



*Company subject to the management
and coordination of Atlantia S.p.A.*

*These Financial Statements have been translated into the English language solely for the
convenience of international readers.*

Financial Statements

as at December 31, 2015

*Headquarters - 00159 Rome, Via Giuseppe Donati n° 174
Share Capital € 10,116,452.45 fully paid-up
Registration no. in the Rome Companies Register and Internal Revenue Code 00481670586
VAT Code 00904791001, E.A.R. no. 526702*

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CORPORATE BODIES

Board of Directors

in office for the triennium 2015 - 2017

Chairman (1)	Gennarino Tozzi
Chief Executive Officer	Franco Tolentino
Board member	Amedeo Gagliardi
Board member	Marco Troncone
Board member (2)	Marco Pace
Board member (3)	Roberto Tomasi

Board of Statutory Auditors

in office for the triennium 2013 - 2015

Chairman (4)	Francesco Mariano Bonifacio
Chairman (5)	Alessandro Ludovico Trotter
Standing auditor	Fernando Sbarbati
Standing auditor	Silvio Laganà
Alternate auditor (6)	Giuseppe Pizzonia
Alternate auditor (7)	Mario Francesco Anaclerio
Alternate auditor (8)	Anna Rita De Mauro
Alternate auditor (9)	Carlo Regoliosi

Independent Auditing Firm

for the period 2012 - 2020

Deloitte & Touche S.p.A.

- (1) Power of legal representation; power of supervision over all corporate activities.
- (2) Resigned as at 9 July 2015.
- (3) Appointed as at 14 July 2015.
- (4) Resigned as at 20 March 2015.
- (5) Appointed as at 20 March 2015.
- (6) Resigned as at 20 March 2015.
- (7) Resigned as at 20 March 2015.
- (8) Appointed as at 20 March 2015.
- (9) Appointed as at 20 March 2015.

Report on Management

GENERAL CONSIDERATIONS

Dear Shareholders,

The final balance of the year that just ended registered a profit of € 7,764 thousand, compared to the profit of € 3,047 thousand in 2014.

Overall production, amounting to € 501,959 thousand, has increased (by approximately 26.48%) compared to 2014. This is a consequence of the activities concerning works commissioned by Aeroporti di Roma S.p.A. (hereinafter ADR) for € 60,391 thousand, the start of the work for the expansion to three lanes of the stretch between Mugello and Florence North Lot 1 (€ 30,000 thousand), the activities concerning the Florence Impruneta contract (€ 12,427 thousand) and the completion of Lot 13 of the Valico Variant (€ 12,605 thousand).

Regarding the Milan – Naples highway contract, for the expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (lot 0), the company applied the discount notified to the Contractor Autostrade per l'Italia (hereinafter ASPI) of 8.44% rather than the provisional contractual discount of 15%

During the course of the year, the value of the reserves allocated in previous financial years for contracts completed following the definition of the amounts with the Contractor ASPI for a total of € 5,156 thousand was adjusted. Reserves were allocated for a total of € 578 thousand for the activities involved in the construction of the External East Milan bypass.

The following information is provided on the main contracts signed in 2015:

- During the year in question, the Company signed with the Contractor ASPI the tender contract for the performance of the works for the expansion to three lanes – Lot 2 – of the stretch between Barberino di Mugello and Florence North for a total net amount of € 373,244 thousand, due to the application of the 12.36% reduction. These works involve the construction of the new Santa Lucia tunnel using a TBM boring machine. On September 28, 2015, the supplier Herrenknecht AG was given the go ahead to begin the executive design phase and realisation of the shield tunnel;
- In November the contract for the awarding by ASPI of works for the dynamic expansion to four lanes of the stretch between the Viale Certosa junction and the Sesto S. Giovanni junction of the A4 Turin – Trieste highway was signed for a total net amount of € 116,027 thousand;
- Lastly, ASPI awarded to Pavimental the maintenance works for the highways system for

2016 and 2017 for a net amount of € 216,959 thousand.

In greater detail the following information is highlighted:

Maintenance-Surfacing works

Total production amounts to € 105,835 thousand, entirely carried out toward ASPI. This amount has decreased by € 1,360 thousand compared to 2014.

Other maintenance work toward ADR, Other maintenance work towards ASPI, Acoustic enhancement – Lateral Side Barriers

Their value amounts to € 153,350 thousand, with an increase of € 36,220 thousand compared to 2014, due to the combined effect of the increase due to the work carried out for ADR (€ 60,391 thousand) and the decrease due to the installation of sound-absorbent barriers and other extra maintenance works for ASPI (€ - 24,523 thousand). The works commissioned by ADR essentially concerned the Structural and Operational Refurbishment of the flight infrastructures of Runway 16L/34R, with a contractual amount of € 64,283 thousand (and production in 2015 of € 51,772 thousand) and the capacity enhancement and expansion of Apron 200 in the south-east area for a contractual amount of € 16,409 thousand (with production in 2015 of € 16,209 thousand), both basically completed.

Other activities for other contractors

The total value of these activities amounts to € 30,387 thousand, with an increase of € 12,531 thousand compared to 2014 due to the increase in production regarding the subsidiary Co.Im.A. S.c.a.r.l. (€ 18,006 thousand) concerning the contract for the construction and completion of the A12 Livorno – Civitavecchia highway stretch, also following the increase in the holding of the capital of SAT LAVORI S.c.a.r.l. from 19.8% to 29.7% in 2015. The decrease in works registered to the consortiums Lambro and Consorzio Costruttori TEEM in the framework of the project for the construction of the Milan East Bypass, which is currently being completed, must also be mentioned (€ - 4,379 thousand).

Construction of Infrastructures

The total amounts to € 208,326 thousand, of which € 182,925 thousand toward ASPI and € 24,384 thousand toward Todini Costruzioni Generali S.p.A. for the work subcontracted for the realisation of Lots 9 and 11 of the Valico Variant.

Below the details of the main contracts are shown:

A1 Milan – Naples highway, section from Rome North Toll Booth Settebagni Junction to Castelnuovo di Porto Junction

The work assigned during April 2009 was opened to traffic in July 2011, approximately 9 months earlier than the contractual deadline. The activities concerning this infrastructural work have been completed; progressive production recorded as at December 31, 2015 amounts to € 101,891 thousand, including the reserves allocated and recognized by the Contractor for € 2,898 thousand and acceleration premiums of € 7,721 thousand.

A14 Bologna – Bari – Taranto highway Expansion to three lanes of the Fano – Senigallia stretch (Lot 3)

The contract was awarded in June 2009; the Northern carriageway was opened to traffic on July 20, 2011 and the Southern carriageway on December 19, 2011, 12 and 9 months earlier than the contractual deadline respectively. The progressive production completed as at December 31, 2015 amounts to € 234,842 thousand and includes the entire additional payment due to advance completion charged to the Contractor (€ 11,091 thousand) and € 6,097 thousand for reserves allocated and recognized. The activities concerning this infrastructural work have been completed.

A14 Bologna – Bari – Taranto highway Expansion to three lanes of the Rimini North – Pedaso stretch (Lot 1A)

The works were awarded in September 2009 and were reopened to traffic at the end of September 2012, six months in advance of the contractual deadline.

The progressive production completed as at December 31, 2015 amount to € 59,011 thousand and includes € 3,208 thousand as the additional payment accrued and invoiced to the Contractor and € 810 thousand for reserves allocated and recognized. The activities concerning this infrastructural work have been completed.

A14 Bologna – Bari – Taranto highway Expansion to three lanes of the Rimini North – Cattolica stretch (Lot 1B)

The works were awarded in May 2010. The progressive production as at December 31, 2015 amounts to € 308,594 thousand and includes the entire acceleration premium invoiced to the Contractor (€ 14,800 thousand) and reserves allocated but not yet recognized for € 2,447 thousand. The activities concerning this infrastructural work have basically been completed.

A9 Lainate – Como – Chiasso highway Expansion to three lanes at the Lainate interconnection between the A8 and A9

The works were awarded in June 2009; the interconnection was reopened to traffic on July 31, 2011, 5 months in advance of the contractual deadline.

As at December 31, 2015, the progressive production completed amounts to € 239,643 thousand and includes reserves allocated and not yet recognized by the Contractor for € 1,099 thousand and the additional payment for the acceleration premiums of € 7,961 thousand.

The activities concerning this infrastructural work have basically been completed.

SP 46 Paderno – Rho – Nuovo polo fieristico stretch refurbishment and enhancement works

As already mentioned previously, in April, a contract was stipulated for the execution of the refurbishment and enhancement works on the SP 46, Paderno – Rho – Nuovo Polo Fieristico stretch for an amount of € 76,556 thousand. As at December 31, 2015, the production completed amounts to € 71,182 thousand and includes € 7,422 thousand for the additional payment recognized by the Contractor.

83.28% of the contracted works have been completed.

A8 Milan Laghi Expansion to 5 lanes from km 5+577 to km 9+990 (Lot 1)

In June 2014, a contract was stipulated for the execution of the works for the expansion of the fifth lane in the stretch between the Milan North toll gate and the Lainate interconnection with the A8 Milan Laghi highway, for an amount of € 39,485 thousand. As at December 31 2015, the production completed amounts to € 37,988 thousand.

The activities concerning this infrastructural work are basically completed.

Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Florence North stretch (Lot 0)

The works were awarded in January 2011. As at December 31, 2015, the progressive production completed amounts to € 143,235 thousand and includes the valorisation carried out by the application of the definitive discount of 8.44% notified by Autostrade per l'Italia, rather than the provisional contractual discount of 15% applied since the 2011 financial statements. The effect of the recalculation of production value amounts to a total of € 8,708 thousand. On this contract, the Company has also allocated reserves not yet recognized by the Contractor for € 2,000 thousand.

95.19% of the contractual works have been completed as at December 31, 2015.

Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Florence North stretch (Lot 1)

In April 2014, the contract concerning the expansion to three lanes of the stretch between Barberino di Mugello and Florence North (Lot 1) was awarded to the Company for a total amount of € 223,455 thousand. The production completed as at December 31, 2015 amounts to € 59,010 thousand.

26.41% of the contractual works have been completed as at December 31, 2015.

Works for the completion of the expansion to three lanes located on the Barberino di Mugello – Florence North stretch, Florence North – Florence South stretch B lots 4, 5 and 6 from Km 287+353 to Km 295+623 of the Milan – Naples highway

The works were awarded in November 2014 for a total amount of € 43,094 thousand. The progressive production completed as at December 31, 2015 amounts to € 13,190 thousand.

30.61% of the contractual works have been completed.

The Company was also involved in the execution of works for the opening of the Valico Variant in December 2015; in detail:

Works for the completion of Lot 13 – enhancement of the Apennine crossing between Sasso Marconi and Barberino di Mugello on the A1 Milan – Naples highway on the Aglio – Barberino di Mugello stretch

The works were awarded in December 2014 for a total amount of € 12,350 thousand. The progressive production completed as at December 31, 2015 amounts to € 12,605 thousand. The activities concerning this infrastructural work have been completed.

Works for the completion of Lot 13 – enhancement of the Apennine crossing between Sasso Marconi and Barberino di Mugello on the A1 Milan – Naples highway on the Aglio – Barberino di Mugello stretch of the A1 Milan – Naples highway – Completion project

The works were awarded for a total amount of € 31,011 thousand; the progressive production completed as at December 31, 2015 amounts to € 9,197 thousand, with 29.66% of the contracted works completed.

Todini Costruzioni Generali S.p.A. Subcontract

In June 2014, a contract was Subcontract was signed with Todini Costruzioni Generali S.p.A. for a total amount of € 33,977 thousand, through which Todini awarded under subcontract the remainder of the works for the execution of Lots 9 and 11 of the enhancement of the Apennine crossing of the A1 Milan – Naples highway, la Quercia – Aglio stretch. The progressive production completed as at December 31, 2015 amounts to € 29,966 thousand.

The activities in Poland were carried out through the local Branch of Pavimental S.p.A. in a temporary association with Pavimental Polska S.p. z o.o., and registered a production in the financial year of € 5,507 thousand. The Polish permanent establishment closed 2015 with a profit of € 88 thousand.

The breakdown by business area of the activities of 2014 is summarized in the following table:

Production Value						
Business areas 2015					Business areas 2014	
Maintenance of Surfacing	Non-surf. Works	Infrastructural works	Other Contractors	Other revenues	Total	
Maintenance	105,835	14,035			119,870	107,209
Service stations		480			460	1,603
Other works		17,691			17,691	15,609
Expansion 3 rd lane A9 Lainate - Como			255		255	277
A4 Milan - Bergamo						(443)
A4 - 4 th Dynamic Lane						1,917
Fiano - GRA			904		904	
Rho Monza			34,690		34,690	36,492
A8 Milan - Lainate Lot 1			24,173		24,173	13,815
Barberino Florence North Lot 0			20,040		20,040	27,590
Barberino Florence North Lot 1			44,505		44,505	14,505
Completion lot 13 of the W			12,605		12,605	
Compl. of the W Badia Nuova- Barberino			9,197		9,197	
Florence Impruneta			12,808		12,808	381
La Certosa - Florence South			990		990	3,991
Interconnections and Junctions			17,141		17,141	14,503
Bologna Bypass						94
A14 Lot 3			4,059		4,059	1,736
A14 Lot 1A			449		449	187
A14 Lot 1B			748		748	9,152
A14 completion Lot 6B			340		340	
Esino Est service station			21		21	461
Acoustic refurbishments		29,791			29,791	41,697
For Autostrade per l'Italia	105,835	61,977	182,925		350,737	318,367
For Others in the Atlantia Group						
Società Autostrade meridionali		4,080	2,158		6,238	11,956
Tangenziale di Napoli		1,958			1,958	2,576
Stalport Malopolska S.A.		2,699			2,699	6,999
Aeroporti di Roma		73,821			73,821	13,430
Works for the Atlantia Group	105,835	144,538	185,083		435,453	363,328
For Other Contractors						
Lambro Scarl				2,569	2,569	5,497
Co Co Teem				3,448	3,448	4,899
Co.im.A.				24,414	24,414	6,408
Aeroportuali				517	517	1,133
Altri lavori		2,808		11	2,819	369
Todini (Roncobellaccio infrastrutture)			24,384		24,384	5,582
Torino - Savona						(14)
Pedelombarda			76		76	5,931
Ghella		5,929			5,929	5,242
Total Works	105,835	153,272	209,543	30,959	499,609	390,512
Fund for losses on infrastructures contracts			(832)		(832)	420
Pre-operating costs on infrastructures contracts			(411)	(122)	(533)	963
Total Production	105,835	153,272	208,300	30,837	498,244	391,895
Revenues from sales			20	1,380	1,380	81
Revenues from services		78	6	32	116	246
Typical Production Value *	105,835	153,350	208,326	30,837	1,392	499,740
						621
						392,843

* Amount net of other income and revenues

In fulfilment of what established by article 2428 of the Italian Civil Code, this report is aimed at providing a truthful, balanced and exhaustive analysis of the situation of the Company and its management performance, both in overall terms and in the distinct sectors in which the Company works, also through its subsidiary and associate companies, with specific regard to the costs, revenues and investments, and also the principal risks and uncertainties to which it is exposed and which, if existing, are highlighted and described in the main body of the document. In this context, in particular, the analysis is articulated through reference to the principal result indicators pertinent to the specific activities of the Company, and also the information given on the environment and human resources.

Environmental management

The 2015 financial year was characterized by a strong commitment towards consolidating the presence of strategic worksites in the country, successfully managing the relations with external stakeholders.

In this regard:

- the Individual Environmental Authorizations (A.U.A.) have been acquired for the Barberino, Magliano Sabina, Marcianise, Rimini, Zola Pedrosa and Turate Infrastrutture Operating Units and the production facilities at Fiumicino, Leonardo Da Vinci airport;
- the procedure for the release of the A.U.A. for the Arezzo and Genoa Operating Units has been successfully concluded;
- for the company facilities authorized to produce bituminous conglomerate with a recycled component, registration in the Provincial Register of Companies and/or the National Roll of Environmental Managers has been maintained;
- the quantities of milled asphalt dispatched to registered and/or authorized third party facilities were considerable. This was made necessary in order to attenuate the criticalities arising from the significant amount of milled asphalt produced during the year compared to the recyclable quantities usable in maintenance and infrastructural activities;
- the certification authority BSI renewed ISO 14001:2004 certification for all the activities carried out by Pavimental and non “non-compliances” were found during the inspections conducted;

- punctual and assiduous environmental monitoring activities were guaranteed for the production sites, through an audit plan which was also implemented and extended to the construction sites, in order to check the continuous respect of the regulatory and authorizing limits for atmospheric emissions, waste waters and waste management and, in general, controlling all significant environmental aspects;
- training and information of the corporate managers involved in various ways in environmental management continued in line with the company training plan. Specifically, 774 hours of training were provided during the year, with an increase of 60% compared to last year;
- the efficiency of the fire-fighting devices present in the Company's Operating Units was maintained and guaranteed.

Lastly, the significant work carried out in the last quarter of the year, enabling the conclusion within the deadlines of the law of the "energy diagnosis", through a systematic assessment of the efficiency of the organization of the energy saving management system in our fixed plants is also worthy of mention.

Management of health and safety in the workplace

The activities carried out during the course of 2015 were aimed at satisfying the instructions given in the laws on the matter, in order to:

- fulfil the obligations deriving therefrom;
- raise the existing safety and hygiene levels.

In particular:

- during 2015, monitoring was conducted on the levels of exposure of workers with specific reference to physical agents, chemical agents and cancerous/mutational agents. The activities carried out ensured that personnel were made properly aware of the status of exposure, highlighting in this regard the maintenance of negligible/low risk levels, certainly below the exposure thresholds provided;
- OHSAS 18110/2007 certification of the Management System for Safety in the Workplace (SGSL) used by the Company was renewed in 2015 for all the Company's Operating Units, and is now valid for three more years;
- all of the main internal procedures were also reviewed and updated in 2015;

- coordination action was started during the course of 2015 on the part of SEA of the Company RSPP, in order to uniform and optimize the action undertaken by the individual structures of the Company;
- the monitoring activities concerning the respect of rules and regulations regarding safety in the workplace continued in 2015. From this viewpoint, more than 250 inspections were carried out, increasing the significant levels already reached in 2014;
- educational, informative and training activities were carried out in 2015 in line with the needs arising within the Company and the directives issued in this regard.

PORTFOLIO OF WORKS

As at December 31, 2015, there are works still to be carried out in the portfolio, valued at € 1,008,256 thousand, composed as follows:

	€ thousand
<u>Autostrade per l'Italia :</u>	
- Ordinary maintenance of road surfacing	216,959
- Infrastructural works	740,496
- Junctions and other highway works	15,262
- Acoustic refurbishment, lateral sound barriers	18,925
	<u>991,642</u>
<u>Other Companies in the Atlantia Group:</u>	
- Airport infrastructures	9,661
- Other highway works	1,753
	<u>11,414</u>
<u>Other Contractors</u>	
- Other works	5,200
	<u>5,200</u>
Total Portfolio of Works	<u><u>1,008,256</u></u>

The principal acquisitions during the year are highlighted in the paragraph entitled “General Considerations”.

SUMMARY OF THE RESULTS OF ECONOMIC AND EQUITY MANAGEMENT

INTRODUCTION

This paragraph describes and comments on the Analyses of the income results and the Analysis of the equity structure for 2015, compared to the values for the previous financial year.

It must be pointed out that the reclassified tables differ somewhat from the official tables described hereafter in the Supplementary Notes. In particular:

- the table of “Analysis of the income results” introduces the “Gross operating margin (EBITDA)” which is not included in the ordinary income statement. This margin is determined on the basis of the production value in the ordinary income statement and deducting from it all the production costs with the exception of the amortizations and depreciations, allocations to funds and other valuation adjustments. The result of subtracting these latter costs from the gross operating margin is the “Operating result (EBIT)”, which is basically the same as the “Difference between production value and costs” stated in the ordinary income statement. As regards the operating result, there are no differences in value and intermediate results in the two tables, the sole difference being the briefer nature of the table of “Analysis of the income results”;
- the table of “Analysis of the equity structure” differs from the ordinary one, being of a briefer nature and defining the following indicators in particular:
 - “Operating capital”: defined as the difference between the inventories, trade receivables, other current assets, trade payables, risk fund and short-term costs and the other current liabilities;
 - “Invested capital, deducted current liabilities and medium and long-term provisions for risks and charges”: determined as the algebraic sum of the fixed assets, operating capital and medium and long-term provisions for risks and charges;
 - “Own capital”: matches the net equity in the financial statements;
 - “Net financial indebtedness”: represents an indicator of the financial structure and is given by the sum of:
 - “Medium and long-term net financial indebtedness”: given by the algebraic sum of the medium and long-term financial payables and the medium and long-term financial assets;

- “Short-term net financial indebtedness”: given by the algebraic sum of the short-term financial payables, cash and cash equivalents and short-term financial receivables and net financial income;

HIGHLIGHTS

Ebitda: difference between the production value and costs, gross of amortizations, allocations and depreciations.

Ebit: difference between production value and costs.

Ebitda Margin: Ebitda/Revenues from sales and services.

Ebit Margin: Ebit/ Revenues from sales and services.

Net capital invested: algebraic sum of the fixed assets, financial year capital and medium and long-term provisions for risks and charges.

Cash Flow: sum of the net result + amortizations + provisions and write-downs.

