is made to the Report on Operations.

With reference to the types of intangible assets included in each group, the following is specified:

Industrial patent rights and

Intellectual property rights

€ 1,885,818 (1,123,486)

The net increase by 762 thousand € results from the difference between the costs for the year for the final purchase of the application software user licence (2,241 thousand €) and amortization for the year (1,479 thousand €).

Other intangible assets

€ 1,333 (2,333)

This item refers to the balances of premises refurbishment works related to several years.

The item decreased as a result of the year's amortization.

Tangible assets

€ 5,433,990 (4,947,510)

These assets, globally increasing by 486 thousand €, include the tangible assets of the Company, net of accumulated depreciation.

The changes in the single items are detailed in account no. 2.

The table below summarizes the year's increases, with the relevant Accumulated depreciation:

Purchases	2,440	
Sales	-263	
Other		
		2,177
Depreciation for the year	-1,953	
Withdrawal from accumulated depreciation for sales	262	
Other		
		-1,691
2016 decrease		486

With reference to the types of tangible assets included in each group, the following is specified:

Land and buildings **€24,265 (48,825)**

This item includes lightweight constructions.

The decrease for the year, totalling 25 thousand €, results from the depreciation for the year.

Plant and machinery **€ 861,016 (79,108)**

This item includes electric and telephone equipment and industrial motor vehicles.

The net increase for the year, totalling 782 thousand €, results from the balance of purchases (872 thousand €) and depreciation in the year (90 thousand €). The item showing a material increase refers to industrial motor vehicles, following the purchase of a new by bridge.

Industrial equipment **€ 1,561,904 (1,855,811)**

This item includes measuring equipment and instruments.

The net decrease for the year, totalling 294 thousand €, results from the balance of purchases (242 thousand €) and depreciation in the year (536 thousand €).

Other tangible assets **€ 2,986,805 (2,963,766)**

This item includes furniture, EDP systems, office equipment, cars and sundry and small equipment.

The net increase by 23 thousand € accounted during the year results from the balance of purchases (1,325 thousand €) and depreciation in the year (1,302 thousand €)

Long-term investments **€ 367,712 (385,911)**

Long-term investments decreased by 18 thousand €.

The changes in the single items are detailed in account no. 3.

Investments **€ 168,182 (168,182)**

The list of the Company's investments in subsidiary and associated companies, containing the information required by item 5) of article 2427 of the Italian Civil Code, is presented in account no. 4, which is enclosed below the comment on Long-term investments.

Investments in subsidiary companies **€ - (-)**

The investment in the company Spea Do Brasil was entirely written off for impairment of the investee in the financial statements at 31 December 2016; no changes have occurred at 31 December 2017. Please note that, following the additional losses incurred in 2017, a provision for liabilities of 280 thousand € was established (for further information, please refer to the comments on Provisions for Liabilities and Charges).

Investments in associated companies **€ 20,989 (20,989)**

This item has not changed compared to the amount at 31 December 2016.

Investments in companies controlled by the Controlling Company **€ 42,043 (42,043)**

The item at 31 December 2017 has not changed significantly compared to the previous year.

Investments in other Companies**€ 105,150 (105,150)**

No changes occurred in the item compared to 31 December 2016.

Long-Term Receivables**€ 199,530 (217,729)**

The changes in each item are detailed in account no. 5.

Other receivables**€ 199,530 (217,729)**

The item decreased by 18 thousand € as a result of the repayment of loans to personnel for the same amount.

The item breaks down as follows:

- a) loans to personnel: 192 thousand € (210 thousand € at 31 December 2016);
- b) caution money paid for different reasons: 7 thousand € (7 thousand € at 31 December 2016).

31/12/2016					CHANGES IN THE YEAR					31/12/2017			
Items/Sub-items	Cost	Write-down	Accumulated amortization	Book value	Acquisit. Capitaliz.	Sales Cancellations	Reclassif.	Other	Amortization	Cost	Write-down	Accumulated amortization	Book value
Industrial patent rights and Intellectual property rights	8.990.558		(7.867.072)	1.123.486	2.241.476		(8)	3	(1.479.139)	11.232.026		(9.346.208)	1.885.818
- Patents	55.243		(55.243)	0						55.243		(55.243)	0
Other:													
- Software	315.515		(315.515)	0						315.515		(315.515)	0
- Other	10.000		(7.667)	2.333					(1.000)	10.000		(8.667)	1.333
TOTAL	9.371.316	0	(8.245.497)	1.125.819	2.241.476	0	(8)	3	(1.480.139)	11.612.784	0	(9.725.633)	1.887.151

opco
ENGINEERING
from Atlanta

opco
ENGINEERING
from Atlanta

Items/Sub-items	Investment %	Cost	Reval.	Write-down	Book value
Investments in subsidiary companies . Spea Do Brasil Projetos Infr.	99.99				0
		0	0	0	0
Investments in associated companies . Cons.Italtecnasud in liquidation . Consorzio Pedemontana Engineering . Consorzio Tangenziale Engineering	20.0	10.329			10.329
	23.3	4.660			4.660
	30.0	6.000			6.000
		20.989	0	0	20.989
Investments in companies controlled by controlling companies . Società Infrastrutture Toscane S.p.A . Autostrade Indians					
	0.6	42.000			42.000
	1.0 (*)	43			43
		42.043	0	0	42.043
Investments in other companies . Cons. Nuova Romea Engineering . Soc. di Progetto Brebemi S.p.A . Cons. Duemilacinquanta	16.67	10.000			10.000
	0.06	94.900			94.900
	0.5	250			250
		105.150	0	0	105.150
TOTAL		168.182	0	0	168.182

(*) The figure refers to the number of shares

ACCOUNT No. 4

List of investments in subsidiary and associated companies (thousands of €)

Name	Registered office	Share Capital	Equity	Profit (Loss)	Portion of shareholding	Portion of balance sheet equity	Book value	Surplus
					%	(A)		
Associated companies								
. Consorzio Italtelcnasud in liquidation (1) (2)	Roma	51,6	(2.673,0)	0,0	25,0	(668,3)	10,3	678,6
. Consorzio Pedemontana Engineering (2)	Verona	20,0	20,0	0,0	23,3	4,6	4,6	0,0
. Consorzio Tangenziale Engineering (2)	Milano	20,0	20,0	0,0	30,0	6,0	6,0	0,0
TOTAL ASSOCIATED COMPANIES		91,6	(2.633,0)	0,0		(657,7)	20,9	678,6

1) The excess equity value compared to the shareholding book value was partly set aside among payables and provisions for liabilities and charges.

2) Closure of the financial statements at 31.12.2016

(Long-Term) RECEIVABLES

Items/Sub-items	31/12/2016					CHANGES IN THE YEAR							31/12/2017				
	Residual nominal value	Revaluation	Write-downs "in account"	Bad debt provisions	Book value	Payments	Reclassif.	Reimburs.	Renegotiations	Write-downs in account (-) write-backs (+)	Amounts set aside to (-) write-back provisions (+)	Residual nominal value	Revaluation	Write-down in account	Bad debt provisions	Book value	
From others:																	
Caution money	6.866				6.866	265						6.954				6.954	
Loans to personnel	210.863				210.863	20.000		(177)				192.576				192.576	
TOTAL	217.729	0	0	0	217.729	20.265	0	(38.464)	0	0	0	199.530	0	0	0	199.530	

Current assets**€ 182,409,567 (186,785,307)****Inventories****€ 121,485,420 (127,770,360)*****Work in progress on order*****€ 121,485,420 (127,770,360)**

This item includes jobs ordered by different Contracting Entities not yet completed and relating to services which, though completed, have not achieved a physical progress which, under the contract, can be invoiced at 31 December 2017.