ROI: Operating result (Ebit) / Net capital invested

ROE: Net result / (Own means – Net result)

€ thousand		2015	2014
Revenues		499,740	392,843
EBITDA		26,855	18,708
Ebitda Margin	%	5.37%	4.76%
EBIT		15,307	8,336
Ebit Margin	%	3.06%	2.12%
Net result		7,764	3,047
Average remunerated workforce		856.40	708.05
Cost of employment		59,554	47,017
Cost of employment / Revenues		11.92%	11.97%
Cash Flow		19,312	13,430
ROE		18.7%	7.9%
ROI		10.0%	6.6%

€ thousand		December 31, 2015	December 31, 2014
Net Capital Invested		153,413	126,256
Net financial indebtedness		104,118	84,719
Own means		49,295	41,537

ECONOMIC MANAGEMENT (as per table on page 20)

The typical production value for 2015, amounting to € 501,959 thousand (gross of the other income and revenues of € 2,219 thousand), shows an increase of € 105,077 thousand (+26.48%). The principal variations concerned the increase in volume of maintenance for the Atlantia Group (of which € 60,391 thousand toward ADR) and for infrastructural contracts commissioned by Autostrade per l'Italia (of which € 30,000 thousand referring to Lot 1 of Barberino Infrastrutture, € 12,427 thousand referring to the Florence Impruneta contract and € 12,605 thousand to the completion of Lot 13 of the Valico Variant). Works concerning the installation of sound absorbent barriers commissioned by ASPI show a decrease of € 11,906 thousand.

An acceleration premium was recognized by the Contractor on the Rho Monza contract of € 7,422 thousand during the year (of which € 3,030 thousand relevant to 2015 while € 4,392 thousand was recorded in the income statement for the 2014 financial year).

During the year, reserves were allocated with ASPI amounting to € 6,900 thousand for the contract for the expansion to three lanes of the A 14 Bologna – Bari – Taranto highway, in the Fano – Senigallia stretch (of which € 3,803 thousand relevant to 2015 and € 3,097 thousand recorded in previous financial years), amounting to € 2,898 thousand for the contract for the expansion to three lanes of the A1 Milan – Naples highway, in the Rome North Settebagni stretch (of which € 904 thousand relevant to 2015 and € 1,994 thousand recorded in previous financial years), amounting to € 810 thousand for the contract for the expansion to three lanes of the A14 Bologna – Bari – Taranto highway, in the Rimini North – Cattolica stretch (of which € 449 thousand relevant to 2015 and € 361 thousand recorded in previous financial years).

Lastly, reserves for a total of € 578 thousand were set aside for the construction of the External East Bypass in Milan.

The external production costs are in line with the variation in the production value, and increased by € 85,009 thousand (+25.88%). This performance is justified by both the increase in purchases of working material (€ 46,330 thousand) and by the increase in the service costs (€ 38,453 thousand).

The cost of labour increased by € 12,537 thousand (approximately 26.66%); the average remunerated workforce increased from 708.05 individuals in 2014 to 856.40 in 2015.

The Gross Operating Margin (EBITDA) amounts to € 26,855 thousand, an increase of approximately 43.55% compared to the previous year. This effect is due to the positive margins

achieved for the work carried out for ADR (€ 3,474 thousand), the infrastructural works on the Florence Node (€ 1,688 thousand), the Centre area (€ 2,346 thousand for work on the Valico Variant), and also the Lots of the A14 (€ 2,942 thousand) consequent to the allocation of reserves agreed with the Contractor. The results achieved in terms of marginality in these areas are partly compensated by the negative effects of the Other extra maintenance activities for ASPI (€ - 3,504 thousand), Surfacing Maintenance (€ - 951 thousand) and other interventions for Sound Enhancement (€ - 824 thousand).

The total of amortizations amounts to € 8,730 thousand and is in line with the 2014 financial year.

In 2014, the Company had recorded an allocation of € 1,056 thousand for the depreciation of receivables that are not easily recoverable, and € 296 thousand to cover against probable risks arising from disputes. In the 2015 financial year, the allocation for the depreciation of receivables amounts to € 491 thousand, while the allocation to cover against risks amounts to € 2,237 thousand. The latter amount includes the allocation for contractual costs concerning the maintenance contract closed as at December 31, 2015 regarding the disposal of residual amounts of milling material to be completed in early 2016 (€ 1,244 thousand), the allocation for expected losses on multi-annual contracts for the quota exceeding the value of works in progress (€ 841 thousand) and probable risks arising from disputes of a labour nature for € 44 thousand and deriving from other disputes for € 198 thousand.

By effect of the movements described above, the Operating Result (EBIT) improves by € 6,971 thousand compared to 2014.

The net financial charges are basically in line compared to the previous financial year. During the 2015 financial year, financial charges concerning the “purchaser credit” loan underwritten with Credit Agricole Corporate Investment Bank Deutschland for the purchase of the TBM were recorded. These financial charges have been partly capitalized.

The extraordinary expenses include cost adjustments and revenues concerning previous financial years for € 1,175 thousand, expenses for incentives to the exit of the workforce for € 1,103 thousand; the extraordinary income mainly concerns capital gains for € 1,205 thousand.

The fiscal costs for the financial year derive from the recording of IRES taxes amounting to € 4,254 thousand, IRAP amounting to € 1,362 thousand net income for advance and deferred taxes of € 805 thousand.

The net result for 2015 was positive, amounting to € 7,764 thousand (€ 3,047 thousand in 2014).

TABLE ANALYSING THE INCOME RESULTS

Thousands of Euros

	2,015	2,014	Differences	
			Value	%
REVENUES:				
Revenues from works	519,470	411,284	108,186	26.30
Other revenues from sales and services	1,496	948	548	57.81
Other income and revenues	2,219	4,039	(1,820)	(45.06)
A. TOTAL REVENUES	523,185	416,271	106,914	25.68
Change in work in progress on contracts	(21,226)	(19,389)	(1,837)	9.47
B. VALUE OF "TYPICAL" PRODUCTION	501,959	396,882	105,077	26.48
External production costs	(413,472)	(328,463)	(85,009)	25.88
Other costs	(2,078)	(2,694)	616	(22.87)
C. ADDED VALUE	86,409	65,725	20,684	31.47
Net labour cost	(59,554)	(47,017)	(12,537)	26.66
D. GROSS OPERATING MARGIN (EBITDA)	26,855	18,708	8,147	43.55
Amortizations	(8,730)	(9,020)	290	(3.22)
Other valuation adjustments	(491)	(1,056)	565	(53.50)
Provisions for risks and charges	(2,327)	(296)	(2,031)	686.15
E. OPERATING RESULT (EBIT)	15,307	8,336	6,971	83.63
Financial income and expenses	(1,702)	(1,608)	(94)	5.85
Profits and losses on exchange rates	(23)	26	(49)	(188.46)
Value adjustment of financial assets		(11)	11	(100.00)
F. RESULT BEFORE EXTRAORDINARY COMPONENTS AND TAXES	13,582	6,743	6,839	101.42
Extraordinary income and expenses	(1,007)	(247)	(760)	307.69
G. RESULT BEFORE TAXES	12,575	6,496	6,079	93.58
Current, deferred and advance financial year income tax	(4,811)	(3,449)	(1,362)	39.49
H. PROFITS FOR THE PERIOD	7,764	3,047	4,717	154.81

EQUITY STRUCTURE (as per table on page 24)

The “**Invested capital deducted the financial year liabilities and M/L term risks and charges**” as at 31/12/2015 amounts to € 158,080 thousand (€ 139,415 thousand as at 31/12/2014). The item is composed as follows:

“**Fixed assets**” amounting to € 55,446 thousand as at 31/12/2015; this item increased by € 16,938 thousand compared to 31/12/2014 (€ 38,508 thousand) in particular from the effect of the positive balance between investments and amortizations in the year, essentially consisting of:

- new investments in tangible fixed assets of € 25,667 thousand and in intangible fixed assets of € 102 thousand. The new investments recorded among the Fixed assets under construction and Deposits (€ 18,159 thousand) include the amounts paid to Herrenknecht AG for the construction of the shield tunnel boring machine required for the Santa Lucia tunnel excavation (€ 14,353 thousand), the costs incurred for preparing and aqueduct and a electricity pylons required for the use of the TBM (€ 1,956 thousand) and lastly the costs concerning the loan contract underwritten with Credit Agricole Corporate Investment Bank Deutschland in order to obtain the required sources of coverage (€ 317 thousand);
- decrease of € 8,730 thousand in amortizations for the period;
- disposal of tangible fixed assets for € 103 thousand net of the relevant funds;
- increase in holdings of € 1 thousand to cover for the recording of the quota of the holding in the Consorzio Autostrade Italiane Energia, underwritten in December.

“**Operating capital**” amounts to € 102,634 thousand as at 31/12/2015; compared to 31/12/2014, this item has increased by € 9,647 thousand, prevalently due to the combined effect of the variations to the following items:

- decrease of € 4,131 thousand in the value of the inventories;
- decrease of € 21,406 in the work in progress on contracts, attributable to the decrease in the balances towards ASPI:
 - following the invoicing of amounts concerning the infrastructural contracts recorded in previous financial years (€ 13,650 thousand);

- for the invoicing of activities concerning the North Area contracts that are being completed (€ 15,643 thousand);
- for the invoicing of amounts concerning extra maintenance activities, sound absorbent barriers and lateral barriers (€ 16,332 thousand);

partially compensated by the increase in activities toward ASPI for the infrastructural contracts in the Barberino area (€ 13,745 thousand) and for the completion of the Valico variant (€ 9,197 thousand).

- decrease in the trade receivables (€ 6,825 thousand) substantially attributable to the amounts received from Stalexport for works completed by the Branch in consortium with Pavimental Polska (€ 1,764 thousand) and decreased receivables from the consortiums Lambro (€ 1,739 thousand) and Co.Co. TEEM (€ 1,176 thousand) and the subsidiary Co.Im.A. (€ 2,065 thousand) compensated by the relevant payables from cost reversals;
- increase in Other assets of € 6,182 thousand essentially attributable to the recording of receivables from the tax authorities for VAT amounting to € 2,944 thousand (payables as at December 31, 2014), increased accrued income on insurance premiums for the recording of costs arising in future financial years (€ 2,181 thousand) and increased receivables from the tax authorities for the recovery of excises (€ 1,013 thousand);
- decrease in the trade payables amounting to € 26,654 thousand (€ 187,315 thousand as at 31/12/2014) as a consequence of the dynamics of payments by the suppliers of materials purchased and rendered services;
- increase in the Funds for risks and contingencies, which amount to € 6,688 thousand (€ 4,422 thousand as at 31/12/2014) following the allocation of a fund for contractual charges for the disposal of residual amounts of milling material from maintenance, to be completed in early 2016 (€ 1,244 thousand), the allocation to hedge expected losses on multi-annual contracts for the quota exceeding the value of the works in progress (€ 841 thousand) and also for probable risks deriving from disputes (€ 198 thousand);
- decrease in Other liabilities of € 11,439 thousand; this effect is prevalently related to the fact that as at 31/12/2014, the Company had payables to the tax authorities for VAT of € 11,989 thousand, while VAT receivables are recorded as at 31/12/2015.

The “**Medium and long-term provisions for risks and charges**” amount to € 4,667 thousand (€ 5,239 thousand as at 31/12/2014) and decreased by € 572 thousand due to the use of the employee severance fund for personnel leaving the company.

The “**Own Capital**” amounts to € 49,295 thousand (€ 41,537 thousand as at 31/12/2014), and records an increase of € 7,758 thousand prevalently by the effect of the financial year profits.

As at 31/12/2015, the Company has a positive “**Net financial position**” (Net financial indebtedness) of € 104,118 thousand (€ 84,719 thousand as at 31/12/2014) and recorded an increase of € 19,399 thousand.

The variation is attributable to the recording of the long-term financial payables to Credit Agricole for the purchase of the TBM (totalling 50 million Euros), of which € 10,663 thousand was used by the Company as of the date of the financial statements, partially compensated by the increase in medium and long-term financial assets of € 728 thousand (of which € 519 thousand from Pavimental Polska). This has led to the recording of a **Net medium/long-term financial indebtedness** at the end of the period amounting to € 7,818 thousand, compared to net financial assets as at 31/12/2014 of € 2,117 thousand.

The Net short-term financial indebtedness has increased by € 9,464 thousand by effect of the increased debts towards the banking system (€ 24,592 thousand) and the decreased use of the credit line granted by Autostrade per l’Italia (€ 15,295 thousand).

TABLE ANALYSING THE EQUITY STRUCTURE

Thousands of Euros

	31.12.2015	31.12.2014	Differences
A. FIXED ASSETS			
Intangible fixed assets	453	632	(179)
Tangible fixed assets	49,596	32,480	17,116
Financial fixed assets	5,397	5,396	1
	55,446	38,508	16,938
B. FINANCIAL YEAR CAPITAL			
Inventories	203,117	228,654	(25,537)
Trade receivables	62,493	69,318	(6,825)
Other assets	17,858	11,676	6,182
Trade payables	(160,661)	(187,315)	26,654
Provisions for risks and charges	(6,688)	(4,422)	(2,266)
Other liabilities	(13,485)	(24,924)	11,439
	102,634	92,987	9,647
C. INVESTED CAPITAL deducted operating liabilities (A + B)	158,080	131,495	26,585
D. MEDIUM AND LONG-TERM PROVISIONS FOR RISKS AND CHARGES			
Employee Severance Fund	4,667	5,239	(572)
	4,667	5,239	(572)
E. INVESTED CAPITAL deducted current liabilities and M/L term provisions for risks and charges: (C - D)	153,413	126,256	27,157
Covered by:			
F. OWN CAPITAL			
Paid-up share capital	10,116	10,116	
Reserves and retained earnings	31,415	28,374	3,041
Profit for the period	7,764	3,047	4,717
	49,295	41,537	7,758
G. NET MEDIUM/LONG-TERM FINANCIAL INDEBTEDNESS			
Medium and long-term financial assets	7,818	(2,117)	9,935
	7,818	(2,117)	9,935
H. NET SHORT-TERM FINANCIAL INDEBTEDNESS (Net cash and cash equivalents)			
Short-term financial payables	113,450	92,917	20,533
Cash and cash equivalents and short-term financial receivables	(17,150)	(6,081)	(11,069)
	96,300	86,836	9,464
TOTAL NET FINANCIAL (AVAILABILITY) INDEBTEDNESS (G + H)	104,118	84,719	19,399
I. TOTAL, AS IN E (F + G + H)	153,413	126,256	27,157

INVESTMENTS

The investments made during the course of 2015 amount to € 25,769 thousand and include, under the Ongoing fixed assets, the amounts paid to Herrenknecht AG for the construction of the shielded tunnel boring machine required for excavating the Santa Lucia tunnel (€ 14,353 thousand), the costs incurred for preparing an aqueduct and an electrical cable duct required for using the TBM (€ 1,956 thousand) and lastly the costs concerning the loan contract underwritten to obtain the required coverage sources (€ 317 thousand);

The following table contains a summary of the investments made during the period, subdivided by category:

€ thousand	Intangible Fixed Assets	Tangible Fixed Assets	Total
- Leasehold improvements			
- Applicative Software	91		91
- Software usage licences	11		11
- State property concessions			
- Land and Industrial Buildings		723	723
- Plant and Machinery		3,804	3,804
- Lorries and support vehicles for operating activities		2,742	2,742
- Other tangible fixed assets		239	239
- Ongoing fixed assets		18,159	18,159
	<u>102</u>	<u>25,667</u>	<u>25,769</u>

RESEARCH AND DEVELOPMENT

During the course of 2015, the experimentations, both in laboratory and in a pilot worksite, for the packaging and installation of “tepid” conglomerates (production and installation temperature of about 40°C less than those produced using traditional technologies) were completed, and these should enable significant advantages to be gained in terms of the harmful emission of greenhouse gases and odours.

The goal was to verify that performance levels in compliance with those required by the Technical Regulations are maintained and the measurements of the advantages in terms of emissions.

The initial results were positive on all fronts, and for 2016, it has been decided, in accordance with the Contractor, to realise additional pilot worksites, of larger dimensions and on several production sites.

2016 will also see laboratory experimentations on mixtures with a higher content of milled asphalt (bituminous conglomerate for binders with 40% recovery material), already successfully tested in previous years, but using the same technology as that which enables the lowering of the packaging and installation temperatures.

QUALITY SYSTEM

2015 was characterized by intensive activities concerning Quality. In particular:

- the FPC certificates for bitumen modified from polymers at the premises of the Operating Units of Loreto and Zola Predosa (Bologna) were the subject of annual surveillance, as provided by harmonised regulation UNI EN 14023;
- similarly, in fulfilment of that required by regulation UNI EN 13108, the internal and external surveillance audits were carried out on all the currently certified operating units. Certification according to ISO 9001 for the specialised business activities were also subjected to specific surveillance. The certification as a general business was also subjected to verification in order to be maintained;
- training activities for personnel at headquarters and on worksites were planned and carried out, with in hall activities and training on the job. Internal and external audits were conducted on the main infrastructural highway worksites, on the worksites for the sound absorbent and safety barriers and on all airport activities. There were more than 60 audits and inspections on Company working areas overall;
- during the course of 2015, the main technical documents as regards the FPC systems and corporate operating processes were updated. The Quality Manual was also monitored and updated;
- the ISO 9001 certificate as General Contractor of Co.Im.A S.c.a r.l. was renewed for an additional triennium until 30 June 2018;
- as regards the certification scheme for Sustainability “Make it Sustainable”, in March 2015 the audit was conducted for the annual maintenance of the certificate obtained for the Zola

Predosa OU. In March and September 2015, this certification was also confirmed for the Barberino Infrastrutture OU, as regards Lots 0, 1 and 13;

- during the course of 2015, the certificate, according to a voluntary scheme, was obtained for the FPC system for Bitumen Mixture at the Production Unit of Turate Infrastrutture.

HUMAN RESOURCES

From an **organizational viewpoint**, 2015 was characterised by interventions aimed at optimising the staff structures and support processes for operations. Among the principal interventions, the appointment of a General Manager to whom all of the staff structures of the Company report to must be highlighted.

It should also be pointed out that, in order to enhance the monitoring of safety and environmental matters, new organizational models were implemented during the course of the year for managing such matters.

The new safety model, which represents the completion of the process for enhancing the monitoring of this matter started in past years, identified as “employer” ex art. 2 of Legislative Decree 81/08 several individuals within the company set-up, conferring upon them the relevant power concerning health and safety in the workplace. The individuals identified are:

- the Maintenance, Surfacing, Extra-Surfacing and Airport Works Manager, subdividing their responsibilities to the Production Units dedicated to carrying out the works concerning:
 - Highway Network Maintenance and Lateral Boundary Barriers;
 - Sound Absorbent Barriers and Junctions;
 - Airport works.
- the Centre South Infrastructures Manager, subdividing their responsibilities to the Production Units for Works for the enhancement of infrastructures in the Centre-South Area;
- the North Infrastructures Manager, subdividing their responsibilities to the Production Units for Works for the enhancement of infrastructures in the North Area;
- the Procurement, Legal, Safety and Environment Manager, subdividing their responsibilities to the Head Office in Rome and the staff Operating Units located there.

The new environmental monitoring model identified four Environmental Managers within the framework of the company set-up, with the goal of responding to the highly complex matters deriving from the various environmental regulations emanated at a territorial level, and which thus require continuous monitoring at a local level, which can no longer currently be ensured through the central structures:

- the Maintenance, Surfacing, Extra-Surfacing and Airport Works Manager, subdividing their responsibilities to the Production Units dedicated to works concerning Sound Absorbent Barriers, Junctions and Airport Works;
- the Centre South Infrastructures Manager, subdividing their responsibilities to the Production Units for Works for the enhancement of infrastructures in the Centre-South Area;
- the North Infrastructures Manager, subdividing their responsibilities to the Production Units for Works for the enhancement of infrastructures in the North Area;
- the Environmental Protection and Sustainability Manager, subdividing their responsibilities to the Head Office in Rome and the Production Units dedicated to Works concerning Highway Maintenance and Lateral Boundary Barriers.

Simultaneously, the interventions continued for updating the corporate procedures plan, also in order to adjust the procedural set-up of Pavimental to the evolution of the organizational Management and Control model (provided by Legislative Decree 231/01).

From the viewpoint of **IT systems**, still with a view to streamlining the operations support processes, many processes have been computerized, of which the new system for managing invoices electronically must be highlighted. This project, implemented at the start of the year, involves the dematerialisation of paper invoices as soon as they are received by the company and their management in electronic form, and will enable the improvement of the times required for managing invoices and the relative approval work-flow.

As regards the aspects concerning the **Selection** of human resources, 364 working positions opened up in 2015, of which 79 were filled by internal candidates, which also promoted infra-group mobility processes.

Goals concerning the **Development and Training** of staff were pursued during the year, aimed at raising the levels of professionalism and further developing and enhancing the corporate culture as regards safety in the workplace, environmental protection and quality. Specific focus was given to training interventions involving refresher courses on regulatory developments and techniques of interest to the company. In this regard, the project (ERA) realised in collaboration with the University of the Marche on recycling bituminous conglomerate in road surfacing is the most significant.

Lastly, specific sessions were organised for training on the job on the use of the IT applications for managing the passive cycle (RDS).

The majority of the training initiatives undertaken were realised through the use of financed training, through the Professional Funds allocated for continuous training to which Pavimental had adhered.

In conclusion, training interventions were organised to a total of 8.069 hours during the course of 2015.

Industrial Relations in 2015, as regards the Maintenance sector, were aimed at the management of the terminal phase of the CIGS and Solidarity period and the subsequent management of dismissals on a non-opposable basis, in compliance with the agreements reached – in the Trade Union agreement report from December 2014 – for the management of excess personnel, resulting from the expiry of the period of fruition of the aforementioned social safety nets.

As regards contractual negotiation activities, and again from the maintenance viewpoint, Industrial Relations reached an agreement with the Trade Unions at a national level integrating the Draft Agreement currently in force, for the containment of the long-term transfers in the case – frequently based on the production requirements of Maintenance procedures – of workers assigned to the sector.

From an infrastructures viewpoint, Industrial Relations were particularly focused on problems of personnel saturation, linked to the progressive exhaustion of tenders (Infrastructures North and Centre South) and, also through Trade Union dialogue, shared solutions have been identified, thanks to which recourse to collective dismissal procedures has been avoided. This was the case during the finalisation of the CIGO agreement, underwritten at the end of the year with the Trade Unions in Milan and Como for tenders in the North Area. A specific agreement has also been reached for the management and organisation of shift work by personnel involved in

infrastructural works being carried out near Florence (in integration of the Infrastructural protocol in force for Tuscany), with specific regard to personnel allocated for work in tunnels.

Lastly, thanks to a series of meetings at a territorial level, the tensions and potential criticalities expressed individually – and for different reasons – by workers represented by the Trade Unions in Barberino del Mugello and Naples were settled and resolved.

The following table compares the dimensions of the corporate workforce on December 31 in 2014 and 2015 respectively, in consideration of the different types of continuing and fixed-term employment contracts:

	December 31, 2015			December 31, 2014			Delta
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	
Directors	8		8	6		6	2
Managers	28		28	27		27	1
Employees	298	18	316	294	13	307	9
Labourers	443	113	556	465	38	503	53
	<u>777</u>	<u>131</u>	<u>908</u>	<u>792</u>	<u>51</u>	<u>843</u>	<u>65</u>

As regards the average remunerated workforce, 2015 closed with an average of 856.40 units compared to 708.05 in 2014.

The average remunerated workforce is broken down into the following categories:

	2015			2014			Delta
	CONT.	FT	TOTAL	CONT.	FT	TOTAL	
Directors	7.67		7.67	6.75		6.75	0.9
Managers	27.77		27.77	25.56		25.56	2.2
Employees	290.07	19.32	309.39	284.45	10.20	294.65	14.74
Labourers	391.38	120.19	511.57	343.47	37.62	381.09	130.48
	<u>716.89</u>	<u>139.51</u>	<u>856.40</u>	<u>660.23</u>	<u>47.82</u>	<u>708.05</u>	<u>148.35</u>

RELATIONS WITH RELATED PARTIES

In relation to that provided by art. 2427, paragraph 22-bis of the Italian Civil Code on information with related parties, it should be pointed out that the following trade and/or financial relations are currently ongoing with the Companies listed hereafter, and are conducted under standard market conditions or on the basis of the quota of common costs incurred, in the interest of expanding the activities of the Company.

Parent Company

- **Atlantia:** following the transfer by ASPI on August 8, 2014 of 46,223,290 shares (corresponding to 59.4% of the share capital of Pavimental) to Atlantia, the latter is now the parent company; as of the same date, Pavimental is subject to the management and coordination of Atlantia. It should also be recalled that in 2012, the Company renewed its adherence to the consolidated fiscal system, in which Atlantia is the consolidator; there is also a lease contract ongoing for the company headquarters of villa Fassini;

The following is a summary in tabular form of the economic relations undertaken in 2015 and the equity relations ongoing as at December 31, 2015:

€ thousand

Relations with the Parent Companies (Trade, financial and other)

	Atlantia S.p.A.	Atlantia S.p.A.
	December 31, 2015	December 31, 2014
<i>Receivables</i>		
Tax Receivables	951	1,304
<i>Total Receivables</i>	<i>951</i>	<i>1,304</i>
<i>Payables</i>		
Trade payables	24	28
Tax payables	2,935	
Other payables	7	3
<i>Total Payables</i>	<i>2,966</i>	<i>31</i>
<i>Memorandum Accounts</i>		
Guarantees-Fidejussions	22	22
	2015	2014
<i>Total Income</i>		
<i>Expenses</i>		
<i>Production expenses:</i>		
Services	7	27
Leaseholds	553	549
Other expenses		3
Extraordinary expenses		2
<i>Total Expenses</i>	<i>560</i>	<i>581</i>

Companies in the Atlantia Group

- **Autostrade per l'Italia (ASPI):** an associate, there are significant trade and financial relations ongoing with this company, which in active terms consist of the ordinary and extraordinary maintenance of the highways granted under concession to ASPI as regards both construction and infrastructural works. The performance of the works awarded by ASPI represented approximately 70% of the entire production output of the Company. In passive terms, the relations involved the recharging of highway toll fees, emoluments for the directors, outsourcing services, personnel detached elsewhere, work-related fines and other expenses.

The financial relations with ASPI are constituted by the granting of a correspondence bank account which guarantees a credit line (regulated under market rates) generating

infra-group interest receivable and payable through which normal loan operations in the framework of the Centralised Treasury are managed in order to cover bank overdrafts, insurance costs payable, the salaries of the managers, items concerning participation in the consolidated fiscal system and also items of lesser importance. This would appear to indicate that the relations ongoing are referable to operations of an ordinary nature.

There are some ongoing “sales commitments” towards ASPI, which represent the performance of works still to be carried out in the framework of those awarded and “sureties” which concern insurance and banking guarantees for the proper execution of works. As at December 31, 2015, the Company possesses 15,563,773 shares, amounting to 20% of the share capital of Pavimental.

The following is a summary in tabular form of the economic relations undertaken in 2015 and the equity relations ongoing with ASPI as at December 31, 2015:

€ thousand

Relations with ASPI (Trade, financial and other)

	Autostrade per l'Italia	Autostrade per l'Italia
	December 31, 2015	December 31, 2014
<i>Receivables</i>		
Work in progress	182,368	193,659
Trade receivables	19,562	23,080
- Allowances for doubtful accounts	(1,184)	(1,184)
Other Receivables	33	14
Advance payments to suppliers	2,016	1,524
Tax receivables		
<i>Total Receivables</i>	<i>202,795</i>	<i>217,093</i>
Financial fixed assets	4	4
Tangible fixed assets		
<i>Total Fixed Assets</i>	<i>4</i>	<i>4</i>
<i>Payables</i>		
Trade payables	1,494	1,128
Deposits on SAL/advance payments	14,873	12,043
Other payables	348	434
Financial payables	76,827	92,122
Deferred liabilities		
Tax payables		
<i>Total Payables</i>	<i>93,542</i>	<i>105,727</i>
<i>Memorandum accounts</i>		
Sales commitments	991,642	545,758
Guarantees-Fidejussions	203,306	194,497
	2015	2014
<i>Income</i>		
<i>Production value:</i>		
Works	350,737	318,367
Services-Sales	23	8
Other income	2,077	1,784
Financial income		
Extraordinary income		
<i>Total Income</i>	<i>352,837</i>	<i>320,159</i>
<i>Expenses</i>		
<i>Production expenses:</i>		
Services	1,333	1,660
Leaseholds	43	43
Other expenses	589	966
Financial expenses	1,340	1,631
Extraordinary expenses	8	
<i>Total Expenses</i>	<i>3,313</i>	<i>4,300</i>

- **ADR GROUP:** an associate; there are active trade relations ongoing with this company in the framework of the activities for the Structural and Operational Refurbishment of Runway 16L/34R, the enhancement of the capacity and extension of Apron 200 in the south-east area and the recharging of costs for detached personnel. On August 8, 2014, ASPI transferred 15,563,773 shares, amounting to 20% of the share capital of Pavimental, to ADR.

€ thousand

Relations with Companies in the ADR Group (Trade, financial and other)

	Aeroporti di Roma Group	Aeroporti di Roma Group
	December 31, 2015	December 31, 2014
<u>Receivables</u>		
Work in progress	11,867	10,291
Trade receivables	2,913	3,169
Total Receivables	14,780	13,460
<u>Payables</u>		
Trade payables	201	1
Other payables	2	
Total Payables	203	1
<u>Memorandum accounts</u>		
Sales commitments	9,661	50,852
Guarantees-Sureties	15,778	12,560
	2015	2014
<u>Income</u>		
<u>Production value:</u>		
Works	73,821	13,430
Other income	260	56
Total Income	74,081	13,486
<u>Expenses</u>		
<u>Production expenses:</u>		
Service expenses	210	
Total Expenses	210	

- **Essediessa (SDS):** an associate, during the course of 2015, SDS provided services for the management of general services;
- **Telepass:** an associate; there are ongoing commercial relations with this company concerning the use of highways by vehicles of the company;
- **Società Autostrade Meridionali:** an associate; there are significant active commercial relations ongoing with this company concerning the construction of infrastructures and recharging of detached personnel costs;
- **Tangenziale di Napoli:** an associate; there are significant active commercial relations ongoing with this company in the framework of activities for the refurbishment of soundproof barriers;
- **Spea:** an associate; there are relations ongoing with this company for the recharging of detached personnel costs;
- **Stalexport Autostrada Malopolska S.A.:** there are active commercial relations ongoing with this company concerning work performed in Poland by the Pavimental branch in temporary association with the subsidiary Pavimental Polska;

The “sales commitments” (€ 1,753 thousand) refer to works to be carried out on the contracts granted and are related to the “surety guarantees” (€ 3,835 thousand) of an insurance nature, in favour of the Contractors for the awarding of the works in question.

HOLDING COMPANIES AND CONSORTIUMS

Pavimental Est

Headquarters in Moscow
Share capital 4,200,000 new Roubles
Holding 100%

The Company has been inactive since 1999. The allocations to cover eventual losses, that are currently expected to be incurred, amount to € 343 thousand. The liquidation procedure of the holding company has been started.

Pavimental Polska Sp.z o.o

Headquarters in Warsaw
Share Capital 3,000,000 PLN
Holding 100%.

Production activities are essentially focused on the performance of:

- works for the reconstruction of the Chrzanow bypass, in consortium with Pavimental S.p.A., the net contractual worth of which amounts to 11.2 million PLN, of which the quota of Pavimental Polska amounts to 10.9 million PLN. The works were completed and tested in December 2015;
- realisation of works for the WUPO contract, automation of the toll booth lanes on the A4 highway, subcontracted from Autostrade Tech for a value of 600 thousand PLN;
- realisation of additional works, in the framework of the contract for the drainage of the A4 highway in the Silesia region – part I (in consortium with Pavimental S.p.A.), for a total value of 700 thousand PLN;
- works linked to the contract for the construction of the Rudno and Myslowice junctions on the A4 Katowice – Krakow highway, in consortium with Pavimental S.p.A., the net contractual worth of which amounts to 20.7 million PLN, of which the quota of Pavimental Polska amounts to 20.3 million. The contract has a duration of 600 days, and the works completed represent a progressive production of 7.5 million PLN.

Activities aimed at the acquisition of new contracts are continuing, and in this regard, participation in consortium with Pavimental S.p.A: in the following tenders is highlighted:

- works for the surfacing of the Brzeczkwice junction, contracted by the SAM;
- works for the drainage of the A4 highway in the Silesia region – part II, contracted by the SAM;
- works for the surfacing of the A4 highway, contracted by the SAM.

As at December 31, 2015, the financing by Pavimental S.p.A. amounts to a value of approximately € 1,200 thousand.

The workforce is constituted by 60 resources as at December 31, 2015.

Elmas S.c.a r.l. (in receivership)

Headquarters in Rome
Share capital € 10,000
Holding 60%.

The works for the refurbishment of the main runway, the restructuring of runway 14-32 and the enhancement of the AVL systems at Cagliari Elmas airport awarded to the temporary association of enterprises between Pavimental S.p.A. and SAR.CO.BIT. S.r.l., the performance of which was contracted to Elmas S.c.a.r.l., were completed during 2009.

In the framework of the bankruptcy procedure of the shareholder SAR.CO.BIT S.r.l., the Cagliari Law Courts accepted the claim by Pavimental for amounts payable on October 4, 2010, for an amount of € 1,408 thousand.

The Company entered receivership on June 12, 2013.

Trinacria S.c.a r.l. (in receivership)

Headquarters in Limena (PD)
Share capital € 10,000
Holding 47.729%.

Following the awarding of the contract to the temporary association of enterprises between Pavimental S.p.A., Intercantieri Vittadello S.p.A. and Costruzioni Bruno Teodoro S.p.A. for the expansion of the aircraft ramp at Palermo “Falcone e Borsellino” airport, a tender contract on 24

May 2007 between GESAP S.p.A. and the aforementioned temporary association worth € 16,311 thousand (subsequently recalculated at € 14,478 thousand) were stipulated.

The consortium company named Trinacria S.c.a.r.l. was incorporated on September 18, 2007.

The works concerning this contract were completed in 2013 and the Company entered receivership in January 2014.

Co.Im.A. S.c. a r.l.

Headquarters in Rome

Share capital € 10,000

Holding 75%.

On July 26, 2012, a limited liability consortium company was incorporated, named Co.Im.A. S.c.a.r.l., the scope of which is the realization of public works and infrastructures through participation in procedures for awarding contracts through tenders, competitive tenders, concession or through any other system of awarding. The share capital amounts to € 10 thousand and the holdings are divided as follows:

- Pavimental S.p.A. 75%;
- Autostrade Tech S.p.A. 20%;
- Pavimental Polska S.p. z o.o 5%.
- In 2012, the Consortium obtained the qualification of Category I General Contractor, and therefore had the possibility of participating in General Contractor tenders for amounts of up to 350 million Euros.
- Co.Im.A. possesses 29.7% of the holding quotas in the capital of the consortium SAT LAVORI, a Company incorporated for the realization and completion of the A12 Livorno – Civitavecchia highway stretch.

Consorzio R.F.C.C. (in receivership)

Headquarters in Tortona (AL)

Share capital € 510,000

Holding 30%

Following the contacts with the SNADM, against which a proceeding has been started for the recognition of claims, the Parties have reached a transactive agreement formalised with the underwriting in March 2015 of a Protocole Transactionnel, in which Consorzio R.F.C.C. obtained the recognition of DHS 42,500,000, convertible into Euros. On 15 June 2015, the

Consortium encashed the amount of € 2,734 thousand resulting from the gross value of the transaction (€ 3,955 thousand), deducted the sums concerning the dispute of a fiscal nature with the Ministry of Finance to be paid out following the transactive agreement which settled any pending matters (€ 244 thousand) and also deducted the amounts for the seizure of premises notified to the SNADM by the lawyers of the Consortium with which the disputes arose.

Galileo S.c.a.r.l. (in receivership)

Headquarters in Perugia
Share capital € 10,000
Holding 40%

The works at Pisa airport were completed in 2008.

The consortium members Pavimental S.p.A., Todini S.p.A. and Ediltevere S.p.A. hold 40%, 40% and 20% respectively of the capital quotas. The testing certificate was released on November 18, 2010. The S.c.a.r.l. entered receivership during November 2012.

Ramonti S.c.a.r.l.

Headquarters in Tortona (AL)
Share capital € 10,000
Holding 49%

Following the definitive awarding of the works commissioned by Autostrade Centro Padane S.p.A. for the construction of the highway link between the toll booth at Ospitaletto (A4), the new toll booth at Poncarale (A21) and Montichiari airport, a new limited liability consortium company was incorporated on May 14, 2008, with a share capital of € 10 thousand and named Ramonti S.c.a.r.l..

The consortium members, Itinera S.p.A. and Pavimental S.p.A., hold respectively 51% and 49% of the capital quotas. The scope of the company is to operate using the system of overturning costs to individual members on the basis of their respective holdings. Production activities have been completed. As at December 31, 2015, Pavimental S.p.A. had receivables of € 7,500 thousand from the Contractor.

Società Tangenziale Esterna S.p.A.

Headquarters in Milan
Share Capital € 464,945,000
Holding 1%

This is the project concessionary company for the design, construction and management of the External Eastern Bypass in Milan. The entire work became operational on 16 May 2015; the duration of the concession is established as fifty years from the entry into operation of the entire roadway connection.

In December 2013, the concessionary signed the contract for the financing under project financing, which ensured the financial coverage required for the initiative.

Consorzio Miteco

Headquarters in Castelnuovo di Sotto (RE)
Share Capital € 10,000
Holding 1.3%

Consorzio Miteco, which was originally incorporated to group together the construction companies in the TE, is currently inactive.

Consorzio Costruttori TEEM

Headquarters in Milan
Share Capital € 10,000
Holding 1%

In the framework of the construction of the External Eastern Bypass in Milan, Consorzio Miteco was incorporated on June 18, 2009, including the constructors participating in the TEEM initiative, with a consortium fund of € 10 thousand and a Pavimental holding of 1%. In September 2011, the companies in the Miteco consortium, together with Impresa Pizzarotti & C. S.p.A., created Consorzio Costruttori TEEM, with the purpose of coordinating activities between the constructors. The Board of Representatives of Miteco deliberated its dissolution as a consequence of the fact that the consortium members intended to pursue the activities in the scope of its corporate purpose by other means.

On June 11, 2012, the EPC contract was signed for awarding the works to the general contractor Co.Co.TEEM.

Consorzio Lambro

Headquarters in Milan
Share Capital € 200,000
Holding 2.78%

Again, with reference to the External Eastern Bypass project in Milan, a limited liability consortium company was incorporated on December 19, 2011, called Lambro, with a share capital of € 200 thousand and with the corporate purpose of performing the works awarded to the components of Group A of Consorzio Costruttori TEEM. The percentage holding owned by Pavimental is 2.78%.

The following is the economic and financial data concerning these companies:

€ thousand

Economic Relations	2015	2014	Diff.
<u>Contract works</u>			
Consorzio Co.Im.A.	24,414	6,408	18,006
Consorzio Costruttori TEEM	3,448	4,899	(1,451)
Consorzio Lambro	2,569	5,497	(2,928)
	<u>30,431</u>	<u>16,804</u>	<u>13,627</u>
<u>Other operating revenues</u>			
Consorzio Costruttori Teem		1	(1)
Consorzio Lambro	309	37	272
Consorzio Miteco		5	(5)
Consorzio Co.Im.A.	28	28	
Pavimental Polska	141	173	(32)
Consorzio Galileo in receivership	10		10
Consorzio Trinacria in receivership	19		19
	<u>507</u>	<u>244</u>	<u>263</u>
<u>Service expenses</u>			
Consorzio Galileo in receivership	35	6	29
Consorzio Ramonti in receivership	39	2	37
Consorzio Trinacria in receivership		18	(18)
Consorzio Elmas in receivership	2	3	(1)
Consorzio Co.Im.A.	23,953	6,057	17,896
Consorzio Costruttori TEEM	2,485	4,316	(1,831)
Consorzio Lambro	2,485	5,099	(2,614)
Pavimental Polska	5,371	6,856	(1,485)
	<u>34,370</u>	<u>22,357</u>	<u>12,013</u>
<u>Other expenses</u>			
Consorzio Ramonti in receivership		14	(14)
Consorzio Costruttori TEEM	513	5	508
Consorzio Co.Im.A.	501	382	119
Consorzio Trinacria in receivership		5	(5)
Consorzio Elmas in receivership		10	(10)
	<u>1,014</u>	<u>416</u>	<u>598</u>
<u>Financial income</u>			
Pavimental Polska	4	5	(1)
	<u>4</u>	<u>5</u>	<u>(1)</u>
<u>Extraordinary income</u>			
	<u>-</u>	<u>-</u>	<u>-</u>

€ thousand

Equity Relations	December 31, 2015	December 31, 2014	Difference
Trade Assets			
Consorzio Co.Im.A.	8,003	9,692	(1,689)
Consorzio Costruttori TEEM	1,330	3,205	(1,875)
Consorzio Lambro	3,416	7,198	(3,782)
Consorzio Galileo in receivership	210	210	
Consorzio Elmas in receivership	548	548	
Consorzio Miteco	6	6	
Pavimental Polska	292	71	221
Consorzio RFCC in receivership	124	124	
	<u>13,929</u>	<u>21,054</u>	<u>(7,125)</u>
Other financial assets			
Consorzio Trinacria in receivership	46	159	(113)
Consorzio Elmas in receivership	1,030	1,030	
Pavimental Polska	2,456	1,200	1,256
Pavimental EST	276	299	(23)
Consorzio RFCC in receivership	2,291	2,291	
Consorzio Co.Im.A.	20	20	
	<u>6,119</u>	<u>4,999</u>	<u>1,120</u>
Other current assets			
Consorzio Galileo in receivership	21	75	(54)
Consorzio Co.Im.A.	30		30
Consorzio Elmas in receivership	2	3	(1)
Consorzio Ramonti in receivership	220	229	(9)
	<u>273</u>	<u>307</u>	<u>(34)</u>
Trade liabilities			
Consorzio Costruttori TEEM	1,082	2,922	(1,840)
Consorzio Galileo in receivership	191	220	(29)
Consorzio Ramonti in receivership			
Consorzio Trinacria in receivership	40	194	(154)
Consorzio Elmas in receivership	1,450	1,447	3
Consorzio Lambro	2,020	6,331	(4,311)
Consorzio Miteco	2	2	
Pavimental Polska	2,706	1,979	727
Consorzio Co.Im.A.	7,715	9,433	(1,718)
	<u>15,206</u>	<u>22,528</u>	<u>(7,322)</u>
Other current liabilities			
Consorzio Elmas in receivership	3	3	
Consorzio CAIE	1		1
Tangenziale Esterna	1,202	1,027	175
	<u>1,206</u>	<u>1,030</u>	<u>176</u>

LEGAL HEADQUARTERS AND MAIN OPERATING UNITS

The following is a list of company addresses:

HEADQUARTERS

ROME - Via Giuseppe Donati no. 174

OPERATING UNITS

Worksites:

- Anagni (Frosinone)
- Andria (BAT)
- Arezzo
- Barberino di Mugello (Florence)
- Bologna
- Bologna
- Casina Rizzardi (Como)
- Calenzano (Florence)
- Fiesso Umbertiano (Rovigo)
- Foggia
- Genova
- Genova
- Guidonia Montecelio (Rome)
- Loreto (Ancona)
- Magliano Sabina (Rieti)
- Marcianise (Caserta)
- Origgio (Varese)
- Ortona (Chieti)
- Padova
- Piacenza
- Rimini
- Trezzo sull'Adda (Milan)
- Uboldo (Varese)
- Roma
- Torre Annunziata (Naples)
- Turate (Co)
- Senigallia (Ancona)
- Fiano Romano (Rome)
- Mondolfo (PU)
- Riccione
- Rosignano Marittimo (LI)
- Barberino di Mugello (Florence)
- Rimini (RN)
- Località Cangiano
- Contrada Lamapaola
- Civitella in Val di Chiana, Via delle Case Rosse n. 12
- Località Bovecchio – Via Frassineta s.n.
- Zola Predosa - Via Prati 10A
- Località La Muffa, Svincolo A1-Via Emilia
- Autostrada A9 Km 30 sud
- Via Madonna del Facchino snc
- Via Trento s.n.
- Contrada Mendolecchia
- Autostrada A12 Est km 2 Dir. Ge-Li
- Via Fiamme Gialle
- Via Casal Bianco
- Località Leonessa
- Località Campitelli
- S.S. Sannitica km. 19+600
- Autostrada A9 Km 12 sud
- Zona Industriale Località Tamarete n.10
- Corso Stati Uniti
- Località Borghetto di Roncaglia
- Frazione S.Martino in Riparotta
- S.P. 2 s.n. per Grezzago
- Via IV Novembre s.n.
- Fraz. Ponte Galeria, Via di Valle Lupara snc
- Autostrada A3 Km. 17,400
- Via Puecher n.38
- S.S. Arcevese snc
- Via Salaria Km 15+750
- Via Sterpettine s.n.c.
- Via Ancona n. 9
- Località La Valle n. 9, Fraz.ne Vada
- Località Cornocchio
- Via Flaminia Conca n. 85

SIGNIFICANT EVENTS AFTER THE CLOSURE OF THE FINANCIAL YEAR

No other significant events occurred after the closure of the financial year.