The net increase (6,285 thousand €) and the breakdown by type of job are detailed in account no. 6.

For further information on work in progress on order, reference is made to the Report on Operations.

Current receivables**€ 51,440,632 (46,631,272)**

The net increase in this item totals 4,809 thousand €.

The changes in the single items are detailed in account no. 7 and the information on the geographical division of foreign receivables is provided in account no. 9. It is highlighted that there are not receivables with expiry of over five years.

As for receivables in foreign currency, reference is made to the paragraph on Foreign Branches below.

As regards the types of current receivables the following is specified:

Receivables from customers**€ 5,708,017 (3,018,621)**

This item, recognized net of the related bad debt provision, includes receivables from extra-Group buyers for invoices issued and guarantee withholdings until 31 December 2017.

This item breaks down as follows:

(thousands of €)	31.12.2017		31.12.2016	
From customers for services	6,410		3,642	
Guarantee withholdings	9		-	
		6,419		3,642
Bad debt provision:				
- Initial balance	-624		-612	
Withdrawals				
Provisions	-87		-12	
ADR Engineering merger balances	0		-	
		-711		-624
Total		5,708		3,018

The increase by 2,690 thousand € mainly results from the rise in trade receivables by 2,777 thousand €, offset by the change in the bad debt provision.

Receivables from subsidiary companies**€ 519,415 (717,458)**

This item includes receivables for management activities with subsidiary Spea Do Brasil.

The amount refers to receivables for invoices issued and to issue at 31.12.2017.

Receivables from associated companies**€ 445,330 (663,894)**

This item includes receivables relating to management operations with associated Companies.

The balance at 31 December 2017 compared to the previous year is shown in the table below:

(thousands of €)	31.12.2017	31.12.2016	Changes
Cons. Italtecnasud in liquidation	201	201	-
C.T.E Consorzio Tangenziale Engineering	371	590	-219
C.P.E Consorzio Pedemontana	74	74	-
Total	646	865	-219
Bad debt provision	-201	-201	-
Total	445	664	-219

As concerns the receivable from the associated company Italtecnasud, it is pointed out that, in the past years, the Prosecutor's Office of the Court of Auditors started a litigation in favour of the Treasury against Italtecnasud before the Jurisdictional Section for the Campania Region, for which the Consortium was sentenced, by judgment dated 24 April 2009, to pay the Treasury for 3,792 thousand €. The Consortium challenged the judgment by filing appeal before the Central Jurisdictional Section of the Court of Auditors, which confirmed the Consortium's liability reducing the judgment payment to 2,400 thousand €. In order to cover this possible liability the Liquidator deemed appropriate to withhold a portion of the sum collected from the Ministry to meet the Prosecutor's Office's claims and pay legal expenses, should the Consortium be the losing party.

In previous years the Company set aside amounts to bad debt provision, fully covering the risk that the receivable will not be recovered if the Consortium is the losing party.

Without prejudice to any consequences arising from the outcome of the pending dispute, following resolution thereof the assumptions to close liquidation activities may materialise.

Receivables from Controlling Companies**€ 32,136,498 (32,026,467)**

They include trade, financial and tax receivables outstanding at 31 December 2017 owed by Controlling Companies Sintonia, Atlantia, Autostrade per l'Italia and Aeroporti di Roma. The change by 110 thousand € compared to the previous year mainly results from greater exposure to Aeroporti di Roma for trade receivables, for 5,036 thousand €, which was offset by the decrease in the exposure to Autostrade per l'Italia, for 6,415 thousand €, and by higher tax receivables, for 1,489 thousand €.

In particular, this item includes also tax receivables of 438 thousand € from Controlling Company Sintonia and 4,022 thousand € from Controlling Company Atlantia.

Within the tax receivables from Controlling Company Atlantia, the item includes a 2014 IRES tax receivable amounting to 133 thousand €, related to the balances transferred from ADR Engineering as a result of the merger, and IRES refunds on IRAP for 2009-2011, amounting to 976 thousand €.

Reference is made to the intercompany transactions paragraph above.

***Receivables from companies controlled
by Controlling Companies***

€ 5,533,826 (2,451,902)

This item refers to the balance at 31 December 2017 of receivables from Group companies for which there is no direct shareholding relationship with the Company.

At 31 December 2017, an increase by 3,082 thousand € was recorded, mostly due to the increase in the credit exposure to the companies Autostrade Meridionali for 1,102 thousand €, S.A.T for 1,222 thousand €, and Tangenziale di Napoli for 829 thousand €.

Tax Receivables

€ 1,868,154 (3,001,891)

This item mainly refers to the year's IRAP receivable from the Treasury for 512 thousand €, IRES refunds on IRAP for 2008 for 261 thousand €, VAT receivables totalling 159 thousand € from Spea Engineering's VAT credit balance for 1 thousand € and the balances of the Romanian Branch for 109 thousand €, the Armenian Branch for 36 thousand € and the Georgian Branch for 13 thousand €, withholding taxes on interest income and other tax receivables for 937 thousand € mainly referred to receivables for taxes of the Albanian Branch for 766 thousand € and the Madagascan Branch for 137 thousand €.

Prepaid Taxes

€ 4,319,228 (3,960,113)

This item is detailed in account no. 8 and it shows prepaid taxes of 4,319 thousand €. Prepaid tax assets are only recorded for deductible temporary differences and not on past losses, in accordance with the principle of prudence, since Directors, based on the financial results expected in the multi-year business plan, are reasonably certain of the existence – in the years when they will reverse – of a taxable income not lower than the amount of the differences to be written off.

Receivables from others

€ 910,164 (790,926)

This item breaks down as follows:

(thousands of €)	31.12.2017	31.12.2016	Changes
Advance payments to personnel	22	27	-5
Receivables for contract payments on account	844	713	131
Receivables from social security institutions	21	19	2
Credit notes receivable	-	-	-
Other receivables	23	31	-8
Total	910	790	120

The increase in this item (120 thousand €) is mainly a result of the increase in receivables for contract payments on account.

Short-term investments

€ 371,057 (229,463)

This item shows the balance of the running account maintained with Autostrade per l'Italia in accordance with the OIC accounting standards, as amended after the publication of Legislative Decree no. 139 of 18 August 2015 in the Italian Official Gazette of 4 September 2015.

Cash at bank and in hand**€ 9,112,458 (12,154,212)**

This item, globally decreasing by 3,042 thousand €, includes all cash at bank and in hand at the end of 2017. For further information on this item see the Report on Operations in the paragraph summary of the economic, asset and financial management.

Cash at bank and in hand breaks down as follows:

Current bank accounts**€ 9,104,519 (12,144,325)**

The balance includes only cash at bank and in hand on national and foreign current accounts held at Credit Institutions, in Italy totalling 8,087 thousand € (11,592 thousand € at 31 December 2016) and abroad totalling 1,017 thousand € (552 thousand € at 31 December 2016).

Cash in hand**€ 7,939 (9,887)**

This item has not changed significantly compared to the previous year and amounts to 7 thousand € in Italy and 1 thousand € held abroad.