MANAGEMENT OUTLOOK

A reduction in production value is forecasted for the 2016 financial year, principally due to the following:

- the infrastructural contracts with ASPI, following the conclusion of the works in the North Area (A8 and Rho-Monza) and Junctions and Interconnections, only partly compensated by an increase in production activities in the Florence area;
- the airport contracts with ADR following the completion of the works for the tender for the Structural and Operating Refurbishment of the flight infrastructures of Runway 16L/34R and the start of new contracts mainly concentrated in the second half of the year;
- infrastructural contracts with third parties, mainly due to the completion of the works on the Tirrenica.

Lastly, as regards the reform of the Code on Tenders, the decree for the implementation of Decree Law 11/2016 is being prepared. The legislative measure in question on “in house works” for public or private Concessionaries, the owners of works concessions or public services already existing or newly awarded states in the following paragraph:

“iii) obligation for public and private entities, the owners of works concessions or public services already existing or newly awarded, to award a quota amounting to eighty percent of the works, services and supply contracts concerning the concessions worth an amount in excess of 150,000.00 Euros through public procedures, establishing that the remainder may be realized by in house companies for public entities or by companies directly or indirectly controlled or related companies for private entities or through operators identified through public procedures, also of a simplified nature, and also methods of verifying the respect of such provisions also awarded to ANAC, introducing social clauses for the stability of the personnel used and for safeguarding professional skills and providing, for ongoing concessions, a transitory adjustment period of not more than 24 months, the aforementioned obligation excluding solely concessions that are ongoing or newly awarded assigned using the project financing formula and ongoing or newly awarded concessions assigned through public tender procedures according to the laws of the

European Union for which the dispositions concerning the awarding of tender contracts in force on the date of entry into force of this law shall in any event still be applicable”.

Company management is evaluating the effect of the scope of this new law which will come into force with the Implementation Decree by the Government. The possible effects on the works of ADR is currently being examined by the legal offices of the Group leader.

INFORMATIVE NOTE PURSUANT TO ART. 2428, PARA. 3, SUB. 6-BIS OF THE CIVIL CODE

The Company operates in the sector of maintenance of the highway network and the construction of infrastructures and airport-related activities, prevalently on behalf of Autostrade per l'Italia S.p.A. and Aeroporti di Roma and, to a lesser extent, third party contractors, and is not exposed to specific market risks in this regard, except for those exclusively due to eventual changes to the strategies decided by the Group leader.

The Company is not exposed to significant risks in terms of changes to the price of works completed, as the remuneration for the activities carried out is determined contractually with its contractors.

Furthermore, the Company has not recorded any significant cases of additional payments for infrastructural works not being made in the past.

The Company is not exposed to significant risks in terms of changes in financial flows, except for those exclusively due to the dynamics of the receipt of receivables claimed from its own contractors, principally Autostrade per l'Italia S.p.A..

The company is not exposed to significant credit risks and has not encountered significant cases of non-fulfilment by the counterparty; except for that described as regards the receivables from Adriatica S.c.a.r.l. and Sielpa, for which Pavimental has prudentially allocated an amount in the financial statements for the possible failure to recover the credit and receivables from Autostrade Centropadane S.p.A., with which it has finalized negotiations which led to the receipt of adequate guarantees to cover the remaining credit.

The Company is not currently exposed to liquidity risks, given that it believes it has access to sources of financing, both internal (also to the Group it belongs to) and/or external, that are sufficient to satisfy its forecast financial needs, for both current operational management and the financial means required to sustain any eventual new investments.

The Company is involved in civil and administrative lawsuits and in legal action concerning the ordinary performance of its activities. On the basis of the information currently available, the company believes that these lawsuits and legal actions will not determine significant negative effects on the equity and financial situation and the economic result of the company, other than those reflected in these financial statements.

Other information ex art. 2428 of the Civil Code

The Company does not possess treasury shares or shares in Subsidiary Companies, directly or through trust companies and intermediaries. Similarly, no operations were carried out during the financial year involving treasury shares or those of Subsidiary Companies.

INFORMATION ON THE APPLICATION OF LEGISLATIVE DECREE No. 196/03

The Company has properly fulfilled the obligations imposed by the rules concerning the protection of personal data introduced by Legislative Decree no. 196/2003, one of the primary scopes of which is updating the documentation for internal procedures, informative notes and the appointment of Managers and persons responsible for the processing of personal details. More specifically, in June 2015, the “Procedure – Internal privacy regulations” was again reviewed. This document contains information on the personal details processed electronically by the Company in the performance of its management activities and an analysis of the risks consequent to processing. It also disciplines the prevention measures to be adopted to guarantee the integrity of data, its processing and its confidentiality, in addition to an illustration of specific training programmes for the personnel involved. In this regard, in the last quarter of the year, the examination of proposals by external suppliers and on line training modules personalised on the basis of the specific requirements of the context of the Privacy organization of Pavimental was started. Furthermore, on entry into force of Legislative Decree no. 151 dated 14/09/2015, containing “Dispositions for the rationalisation and simplification of procedures and fulfilments required of citizens and businesses and other dispositions concerning employment relations and equal opportunities, in implementation of Law no. 183 dated 10 December 2014” and the specific review of which in art. 23 of the Legislative Decree and of the statutory regulations of which I art. 4 of Law no. 300 dated 1970, a process was started for the review of the technical regulations and, especially, the information to be given to those involved in data processing by

Pavimental with the working tools and/or assets granted for use, to which to trace the possible effects of a control from distance of working activities.

INFORMATION ON THE APPLICATION OF LEGISLATIVE DECREE No. 231/01

During the course of 2015, the Supervisory Board of the Company, by deliberation of the Board of Directors of Pavimental on December 21, 2015, integrated its composition, which had been reduced to two components following the resignation of Mr. Angelo Manno, appointing as Component and Coordinator Avv. Nicola Selvaggi, an expert in Criminal Law in Complex Organizations and Business and a component of other Supervisory Boards.

Therefore, the composition of the Pavimental S.p.A: Supervisory Board is as follows until the end of the Triennium 2015 - 2017:

- Avv. Nicola Selvaggi Coordinator
- Mr. Bruno Ciappina Component
- Arch. Rossella Degni Component

Certificate of Attestation (SOA)

The Attestation Company “La Soatech S.p.A.” made one change to the Certificate during the course of 2015, specifically:

- Certificate no. 23276/17/00 was released on 3/12/2015, which introduced the expansion to Category OG1 from classification V to classification VIII (unlimited), the remainder holding firm.

PROPOSALS TO THE SHAREHOLDERS' MEETING

Dear Shareholders,

The draft financial statements we are hereby submitting for approval show a net financial year profit of € 7,764,349

We therefore ask that you approve the financial statements for the 2015 financial year and this Report on Management as submitted to you, proposing:

- the allocation of 5% to the legal reserve, amounting to 388,217 Euros;
- to bring forward the remaining financial year profit, amounting to 7,376,132 Euros

and to bring forward the reserve for profits on exchange rates ex art. 2426 subsection 8-bis of the Civil Code, for 25,654 Euros.

At this Shareholders' Meeting, the Board of Statutory Auditors will step down from office. We would therefore ask that you appoint the new Board of Statutory Auditors pursuant to the law and the Statutes, determining the number of components and establishing their remuneration.

Rome, 18 February 2016

These Financial Statements have been translated into the English language solely for the convenience of international readers.

Financial Statements

Balance Sheet

and

Income Statement

ASSETS
31/12/2015
31/12/2014
A) UNPAID SUBSCRIBED RECEIVABLES
B) FIXED ASSETS
I - INTANGIBLE FIXED ASSETS

1) Plant and expansion costs							
3) Industrial patent rights and rights for the usage of Intellectual property		273,141				387,456	
4) Concessions, licences, trademarks and similar rights		114,461				131,588	
7) Other		<u>66,329</u>	452,931			<u>112,781</u>	631,825

II - TANGIBLE FIXED ASSETS

1) Land and Buildings		9,158,673				9,369,998	
2) Plant and machinery		15,735,589				15,873,346	
3) Industrial and trade equipment		4,836,032				4,334,224	
4) Other assets		727,126				746,918	
5) Assets under construction and advances		<u>19,137,990</u>	49,595,410			<u>2,155,516</u>	32,480,002

III - FINANCIAL FIXED ASSETS

1) Holdings in:							
a) subsidiary companies		726,722				726,722	
b) related companies		13,673				13,673	
d) other companies		<u>4,656,380</u>	5,396,775			<u>4,655,241</u>	5,395,636
2) Receivables:	(*)				(*)		
d) from others		<u>81,516</u>	<u>2,844,916</u>	8,241,691		<u>1,156,759</u>	<u>2,117,111</u>
		<u>81,516</u>				<u>1,156,759</u>	7,512,747

TOTAL FIXED ASSETS (B) 58,290,032 40,624,574

C) OPERATING CAPITAL
I - INVENTORIES

1) Raw and subsidiary materials and consumables		6,895,631				11,026,835	
3) Work in progress on contracts		<u>214,546,867</u>	221,442,498			<u>232,971,961</u>	243,998,796

II - RECEIVABLES

1) From clients	(**)		25,827,380			26,867,854	
2) From subsidiary companies			7,649,651			9,692,011	
3) From related companies			2,911,279			3,088,642	
4) From parent companies			1,116,616			1,304,137	
4 - bis) Tax receivables			5,622,143			1,342,567	
4 - ter) Advance taxes		1,955,022	2,397,842		1,675,896	1,870,646	
5) From others							
a) From other associates			30,841,559			34,731,993	
b) From other debtors			<u>2,950,632</u>	79,317,102		<u>3,491,835</u>	82,389,685
		<u>1,955,022</u>				<u>1,675,896</u>	

IV - CASH AND CASH EQUIVALENTS

1) Bank and post office deposits		12,236,913				995,590	
3) Cash and similar values		<u>10,428</u>	12,247,341			<u>17,522</u>	1,013,112

TOTAL OPERATING CAPITAL (C)

313,006,941 327,401,593

D) ACCRUED INCOME AND DEFERRED LIABILITIES

Accrued income and deferred liabilities 6,037,578 4,029,229

TOTAL ASSETS

377,334,551 372,055,396

(*) Amounts due within one year
 (**) Amounts due beyond one year

LIABILITIES

	31/12/2015			31/12/2014		
A - NET EQUITY						
I - SHARE CAPITAL			10,116,452			10,116,452
II - SHARE PREMIUM RESERVE			29,331,726			29,331,726
IV - LEGAL RESERVE			735,510			583,162
VII - OTHER RESERVES			-206,623			-226,018
VIII - RETAINED INCOME			1,553,663			-1,315,301
IX - FINANCIAL YEAR PROFITS			7,764,349			3,046,966
			<u>49,295,077</u>			<u>41,536,987</u>
B) PROVISIONS FOR RISKS AND CHARGES						
2) FOR TAXES, INCLUDING DEFERRED		56,402			62,489	
3) OTHER:						
fund for ongoing lawsuits		970,248			782,210	
fund for environmental recovery costs		72,390			72,390	
fund for losses on multi-annual contracts		840,894				
fund for contractual costs		1,243,905				
fund for excess holding depreciation		3,504,512	6,688,351	6,688,351	3,504,512	4,421,601
					<u>4,421,601</u>	<u>4,421,601</u>
C) EMPLOYEE SEVERANCE FUND FOR SUBORDINATE EMPLOYMENT						
			<u>4,667,460</u>			<u>5,238,702</u>
D) PAYABLES						
	(**)			(**)		
4) To banks	10,862,970		47,285,133			795,090
6) Deposits			18,410,352			15,684,960
7) To suppliers			143,556,947			172,452,974
9) To subsidiary companies			11,874,166			12,863,401
10) To related companies			231,027			414,603
11) To parent companies			2,966,481			31,243
12) Tax payables			1,405,954			13,339,137
13) To social security and welfare institutes			395,672			
14) To others						
a) to other associates			78,876,056			93,696,986
b) to other creditors			11,639,044	316,640,832		11,574,712
	<u>10,862,970</u>					<u>320,853,106</u>
E) ACCRUED INCOME AND DEFERRED LIABILITIES						
Accrued income and deferred liabilities			<u>42,831</u>			<u>5,000</u>
TOTAL LIABILITIES			<u>377,334,651</u>			<u>372,055,396</u>
MEMORANDUM ACCOUNTS						
REAL GUARANTEES GRANTED FOR OBLIGATIONS OF OTHERS:						
of related companies			6,013,168			6,013,168
of other holding companies						
PURCHASE AND SALES COMMITMENTS			1,008,256,000			651,660,000
OTHERS			301,046,178			297,508,945
TOTAL MEMORANDUM ACCOUNTS			<u>1,315,315,346</u>			<u>955,182,113</u>

(*) Amounts due within one year

(**) Amounts due beyond one year

INCOME STATEMENT

	2015	2014
A) PRODUCTION VALUE		
1) REVENUES FROM SALES AND SERVICES	520,966,491	412,232,317
3) CHANGES IN WORKS IN PROGRESS ON CONTRACTS	- 21,225,971	- 19,389,444
4) INCREASES IN FIXED ASSETS FOR INTERNAL WORKS	1,473,830	
5) OTHER REVENUES AND INCOME		
capital gains from disposals of assets	602,430	307,069
absorption of funds by operating capital	20,565	
absorption of provisions for risks and charges	43,407	903,500
other income	2,150,252	3,123,697
other cost recoveries	6,954,343	4,844,332
	<u>9,770,997</u>	<u>9,278,598</u>
	<u>510,984,247</u>	<u>402,121,471</u>
B) PRODUCTION EXPENSES		
6) FOR RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES	175,350,810	139,425,870
7) FOR SERVICES	241,090,324	201,293,564
8) FOR LEASEHOLDS	1,548,249	1,322,447
9) FOR PERSONNEL		
a) salaries and wages	39,817,621	32,356,876
b) social security and welfare expenses	15,746,090	11,873,566
c) employee severance fund	2,472,443	2,102,991
d) retirement fund and similar	394,335	249,316
e) other expenses	608,122	286,576
10) AMORTIZATIONS AND DEPRECIATIONS		
a) amortization of intangible fixed assets	280,952	346,737
b) amortization of tangible fixed assets	8,449,331	8,874,240
c) depreciation of receivables in the operating capital and cash and cash equivalents	490,924	1,066,077
d) depreciation of receivables in the operating capital and cash and cash equivalents	9,221,207	10,076,054
11) CHANGES IN THE INVENTORIES OF RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES	4,131,204	- 2,497,026
12) ALLOCATIONS FOR RISKS	242,112	295,820
13) OTHER ALLOCATIONS	2,084,799	
14) OTHER OPERATING EXPENSES	2,732,131	3,001,109
	<u>- 495,441,537</u>	<u>- 393,785,054</u>
DIFFERENCE BETWEEN PRODUCTION AND EXPENSES (A-B)	<u>15,542,710</u>	<u>8,335,517</u>
C) FINANCIAL INCOME AND CHARGES		
16) OTHER FINANCIAL INCOME		
a) from long-term receivables:		
other	52,385	508
d) interest from others:		
interest and commissions from subsidiaries		
interest and commissions from related companies		
interest and commissions from parent companies		
interest and commissions from others and other income	396,725	556,059
17) INTEREST AND OTHER FINANCIAL CHARGES		
interest and commissions to related companies		
interest and commissions to parent companies	1,339,874	1,631,522
interest and commissions to others and other charges	1,046,371	532,803
17 bis) PROFITS AND LOSSES FROM EXCHANGE RATES	- 23,022	25,806
TOTAL FINANCIAL INCOME AND CHARGES	<u>- 1,960,157</u>	<u>- 1,581,854</u>
D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS		
19) DEPRECIATIONS of holdings		- 10,700
TOTAL ADJUSTMENTS		<u>- 10,700</u>
E) EXTRAORDINARY INCOME AND CHARGES		
20) INCOME		
prior period income	1,205,558	969,774
other	414,825	296,445
	<u>1,620,383</u>	<u>1,266,219</u>
21) CHARGES		
contingent liabilities	1,196,560	888,430
taxes related to prior years	279,317	247,988
incentives to outputs	1,102,500	518,000
other	48,956	79,079
	<u>- 2,627,333</u>	<u>- 1,533,495</u>
TOTAL EXTRAORDINARY ITEMS	<u>- 1,006,950</u>	<u>- 247,276</u>
INCOME BEFORE TAXES	<u>12,575,903</u>	<u>6,495,587</u>
22) CURRENT, DEFERRED AND ADVANCE INCOME TAXES FOR THE PERIOD		
CURRENT TAXES		
IRES	4,269,854	1,618,000
IRAP	1,362,000	1,791,000
	<u>- 5,615,854</u>	<u>- 3,409,000</u>
ADVANCE TAXES		
IRES	- 804,600	39,621
IRAP	804,600	- 39,621
	<u>- 4,811,254</u>	<u>- 3,440,621</u>
TOTAL TAXES	<u>- 4,811,254</u>	<u>- 3,440,621</u>
23) FINANCIAL YEAR PROFITS	<u>7,764,349</u>	<u>3,046,966</u>

ASSETS

Values in thousands of Euros

	31/12/2015		31/12/2014	
A) UNPAID SUBSCRIBED RECEIVABLES				
B) FIXED ASSETS				
I - INTANGIBLE FIXED ASSETS				
1) Plant and expansion costs				
3) Industrial patent rights and rights for the usage of intellectual property		274		387
4) Concessions, licences, trademarks and similar rights		114		132
7) Other		65	453	113
				632
II - TANGIBLE FIXED ASSETS				
1) Land and Buildings		9,159		9,370
2) Plant and machinery		15,735		15,873
3) Industrial and trade equipment		4,836		4,334
4) Other assets		727		747
5) Assets under construction and advances		19,138	49,595	2,156
				32,480
III - FINANCIAL FIXED ASSETS				
1) Holdings in:				
a) subsidiary companies		727		727
b) related companies		14		14
d) other companies		4,656	5,397	4,655
2) Receivables:	(*)			(*)
d) from others	82	2,845	2,845	8,242
	82			1,157
				2,117
				2,117
				7,513
TOTAL FIXED ASSETS (B)				
				58,290
				40,625
				38,508
C) OPERATING CAPITAL				
I - INVENTORIES				
1) Raw and subsidiary materials and consumables		6,895		11,027
3) Work in progress on contracts		214,547	221,442	232,972
				243,999
II - RECEIVABLES	(**)			(**)
1) From clients		25,827		26,868
2) From subsidiary companies		7,650		9,692
3) From related companies		2,911		3,089
4) From parent companies		1,117		1,304
4 - bis) Tax receivables		5,622		1,343
4 - ter) Advance taxes	1,955	2,398	1,676	1,871
5) From others				
a) From other associates		30,842		34,731
b) From other debtors		2,950	79,317	3,492
	1,955			1,676
				82,390
IV - CASH AND CASH EQUIVALENTS				
1) Bank and post office deposits		12,237		996
3) Cash and similar values		11	12,248	17
				1,013
TOTAL OPERATING CAPITAL (C)				
				313,007
				327,402
D) ACCRUED INCOME AND DEFERRED LIABILITIES				
Accrued income and deferred liabilities			6,037	4,029
TOTAL ASSETS				
				377,334
				372,056

(*) Amounts due within one year
(**) Amounts due beyond one year

Values in thousands of Euros

LIABILITIES	31/12/2015		31/12/2014	
A - NET EQUITY				
I - SHARE CAPITAL		10,116		10,116
II - SHARE PREMIUM RESERVE		29,332		29,332
IV - LEGAL RESERVE		735		583
VII - OTHER RESERVES		-206		-226
VIII - RETAINED INCOME		1,554		-1,315
IX - FINANCIAL YEAR PROFITS		7,764		3,047
		<u>49,295</u>		<u>41,537</u>
B) PROVISIONS FOR RISKS AND CHARGES				
2) FOR TAXES, INCLUDING DEFERRED	56		63	
3) OTHERS:				
fund for ongoing lawsuits	970		782	
fund for environmental recovery costs	72		72	
fund for losses on multi-annual contracts	841			
fund for multi-annual personnel incentives	1,244			
fund for excess holding depreciation	3,505	6,688	6,688	3,505
		<u>6,688</u>	<u>6,688</u>	<u>4,422</u>
				<u>4,422</u>
C) EMPLOYEE SEVERANCE FUND FOR SUBORDINATE EMPLOYMENT				
		<u>4,667</u>		<u>5,239</u>
D) PAYABLES				
	(**)		(**)	
4) To banks	10,663	47,285		795
6) Deposits		18,410		15,685
7) To suppliers		143,557		172,453
9) To subsidiary companies		11,874		12,863
10) To related companies		231		415
11) To parent companies		2,967		31
12) Tax payables		1,406		13,339
13) To social security and welfare institutes		396		
14) To others				
a) to other associates		78,876		93,697
b) to other creditors		11,639	316,641	11,575
	<u>10,663</u>	<u>11,639</u>	<u>316,641</u>	<u>320,853</u>
E) ACCRUED INCOME AND DEFERRED LIABILITIES				
Accrued income and deferred liabilities		<u>43</u>		<u>5</u>
TOTAL LIABILITIES		<u>377,334</u>		<u>372,056</u>
MEMORANDUM ACCOUNTS				
REAL GUARANTEES GRANTED FOR OBLIGATIONS OF OTHERS:				
of related companies		6,013		6,013
of other holding companies				
PURCHASE AND SALES COMMITMENTS		1,008,256		651,660
OTHER		301,046		297,509
TOTAL MEMORANDUM ACCOUNTS		<u>1,315,315</u>		<u>955,182</u>

(*) Amounts due within one year

(**) Amounts due beyond one year

INCOME STATEMENT

Values in thousands of Euro

	2015		2014	
A) PRODUCTION VALUE				
1) REVENUES FROM SALES AND SERVICES		520,566		412,232
3) CHANGES TO WORK IN PROGRESS ON CONTRACTS		-21,228		-19,389
4) INCREASES IN FIXED ASSETS FOR INTERNAL WORKS		1,474		
5) OTHER REVENUES AND INCOME				
capital gains from disposals of assets		602		307
absorption of funds by operating capital		21		
absorption of provisions for risks and charges		43		904
sundry income		2,150		3,124
other cost recoveries		6,954		9,279
		<u>9,770</u>		<u>9,279</u>
		<u>610,994</u>		<u>402,122</u>
B) PRODUCTION EXPENSES				
6) FOR RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES		175,351		133,426
7) FOR SERVICES		241,090		201,299
8) FOR LEASEHOLDS		1,548		1,322
9) FOR PERSONNEL				
salaries and wages		39,816		32,357
social security and welfare expenses		15,749		11,874
employee severance fund		2,472		2,103
retirement fund and similar		394		248
other expenses		609		287
		<u>59,041</u>		<u>46,669</u>
10) AMORTIZATIONS AND DEPRECIATIONS				
amortization of intangible fixed assets		281		346
amortization of tangible fixed assets		8,449		8,674
depreciation of receivables in the operating capital and cash and cash equivalents		491		1,055
		<u>9,221</u>		<u>10,076</u>
11) CHANGES IN THE INVENTORIES OF RAW AND SUBSIDIARY MATERIALS AND CONSUMABLES		4,132		-2,497
12) ALLOCATIONS FOR RISKS		242		296
13) OTHER ALLOCATIONS		2,085		
14) OTHER OPERATING EXPENSES		2,732		3,001
		<u>-495,442</u>		<u>-393,786</u>
DIFFERENCE BETWEEN PRODUCTION VALUE AND EXPENSES (A-B)		<u>15,542</u>		<u>6,336</u>
C) FINANCIAL INCOME AND CHARGES				
16) OTHER FINANCIAL INCOME				
from long-term receivables:				
other		52		1
Interest from others:				
Interest and commissions from subsidiaries				
Interest and commissions from related companies				
Interest and commissions from parent companies				
Interest and commissions from others and other income		397		556
		<u>449</u>		<u>557</u>
17) INTEREST AND OTHER FINANCIAL CHARGES				
Interest and commissions to related companies				
Interest and commissions to parent companies		1,340		1,632
Interest and commissions to others and other charges		1,046		533
		<u>-2,386</u>		<u>-2,165</u>
17 bis) PROFITS AND LOSSES ON EXCHANGE RATES				
		-23		26
TOTAL FINANCIAL INCOME AND CHARGES		<u>-1,960</u>		<u>-1,592</u>
D) VALUE ADJUSTMENTS OF FINANCIAL ASSETS				
19) DEPRECIATIONS				
of holdings				-11
TOTAL ADJUSTMENTS				<u>-11</u>
E) EXTRAORDINARY INCOME AND CHARGES				
20) INCOME				
prior period income		1,206		990
other		415		236
		<u>1,621</u>		<u>1,226</u>
21) CHARGES				
contingent liabilities		1,197		689
taxes relating to prior years		279		246
incentives to outputs		1,103		518
other		49		79
		<u>-2,628</u>		<u>-1,533</u>
TOTAL EXTRAORDINARY ITEMS		<u>-1,007</u>		<u>-247</u>
INCOME BEFORE TAXES		<u>12,575</u>		<u>6,496</u>
22) CURRENT, DEFERRED AND ADVANCE INCOME TAXES FOR THE PERIOD				
CURRENT TAXES				
IRES		4,254		1,618
IRAP		1,362		1,791
		<u>-5,616</u>		<u>-3,409</u>
ADVANCE TAXES				
IRES		-905		40
IRAP				-40
		<u>805</u>		<u>-40</u>
TOTAL TAXES		<u>-4,811</u>		<u>-3,449</u>
23) FINANCIAL YEAR PROFITS		<u>7,764</u>		<u>3,047</u>

Supplementary Notes

– **Aspects of a General Nature**

As at December 31, 2015, Pavimental S.p.A. (hereinafter also the Company) has a capital of 110,116,452.45 Euros, with a number of shares amounting to 77,818,865 and is owned 59.40% by Atlantia S.p.A., 20% by Autostrade per l'Italia S.p.A., 20% by Aeroporti di Roma S.p.A. and 0.60% by Astaldi S.p.A..

The corporate purpose involves the undertaking, in Italy and abroad, and also together with third parties, of initiatives and activities of public and private interest, related to the execution of:

- 1) earthworks and any eventual related current type masonry and reinforced concrete works, demolitions and clearances;
- 2) civil, industrial and monumental works, complete with related and accessory installations and works, masonry works concerning complexes for energy production and distribution;
- 3) special reinforced concrete works;
- 4) road construction and surfacing, airport and railway related works;
- 5) surfacing using special materials;
- 6) hydraulic works; aqueducts, sewerage systems, irrigation systems and hydraulic defence and installation systems;
- 7) maritime works: construction of piers, basins, sidewalks, etc.; drainage works;
- 8) dams;
- 9) tunnels;
- 10) miscellaneous special works, special foundations; land stabilization works; site clearance, handling, collection, transport, storage, processing, recovery and disposal of special waste and special hazardous waste.

The Company has adhered to the Group fiscal taxation regime entitled “Consolidated Fiscal Regime”.

The Company, which owns holdings in subsidiary companies, has not prepared the consolidated financial statements, given that the presuppositions for exemption provided by art. 27, paragraph 3 of Legislative Decree 127/1991 are in place. The Group consolidated financial statements, which the Company and its subsidiaries are part of, will be prepared by Atlantia S.p.A., with headquarters in Via Bergamini 50, Rome, and will be made public in the terms and methods provided by the laws in force.

– **Structure and contents of the annual financial statements**

The annual financial statements ended on December 31, 2015 have been prepared in ordinary form, as in the previous financial year, according to the dispositions of the Civil Code, as interpreted by the accounts principles issued by the National Board of Chartered Accountants and Experts as modified by the OIC and the documents issued by the OIC itself. The financial statements as at December 31, 2015 consist of the Statement of Equity and Income Statement, which are based, in terms of structure and contents, on the dispositions of arts. 2423 ter, 2424, 2424 bis, 2425 and 2425 bis of the Civil Code, and these Supplementary Notes, which constitute an integral part of the financial statements pursuant to art. 2423, paragraph 1 of the Civil Code, and provide the information required by arts. 2427 and 2427 bis of the Civil Code and other relevant regulations.

The financial statements have been prepared on the basis of the principle of continuity of the Company and respect the criterion of clarity, provide a true and fair view of the asset and financial situation of the company and the economic result of the financial year.

No exceptional cases arose during the course of the financial year making recourse to the derogations of which in art. 2423, paragraph 4 of the Civil Code necessary.

The Statement of Equity and Income Statement have been prepared both in Euros without decimal points, as provided by art. 16 of Legislative Decree 213/1998 and art. 2423, paragraph 5 of the Civil Code, and rounded to the nearest thousand Euros. Unless otherwise stated, the comments on the items in the Statement of Equity and Income Statement in these Supplementary Notes are expressed to the nearest thousand Euros.

Pursuant to paragraph 5 of art. 2423 ter, the financial statements are submitted indicating the relevant amount next to each item, for both 2015 and the previous financial year.

The financial report prepared in line with the requirements of OIC 10 is included in these Notes; it has been determined using the indirect method.

There is no equity allocated to a specific business transaction or loans allocated.

As regards the information concerning the performance of the activities of the Company, the main events occurring during the 2015 financial year and those subsequent to the date of closure of same, and the relations with subsidiary, related and parent companies and the companies under the control of the latter, see that described in the Report on Management which accompanies these financial statements.

As regards the operations undertaken with related parties, it should be noted that, pursuant to art. 2427, paragraph 22-bis of the Civil Code, no significant operations were undertaken during the course of the financial year which were not concluded under normal conditions in terms of both "price" of the operations and terms of the motivation leading to the decision to undertake them.

It should be pointed out that, in respect of that established by art. 2497 bis, paragraph 4 of the Civil Code, the summary overview of the essential figures from the financial statements as at December 31, 2014 of Atlantia S.p.A. (last financial statements approved as of the date of preparation of these Supplementary Notes), a company which as of the date of these financial statements exercises management and coordination activities over Pavimental S.p.A., has been annexed to these Supplementary Notes..

– **Accounting Principles and criteria for assessment**

The criteria applied in assessing the items in the financial statements, value adjustments and assessment of the values not expressed originally in the official currency of the State are in line with that provided by the Civil Code in force, including the criteria for assessment contained in art. 2426 of the Civil Code and the principles for preparation of the financial statements in art. 2423 bis of the Civil Code, interpreted by the accounting principles of the National Board of Chartered Accountants and Ordinary Accountants, as modified by the OIC.

It should be noted that the application of the accounting principles and criteria for assessment adopted took into account the new accounting principles and criteria for assessment approved by the OIC on April 15, 2014 and published on August 5, 2014, from which no significant effects emerged. In particular, the following principles were observed in preparing the financial statements, as per art. 2423-bis of the Civil Code:

- a) the items were assessed according to the principle of prudence and from a viewpoint of continuity of activities, and also taking into account the economic function of the element of the assets or liabilities considered;
- b) only the profits realized by the date of closure of the financial year have been stated;
- c) the income and costs concerning the financial year have been taken into account, independently of the date of receipt or payment;
- d) the risks and losses concerning the financial year have been taken into account, even if they became known after closure of the financial year;
- e) the heterogeneous elements of the single items have been assessed separately;
- f) the criteria for assessment have not been modified with respect to those used in the previous financial year.

In cases where the items are not comparable, those for the 2014 financial year have been reclassified.

No items have been compensated.

The following is a description of the criteria for assessment applied to the most significant items in the financial statements.

Fixed assets

As per art. 2424-bis of the Civil Code, the equity elements destined to be used durably have been recorded among the fixed assets.

The maintenance and repair costs of an incrementing nature are attributed to the assets they refer to and amortized in relation to the residual possibility of their use.

Intangible fixed assets

With the consent of the Board of Statutory Auditors and when required, the intangible fixed assets have been recorded at the purchase or production cost, including when directly attributable accessory costs are incurred, determined in compliance with art. 2426, no. 1 of the Civil Code and are systematically amortized in relation to the residual possibility of use and their expected economic utility.

Amortization varies from a minimum of three financial years to a maximum of twenty financial years, in relation to the circumstances of the costs capitalized.

The costs incurred for both the tender contracts awarded and those currently being awarded are attributed to the income statement for the financial year in which they are incurred, given that they represent costs of a recurring nature required for the performance of ordinary business activities.

As regards the costs for the State concessions, the amortization rate is calculated on the basis of the duration of the concession.

The amortizations concerning the capitalization of industrial patents are calculated with reference to the twenty-year duration of the patent.

Lastly, as regards the costs capitalized for the purchase and implementation of the "ERP", "Board" and "STR" software, complete amortization is expected in 7 years, as of the date of their start-up. The intangible fixed assets are depreciated whenever their value is found to be durably inferior to the residual possibility of use. If during subsequent financial years the presuppositions for their depreciation are no longer in place, the original value is restored, adjusted for amortization only.

Tangible fixed assets

The tangible fixed assets are recorded at the cost of purchase, determined in compliance with art. 2426, no. 1 of the Civil Code. Should the conditions be in place, the cost also includes the increases for any eventual accessory costs directly attributable, in accordance with the provisions of the civil laws and accounting principles recalled previously.

There are no assets in the corporate equity for which monetary reassessments have been carried out in the past.

The tangible fixed assets in foreign currency are accounted at the exchange rate on the day on which the purchase operation was completed.

The cost, determined as above, of the tangible fixed assets the use of which is limited over time is systematically amortized in every financial year on the basis of the technical and economic rates described later on, deemed congruous in relation to the residual possibility of use of the asset in question. As regards the fixed assets that were exercised during the year, the amortization is calculated as of the date of their entry into function.

The ordinary maintenance and repair costs are charged to the Income Statement for the financial year in which they are incurred, while the enhancement and expansion costs are recorded as an increase in value of the assets, should they imply an increase in the value of the asset or its useful lifetime.

The tangible fixed assets are assessed whenever their value is found to be durably inferior to the residual possibility of their use. Should the presuppositions for depreciation no longer be in place during subsequent financial years, the original value is restored, adjusted for amortization only.

Financial fixed assets

The "Holdings" are recorded among the "Fixed assets" or the "Operating capital" according to whether their possession is deemed durable or not.

The holdings recorded under the Financial fixed assets are assessed at the cost of purchase or subscription; the holdings in foreign currency are recorded at the exchange rate at the time of their purchase or at the cost they were originally recorded at. The cost is reduced for durable losses in value should the holding in question have accrued losses, also of a currency nature, and there are not expected to be any profits in the immediate future of an entity such as to absorb the losses or if the profit-making prospects of the holding company do not allow the complete recovery of the value recorded. Any losses which exceed the value the holding was recorded at are allocated in a suitable fund in the liabilities. Should the presuppositions for the depreciations made no longer be in place, the original value is restored within the limits of the

depreciations made, with effects on the income statement. Furthermore, a "Fund for excessive holding depreciations" is also recorded among the Liabilities, to cover the additional costs that may be required for the management of the holdings.

Holdings are not subject to reassessment.

Any eventual dividends are accounted during the financial year in which the credit right arises, even if the date of payment has not yet been defined.

The receivables from others are recorded at their nominal value, which is deemed representative of the recovery value.

Inventories and work in progress on contracts

On closure of the financial year, the "Raw and subsidiary materials and consumables" are assessed at the lesser of the purchase cost, determined using the "weighted average cost" method, and the realization value assumed on the basis of market performance.

The value of any eventual obsolete or slowly rotating assets is depreciated in relation to the expected future use or realization, by inclusion in a suitable adjustment fund in reduction of the value of the inventories themselves. The restoration of the original cost whenever the reasons which made the lowering of the market value necessary are no longer in place is accredited to the income statement.

The "Work in progress on contracts" refer to tenders that were still ongoing at the end of the financial year by force of contracts with the contractors for works not yet certified; they are recorded on the basis of the contractual payments accrued with reasonable certainty, calculated on the basis of the method of completion percentage and determined in relation to the physical progress of the works, gross of the advance payments due and net of the payments definitively charged.

The additional payments concerning increases in price, deriving from dispositions of the law or contractual clauses or greater costs incurred, which are being defined with the contractor, are determined and accounted within the limits of the amounts for which manifestation and quantification are reasonably certain.

The pre-operating costs are considered as tender costs; they are involved in the tender margin on the basis of the progress of the works determined in the methods provided for the application of the criterion of completion percentage.

If it is probable that the total estimated costs for a single tender will exceed the total estimated revenues, the probable loss for the completion of the tender is recorded as a decrease in the work in progress on contracts. If this loss exceeds the value of the work in progress, a suitable provision for risks is allocated for the excess losses.

Receivables

The receivables classified under "Operating Capital" are recorded at the presumed realization value, in other words the nominal value adjusted by the credit depreciation fund for losses that can be considered foreseeable on the date of preparation of the financial statements.

Provisions for risks and charges

The provisions for risks and charges are allocated to cover certain or probable losses or liabilities for which the amount or date of contingency is not determinable on closure of the financial year. The allocations reflect the best possible estimate on the basis of the elements available on the date of preparation of the financial statements. The risks for which the occurrence of a liability is merely possible are indicated, if significant, in the comments on the funds, without the need to allocate provisions for risks and charges.

Employee Severance Fund for Subordinate Employment

The employee severance fund for subordinate employment is determined in compliance with art. 2120 of the Civil Code, with regard to the regulatory modifications made in the meantime pursuant to and by effect of the discipline of Legislative Decree no. 252 dated December 5, 2005 and subsequent amendments and integrations. The amount recorded in the financial statements reflects the debt accrued at the end of the year to employees, net of advance payments made and replacement tax. This liability is reassessed by means of indices.

Following the approval of Law no. 296 dated December 27, 2006 (Reform of complementary social security) and subsequent decrees and regulations, the allocations accrued from January

1, 2007 recorded in the income statement as personnel costs, in fulfilment of the reform of complementary social security, are periodically paid to INPS and the complementary pension funds chosen by the dependent employees as of the chosen date; those accrued before this choice is made are charged to the Employee Severance Fund.

OIC 31 has clarified that the economic part of the INPS Treasury Fund and the complementary Social Security Fund must be included in the Employee Severance Fund (B.9.c).

Payables

These are recorded at the nominal value deemed representative of their extinction value.

Receivables and Payables in foreign currency

The receivables and payables originally recorded in foreign currency are converted into Euros at the historical exchange rates on the date of the relevant transactions. The exchange rate differences that occur on receipt of the receivables and payment of the payables in foreign currency are included in the Income Statement.

The receivables and payables in currency other than the Euro, excluding the fixed assets, are recorded in the financial statements at the exchange rate applied by the Bank of Italy on the date of closure of the financial year.

The net exchange rate differences are attributed in the Income Statement to item C17 bis "Profits and losses on exchange rates". The eventual net profits on unrealized differences in exchange rates are allocated to a suitable reserve not distributable until realization, on approval of the financial statements.

The accounts of the permanent establishment in Poland are kept in local currency (PLN; Polish Zloty); the balances are convertible at the average exchange rate for the period for the income statements and at the exchange rate on the day for the statements of equity and aggregated to those of Pavimental S.p.A.

The exchange rate differences resulting from the recording of the items between Pavimental and the Polish branch are included in a Net Equity reserve.

Cash and cash equivalents

The cash and cash equivalents are recorded at the nominal value representative of the relevant realization value and is represented by bank and cash funds.

Accrued Income and Deferred Liabilities

The accrued income and deferred liabilities are determined according to the criterion of economic and temporal competence, so as to attribute to the financial year the quota of income and costs common to two or more financial years.

Taxes

The income tax for the financial year is determined on the basis of a realistic forecast of the tax costs to be paid, in application of the fiscal laws and regulations in force.

As of the 2009 fiscal year, Pavimental has adhered to the National Consolidated Fiscal system of Atlantia S.p.A. on a non-continuous basis and did so again for 2015 – 2017, defining all the reciprocal relations and responsibilities (so-called “Regulation”). The Regulation signed by the parties provides for the total recognition of the amount corresponding to the product of the IRES rate and the losses or profits transferred, and the transfer of any eventual tax receivables. Consequently, the equity relations concerning the current IRES fiscal regime are classified in the financial statements under Receivables from the Parent Company or Payables to the Parent Company.

The recording of current and deferred IRAP tax remains unchanged. The payables for IRAP tax are recorded in the Statement of Equity under the item “Tax payables”, net of any advance payments made, or under the item “Tax receivables”, if the balance is positive.

Furthermore, in fulfilment of the dispositions of article 2424 of the Civil Code, as modified by Legislative Decree 6/2003, the advance taxes are indicated separately in the financial statements (net of the compensated deferred taxes).

The advance and deferred income tax, commensurate to the temporal differences between the ordinary values recorded among the assets and liabilities in the financial statements and the corresponding fiscally significant values, and also eventual backdated fiscal losses, are

recorded on the basis of the fiscal rates known – on the date of the financial statements – for the financial years in which they will occur and the company makes accounting adjustments to the allocations on the basis of the new rates if the circumstances arise.