INVENTORIES

Items/Sub-items	NET CHANGES IN THE YEAR		31/12/2017
	Increases (+)	Decreases (-)	
Work in progress on order:			
Design	15.156.513		46.410.498
Works Management		(9.586.707)	23.541.934
Operating Services		(2.579.100)	23.736.231
New Activities	1.082.276		6.490.108
Airport Activities		(10.357.922)	21.306.649
TOTAL	16.238.789	(22.523.729)	121.485.420

31/12/2016
31.253.985
33.128.641
26.315.331
5.407.832
31.664.571
127.770.360

(Current) RECEIVABLES

Items/Sub-items	31/12/2016	Raising (+) Repayments (-)	Changes in the year		31/12/2017
			Direct write-downs (-) Write-backs (+)	Amounts set aside to Provision (-)	
From customers	3.642.562	2.776.774			6.419.336
. Third Parties	(623.941)	77.233		(164.611)	(711.319)
less					
. Bad debt provision	864.844	(218.564)			646.280
From associated companies	(129.824)				(129.824)
. Bad debt provision	(71.126)				(71.126)
. Bad debt provision interest on arrears	717.458	(198.043)			519.415
From subsidiary companies	32.026.467	110.031			32.136.498
From controlling companies	2.451.902	3.081.924			5.533.826
Receivables from companies controlled by controlling companies	3.001.891	(1.133.737)			1.868.154
Tax receivables	3.960.113	359.115			4.319.228
Prepaid taxes	790.926	119.238			910.164
From others	(168.255)	(77.233)			(245.488)
less	168.255	77.233			245.488
. bad debt provision for other receivables					
. exchange difference on translation					
TOTAL	46.631.272	4.973.971	0	(164.611)	51.440.632

RECEIVABLES FROM THE TREASURY FOR PREPAID TAXES

In the calculation of prepaid taxes only temporary differences relating to entertainment expenses are excluded as they are not significant

In the calculation of prepaid taxes only temporary differences relating to entertainment expenses are excluded as they are not significant

Accrued income and prepaid expenses	€ 1,088,499 (1,001,600)
-------------------------------------	-------------------------

Accrued income and prepaid expenses **€ 1,088,499 (1,001,600)**

This item increased by 87 thousand €. It consists only of prepaid expense, including 722 thousand € for sundry insurance and employee insurance, 96 thousand € for EDP assistance costs, 99 thousand € for EDP and other maintenance costs, 55 thousand € for rents and service charges for buildings and 66 thousand € as minor items.

RECEIVABLES AND ACCRUED INCOME BROKEN DOWN BY EXPIRY
AND NATURE

		31/12/2017 Expiring amounts				31/12/2016 Expiring amounts			
		within 12 months	from 2 to 5 years	beyond 5 years	Total	within 12 months	from 2 to 5 years	beyond 5 years	Total
<i>Non-current financial receivables</i> from others: - other receivables		41.482	116.938	41.110	199.530				
	Total	41.482	116.938	41.110	199.530	34.405	116.977	66.347	217.729
<i>Current receivables</i>									
<u>Trade receivables</u>									
From customers	♦ Italy	230.558			230.558	281.689			281.689
	♦ Abroad	5.468.338	9.121		5.477.459	2.736.932			2.736.932
	Total	5.698.896	9.121	-	5.708.017	3.018.621	-	-	3.018.621
from subsidiary companies:									
	♦ Abroad	519.415			519.415	717.458			717.458
from associated companies:									
	♦ Italy	445.330			445.330	663.894			663.894
from controlling companies									
		26.433.919	5.702.579		32.136.498	24.312.720	7.713.747		32.026.467
from companies controlled by controlling companies									
	♦ Italy	4.598.990	113.625		4.713.615	1.348.237	77.644		1.425.881
	♦ Abroad	820.211			820.211	1.026.021			1.026.021
	Total	5.420.201	113.625	-	5.533.826	2.374.258	77.644	-	2.451.902
<u>Other receivables</u>									
Tax receivables - Italy		781.487			781.487	2.131.893			2.131.893
		1.086.667			1.086.667	869.998			869.998
Tax receivables - Abroad		1.868.154	-		1.868.154	3.001.891	-		3.001.891
Prepaid taxes									
		4.319.228			4.319.228	3.960.113			3.960.113
Other receivables from others									
	♦ Italy	185.116			185.116	93.147			93.147
	♦ Abroad	725.048			725.048	697.779			697.779
	Total	910.164	-	-	910.164	790.926	-	-	790.926
	Total	45.615.307	5.825.325	-	51.440.632	38.839.881	7.791.391	-	46.631.272
<u>Short-term investments</u>									
From controlling companies									
	♦ Italy	371.057	-	-	371.057	229.463	-	-	229.463
	Total	371.057	-	-	371.057	229.463	-	-	229.463
<i>Accrued income and other prepaid expenses</i>									
		1.088.499			1.088.499	1.001.600			1.001.600

For further information on items in foreign currency see the chapter on Foreign Branches

Equity	€ 88,348,707 (93,628,465)
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This item decreased by 5,280 thousand € globally.
The changes in the single items are detailed in account no. 10
Equity breaks down as follows:

Share Capital **€ 6,966,000 (6,966,000)**

The share capital consists of no. 1,350,000 shares with nominal value of 5.16 € each, owned by Atlantia (60%), Autostrade per l'Italia (20%) and Aeroporti di Roma (20%).

Legal Reserve **€ 1,393,200 (1,393,200)**

The legal reserve did not undergo any change as it has reached the maximum amount pursuant to article 2430.

Other reserves **€ 64,094,987 (58,511,428)**

This item increased by 5,583 thousand € after the allocation of the profit for the year 2016.

Merger surplus **€ 9,024,278 (9,024,278)**

This item has not changed compared to the previous year.

Profit for the year **€ 6,870,242 (17,733,559)**

The profit for 2017 is analysed under the same item of the Income Statement.

Provisions for liabilities and charges	€ 14,753,131 (13,583,114)
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The evaluations reflect the best possible estimate based on the information available at the reporting date and taking into account any significant events occurred thereafter.

The breakdown and the changes in this item are detailed in account no. 11. These provisions break down as follows:

Other provisions **€ 14,753,131 (13,583,114)**

They include:

Provision for pending disputes **€ 3,833,999 (3,107,819)**

The item relates to possible legal charges and expenses concerning pending Court settlements and disputes with third parties and employees.

During 2017, following the collapse of an overpass on the A14, the Ancona Public Prosecutor's Office launched an investigation against Spea Engineering pursuant to Legislative Decree 231/2001, and against 7 Spea's employees. Preliminary investigations are ongoing, while a

settlement agreement was reached with the parties in the civil action for compensation and payment thereof by Autostrade per l'Italia S.p.A.

At the moment, it is impossible to quantify the charge for the Company, as both the future activity of the Court and the number of individuals that may be ordered to pay is unknown.

Currently, the preliminary investigation dossier is confidential, and it seems therefore appropriate to evaluate the risk of losing for the Company as possible.