The deferred taxes deriving from income components for which deferred taxation is applied are recorded if there is a founded probability that the relevant debt will arise; the counterparty to them is the “Fund for taxes, including deferred”.

The future tax benefits deriving from fiscal losses brought forward or income components for which deferred deduction is applicable are only recorded if their future realization is reasonably certain and are recorded in the operating capital under “Advance taxes”.

Revenues and Costs

The revenues from production, other revenues and income and costs and charges have been recorded in application of the principle of economic and temporal competence and prudence. In particular, the revenues deriving from tenders are accounted on the basis of the contractual payments accruing with reasonable certainty, calculated according to the completion percentage and determined in relation to the physical progress of the works.

Memorandum accounts

As regards the guarantees given and commitments undertaken, it must be noted that:

- the guarantees are valorised for the residual amount of the debt or other obligation guaranteed;
- the sales commitments are determined on the basis of the residual obligation of execution on the ongoing contracts.

BALANCE SHEET

(values as at December 31, 2014 in brackets)

Balance Sheet - Assets

€ 377,334 thousand (372,056)

Fixed assets

€ 58,290 thousand (40,625)

Intangible Fixed Assets

€ 453 thousand (632)

This item shows a net decrease of € 179 thousand compared to the previous financial year, in relation to the combined effect of the following factors:

- decrease by effect of the financial year depreciation amounting to € 281 thousand;
- increase by effect of the new investments in the software and software licences sector totalling € 102 thousand, principally attributable to the implementation of the “ERP” software;

None of the intangible fixed assets was subjected to a reduction in value, except for the financial year depreciations, or reassessment.

The changes to the item in question are analytically represented in the following table:

€ Thousand	31.12.14			Financial year differences			31.12.15		
	Cost	Depreciations	Net Value	Investments	Reclassification	Depreciations	Cost	Depreciations	Net Value
. Concessions, licences, trademarks and similar rights:									
- Software usage licences	402	378	24	11		14	413	392	21
- State property concessions	808	700	108			14	808	714	94
. Industrial patents and usage rights:									
- Software	3,274	2,896	378	91		205	3,365	3,101	264
- industrial patents and usage rights	18	9	9			1	18	10	8
. Other:									
- Worksite and office enhancements	624	511	113			47	624	558	66
	5,126	4,494	632	102		281	5,228	4,775	453

The Software item represents the costs capitalized by the Company for the implementation of the ERP integrated system, the package used for budgeting and the economic management of the infrastructural contracts.

Tangible Fixed Assets

€ 49,595 thousand (32,480)

The increase in value of the tangible fixed assets, amounting to € 17,115 thousand, derives prevalently from the combined effect of the following factors:

- increase deriving from the new investments made by the Company, amounting to € 25,667 thousand, according to that illustrated in the “Investments” chapter of the Report on Management, which see;
- decrease, amounting to € 103 thousand, due to withdrawals from use and disposals net of the relevant amortization funds and exchange rate differences;
- amortizations concerning the financial year amounting to € 8,449 thousand, calculated on the basis of the rates indicated in the paragraph on “Amortizations and Depreciations” in the Income statement.

The following is a summary of the movements that occurred during the financial year:

€ Thousand	31.12.14			Financial year differences							31.12.15			
				Historical Cost				Amortization Fund						
	Cost	Fund	Net Value	Investments	Reclassification	Disposals	Reclassification	Tot.	Amort.	Disposals	Tot.	Cost	Fund	Net Value
Industrial land and buildings	16,343	8,973	9,370	723	210	(48)		887	1,141	(43)	1,098	17,230	8,071	9,159
Plant and Machinery	75,528	59,652	15,874	3,804	797	(4,366)		235	4,716	(4,343)	373	75,761	60,025	15,736
Ind. and Trade equipment	29,727	25,393	4,334	2,742	142	(1,496)		1,398	2,306	(1,410)	896	31,125	26,269	4,856
Other Assets	5,825	4,878	747	239	27	(60)		206	288	(59)	227	5,831	5,105	726
Ongoing f.a. and deposits	2,155		2,155	18,159	(1,176)			16,983				19,138		19,138
	129,376	98,896	32,480	25,667		(5,958)		19,709	8,449	(5,955)	2,594	149,065	99,490	49,595

It must be pointed out that the tangible fixed assets ongoing as at December 31, 2015 are not encumbered by mortgages, privileges or other real guarantees limiting their availability to the Company.

Financial Fixed Assets**€ 8,242 thousand (7,513)**

For comments on the performance of the activities of the holding companies during the course of 2015, see that stated in the Report on Management in the paragraph entitled "Holding companies and consortiums".

The item in question includes:

*Holdings in subsidiary companies**€ 727 thousand (727)*

€ Thousand	Book value	Depreciation fund	Fin. statements value
- Pavimental Est	1,563	1,563	
- Pavimental Polska	713		713
- Consorzio Elmas (in receivership)	6		6
- Consorzio Co.Im.A.	8		8
	2,290	1,563	727

Pavimental Est, the book value, € 1,563 thousand, of which amounts to 100% of the Share Capital, had already been completely amortized as of the financial statements closed on December 31, 1998. The excess holding depreciation fund in the liabilities includes € 343 thousand to cover the further estimated losses, also in consideration of the receivership of the Company.

Pavimental S.p.A. is the sole owner of holdings in Pavimental Polska; the value of the holding amounts to € 713 thousand. 2015 closed with net losses of 973 thousand PLN (approximately € 233 thousand); this result has brought the net equity of the Company to 5,318 thousand PLN (approximately € 1,247 thousand).

The limited liability consortium company Co.Im.A. S.c.a.r.l. (Category I General Contractor) has the scope of realizing public works and infrastructures.

The consortium company owns 29.7% of the holdings in the capital of SAT LAVORI S.c.a.r.l., a Company incorporated for the construction and completion of the Livorno – Civitavecchia stretch of the A12 highway.

Holdings in related companies

€ 14 thousand (14)

These concern:

€ Thousand	Book value	Depreciation fund	Fin. statements value
- Consorzio Galileo (in receivership)	4		4
- Consorzio R.F.C.C. (in receivership)	155	155	
- Consorzio Ramonti (in receivership)	5		5
- Consorzio Trinacria (in receivership)	5		5
	<u>169</u>	<u>155</u>	<u>14</u>

The holding in Consorzio R.F.C.C. in receivership, recorded for € 155 thousand and entirely depreciated, is currently representative of 30% of the consortium fund. € 3,162 thousand has been allocated to a specific Excess holding depreciation fund to cover the estimated losses of the Consortium, as regards the quota that is the competence of the Company.

The allocation takes into account the losses of the Consortium in the financial statements as at December 31, 2015 and other liabilities that may derive from the receivership proceedings.

The allocations made also prudentially take into account the negative effects that may derive from an unfavourable settlement of the ongoing disputes, for an update on which see the Report on Management.

Holdings in other companies

€ 4,656 thousand (4,655)

The TE is the project concessionary company for the design, realization and management of the External Eastern Bypass in Milan. In December 2013, the concessionary signed the contract for the project financing loan which ensured the financial coverage of the initiative.

On June 11, 2012, the EPC contract was signed for the awarding of the works on the part of the TE to the general contractor Co.Co.TEEM.; the entry into operation of the entire infrastructure occurred in 2015. Considering the fact that the highway is in its initial months of operation, the company has assessed the accumulated losses to be recoverable.

Lastly, the consortium company Lambro is involved in the execution of the works awarded to the components of Group A of the Consorzio Costruttori TEEM.

€ Thousand			
	Book value	Depreciation fund	Fin. statements value
- Tangenziale Esterna S.p.A.	4,649		4,649
- Consorzio Costruttori TEEM *			
- Consorzio Lambro	6		6
- Consorzio Autostrade Italiane Energia	1		1
- Consorzio "M.I.T.E.C.O."**			
	<u>4,656</u>		<u>4,656</u>

* Book value € 100
** Book value € 130

The following is an illustration of the movements in all the items representative of the holdings owned in subsidiary, related and other companies:

€ Thousand	December 2014				Financial year differences					December 2015			
	Cost	Reval.	Deps.	Value in F.S.	Proc.	Reval. (ex. Art. 2426 no. 4 C.C.)	Recl.	Deps.	Paid	Cost	Reval.	Deps.	Value in F.S.
Holdings in Subsidiary Companies:													
Pavimental Est	1,563		(1,563)							1,563		(1,563)	
Pavimental Polska Sp. Zo.o.	713			713						713			713
Consorzio Elmas in receivership	6			6						6			6
Consorzio "Co.Im.A."	8			8						8			8
	<u>2,290</u>		<u>(1,563)</u>	<u>727</u>						<u>2,290</u>		<u>(1,563)</u>	<u>727</u>
Holdings in Related Companies:													
Consorzio R.F.C.G. in receivership	155		(155)							155		(155)	
Consorzio Galileo in receivership	4			4						4			4
Consorzio Ramonti in receivership	5			5						5			5
Consorzio Trinaoria in receivership	5			5						5			5
	<u>169</u>		<u>(155)</u>	<u>14</u>						<u>169</u>		<u>(155)</u>	<u>14</u>
Holdings in Other Companies:													
- Tangenziale Esterna S.p.A.	4,649			4,649						4,649			4,649
- Consorzio Lambro	6			6						6			6
- Consorzio Costruttori TEEM *													
- Consorzio Autostrade Italiane Energia									1				1
- Consorzio "M.I.T.E.C.O."**													
	<u>4,655</u>			<u>4,655</u>					<u>1</u>	<u>4,656</u>			<u>4,656</u>
Total	<u>7,114</u>		<u>(1,718)</u>	<u>5,396</u>	<u>1</u>				<u>1</u>	<u>7,115</u>		<u>(1,718)</u>	<u>5,397</u>

* Book value € 100
** Book value € 130

The following table contains the summary figures concerning the holdings in subsidiary, related and other companies:

Company name	HQ	Capital in foreign currency	Capital in Euro	Losses/Profits in foreign currency	Losses/Profits in Euro	Net Equity in foreign currency	Net Equity	Holding %	Corr. N.E. in Fin Statements	Book value in Euros (B)	Surplus (B - A)	
Subsidiary Companies:												
Pavimental Est	Moscow	Rub. 4,200,000	52,100	804,000	10,000	Rub. (28,175,000)	(981,600)	100	(981,600)		(981,600)	
Pavimental Polska Sp. Z o.o.	Warsaw	Pln 9,000,000	703,500	Pln 1,532,245	359,311	Pln 6,839,274	1,803,810	100	1,603,810	713,222	890,588	
Consorzio Elmas (In receivership)	Rome		10,000				10,000	80	6,000	6,000		
Consorzio Co.Im.A	Rome		10,000				10,000	75	7,500	7,500		
										1,285,710	728,722	528,988
Related Companies:												
Consorzio R.F.C.D. (In receivership)	Tortona		510,000		(8,034,252)		(7,282,634)	30	(2,184,750)		(2,184,750)	
Consorzio Galileo (In receivership)	Todi (PG)		10,000				10,000	40	4,000	4,000		
Consorzio Titinaria (In receivership)	Limena (PD)		10,000				10,000	47.73	4,778	4,778		
Consorzio Ramenti (In receivership)	Tortona		10,000				10,000	49	4,900	4,900		
										(2,171,117)	19,673	(2,184,750)
Other Holding Companies:												
Tangenziale Salerno	Milan		484,846,000		(2,548,404)		455,012,819	1	4,850,129	4,849,450	(68,321)	
Consorzio Mioca	Reggio Emilia		10,000				10,000	1.3	130	130		
Consorzio Costruttori TEEM	Milan		10,000				10,000	1	100	100		
Consorzio Lambro	Milan		200,000				200,000	2.78	5,589	5,589		
										4,559,018	4,865,240	(68,321)
Notes:												
(*) The surplus is entirely hedged by the "Escape holding depreciation fund" in the liabilities.												
(**) The figures in the Financial Statements refer to the last financial statements approved. The accumulated losses are considered recoverable.												

Other receivables

€ 2,845 thousand (2,117)

This item is constituted by receivables for cautionary deposits paid to the subsidiary Pavimental Polska for € 1,285 thousand, to third parties for the attachment of electricity and telephone utilities and rents due (€ 305 thousand) and loans to employees (€ 49 thousand).

The item also includes that paid out during 2015 in fulfilment of the dispositions of the Shareholder Loan Contract signed with Tangenziale Esterna S.p.A. (€ 1,150 thousand). The medium/long-term loan is interest bearing, at a rate of 12.06%. The interest due will be reimbursed from 2021 onwards.

Operating Capital

€ 313,007 thousand (327,402)

Inventories

€ 221,442 thousand (243,999)

Raw and subsidiary materials and consumables

€ 6,895 thousand (11,027)

These are the final inventories of materials, amounting to € 6,219 thousand, constituted by:

€ Thousand	31.12.2015	31.12.2014
- Inert substances and cement	1,881	2,083
- Machinery and equipment spare parts	183	159
- Prefabricates and girders	406	991
- Steels, laminates and frames	2,134	3,798
- Bitumen, fuel and lubricants	1,140	2,372
- Other materials	475	948
	<u>6,219</u>	<u>10,351</u>

The item in question also includes land located in Magliana locality and up for sale (€ 676 thousand), as deliberated by the Board of Directors of the Company.

The above-mentioned assessment, made at the “average weighted cost of purchase”, is in any event lower than the market value. Lastly, it must be pointed out that the final inventories of materials ongoing as at December 31, 2015 are not encumbered by mortgages, privileges or other real guarantees limiting their availability to the Company.

Work in progress on contracts

€ 214,547 thousand (232,972)

This item expresses the amount as at December 31, 2014 of the works carried out and not yet certified by Status of Progress of Works; this amount has been determined according to the “method of physical measurements”, on the basis of the payments agreed and additional ones already recognized or that are reasonably certain to be recognized according to the criteria described previously in the paragraph on the Criteria for Assessment.

The requests for additional payments not recognized amounted to € 5,721 thousand as at December 31, 2015, of which € 5,546 thousand to ASPI and € 175 thousand to other contractors. During the course of the financial year, reserves were defined with the contactor ASPI totalling € 10,608 thousand (partly recorded in previous financial years and concerning completed contracts) and the relevant transactive deeds are being underwritten.

For the purpose of the overall assessment of the item in question, the adjustment to the discounts defined by the MIT have also been taken into account for the ongoing contracts with the Contractors ASPI and Società Autostrada Tirrenica. For the tender for the Milan – Naples highway Expansion to three lanes of the Barberino di Mugello – Incisa di Valdarno stretch (Lot 0), the Company applied the discount notified by the Contractor ASPI of 8.44% rather than the provisional one of 15%.

In equity terms, the adjustment, in addition to being reflected, as highlighted, on the assessment of the work in progress on contracts, has determined the reclassification of the negative balances of the inventories from the work in progress to the Advance payments in the liabilities for € 17,844 thousand (€ 15,014 thousand in 2014).

The breakdown of the inventories for works in progress is contained in the following table:

€ Thousand	31.12.2015	31.12.2014
- Maintenance of road surfacing (ASPI)	13,593	11,393
- Service stations (ASPI)	59	1,432
- Infrastructural works (ASPI)	125,978	123,127
- Other highway works (ASPI)	42,740	57,700
- Airport works	270	243
- Other works (other contractors)	31,596	37,400
- Pre-operating costs	1,573	2,107
- Fund for losses on multi-annual contracts	(1,262)	(430)
	<u>214,547</u>	<u>232,972</u>

The following is a breakdown of the inventories by contractor:

INVENTORIES

Description	31.12.2014	Adjustments	Financial year differences			31.12.2015
			Increases (+) Decreases (-)	Depreciations (-) Value restoration (+)	Allocation to the fund (-)	
Raw and subsidiary materials and consumables	10,351					6,219
Land destined for sale	676					676
	11,027					6,895
Work in progress on contracts						
Usage of fund for losses on multi-annual contracts	(430)		308		(1,140)	(1,262)
Autos trade per Italia works :						
Maintenance	11,393		2,200			13,593
Acoustic barriers	36,754		(6,004)			30,750
Lateral side barriers	12,532		(3,934)			8,598
A8 Firenze - Gallarate enhancement	327					327
Fourth lane A1 Modena Bologna	2,520		(1,768)			752
A8 - Lot 1 Lainate	11,516		(4,859)			6,657
Fourth lane A4 Milano - Bergamo	1,836					1,836
Viability Milan PF / Railway System	(282)					(282)
Works on 3 rd lane Adriatica	93					93
Adriatica lot 3	12,736		(4,442)			8,294
Adriatica lot 1A			810			810
Adriatica lot 1B	15,105		(5,582)			9,543
Adriatica lot 6A	312					312
Adriatica lot 6B			340			340
Piano Ringroad			2,899			2,899
Reno - Setta hydraulic connection works	77					77
Rho - Monza	21,072		(10,784)			10,288
A9 Lainate Como	11,059		254			11,313
A4 - 4 th Dynamic lane	957					957
Barberino Lot 0	16,255		3,160			19,415
La Certosa Infrastructures	5,287		(636)			4,449
ADS Esno EST and Metauro OVEST ADS Silaro	2,293		(951)			1,342
Padova Infrastructures	1,371		(636)			735
Junctions	2,757		(1,878)			879
Service station refurbishment	1,432		(1,373)			59
Other works	8,403		(5,021)			3,382
Crespellano Infrastructures	1,855		1,541			3,396
Foggia Infrastructures	2,814		(1,074)			1,740
Barberino Lot 1	9,701		6,114			15,815
Barberino Lot 13			4,471			4,471
Completion lot Valle Variant 9-11-12			9,197			9,197
San Benigno Lot 1	3,086		(699)			2,387
Florence North Florence South Stretch B	381		7,555			7,936
Stalexport Autostrada Malopolska			1,369			1,369
Società Autostrada Tirrenica S.p.A.	546					546
Società Autostrade Meridionali S.p.A.	9,520		(5,086)			4,454
Tangenziale di Napoli S.p.A.	2,714		(1,659)			1,055
Aeroporti di Roma S.p.A.	10,291		1,576			11,867
Consorzio Co.Co.TEEM	1,480		(699)			781
Consorzio Lambro	2,673		(2,044)			629
Consorzio Co.Im.A.	3,170		553			3,723
Torino - Savona S.p.A.	647		(654)			(7)
Todini (Roncobellaccio Infr)	4,422		1,402			5,824
Other highway and road works	1,937		(582)			1,355
Palermo Airport						
Naples Airport	94		50			144
Cagliari Airport	5					5
Clampino Airport	6					6
Fiumicino Airport	14					14
Other airport works	124		(23)			101
Pre-operating costs	2,107		(534)			1,573
	232,972		(17,285)		(1,140)	214,547
Total Inventories	243,999		(17,285)		(1,140)	221,442

The decrease in the works in progress on contracts, amounting to € 18,425 thousand, is mainly attributable to the decrease in balances to ASPI:

- following the charging of amounts concerning the infrastructural contracts recorded in previous financial years (€ 13,650 thousand);
- due to the charging of activities related to the contracts in the North Area that are being completed (€ 15,643 thousand);
- due to the charging of amounts concerning extra maintenance activities, sound absorbent barriers and lateral side barriers (€ 16,332 thousand);

partially compensated by the increase in activities for ASPI for the infrastructural contracts in the Barberino Area (€ 13,745 thousand) and for the completion of the Valico variant (€ 9,197 thousand).

It should be recalled that as at December 31, 2015, the Company had allocated a fund to cover the future losses totalling € 1,262 thousand concerning:

- the completion Lot of the Valico Variant Lota 9, 11 and 12 for € 700 thousand;
- Lot 6B of the A14 for € 340 thousand;
- the works on the Foggia Junction for € 222 thousand.

Lastly, the company suspended pre-operating costs concerning infrastructural contract in progress in the value of the inventories for € 1,573 thousand.

Receivables

€ 79,317 thousand (82,390)

The following is the representation by category and by geographical area of the receivables included in the item in question:

€ Thousand						
	31.12.2015			31.12.2014		
	Italy	Abroad	Total	Italy	Abroad	Total
Receivables:						
- From clients	25,827		25,827	26,868		26,868
- From subsidiary companies	5,910	1,740	7,650	8,122	1,570	9,692
- From related companies	2,911		2,911	3,089		3,089
- From parent companies	1,117		1,117	1,304		1,304
- Tax	5,620	2	5,622	1,341	2	1,343
- Advance tax	2,398		2,398	1,871		1,871
- From other associates	28,525	2,317	30,842	30,650	4,081	34,731
- From others	2,950		2,950	3,492		3,492
	<u>75,258</u>	<u>4,059</u>	<u>79,317</u>	<u>76,737</u>	<u>5,653</u>	<u>82,390</u>

The movement is attributable to that described hereafter.

Receivables from clients

€ 25,827 thousand (26,868)

The breakdown of this item is illustrated in the following table:

€ Thousand		
	31.12.2015	31.12.2014
From contractors:		
- Payments charged for the awarded work	17,609	19,412
- Payments to be charged for works completed	1,602	663
From other clients for revenues from sales and services:		
- Charged	7,712	7,749
- To be charged	5,294	4,964
- Effects receivable	61	61
	<u>32,278</u>	<u>32,849</u>
Credit depreciation fund	(6,451)	(5,981)
	<u>25,827</u>	<u>26,868</u>

The receivables from clients include receivables from Adriatica S.c.a.r.l. for € 6,665 thousand. The Company, supported by its own legal advisers, believes, on the basis of the elements

available and in the light of the request by the debtor company for admission to Forced Administration, to consider the amounts in the financial statements as partly recoverable.

This item includes the receivables from the highway concessionary Autostrade Centro Padane S.p.A. for € 7,500 thousand; these receivables are 50% guaranteed by a pledge of real estate properties owned by the concessionary and accrue interest on the basis of a bank loan and is located in the same plan of receipt of the institutes granting the bank loan to Autostrade Centro Padane S.p.A..

The following movements occurred to the credit depreciation fund:

€ Thousand	From Clients	Allocation	Use/Release	Total
Credit depreciation fund from clients	5,981	491	(21)	6,451
	5,981	491	(21)	6,451

This item acknowledges the assessment made by the Company Directors, supported by internal and external legal opinions, as regards the recoverability of receivables due.

Receivables from subsidiary companies

€ 7,650 thousand (9,692)

The following is the breakdown of the item in question:

€ Thousand	31.12.2015	31.12.2014
Trade receivables from:		
- Consorzio Co.Im.A.	4,310	6,521
- Pavimental Polska	292	71
- Consorzio Elmas (in receivership)	550	551
Financial receivables from:		
- Pavimental Est	345	368
- Consorzio Co.Im.A.	20	20
- Pavimental Polska	1,172	1,200
- Consorzio Elmas (in receivership)	1,030	1,030
	<u>7,719</u>	<u>9,761</u>
Credit depreciation fund	(69)	(69)
	<u>7,650</u>	<u>9,692</u>

Receivables from related companies

€ 2,911 thousand (3,089)

The following is the breakdown of the item in question:

€ Thousand	31.12.2015	31.12.2014
Trade receivables from:		
- Consozio R.F.C.C. (in receivership)	124	124
- Consozio Galileo (in receivership)	230	285
- Consozio Ramonti (in receivership)	220	230
Financial receivables from:		
- Consozio R.F.C.C. (in receivership)	2,291	2,291
- Consozio Trinacria (in receivership)	46	159
	<u>2,911</u>	<u>3,089</u>
Credit depreciation fund		
	<u>2,911</u>	<u>3,089</u>

Receivables from parent companies

€ 1,117 thousand (1,034)

The breakdown of this item is illustrated in the following table:

€ Thousand	31.12.2015	31.12.2014
Atlantia S.p.A.:		
- Advance payments	166	
- Receivables from adhesion to the consolidated fiscal regime	951	1,304
Total Atlantia S.p.A.	1,117	1,304

The balance highlighted is attributable to the receivables claimable from Atlantia S.p.A. concerning the claim for reimbursement of the sums for the deductibility of IRAP on the IRES taxable base for the years of adhesion to the fiscal consolidated regime and transferred to the latter during the definition of the items concerning the consolidated fiscal regime.

Tax receivables

€ 5,622 thousand (1,343)

The composition of the aforementioned receivables is illustrated in the following table:

€ Thousand	31.12.2015	31.12.2014
Receivables from the State offers for:		
- VAT	2,944	
- VAT paid abroad		2
- Ires	848	848
- Irap	324	
- Other (including Excise)	1,506	493
Total Tax Receivables	5,622	1,343

The increase in the item in question is mainly attributable to the recording of VAT receivables; as at December 31, 2014, the Company was in debt in terms of VAT. This item

also includes the increased requests for the recovery of excises on all crude oil and natural gas product made during the year.

Advance taxes € 2,398 thousand (1,871)

The advance taxes, recorded for the amount for which there is a presupposition for reasonably certain recoverability in the financial years they will be claimable in, concern the temporal differences used for taxation principally concerning the allocations made to the credit depreciation fund. See the table of Movements in Advance Taxes at the end of the notes on the Income Statement for more details concerning this item.

From others: from other associates € 30,842 thousand (34,731)

This item includes the receivables of a trade nature from other companies in the Group.

The details of this item are illustrated below:

€ Thousand	31.12.2015	31.12.2014
Trade receivables		
- Payments charged for the awarded work	24,714	30,816
- Payments to be charged for works completed	5,430	3,562
Advance payments		
- Advance payments to third parties on behalf of ICP ASPI	1,646	1,477
- Advance payments to ICP ASPI	203	48
Other	33	12
	<u>32,026</u>	<u>35,915</u>
Credit depreciation fund	(1,184)	(1,184)
	<u>30,842</u>	<u>34,731</u>

The amount highlighted above refers for a total of € 21,577 thousand to ASPI, partially rectified by the depreciation fund, for € 2,317 thousand to Stalexport for the activities realized by the permanent establishment in Poland and for € 2,913 thousand to ADR.

Receivables from Società Autostrada Tirrenica for € 3,754 thousand are still recorded in the financial statements. This amount will be unblocked on settlement of the recourse by the SAT before the Lazio TAR to obtain the annulment of the note by which the MIT notified the value of the definitive discount for the works awarded to Pavimental.

From others: from other creditors

€ 2,950 thousand (3,492)

The following amounts, net of the depreciation fund, comprise this item:

€ Thousand	31.12.2015	31.12.2014
- From social security and welfare institutes		50
- From personnel	4	15
- For advances to suppliers and subcontractors	2,064	966
- From insurance companies	499	2,076
- From suppliers for disputes	346	346
- From others	166	168
	<u>3,079</u>	<u>3,621</u>
Credit depreciation fund	(129)	(129)
	<u>2,950</u>	<u>3,492</u>

Receivables from insurance companies for reimbursements (€ 1,565 thousand) were received during the year following the recognition of amounts ascertained during the previous year.

Cash and cash equivalents

€ 12,248 thousand (1,013)

These are constituted by bank deposits amounting to € 12,237 thousand and cash and cash equivalents amounting to € 11 thousand. The difference is due to the receipt of the loan from CACIB on December 30, 2015.

There are no cash funds or bank accounts in Italy or abroad that are bound or subject to restrictions and duration limits.

Accrued income and deferred liabilities**€ 6,037 thousand (4,029)**

These include exclusively accrued income for payments made in advance, the details of which are in the table below:

€ Thousand	31.12.2015	31.12.2014
- Rental fees paid concerning future years	43	12
- Insurance premiums for policies stipulated in the year the validity of which covers the next and subsequent years	5,961	3,781
- Other costs concerning the subsequent financial year such as CED fees, road tax, state property concessions, etc.	33	236
	<u>6,037</u>	<u>4,029</u>

The tables below describe the receivables on the basis of expiry and nature, and also currency or exchange rate risk.

There are no accrued income and deferred liabilities with a duration in excess of five years.

It must be pointed out that the balances of the operating capital are claimable by the end of the following financial year, except for the € 1,955 thousand constituted by Advance Taxes.

RECEIVABLES BROKEN DOWN BY EXPIRY AND NATURE								
Description	31.12.15				31.12.14			
	Amounts Expiring				Amounts Expiring			
	By next FY end	From 2 nd to 5 th subsequent FY	Beyond 5 th subsequent FY	Total	By next FY end	From 2 nd to 5 th subsequent FY	Beyond 5 th subsequent FY	Total
Receivables for Financial Assets								
Security Deposits:								
From ICP Aspi		4		4		4		4
From others	82	2,710		2,792	1,098	956		2,054
Loans to employees		49		49	59			59
	82	2,763		2,845	1,157	960		2,117
Operating Capital Receivables								
Financial receivables:								
From subsidiary companies	2,566			2,566	2,618			2,618
From related companies	2,337			2,337	2,450			2,450
	4,903			4,903	5,068			5,068
Trade Receivables								
From clients	25,827			25,827	26,868			26,868
From subsidiary companies	5,084			5,084	7,074			7,074
From related companies	574			574	639			639
From their associates	30,842			30,842	34,731			34,731
	62,327			62,327	69,312			69,312
Other receivables:								
Tax	5,622			5,622	1,343			1,343
Advance Tax	443	1,955		2,398	194	1,677		1,871
From parent companies (Cons. Fisc.)	1,117			1,117	1,304			1,304
From others:								
Insurance companies	499			499	2,076			2,076
Suppliers	2,064			2,064	966			966
Sundry	387			387	450			450
	10,132	1,955		12,087	6,333	1,677		8,010
Total Receivables	77,444	4,718		82,162	81,870	2,637		84,507

RECEIVABLES AND CASH ASSETS IN FOREIGN CURRENCY OR WITH EXCHANGE RATE RISK						
Description	31.12.15			31.12.14		
	In foreign currency or with exchange rate risk	In Euros	Total	In foreign currency or with exchange rate risk	In Euros	Total
Receivables for Financial Assets						
Security Deposits	1,355	1,441	2,796	836	1,222	2,058
Loans to employees		49	49		59	59
	1,355	1,490	2,845	836	1,281	2,117
Operating Capital Receivables						
From clients		25,827	25,827		26,868	26,868
From subsidiary companies	568	7,082	7,650	370	9,322	9,692
From related companies		2,911	2,911		3,089	3,089
From parent companies		1,117	1,117		1,304	1,304
Tax	2	5,620	5,622	2	1,341	1,343
Advance tax		2,398	2,398		1,871	1,871
From other associates	2,317	28,525	30,842	4,081	30,650	34,731
From others		2,950	2,950		3,492	3,492
	2,887	76,430	79,317	4,453	77,937	82,390
Cash and cash equivalents						
Bank and post office deposits	1,504	10,431	11,935	136	629	765
Cash and values on hand		11	11		18	18
Prepaid cards		302	302		230	230
	1,504	10,744	12,248	136	877	1,013
Total	5,746	88,664	94,410	5,425	80,095	85,520

Statement of Equity – liabilities**€ 377,334 thousand (372,056)****Net Equity****€ 49,295 thousand (41,537)**

This is constituted by:

Share Capital**€ 10,116 thousand (10,116)**

The fully subscribed and paid-up share capital is represented by 77,818,865 ordinary shares with a nominal value of € 0.13 each.

The following are the details of the composition of the corporate set-up as at December 31, 2015:

Shareholders	Number of Shares	Amount in Euros	% ownership
Autostrade per l'Italia S.p.A.	15,563,773	2,023,290.49	20.00%
Atlantia S.p.A.	46,223,290	6,009,027.70	59.40%
Aeroporti di Roma S.p.A.	15,563,773	2,023,290.49	20.00%
Astaldi S.p.A.	468,029	60,843.77	0.60%
As at 31.12.2015	<u>77,818,865</u>	<u>10,116,452.45</u>	<u>100%</u>

There are no categories of shares other than the ordinary ones listed above.

Share premium reserve**€ 29,332 thousand (29,332)****Legal Reserve****€ 735 thousand (583)****Other Reserves****€ -206 thousand (-226)**

In detail:

Reserve from conversion

€ -206 thousand (-226)

This amount reflects the exchange rate differences resulting from the neutralization of items between Pavimental and the permanent establishment of the company in Poland.

Profits (Losses) brought forward

€ 1,554 thousand (-1,315)

The difference is related to the profits for the 2014 financial year being brought forward to cover the losses in previous financial years, as deliberated by the Ordinary Shareholders' Meeting on March 20, 2015.

Financial year profits (losses)

€ 7,764 thousand (3,047)

The following is the list of movements of the classes comprising the Net Equity and the table of reserves, stating their origin, possibility of use and distribution, and also their usage in preceding financial years:

MOVEMENTS IN THE NET EQUITY									
Description	31.12.13	Financial year difference			31.12.14	Financial year difference			31.12.15
		S.M. decision of 22.3.2014	Conversion reserve	Financial year profits (losses)		S.M. decision of 20.3.2015	Conversion reserve	Financial year profits (losses)	
Capital	10,116				10,116				10,116
Share Premium Reserve	29,332				29,332				29,332
Legal Reserve	567	16			583	152			735
Other Reserves:									
Reserve Payments to capital increase account									
Conversion reserve	(141)		(85)		(226)			(6)	(232)
Reserve for profits on exchange rate evaluation						26			26
Retained earnings (losses)	(1,628)	313			(1,315)	2,869			1,554
Financial year Profits (Losses)	329	(329)		3,047	3,047	(3,047)		7,764	7,764
	38,575		(85)	3,047	41,537			7,758	49,295

COMPOSITION OF THE NET EQUITY

Description	Amount	Possibility of utilization	Quota available	Summary of utilizations made in the previous three financial years	
				To cover losses	For other reasons
Capital	10,116	B			
Capital reserves	29,332	A,B,C	29,332		
Legal reserve	735	B			
Other Reserves:					
- Conversion reserve	(232)	B			
- Profits from exchange rate evaluation		A,B			
Retained earnings	1,554	A,B,C		9,292	
Total	41,505		29,332	9,292	
Non-distributable quota	26	E	26		
Residual distributable quota			29,306		

Legend:

A: for capital increase

B: to cover losses

C: for distribution to shareholders

D: to cover the multi-annual costs not yet amortized (ex art. 2426, no. 5 C.C.)

E: Reserve from net profits on exchange rates

Provisions for risks and charges**€ 6,688 thousand (4,422)**

The following are the details of movements in the provisions for risks and charges:

€ Thousand	31.12.2014	Utilizations	Allocations	31.12.2015
- Fund for taxes, including deferred	63	(7)		56
- Fund for ongoing lawsuits	782	(54)	242	970
- Fund for environmental recovery costs	72			72
- Fund for excess holding depreciation	3,505			3,505
- Fund for contractual costs			1,244	1,244
- Fund for losses on multi-annual contracts			841	841
	<u>4,422</u>	<u>(61)</u>	<u>2,327</u>	<u>6,688</u>

Tax fund, including deferred**€ 56 thousand (63)**

This fund includes the deferred fiscal costs, allocated to cover the income from evaluation changes that are expected to be realized in coming financial years.

Other Funds**€ 6,632 thousand (4,359)**

In detail:

Fund for ongoing lawsuits**€ 970 thousand (782)**

This item is an estimate of the probable costs deriving from ongoing litigations as of the closure of the financial statements. The amount allocated represents the best possible estimate on the basis of the available elements, taking into account the opinions of the external legal advisers.

The increase is due to the balance between the new allocations (€ 242 thousand) and the release to the income statement for use and exuberance of allocations made in previous years (€ 54 thousand).

Fund for environmental recovery costs

€ 72 thousand (72)

This Fund includes is an estimate of the costs that the Company will incur for the restoration of sites and environmental recovery.

Fund for Excess Holding Depreciation

€ 3,505 thousand (3,505)

This fund has been allocated to cover the equity deficits emerging from the assessment of the probable costs to be incurred in relation to the receivership of Pavimental Est (€ 343 thousand) and Consorzio R.F.C.C. in receivership (€ 3,162 thousand).

The composition and variations of the fund are illustrated in the following table:

€ Thousand	31.12.2014	Reclassifications	Allocations	Utilizations	31.12.2015
Subsidiary Companies:					
Pavimental Est	343				343
Related Companies:					
Consorzio R.F.C.C. (in receivership)	3,162				3,162
	<u>3,505</u>				<u>3,505</u>

Fund for multi-annual contract losses

€ 841 thousand (-)

As at December 31, 2015, the Company has allocated € 841 thousand for expected losses on multi-annual contracts concerning Lot 6B of the A14, for the amount in excess of the value of the works in progress.

Fund for contractual charges

€ 1,244 thousand (-)

This fund includes the estimates of the charges concerning the disposal of material resulting from the demolition of road surfacing during the last working quarter of 2015 (milling material), for which disposal by the end of the financial year was not possible; this will be

done in the first few months of 2016. The charges are therefore attributable by temporal competence to the 2015 financial year, also by virtue of art. 22 of the Maintenance contract for the 2013-2015 biennium between Autostrade per l'Italia (Contracted company) and Pavimental (Contractor) according to which the Contractor will bear the cost of waste disposal deriving from the demolition of road surfacing.

Employee severance fund for subordinate employment € 4,667 thousand (5,239)

The following table summarizes the described movements:

€ Thousand	31.12.2014	Allocations	Utilized for payments	Utilized for advances	Recovery ex Law 297/82 (0.5%)	Decrease for replacement tax	31.12.2015
Employee Severance Fund	9,470	83	(789)				8,764
Advances	(4,022)	(132)		266			(3,888)
Tax on ESF revaluation	(209)	(19)				19	(209)
	<u>5,239</u>	<u>(68)</u>	<u>(789)</u>	<u>266</u>		<u>19</u>	<u>4,667</u>

The allocations to the severance fund quotas destined for complementary social security funds do not pass through the employee severance fund but are recorded directly as payables to social security and welfare institutes and paid on a month-by-month basis.

Payables

€ 316,641 thousand (320,853)

Medium/long-term payables to banks

€ 10,663 thousand (-)

On October 2, 2015, the company underwrote a contract for a loan amounting to a maximum of 50,000,000.00 Euros with Credit Agricole Corporate Investment Bank Deutschland for the purchase of the TBM machine, relevant accessories and any other working machine required for the completion of the works concerning Lot 2 Santa Lucia Tunnel (Valico Variant), awarded by the Principal ASPI, and the cost of the insurance policy granted by Euler Hermes in favour of the exporter of the TBM and relevant accessories. The interest rate on the loan is approximately 2.25%, and the average duration of the loan is approximately 6.5 years. As at December 31, 2015, € 10,663 thousand has been paid out. The loan contract requires that Pavimental maintain orders for works and services from the Companies in the Group amounting to at least treble the amount of the ongoing loan and grants the financing bank the right to withdraw from the contract should the Atlantia Group cede control of the Company (Change of Control clause).

Short-term payables to banks

€ 36,662 thousand (795)

This represents the temporary payables to the banking system.

Advances

€ 18,410 thousand (15,685)

The deposits include € 17,844 thousand for amounts reclassified from the work in progress on contracts, as described in the commentary on this item of the receivables, which see for more details. As regards the remainder (€ 566 thousand), the advance payments concerning that recognized by the Contracting companies for works not assisted by progress reports have been accounted in the Advance Payments.

Payables to suppliers**€ 143,557 thousand (172,453)**

The decrease of € 28,896 thousand is attributable to the dynamics of payments to suppliers for materials purchased and services rendered.

The liabilities in foreign currency for invoices received or to be received were adjusted to the exchange rate applicable on December 31, 2015.

Payables to subsidiary companies**€ 11,874 thousand (12,863)**

The details of this item are as follows:

€ Thousand	31.12.2015	31.12.2014
Trade payables to:		
- Consorzio Co.Im.A.	7,715	9,433
- Pavimental Polska	2,706	1,980
- Consorzio Elmas (in receivership)	1,453	1,450
	<u>11,874</u>	<u>12,863</u>

The payables to the consortium company Co.Im.A derive from the reversal of the common consortium costs.

Payables to related companies**€ 231 thousand (415)**

The details of this item are as follows:

€ Thousand	31.12.2015	31.12.2014
Trade payables to:		
- Consozio Galileo (in receivership)	191	221
- Consozio Trinacria (in receivership)	40	194
	231	415

Payables to parent companies

€ 2,967 thousand (31)

These represent the amounts due from Atlantia S.p.A. in the framework of the definition of the amounts deriving from adhesion to the consolidated fiscal regime.

Tax payables

€ 1,406 thousand (13,339)

This item decreased by € 11,933 thousand, and this is prevalently related to the fact that the company had receivables from the State coffers for VAT as at December 31, 2015, while it had VAT payables of € 11,989 thousand as of December 31, 2014.

Payables to pension funds and social security

€ 396 thousand (-)

The Company ended the current financial year with payables of € 396 thousand.

Payables to others: to other associates

€ 78,876 thousand (93,697)

This item mainly includes the payables to ASPI for:

- payables of a trade nature of € 1,494 thousand (1,128);
- other payables of € 348 thousand for directors' remuneration (434);

- payables of a financial nature for the correspondence bank account remunerated at market rates (average Euribor 1 month + 100 b.p.) amounting to € 76,827 thousand (92,122).

The decreased use of the credit line granted by ASPI (€ 15,295 thousand) is due to the dynamics of end of year collections and payments, which included the recognition and collections of completed production works.

Payables to others: to other creditors **€ 11,639 thousand (11,575)**

The breakdown of the item in question is as follows:

€ Thousand	31.12.2015	31.12.2014
- To personnel	6,967	6,069
- To companies in grouping	65	65
- To insurance companies	3,559	3,619
- For state property concessions	71	78
- To others	977	1,744
	11,639	11,575

This item has remained substantially unchanged compared to December 31, 2014, although the following should be noted:

- the increase in the payables to employees of € 898 thousand referring to the dynamics of leave not taken, premiums, contractual permits and incentives to exit;
- the decrease in payables to others of € 767 thousand, essentially due to the payment of the cash collateral quotas concerning the increase in capital of the Company Tangenziale Esterna S.p.A.

ACCRUED INCOME AND DEFERRED LIABILITIES

€ 43 thousand (5)

€ Thousand	31.12.2015	31.12.2014
Accrued expenses		
- Interest on payables to banks	38	
Deferred income		
- Rental fees receivable	5	5
	<u>43</u>	<u>5</u>

Attached are the details of the payables and income broken down by expiry date and nature, and also currency or exchange rate risk.

There were no payables covered by real guarantees on company assets at the end of the financial year.