Items	31/12/2015	CHANGES IN THE YEAR				CHANGES IN PROFIT				Summary of the uses made during the past three years					
		Capital increases/decreases (*)	Profit allocation: Reserve	Dividends	Profit for the year	31/12/2016	Capital increases/decreases (*)	Profit allocation: Reserve	Dividends	Profit for the year	31/12/2017	Possible uses	Available portion	To cover losses	For other reasons
Share Capital	6.966.000					6.966.000					6.966.000				
	6.966.000	0	0	0	0	6.966.000	0	0	0	0	6.966.000		0	0	0
	1.032.000		361.200			1.393.200					1.393.200	B)			
	53.940.091		4.571.337			58.511.428		5.583.559			64.094.987	A,B,C	64.094.987		
Legal reserve	9.024.278					9.024.278					9.024.278		9.024.278		
	63.996.369	0	4.932.537	0	0	68.928.906	0	5.583.559	0	0	74.512.465		73.119.265	0	0
	16.407.537		(4.932.537)	(11.475.000)	17.733.559	17.733.559		(5.583.559)	(12.150.000)	6.870.242	6.870.242				
	87.369.906	0	0	(11.475.000)	17.733.559	93.628.465	0	0	(12.150.000)	6.870.242	88.348.707		73.119.265	0	0
Profit for the year															
Total															
Undistributable portion															
Residual distributable portion															
(*) no. 1,000,000 common shares (with nominal value of 5,16 € each)															

Legend: A: capital increase; B: to cover losses; C: distribution to shareholders

PROVISIONS FOR LIABILITIES AND CHARGES

Changes in the year				31/12/2016		31/12/2017	
Items/Sub-items	Provisions	Direct withdrawals and reclassific.	Absorption in income statement				
Others:							
. For pending disputes	1.062.536	(336.356)	(853.782)	3.107.819		3.833.999	
. For contractual risks	1.843.589		(840.136)	6.640.243		7.630.050	
. For completion of jobs	360.000		(345.834)	3.489.218		3.009.082	
. Other Provisions and other charges	280.000			345.834		280.000	
Total	3.546.125	(336.356)	(2.039.752)	13.583.114		14.753.131	

Provision for contractual risks**€ 7,630,050 (6,640,243)**

The provision relates, according to a prudent estimate based on historical trends, to probable charges concerning a significant volume of works which, whether completed or in progress, are still not defined by the Entities in charge. This provision also includes the estimate of the risks related to persistent uncertain situations and to previous items recognized among final inventories of work in progress, which have not changed during the year. During the year this provision increased by a net amount of 990 thousand € as a result of the allocation of 1,844 thousand € and the release of 854 thousand € for surplus, which were recognized under "Change in work in progress on order".

Provision for completion of jobs**€ 3,009,082 (3,489,218)**

This provision is needed to cover the costs which, based on historical and job-specific trends, are expected to be incurred in the next years to prepare the final accounts, to be drawn up following the issue of the Work Progress Reports (Stati Avanzamento Lavori – SAL), and for the last costs for completed design which might need additional activities. During the year this provision decreased by a net amount of 480 thousand € as a result of the allocation of 360 thousand € and the release of 840 thousand € for surplus, credited to "Change in work in progress on order".

Provision for other charges**€ 280,000 (345,834)**

This item used to account for the accumulated provision regarding the three-year top management incentive plan released in 2017.

At 31 December 2017 the item comprises the provision to cover the negative equity of the subsidiary company Spea do Brasil.

Severance indemnity reserve**€ 5,627,115 (5,942,337)**

This item decreased by 315 thousand €.

The balance at 31 December 2017, in thousands of €, breaks down as follows:

Balance at 01.01.2017	
Allocation for the year	269
Recovery of Additional Pension Fund (FAP) 0.50% contribution	-166
Substitute tax on revaluation 11%	-22
Withdrawals for indemnities paid	-396
Balance at 31.12.2017	-315

Payables**€ 82,457,966 (81,092,231)**

This item increased by 1,366 thousand €.

The changes in the single items and the information on the geographical division of foreign payables are provided in account no. 12.

Please note that there are not payables with expiry of over five years.

As for payables in foreign currency, reference is made to the paragraph on "Foreign Branches" below.

Payables to banks**€ 0 (-)**

This item, amounting to 0 € at 31 December 2017, refers to the overdraft amounts in the Company's current accounts.

Payments received on account**€ 25,954,300 (29,447,854)**

This item includes payments on account outstanding at year-end, received from customers for works in progress.

The net decrease by 3,494 thousand € results from the difference between the gradual absorption of payments on account during the invoicing of services (8,748 thousand €) and new payments received on account (5,254 thousand €) for new activities started during the year, with special reference to major structures.

This item includes payments received on account from Autostrade per l'Italia amounting to 23,617 thousand € (26,795 thousand € at 31 December 2016), payments received on account from Aeroporti di Roma amounting to 1,213 thousand €, payments received on account from other Group companies amounting to 90 thousand € (238 thousand € at 31 December 2016) and payments received on account from non-Group customers amounting to 1,034 thousand € (2,415 thousand € at 31 December 2016).

Payables to Suppliers**€ 39,706,812 (34,600,823)**

They mainly refer to invoices for the purchase of goods and services.

This item also includes allocations for invoices to receive, amounting to 21,640 thousand € (17,601 thousand € at 31 December 2016), for services received and goods purchased at 31 December 2017 but not yet invoiced by the counterparty.

The increase by 5,106 thousand € is mostly attributable to a greater use of specialist professional services, as a consequence of preliminary activities and specialist surveys linked to the completion and update of the executive design of the Genoa Gronda, as well as due to work peaks.

Payables to Subsidiary Companies**€ - (228,324)**

The item refers to payables accrued vis-à-vis the subsidiary company Spea do Brasil, which are null at 31 December 2017.

Payables to Associated Companies**€ 84,413 (132,509)**

This item includes the payable to associated company "Consorzio Tangenziale Engineering" for invoices received for 51 thousand €, and for allocations made for services received and not yet invoiced amounting to 13 thousand €, and reimbursements to be made to Consorzio Italtecnasud in liquidation, equalling 20 thousand €.

Payables to Controlling Companies **€ 1,489,219 (1,244,481)**

This item includes invoices received and to be received for services supplied by Controlling Companies Autostrade per l'Italia for 1,416 thousand € and Aeroporti di Roma for 13 thousand €, while the payable to Atlantia refers to invoices to be received for 60 thousand €.

For further information see the paragraph on intercompany transactions.

Payables to companies controlled by Controlling Companies **€ 643,285 (823,318)**

The item refers to the balance of payables to Group companies at 31 December 2017.

The item at 31 December 2017 has not changed significantly compared to the previous year.

Tax Payables **€ 2,757,841 (2,532,446)**

This item includes payables to the Treasury, broken down as follows:

Income tax **€ 83,997 (218,191)**

It mainly refers to the debit balance for the Madagascan Branch for 84 thousand €.

Withholding taxes on remunerations and salaries **€ 1,838,703 (1,739,978)**

They refer to withholding taxes on remunerations and salaries paid in December 2017 and to be paid to the Treasury in 2018. The item slightly increased over the previous year as a result of the increase in personnel costs (for further details reference is made to the note on "Personnel Costs").

Value added tax **€ 835,141 (574,277)**

It mainly includes the VAT debit balance for the Albanian Branch for 600 thousand € and for the Armenian Branch for 16 thousand €, as well as the Italian VAT debit balance to be paid for 220 thousand €.

Previous tax situation

The last financial year defined for the purposes of income taxes, also for expiry of the terms for the issue of assessment notices, is the year ended on 31 December 2012. Indeed, as the Company exercised the rights provided by Laws no. 289 of 2002 and no. 350 of 2003, it received, among other things, the benefit of keeping the original limits for the competent offices to issue the assessment notice.

Please also note that the Company joined the National Consolidated Tax Return of the Group with Consolidating Company Atlantia S.p.A. The time constraint for the National Consolidated Tax Return was renewed for the term 2017/2019.

To date there are no pending sums for the purposes of income taxes for the years from 2013 to 2016.

Payables to Social Security Institutions **€ 5,667,359 (5,759,406)**

This item, decreasing by 92 thousand €, includes mandatory contributions accrued and to be paid to public social security institutions, also for supplementary pension, totalling 2,195

thousand €, and 3,472 thousand € as 4% additional social security contribution (Inarcassa) paid to the Company by Customers, as prescribed in Law 415 of 18 November 1998.

Other payables

€ 6,154,737 (6,323,070)

This item breaks down as follows

(thousands of €)	31.12.2017	31.12.2016	Changes
Payables to Personnel	6,049	6,285	-236
Other Payables	106	38	68
Total	6,155	6,323	168

In addition to variable remuneration items referred to December, Payables to personnel include the 14th month's pay due in June 2018 and the loyalty bonus to be paid in the next financial year.

31/12/2017 Expiring amounts					31/12/2016 Expiring amounts				
	within 12 months	from 2 to 5 years	beyond 5 years	Total		within 12 months	from 2 to 5 years	beyond 5 years	Total
Short-term financial payables									
Payables to banks				0					0
To controlling companies	0	0	0	0		0	0	0	0
Trade payables									
Payments received on account		24,919,597		24,919,597			27,033,546		27,033,546
♦ Italy		1,034,703		1,034,703			2,414,308		2,414,308
♦ Abroad		23,884,894	0	23,884,894		0	29,447,854	0	29,447,854
Payables to suppliers	36,905,231			36,905,231		32,927,609			32,927,609
♦ Italy	2,801,581			2,801,581		1,673,214			1,673,214
♦ Abroad	39,706,812	0	0	39,706,812		34,600,823	0	0	34,600,823
Payables to subsidiary companies									
♦ Italy				0		228,324			228,324
♦ Abroad	0	0	0	0		228,324	0	0	228,324
Payables to associated companies	84,413			84,413		132,509			132,509
♦ Italy	84,413	0	0	84,413		132,509	0	0	132,509
♦ Abroad									
Payables to controlling companies	1,489,219			1,489,219		1,244,481			1,244,481
Payables to companies controlled by controlling companies									
♦ Italy	623,394			623,394		356,731			356,731
♦ Abroad	19,891	0	0	19,891		466,587	0	0	466,587
Total	643,285	0	0	643,285		823,318	0	0	823,318
Other payables									
Tax payables									
♦ Italy	1,800,215			1,800,215		1,553,228			1,553,228
♦ Abroad	957,626			957,626		979,218			979,218
Total	2,757,841	0	0	2,757,841		2,532,446	0	0	2,532,446
Payables to social security institutions									
♦ Italy	5,661,174			5,661,174		5,759,345			5,759,345
♦ Abroad	6,185	0	0	6,185		61	0	0	61
Total	5,667,359	0	0	5,667,359		5,759,406	0	0	5,759,406
Other payables									
♦ Italy	6,069,578			6,069,578		6,306,023			6,306,023
♦ Abroad	85,159			85,159		17,047			17,047
Total	6,154,737	0	0	6,154,737		6,323,070	0	0	6,323,070
Total payables	56,503,666	25,954,300	0	82,457,966		51,644,377	29,447,854	0	81,092,231
Accrued expenses and prepaid income	0			0		0			0

For further information on items in foreign currency see the chapter on Foreign Branches

INCOME STATEMENT

Production value	€ 112,943,385 (125,987,153)
-------------------------	------------------------------------

Revenues from services, amounting to 116,393 thousand €, added to the negative change in work in progress on order of -6,794 thousand €, are the total production for 2017, totalling 109,599 thousand € (122,970 thousand € in 2016). Revenues from services must be added to other operating income, totalling 3,345 thousand € (3,018 thousand € in 2016).

For a more exhaustive analysis, reference is made to the Report on Operations and to the detailed breakdown by category and the comparison with the previous year, as shown in account no. 13. The information on the geographical division of foreign production is provided in the comments on foreign Branches in these Notes.

Revenues from sales and services	€ 116,393,347 (106,301,247)
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This item refers to invoices issued to buyers during the year for the productive activity performed and the services provided by the Company. This item increased by 10,092 thousand €, mainly as a result of a higher volume of productions that have reached a billable phase under the relevant contract.

Change in work in progress on order	€ -6,794,610 (16,668,381)
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It is the difference between the initial and final balance of work in progress of the year.

The item is detailed in account no. 6 of Current assets – Inventories of work in progress on order.

Other operating income	€ 3,344,648 (3,017,525)
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This item includes the following categories of income:

<u>Capital gains on sales</u>	€ 53,138 (29,526)
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They refer to the divestment of tangible assets.

<u>Other income</u>	€ 3,291,510 (2,987,999)
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This item breaks down as follows:

PRODUCTION

	31/12/2017			31/12/2016			Change in Production	
	Revenues	Change in Inventories	Production	Revenues	Change in Inventories	Production	Amounts	%
<i>Revenues from services:</i>								
Design	22.320.237	14.518.412	36.838.649	28.077.438	2.121.252	30.198.690	6.639.959	22,0
Works Management	27.889.892	(8.891.981)	18.997.911	24.337.498	3.603.227	27.940.725	(8.942.814)	(32,0)
Operating Services	24.639.606	(3.109.166)	21.530.440	20.016.739	1.103.297	21.120.036	410.404	1,9
New Activities	9.654.730	1.078.122	10.732.852	7.358.799	2.675.290	10.034.089	698.763	7,0
Airport Activities	31.888.882	(10.389.997)	21.498.885	26.510.773	7.165.315	33.676.088	(12.177.203)	(36,2)
<i>Total Production</i>	<i>116.393.347</i>	<i>(6.794.610)</i>	<i>109.598.737</i>	<i>106.301.247</i>	<i>16.668.381</i>	<i>122.969.628</i>	<i>(13.370.891)</i>	<i>(10,9)</i>

(thousands of €)	2017	2016	Changes
Released from bad debt provision	-	60	-60
Released from provision for other charges	346	252	94
Released from provision for disputes	-	103	-103
Compensation for accidents	190	166	24
Amounts recovered from the personnel	169	178	-9
Chargebacks of personnel costs	2,323	1,949	374
Other income	264	280	-16
Total	3,292	2,988	304

The increase by 304 thousand € mainly results from the release of provisions and the increase in revenues for personnel posted to Group companies.

Production costs	€ 102,510,528 (99,985,533)
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Raw materials and consumables **€ 853,184 (1,036,938)**

This item includes the costs incurred to purchase materials and equipment required for the operation of the central and secondary Offices (fuels and lubricants, stationery, etc.).

The decrease by 184 thousand € is ascribable to a general cost reduction; namely, the item "Assets subject to rapid tear and wear" for 39 thousand €, "gifts to employees" for 43 thousand €, "uniforms and workwear" for 18 thousand €.

The other costs included in this item are in line with the previous year.

Services **€ 42,693,828 (42,377,262)**

The global increase by 317 thousand € mostly refers to the greater use of third-party specialist professional services in Italy and abroad for 343 thousand €.

A breakdown of this item and the comparison with the previous year are provided below:

(thousands of €)	2017	2016	Changes
Professional services provided by third parties (Italy-Abroad)	35,099	34,756	343
Services provided in foreign branches, transfers from other companies and other	1,230	1,040	190
Remunerations and Repayments to Directors	578	583	-5
Remunerations and Repayments to Statutory Auditors	31	33	-2
Charge-back of Consortiums costs	27	42	-15
Power and water consumptions	138	176	-38
Legal and notary expenses and financial statements auditing	275	96	179
Insurance services (excluding personnel)	1,082	1,384	-302
Advertising	31	18	13
Telephone and post-office services	467	448	19
Reproduction and printing services	69	66	3

EDP services	330	553	-223
Maintenance and repair services	678	673	5
Other premises management services	328	328	-
Services related to the employees' activities	2,331	2,181	150
Total	42,694	42,377	317

Pursuant to the provisions of article 2427 of the Italian Civil Code, the table below highlights the global consideration payable to the audit company for the legal audit of annual accounts, the global consideration payable for services other than auditing services.

thousands of €

Type of service	Service provided by	Amount
Auditing	Deloitte & Touche S.p.A	31
Certification services (signing of UNICO tax return form and check of regular bookkeeping)	Deloitte & Touche S.p.A	4
Other services	Deloitte Romania	5
Total		40

Hire and leases **€ 2,945,272 (2,658,157)**

This item, increasing by 287 thousand €, includes hires of motor vehicles and equipment, and operating lease payments amounting to 324 thousand € (298 thousand € in 2016), as well as rents paid and service charges for buildings totalling 2,621 thousand € (2,360 thousand € in 2016).

Payments of operating lease are charged to the income statement on an accrual basis.

Personnel costs **€ 50,779,261 (50,457,312)**

During the year labour costs (including use of temporary workers) were in line with the previous year and showed a change of 322 thousand € (0.6% compared to 2016). The average personnel was slightly higher than last year by 1.89 units and totalled 676.49 units.

Temporary workers were engaged during 2017.

The average per-capita cost of personnel calculated on the average number of employees for 2017 amounts to 74.9 thousand € (74.8 thousand € in 2016), in line with the previous year.

This item breaks down as follows, only as regards employees:

(thousands of €)	2017	2016	Change
Salaries and wages	35,333	35,527	-194
Social security	10,169	10,185	-16
Severance indemnity reserve	292	283	9
Other costs	4,889	4,440	449
Total	50,683	50,435	248

In accordance with the principle of substance over form, the abovementioned amounts must be added to the remunerations of temporary workers.

In 2017, these costs amount to 96 thousand €, while they amounted to 22 thousand € in the previous year.

Pursuant to item 15 of article 2427 of the Italian Civil Code, it is specified that the average number of personnel and the average number of employees for 2017, compared to 2016 and divided by category, is the following:

	Average personnel		Changes	Average employees		Changes
	2017	2016		2017	2016	
Executives	13.4	13.7	-0.3	13.4	13.7	-0.3
Middle Managers/White-collar workers	673.6	669.1	4.5	663.1	660.9	2.2
Total	687.0	682.8	4.2	676.5	674.6	1.9

Amortization, depreciation and write-downs **€ 3,597,731 (2,978,378)**

These provisions break down as follows:

Amortization of intangible assets **€ 1,480,139 (1,034,163)**

The increase by 446 thousand € in the amortization charges in question results from the following changes:

(thousands of €)	2017	2016	Changes
Industrial patent rights and intellectual property rights	1,479	1,033	446
Other intangible assets	1	1	-
Total	1,480	1,034	446

For further information see the section on "Intangible assets" analysed in the Balance Sheet section in these Notes.

Depreciation of tangible assets **€ 1,952,981 (1,944,215)**

The depreciation charges have been calculated based on the residual possible use of the assets applying the rates specified below, which are deemed appropriate to represent the related economic use.

Land and buildings **€ 24,339 (24,560)**

The amount refers to the depreciation charge of the item "light-weight constructions".

Plant and machinery **€ 90,298 (51,338)**

The amount refers to the depreciation of the following types of assets:

(thousands of €)	Rates	2017	2016
Electric air-conditioning and ventilation equipment	15%	13	11
Telephone equipment	20%	1	-
Industrial motor vehicles	15%	76	39
Total		90	51

Measuring equipment and instruments**€ 536,496 (477,009)**

The amount refers to the depreciation of the following types of assets:

(thousands of €)	Rates	2017	2016
Measuring equipment and instruments	15%	536	477
Total		536	477

Other tangible assets**€ 1,301,848 (1,391,307)**

They mainly refer to the depreciation of assets used by offices, broken down as follows:

(thousands of €)	Rates	2017	2016
Office furniture and fixtures	12%	7	9
EDP machines and systems	20%	525	598
Reproduction and printing machines	20%	21	47
Cars	25%	298	319
Transport motor vehicles	20%	429	394
Sundry equipment	15%	22	24
Total		1,302	1,391

For further information see the section on "Tangible assets" analysed in the Balance Sheet section in these Notes.

Write-down of current receivables and cash at bank and in hand**€ 164,611 (-)**

This is the provision required to adjust the value of trade receivables to the risk of failing to collect them in part.

Amounts set aside to provisions for liabilities and charges**€ 1,342,536 (92,273)**

For further information refer to the Provision for liabilities and charges described in these Notes. A breakdown of this item and the comparison with the previous year are provided below:

(thousands of €)	2017	2016	Changes
For pending disputes	1,063	92	971
For other liabilities and charges	280		280
Total	1,343	92	1,251

As concerns the item at issue, reference is made to the Note on "Provisions for liabilities and charges".

Other operating charges**€ 298,716 (385,213)**

This item includes the following types of cost:

Capital losses on sales or realizations

€ 221 (6,083)

They refer to the divestment of tangible assets.

Other charges

€ 298,495 (379,130)

This item includes the following types of cost:

(thousands of €)	2017	2016	Changes
Indirect taxes and taxes for the year	138	235	-97
Contributions of association	100	97	3
Charges of previous years	24	20	4
Other charges	36	27	9
Total	298	379	81

The indirect taxes for the year refer to the following: government concession taxes, motor vehicles ownership taxes, Municipal and foreign taxes and stamp duties.

Charges of previous years refer to items which could not be foreseen at the end of 2016.

Financial income and charges	€ -227,179 (-79,700)
-------------------------------------	-----------------------------

Other financial income

€ 33,350 (4,899)

From long-term receivables

€ 2,609 (2,787)

They are interest accrued on loans to personnel.

Other income

€ 30,741 (2,112)

They are interest receivable on bank current accounts.

Interest and fees from Controlling Companies

€ 30,399 (-)

They are interest income accrued on tax receivables from the Controlling Company Sintonia.

Interest and fees from others and other income

€ 342 (2,112)

This item breaks down as follows:

(thousands of €)	2017	2016	Changes
Interest income on bank current accounts	-	2	-2
Total	0	2	-2

Interest and other financial charges

€ 103,698 (91,302)

This item includes the following costs:

Interest and fees to controlling companies

€ 315 (582)

They include interest expenses accrued on the running account maintained with Autostrade per l'Italia.

Interest and fees to others and other charges**€ 103,383 (90,720)**

The single items of cost are detailed as follows:

Interest and fees to banks**€ 102,643 (89,177)**

This item breaks down as follows:

(thousands of €)	2017	2016	Changes
- Interest	1	1	-
- Expenses and fees	102	88	14
Total	103	89	14

Other charges**€ 740 (1,543)**

They mainly refer to interest on payments spread over different years and interest on arrears.

Exchange gains and losses**€ -156,831 (6,703)**

This item mainly refers to realized gains/losses concerning the adjustment of exchange rates in currencies other than Euro of the balances of foreign Branches' accounts.

The single items are detailed in account no. 14.

EXCHANGE GAINS AND LOSSES

	31/12/2017	31/12/2016
Realized exchange gains	32.946	28.781
Exchange translation gains	40.675	31.506
TOTAL	73.621	60.287
Realized exchange losses	90.661	9.224
Exchange translation losses	139.791	44.360
TOTAL	230.452	53.584
TOTAL EXCHANGE GAINS AND LOSSES	156.831	(6.703)

Income taxes for the year**€ 3,335,436 (7,770,126)****Taxes for the year****€ 3,582,817 (6,713,194)**

For this year income taxes (IRES) are expected to amount to 2,727 thousand €, plus further charges, amounting to 856 thousand €, for the Regional Tax on Productive Activities (IRAP).

The reconciliation between the accounted tax expenses and the theoretical tax expenses is detailed in Annex No. 15.

Taxes of previous years**€ 111,735 (-5,478)**

They are greater 2016 IRES amounts for 200 thousand €, greater 2015 IRAP amounts for 75 thousand €, and taxes paid abroad for 164 thousand €.

Prepaid taxes**€ -359,116 (1,062,410)**

They refer to the recognition of the balance of prepaid and deferred taxes for the year.

The item includes an absorption of 659 thousand €, mainly resulting from surplus provisions released, and an allocation of prepaid IRES taxes in the year for 892 thousand €, as well as IRAP tax for 126 thousand €.

Deferred-tax assets are determined on taxed provisions and on other temporary differences in the taxable income, as detailed in accounts no. 8 of current assets.

Profit for the year**€ 6,870,242 (17,733,559)**

The profit for the year decreased by 10,863 thousand €, i.e. 61.3% compared to the previous year.

Reconciliation between reported tax expenses and theoretical tax expenses

(Amounts in thousands of Euros)

IRES			
Description	Differences amount	Tax effect	
		Amounts	% incidence
Profit before taxes	10.486		
Theoretical tax expenses		2.517	24,00%
Temporary Differences deductible in future years:			
Provisions for other purposes	3.266		
Other temporary differences	78		
Total	3.344	803	24,00%
Reversal of temporary differences relating to previous years			
Utilization of taxed provisions	(2.030)		
Other temporary differences	(44)		
Total	(2.074)	(498)	24,00%
Permanent differences			
Capital losses, contingent items and write-downs not deductible for tax purposes	842		
Other permanent differences	(1.233)		
Total	(391)	(94)	24,00%
IRES taxable base	11.363		
Current IRES for the year	2.727		

IRAP			
Description	Differences amount	Tax effect	
		Amounts	% incidence
Difference between production value and costs	10.713		
Values not relevant for IRAP purposes	12.151		
Total	22.864		
Theoretical tax expenses		892	3,90%
Reversal of temporary differences relating to previous years			
Utilization of taxed provisions	(1.694)		
Total	(1.694)	(66)	3,90%
Temporary Differences deductible in future years:			
Provisions for other purposes	2.203		
Total	2.203	86	3,90%
Permanent differences			
Balance of permanent differences	(1.451)		
Total	(1.451)	(57)	3,90%
IRAP taxable base (average rate 3.9%)	21.922		
Current IRAP for the year	855		

OFF BALANCE SHEET COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

Off Balance Sheet commitments, guarantees and contingent liabilities	€ 45,889,033 (37,914,289)
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Personal guarantees provided **€ 9,712,412 (7,335,381)**

The increase, totalling 2,377 thousand €, results from the following changes:

Sureties issued to affiliated companies **€ 5,165 (5,165)**

They have not changed compared to the previous year, thus they break down as follows:

(thousands of €)	31.12.2017	31.12.2016
Società Autostrade Meridionali	5	5
Total	5	5

Sureties issued in favour of third parties **€ 9,707,412 (7,330,216)**

This item refers to the sureties issued to different Buyers for contract obligations and for settlement instalments paid in advance.

Sureties received **€ 36,176,621 (30,578,908)**

They are sureties received from external collaborators for advance payments on contracts.

FOREIGN BRANCHES

The Balance Sheet and Income Statement items of the Romanian Branch's accounts have been determined at the exchange rate of 31 December 2017, equalling Euro 1 = Ron 4.6522 (31 December 2016: Euro 1 = Ron 4.5309).

	Romania 2017	Romania 2016
ASSETS		
Non-current assets	90	391
Receivables and Inventories	4,097,542	2,202,151
Cash at bank and in hand	322,199	89,982
Total Assets	4,419,831	2,292,524
LIABILITIES		
Payables	3,878,302	3,456,600
Profit (Loss) for the year	541,529	(1,164,076)
Total Liabilities	4,419,831	2,292,524
INCOME STATEMENT		
Revenues	1,140,946	873,020
Costs	599,417	2,037,096
Profit (Loss) for the year	541,529	(1,164,076)

The Balance Sheet and Income Statement items of the Albanian Branch's accounts have been determined at the exchange rate of 31 December 2017, equalling Lek 1 = Euro 0.00746 (31 December 2016: Lek 1 = Euro 0.00733).

	Albania 2017	Albania 2016
ASSETS		
Non-current assets		
Receivables and Inventories	1,243,137	1,258,845
Cash at bank and in hand	349,244	128,846
Total Assets	1,592,381	1,387,691
LIABILITIES		
Payables	861,233	606,340
Profit (Loss) for the year	731,148	781,351
Total Liabilities	1,592,381	1,387,691
INCOME STATEMENT		
Revenues	1,119,503	1,187,307
Costs	388,355	405,956
Profit (Loss) for the year	731,148	781,351

The Balance Sheet and Income Statement items of the Georgian Branch's accounts have been determined at the exchange rate of 31 December 2017, equalling Gel 1 = Euro 0.3188 (31 December 2016: Gel 1 = Euro 0.3585)

	Georgia 2017	Georgia 2016
ASSETS		
Non-current assets		
Receivables and Inventories	350	394
Cash at bank and in hand	12,125	1,159
Total Assets	12,475	1,553
LIABILITIES		
Payables	42,787	53,394
Profit (Loss) for the year	(30,312)	(51,841)
Total Liabilities	12,475	1,553
INCOME STATEMENT		
Revenues	12,948	8,847
Costs	43,260	60,688
Profit (Loss) for the year	(30,312)	(51,841)

The Balance Sheet and Income Statement items of the Moldovan Branch's accounts have been determined at the exchange rate of 31 December 2017, equalling Euro 1 = Moldovan Leu 0.04839 (31 December 2016: Moldovan Leu 1 = 0.04731).

	Moldova 2017	Moldova 2016
ASSETS		
Non-current assets		
Receivables and Inventories	1,928	1,606
Cash at bank and in hand	10,180	12,167
Total Assets	12,108	13,773
LIABILITIES		
Payables	33,697	21,868
Profit (Loss) for the year	(21,589)	(8,095)
Total Liabilities	12,108	13,773
INCOME STATEMENT		
Revenues	4,897	2,629
Costs	26,486	10,724
Profit (Loss) for the year	(21,589)	(8,095)

The Balance Sheet and Income Statement items of the Armenian Branch's accounts have been determined at the exchange rate of 31 December 2017, equalling Euro 1 = Dram 0.00170 (31 December 2016: Dram 1 = Euro 0.00196).

	Armenia 2017	Armenia 2016
ASSETS		
Non-current assets		
Receivables and Inventories	835,112	974,473
Cash at bank and in hand	321,207	298,639
Total Assets	1,156,319	1,273,112
LIABILITIES		
Payables	112,822	956,708
Profit (Loss) for the year	1,043,497	316,404
Total Liabilities	1,156,319	1,273,112
INCOME STATEMENT		
Revenues	1,439,641	1,499,688
Costs	396,144	1,183,284
Profit (Loss) for the year	1,043,497	316,404

The Balance Sheet and Income Statement items of the Madagascar Branch's accounts have been determined at the exchange rate of 31 December 2017, equalling Euro 1 = Ariary 0.00026 (31 December 2016: Ariary 1 = Euro 0.00028).

	Madagascar 2017	Madagascar 2016
ASSETS		
Non-current assets		
Receivables and Inventories	131,684	120,602
Cash at bank and in hand	2,678	22,867
Total Assets	134,362	143,469
LIABILITIES		
Payables	144,358	121,897
Profit (Loss) for the year	(9,996)	21,572
Total Liabilities	134,362	143,469
INCOME STATEMENT		
Revenues	110,032	132,926
Costs	120,028	111,354
Profit (Loss) for the year	(9,996)	21,572

OTHER INFORMATION

OCCUPATIONAL DATA

Reference is made to the contents of the Report on Operations.

REMUNERATION TO DIRECTORS AND STATUTORY AUDITORS

In 2017, the remuneration to Directors and Statutory Auditors totalled 591 thousand €, broken down as follows:

560 thousand € to Directors

31 thousand € to Statutory Auditors

CLASS OF SHARES ISSUED BY THE COMPANY

The share capital at 31 December 2017 comprises 1,350,000 shares with nominal value of 6,966,000 €.

No new shares were subscribed during the year.

FINANCIAL STATEMENTS OF THE COMPANY PERFORMING MANAGEMENT AND COORDINATION

The management and coordination activity is performed by the company Atlantia S.p.A with registered office in Rome, Via Antonio Nibby 20, which owns 60% of the Company's shares.

Therefore, the key data from the latest consolidated financial statements of Atlantia S.p.A as approved by the Shareholders' Meeting on 21 April 2017 are reported below.

ATLANTIA S.P.A.

SUMMARY OF THE KEY DATA FROM THE LATEST FINANCIAL STATEMENTS OF THE COMPANY PERFORMING MANAGEMENT AND COORDINATION PURSUANT TO ARTICLE 2497 BIS OF THE ITALIAN CIVIL CODE

(Amounts in thousands of euros)

Key data of the Financial Statements	2016
BALANCE SHEET	
Non-current assets	12.148.365
Current assets	325.939
Total Assets	12.474.304
Equity:	9.745.926
of which Share Capital	825.784
Non-current liabilities	1.004.963
Current liabilities	1.723.415
Total Equity and Liabilities	12.474.304
INCOME STATEMENT	
Operating revenues	2.170
Operating costs	(38.690)
Operating result	(36.520)
Profit for the year	919.230

For a description of transactions with the party that performs management and coordination and with the companies subject thereto, as well as of the effect of such transactions on the Company's business and results in the year, reference is made to the Report on Operations.

DISCLOSURE ON RELATED-PARTY TRANSACTIONS

The Company performs its business mainly within Atlantia Group, thus the following table summarizes the economic and financial transactions, regulated under standard market conditions, carried out with the Companies of this Group in the year ended 31 December 2017.

In 2017 transactions with Autostrade per l'Italia were mainly regulated by appropriate contracts based on the 1998 Agreement integrated by the 2002 Amendment and by the Agreement of Novation of 2007.

Transactions with other Companies of the Group are governed by appropriate contracts.

Moreover, the Company maintains with Autostrade per l'Italia a running account, which is regulated under standard market conditions.

TOTAL FINANCIAL INCOME AND CHARGES

TOTAL FINANCIAL INCOME AND CHARGES

COMMERCIAL AND OTHER INTERCOMPANY TRANSACTIONS

DESCRIPTION	31/12/2017					2017		
	Receivables	Payables	Guarantees		Commitments		Revenues	Costs
			Provided	Received	Receivable	Payable		
Associated companies/Consortia								
- Consorzio C.T.E.	371.400	84.413						
- Consorzio Pedemontana Engineering	73.930							
- Consorzio Italcasud in liquidation	200.950							
Bad debt provision for associated companies	(200.950)							
Total associated companies	445.330	84.413	0	0	0	0	0	0
Subsidiary companies								
- Spea Do Brasil Projetos Inf.	519.415	61.700			75.000		119.615	
Total subsidiary companies	519.415	61.700	0	0	75.000	0	119.615	0
Controlling companies (*)								
- Autostrade Per L'Italia	22.412.888	25.032.847			163.223.249	344.541	76.219.578	1.519.826
- Aeroporti di Roma	5.634.357	1.225.911			27.108.997	278.277	21.329.749	484.227
- Sirtionia	435.067						30.399	
Total other controlling companies	28.485.312	26.258.758	0	0	190.332.246	622.818	97.579.726	2.004.053
Other affiliated and related companies								
- SAM Autostrade Meridionali	2.009.848	73.158	5.164		4.339.762	17.831	707.730	48.659
- RAV Racordo Valle D'Aosta	186.235	27.085					319.104	
- ATI - Società Autostrada Tirrenica	1.221.973	12.048			1.297.153		1.068.963	
- TAN Tangenziale di Napoli	1.213.407	706			71.884		733.309	
- TMB Traforo Monte Bianco					38.450		72.357	
- SDS Essediesse								60.376
- TLP Telepass		601						5.133
- PAV Pavimental	13.234	565.431						278.231
- ATH Autostrade Tech	93.475				135.889		188.316	
- ABR Atlanta Bertin Concessors	715.536	196.420					375.846	
- ACA Aeroports de la Cote D'Azur	11.200				42.000		53.000	
- TSI Tech Solution		19.890						
- GAR - ADR TEL		20.463						91.719
- GAR - ADR MOB	39.111	1.168					137.728	4.526
- GAR - ADR SEC		793						1.160
- GAR - ADR ASS	29.807						15.000	
- ADM Ad Moving							12.500	
- INBLU - Infoblu		12.000					19.207	12.000
- FEN - Fumicino Energia							-2.798	
- LEN - Leonardo Energia								
Total other affiliated and related companies	5.533.826	929.763	5.164	0	5.925.138	17.831	3.699.862	501.804
TOTAL	34.983.883	27.334.634	5.164	0	196.332.384	640.649	101.399.203	2.505.857

(*) Transactions with Atlanta S.p.A. are excluded as they are summarized in the table on the transactions with the company performing management and coordination, as shown in the Report on Operations.

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

**To the Shareholders of
SPEA ENGINEERING S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Spea Engineering S.p.A. (the Company), which comprise the balance sheet as at December 31, 2017, the statement of income and statement of cash flows for the year then ended and the explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with the Italian law governing financial statements.

Basis for Opinion

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

Emphasis of Matters

Without modifying our opinion, we highlight the following information included in the report on operations and the explanatory notes: the Company is part of Atlantia Group with significant commercial and financial relationships with companies included in that Group, the nature and amount of which are reported by the Directors.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinion pursuant to art. 14, paragraph 2 (e) of Legislative Decree 39/10**

The Directors of Spea Engineering S.p.A. are responsible for the preparation of the report on operations of Spea Engineering S.p.A. as at December 31, 2017, including its consistency with the related financial statements and its compliance with the law.

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

In our opinion, the report on operations is consistent with the financial statements of Spea Engineering S.p.A. as at December 31, 2017 and is prepared in accordance with the law.

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

DELOITTE & TOUCHE S.p.A.

Signed by
Giorgio Faccenda
Partner

Milan, February 28th 2018

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