PAYABLES BROKEN DOWN BY EXPIRY AND NATURE								
Description	31.12.15				31.12.14			
	Amounts Expiring				Amounts Expiring			
	By next FY end	From 2 nd to 5 th subsequent FY	Beyond 5 th subsequent FY	Total	By next FY end	From 2 nd to 5 th subsequent FY	Beyond 5 th subsequent FY	Total
M/L-term Payables to Banks								
Cacib Loan			10,663	10,663				
Operating Capital Payables								
Other financial payables:								
To banks	36,622			36,622	795			795
To ASPI	76,827			76,827	92,122			92,122
	113,449			124,112	92,917			92,917
Trade Payables								
Deposits	18,410			18,410	15,685			15,685
To suppliers	143,557			143,557	172,453			172,453
To subsidiary companies	11,874			11,874	12,863			12,863
To related companies	231			231	415			415
To parent companies	2,967			2,967	31			31
To other associates	2,049			2,049	1,575			1,575
	179,088			179,088	203,022			203,022
Other payables:								
Tax	1,406			1,406	13,339			13,339
To pension fund and social security institutes	396			396				
Other payables:	11,639			11,639	11,575			11,575
	13,441			13,441	24,914			24,914
Total Payables	305,978			316,641	320,853			320,853
Deferred Liabilities	43			43	5			5
Total	306,021			316,684	320,858			320,858

PAYABLES IN FOREIGN CURRENCY						
Description	31.12.15			31.12.14		
	In foreign currency	In Euros	Total	In foreign currency	In Euros	Total
Financial Payables						
To banks		47,285	47,285		795	795
To ASPI		76,827	76,827		92,122	92,122
		124,112	124,112		92,917	92,917
Trade Payables						
Deposits	150	18,260	18,410		15,685	15,685
To suppliers	17	143,540	143,557	12	172,441	172,453
To subsidiary companies	2,706	9,168	11,874	1,979	10,884	12,863
To related companies		231	231		415	415
To parent companies		2,967	2,967		31	31
To other associates		2,049	2,049		1,575	1,575
	2,873	176,215	179,088	1,991	201,031	203,022
Other Payables						
Tax	4	1,402	1,406	37	13,302	13,339
To pension fund and social security institutes		396	396			
To others		11,639	11,639		11,575	11,575
	4	13,437	13,441	37	24,877	24,914
Total Payables	2,877	313,764	316,641	2,028	318,825	320,853

Memorandum accounts**€ 1,315,315 thousand (955,182)**

Pursuant to art. 2427, paragraph 22 ter of the Civil Code, there are no ongoing agreements not resulting from the Statement of Equity the risks and/or benefits of which are significant in terms of the equity and financial assessment and economic result of the Company.

The memorandum accounts include the following:

Real guarantees granted**€ 6,013 thousand (6,013)**

Includes the sureties granted to third parties in the interest of the consortium company R.F.C.C. in receivership (€ 1,364 thousand) and the pledge on the shares of Tangeziale Esterna granted by Pavimental to guarantee the loan contract (€ 4,649 thousand).

Sales commitments**€ 1,008,256 thousand (651,660)**

These represent the works and services still to be carried out for the contracts awarded, broken down as follows:

SALES COMMITMENTS		
€ Thousand	31.12.2015	31.12.2014
Highway network maintenance	216,959	105,600
Rho -Monza	12,797	
Florence North - Florence South (W6 - W8 and WD)	39,487	
Barberino Lot 0	6,565	23,359
Barberino Lot 2 and Completion lot WB	395,059	
A4 Mi-Bg-Bs 4 th dynamic lane Fiorenza - Sesto S.G.	118,574	2,547
Barberino Lot 1	164,445	208,950
Barberino Lot 13		12,350
A1 Milan - Naples highway Fiano-Gra	775	775
A9 Lainate - Como - Chiasso highway	935	1,206
Acoustic refurbishment and LSB	18,925	47,315
Other infrastructures and junctions	17,121	143,656
Other contractors (third parties)	5,200	53,988
Other contractors (including ADR S.p.A.)	11,414	51,914
Total sales commitments	1,008,256	651,660

Other memorandum accounts

€ 301,046 thousand (297,509)

The breakdown of the guarantees granted is illustrated in the following table:

OTHER MEMORANDUM ACCOUNTS		
€ Thousand	31.12.2015	31.12.2014
Real and personal guarantees received	52,585	53,116
Guarantees to others for company obligations:		
Proper execution of works	233,363	229,366
Guarantee withholdings	112	112
Other	14,986	14,915
Total Other Memorandum Accounts	301,046	297,509

INCOME STATEMENT

Production Value € **510,984 thousand (402,122)**

Revenues from Sales € **1,380 thousand (666)**

Revenues from Services € **519,586 thousand (411,566)**

The analysis of the Revenues from sales and from services is represented in the following table:

REVENUES FROM SALES AND SERVICES				
Description	2015	2014	Difference	Difference %
Revenues from sales				
Sales to others of conglomerate and inert substances	1,380	666	714	
Sales to parent companies				
	1,380	666	714	107.21%
Revenues from services				
Autostrade per l'Italia:				
Maintenance	108,651	145,096	(36,445)	
Fourth Lane A4 Milan - Bergamo		9,401	(9,401)	
Barberino Lot 0	16,879	45,380	(28,501)	
Bologna Bypass		2,051	(2,051)	
Expansion 3 rd lane A9	1	32	(31)	
Expansion 4 th lane Mo-Bo	1,770		1,770	
4 th Dynamic Lane A4 M-Bg		3,302	(3,302)	
La Certosa Infrastructures	1,827	17,394	(15,567)	
Junctions	1,879		1,879	
Florence North - Florence South	5,254		5,254	
Adriatica A14 Lots 3,1A,1B and 6A	14,810	13,383	1,427	
Padova Infrastructures	1,662	3,129	(1,467)	
Acoustic Refurbishment	36,071	56,650	(20,579)	
Lateral Side Barriers	20,925	15,800	5,125	
Service station refurbishment	1,125	821	304	
San Benigno Lot 1	5,878	3,076	2,602	
Rho - Monza	45,474	15,420	30,054	
Other highway works	16,425	19,472	(3,047)	
Barberino Lot 1	38,392	4,803	33,589	
A8 Lot 1 Lainate	29,032	2,299	26,733	
Barberino Lot 13	8,133		8,133	
Foggia Infrastructures	4,973		4,973	
Crespellano Infrastructures	5,897		5,897	
	364,858	357,509	(11,654)	-3.26%
Road / Highway works:				
Aeroporto di Roma	72,245		72,245	
Todini (Roncobilaccio Infracrut.)	22,981		22,981	
Società Autostrade Meridionali S.p.A.	11,305	5,121	6,184	
Stalexport	1,303	7,536	(6,233)	
Co.Im.A. Scarl	23,861	5,252	18,609	
Co.Co.TEEM Scarl	4,148	5,121	(973)	
Lambro Scarl	4,612	3,693	919	
Torino - Savona S.p.A.	654	3,822	(3,168)	
Tangenziale di Napoli S.p.A.	3,617	1,265	2,352	
Pedemobarda S.c.p.A.	1,170	9,841	(8,671)	
Other contractors of peening works	48	64	(16)	
Other contractors	8,233	9,452	(1,219)	
	154,177	51,167	103,010	201.32%
Airport works:				
Palermo Airport		998	(998)	
Naples Airport	435	1,610	(1,175)	
	435	2,608	(2,173)	-83.32%
Other services:				
Services for others	65	246	(181)	
Services for subsidiaries	28	28		
Services for associates				
ASPI intercompany services	23	8	15	
Services for other holding companies				
	116	282	(166)	-58.87%
Total revenues from services	519,586	411,566	89,017	21.63%
Total revenues from sales and services	520,966	412,232	89,731	21.77%

Variation in Work in progress on contracts **€ -21,226 thousand (-19,389)**

The variation represents the difference between the final inventories for the previous financial year (€ 232,972 thousand) already net of the amounts reclassified under Advances (€ 15,014 thousand) and the value of the final inventories for the 2015 financial year (€ 214,547 thousand) already net of the amounts reclassified under Advances (€ 17,844 thousand), further rectified for € 29 thousand following the conversion of the items of the Polish permanent establishment expressed in foreign currency.

From the 2014 financial statements, the pre-operating costs capitalized are used to increase the work in progress on contracts and the fund for losses on multi-annual contracts used to decrease the same item.

Increases in Fixed Assets for internal works **€ 1,474 thousand (-)**

The item in question includes the financial year capitalizations concerning the contract for the execution of the works for the expansion to the third lane – Lot 2 – in the section between Barberino di Mugello and Florence North. In particular, in 2015, the costs incurred for the construction of an aqueduct and cable duct required for the use of the TBM for excavating the Santa Lucia tunnel were suspended (€ 1,157 thousand), as were the financial charges and legal costs concerning the underwriting of the loan with Credit Agricole (already commented on) for obtaining the required financial sources (€ 317 thousand).

Other revenues and income **€ 9,770 thousand (9,279)**

This item is composed of the following:

€ Thousand	2015	2014	Difference
- Gain on disposal of assets	602	307	295
- Personnel costs recovered	1,208	369	839
- Recovered cost of materials, services and other expenses	5,746	4,576	1,170
- Settlement of costs and revenues from previous financial years	1,285	465	820
- Rounding and discounts earned on supplies	60	1	59
- Sale of disused items	130	212	(82)
- Reversal of provisions for risks and charges	64	904	(840)
- Compensation from third parties	424	2,168	(1,744)
- Other income	19	46	(27)
- Rental income	232	231	1
	<u>9,770</u>	<u>9,279</u>	<u>491</u>

Below is the breakdown of revenues by geographical area:

€ Thousand	Italy	Europe	Total
- Revenues from sales	1,380		1,380
- Revenues from services			
- Works	515,496	3,974	519,470
- Services	116		116
- Change in work in progress on contracts	(22,759)	1,533	(21,226)
- Other revenues and income	9,770		9,770
Total Production Value *	<u>504,003</u>	<u>5,507</u>	<u>509,510</u>

* net of the increases in fixed assets for internal works

Production Costs

€ 495,442 thousand (393,786)

This item includes:

€ Thousand	2015	2014	Difference
- Purchase of raw and subsidiary materials and consumables	175,351	133,426	41,925
- Services	241,090	201,293	39,797
- Leaseholds	1,548	1,322	226
- Personnel	59,041	46,869	12,172
- Amortizations and depreciations	9,221	10,076	(855)
- Change in inventories of raw and subsidiary materials and consumables	4,132	(2,497)	6,629
- Provision for risks and charges	242	296	(54)
- Other provisions	2,085		2,085
- Other operating expenses	2,732	3,001	(269)
	<u>495,442</u>	<u>393,786</u>	<u>101,656</u>

The increase in the Production Costs, amounting to € 101,656 thousand, in line with the change in the production value, is justified by both the increased purchases of materials for work and the increase in the service costs.

Purchase of raw and subsidiary materials and consumables € 175,351 thousand (133,426)

These represent the cost of materials purchases in the financial year, broken down as follows:

€ Thousand	2015	2014	Difference
- Inert substances and cement	12,879	12,826	53
- Bitumen, fuel, lubricants and packaged conglomerates	22,928	28,807	(5,879)
- Steel, laminates, frames and grilles	18,080	10,550	7,530
- Spares, systems and machinery	646	670	(24)
- Work materials	110,814	74,219	36,595
- Other materials	10,004	6,354	3,650
	<u>175,351</u>	<u>133,426</u>	<u>41,925</u>

The increase in the purchases of materials is in line with the needs deriving from the increased production during the year.

Service costs**€ 241,090 thousand (201,293)**

These concern the corporate management costs.

In particular:

€ Thousand	2015	2014	Difference
- Works outsourced to third parties	122,260	103,166	19,094
- Supervision	10,229	12,119	(1,890)
- Canteen services, reimbursement of mission and personnel costs	4,342	3,487	855
- Post office utilities and services	3,933	4,236	(303)
- Transport and dispatches	18,995	17,904	1,091
- Insurance	5,958	4,785	1,173
- Maintenance of fixed assets	4,014	3,744	270
- Hiring	13,517	11,946	1,571
- CED maintenance fees	464	421	43
- Consultancies and financial statements review	3,800	3,441	359
- Legal and notary professional services	695	547	148
- Highway toll fees	800	943	(143)
- Cleaning	694	642	52
- Laboratory analysis and testing	867	402	465
- Continuing / short-term collaboration services	567	570	(3)
- Prevention and safety	1,097	419	678
- Technical assistance	202	113	89
- Services from Parent Company / Intercompany	94	385	(291)
- Waste disposal	10,371	8,348	2,023
- Services for release of certifications	88	125	(37)
- Third party personnel services	1,693	420	1,273
- Joint consortium costs	28,999	15,501	13,498
- Emoluments to company directors	368	497	(129)
- Emoluments to statutory auditors	21	21	-
- Other services	7,022	7,111	(89)
	<u>241,090</u>	<u>201,293</u>	<u>39,797</u>

Also as regards the supply of services, the increase in some of its components compared to the previous financial year is directly related to the increased production volumes.

The remuneration due to the Directors amounted to a total of € 368 thousand.

The remuneration for the Auditors for the financial year amounted to a total of € 21 thousand.

Use of third party assets**€ 1,548 thousand (1,322)**

This item is represented by:

€ Thousand	2015	2014	Difference
- Rental fees payable	1,489	1,276	213
- Software	5	1	4
- State property concessions	54	45	9
- Real rights on third party assets			
	<u>1,548</u>	<u>1,322</u>	<u>226</u>

Cost of Personnel

€ 59,041 thousand (46,869)

The cost of personnel is constituted by the salaries of managers and employees and relevant contributions, for € 24,108 thousand (21,944), wages for labourers and relevant contributions, for € 31,458 thousand (22,287), allocations to the severance fund for € 2,472 thousand and allocations to complementary pension funds for € 394 thousand. This item also includes accessory costs of € 609 thousand (287).

The breakdown of the components of the cost of personnel is as follows, compared to the corresponding figures for the 2014 financial year:

€ Thousand	2015	2014	Difference
- Salaries and wages	39,818	32,357	7,461
- Social security costs	15,748	11,874	3,874
- Employee Severance Fund	2,472	2,103	369
- Retirement Fund	394	248	146
- Other costs	609	287	322
	<u>59,041</u>	<u>46,869</u>	<u>12,172</u>

In fulfilment of that established by OIC 31, the economic part of the INPS Treasury Fund and the Fund for complementary social security and welfare has been included in the Employee Severance Fund (B.9.c.).

The increase in costs is prevalently ascribable to the increase in the average remunerated workforce of the company (which increased from 708.05 units in 2014 to 856.40 in 2015), subdivided by category as follows:

	2015			2014			Diff
	CONT	FT	TOTAL	CONT	FT	TOTAL	
Directors	7 67		7 67	675		5 75	0 9
Managers	27 77		27 77	25 56		25 56	2 2
Employees	290 07	19 52	309 39	284 45	10 20	294 65	14 74
Labourers	391 38	120 18	511 57	343 47	37 62	381 09	130 48
	<u>710 89</u>	<u>139 51</u>	<u>850 40</u>	<u>666 23</u>	<u>47 82</u>	<u>714 05</u>	<u>136 35</u>

Amortizations and depreciations

€ 9,221 thousand (10,076)

This item includes:

Amortization of intangible fixed assets

€ 281 thousand (346)

These represent the quota of the multi-annual costs charged to the financial year, calculated according to that described in the criteria for assessment, and are broken down as follows:

€ Thousand		2015	2014	Difference
	Rate			
- Worksite installation costs	20.00%			
- Costs for enhancement of Zola Predosa worksites	25.00%	5	5	
- Costs for enhancement of Trezzo worksites	10.00%	8	8	
- Costs for enhancement of Barberino worksites	-	34	56	(22)
- Software usage licences	33.33%	14	13	1
- Applicative software	20.00%	41	41	
- Applicative software	33.33%	62	66	(4)
- Applicative software	18.67%	97	65	32
- Applicative software	25.00%	5	5	
- State property concessions	20% - 10%	14	86	(72)
- Pre-operating costs	-			
- Industrial patents	5.00%	1	1	
		<u>281</u>	<u>346</u>	<u>(65)</u>

Amortizations of tangible fixed assets

€ 8,449 thousand (8,674)

They are broken down in the following table:

€ Thousand	Rate	2015	2014	Difference
- Land works and enhancements	4.00%	57	57	
- Light constructions	10.00%	10	10	
	12.50%	1075	1036	39
- Generic systems	10.00%	319	293	26
- Specific machinery and systems	12.50%	435	471	(36)
	15.00%	3,962	3,836	126
- Other equipment	40.00%	13	16	(3)
- Motor vehicles and motorcycles	25.00%	320	335	(15)
- Trucks, excavators and mechanical diggers	20.00%	1,972	2,283	(311)
- Electro-mechanical and electronic machines	20.00%	235	297	(62)
- Furniture and fittings	12.00%	51	40	11
		<u>8,449</u>	<u>8,674</u>	<u>(225)</u>

Depreciation of the receivables included in the operating capital and cash and cash equivalents € 491 thousand (1,056)

In 2015, the Company allocated € 481 thousand to cover the presumable value of realization of items which arose in previous financial years and doubtfully recoverable receivables.

Variation in the inventories of raw and subsidiary materials and consumables

€ 4,132 thousand (-2,497)

The item in question is represented by the difference between the final inventories at the end of the previous financial year (€ 11,027 thousand) and those at the end of the financial year being examined (€ 6,895 thousand).

Allocations to provisions for risks

€ 242 thousand (296)

During the current financial year, amounts have been allocated for probable risks deriving from lawsuits of an employment nature for € 44 thousand and deriving from other lawsuits for € 198 thousand.

Other allocations **€ 2,085 thousand (-)**

In 2015, the Company allocated future charges for the disposal of milling material concerning the biennial maintenance contract with the contracting company Autostrade per l'Italia, which ended as at December 31, 2015. These charges amount to € 1,244 thousand and concern maintenance work performed in the latter part of the year which produced milling residue to be disposed of, and for which the costs will arise in economic terms in early 2016.

The amount also includes the allocation for expected losses on multi-annual contracts for the amount in excess of the value of the works in progress for € 841 thousand.

Other management costs **€ 2,732 thousand (3,001)**

This amount is illustrated in the following table:

€ Thousand	2015	2014	Difference
- Losses on disposals of fixed assets	54	39	15
- Representation costs	30	37	(7)
- Subscriptions and purchase of publications	37	33	4
- Stamp and registration fees, government concessions	130	158	(28)
- Motor vehicles road tax	14	76	(62)
- Property tax	135	161	(26)
- Waste disposal fees	97	40	57
- Fines from ICP Autostrade per l'Italia	490	770	(280)
- Settlement of costs and revenues from previous financial years	1,217	1,083	134
- Compensation for damages to third parties	294	233	61
- Other	234	371	(137)
	<u>2,732</u>	<u>3,001</u>	<u>(269)</u>

Financial Income and Expenses **€ - 1,960 thousand (- 1,582)**

These include:

€ Thousand			
	2015	2014	Difference
Financial Income:			
- Interest on receivables from banks	32	21	11
- Interest on receivables from the subsidiary Pavimental Polska	4	5	(1)
- Interest on arrears	361	494	(133)
- Interest on immobilized credit	52		52
- Interest on IRES receivables		37	(37)
	<u>449</u>	<u>557</u>	<u>(108)</u>
Financial Expenses:			
- Interest on payables to banks	(530)	(416)	(174)
- Interest on payables to Autostrade per l'Italia	(1,340)	(1,632)	292
- Other interest	(11)	(1)	(10)
- Interest on loans	(38)		(38)
- Bank commissions and services	(372)	(109)	(263)
- Interest for delayed payments to suppliers	(35)	(7)	(28)
	<u>(2,386)</u>	<u>(2,165)</u>	<u>(221)</u>
Profits and losses on exchange rates:			
Realized			
From evaluation	(23)	26	(49)
Total financial income and (losses)	<u>(1,960)</u>	<u>(1,582)</u>	<u>(378)</u>

The net financial costs, amounting to € 1,960 thousand, show an increase of € 378 thousand compared to the previous financial year. The difference is mainly attributable to increased costs concerning the loan for the purchase of the TBM (€ 38 thousand in interest and € 250 thousand as costs for commissions on the payment and recording of lesser interests on arrears due for delayed payments received by the Contracting company Autostrade Centro Padane amounting to € 361 thousand (€ 494 thousand in 2014).

Value adjustments to Financial Assets

€ - thousand (11)

The amount for 2014 included the value adjustments to financial assets allocated to cover possible charges deriving from the receivership of Consorzio R.F.C.C. in receivership (€ 11 thousand).

Extraordinary income and charges

€ -1,007 thousand (-247)

These are represented by:

€ Thousand	2015	2014	Difference
Extraordinary Income:			
- Non-operating profits	1,205	990	215
- Taxes from previous financial years	415	296	119
	<u>1,620</u>	<u>1,286</u>	<u>334</u>
Extraordinary Charges:			
- Incentives to leave the workforce	(1,103)	(518)	(585)
- Non-operating losses	(1,175)	(646)	(529)
- Fines and penalties	(46)	(37)	(9)
- Contingent liabilities	(22)	(42)	20
- Losses on assets	(2)	(42)	40
- Taxes from previous financial years	(279)	(248)	(31)
	<u>(2,627)</u>	<u>(1,533)</u>	<u>(1,094)</u>
Total extraordinary income and charges:	<u>(1,007)</u>	<u>(247)</u>	<u>(760)</u>

The extraordinary charges include cost and income adjustments concerning previous financial years for € 1,175 thousand and costs for incentives to leave the workforce for € 1,103 thousand. The extraordinary income refers prevalently to capital gains of € 1,205 thousand.

Financial year income tax

€ -4,811 thousand (-3,449)

These refer to:

- current taxes of € - 5,616 thousand (- 3,409);
- advance and deferred taxes of € 805 thousand (- 40).

The following table represents the summary overview of the links between fiscal costs in the financial statements and theoretical fiscal costs.

RECONCILIATION BETWEEN FISCAL COSTS IN THE FINANCIAL STATEMENTS AND THEORETICAL TAX CHARGES

(Amounts in thousands of Euros)

IRES			
Description	Total differences	Fiscal effect	
		Amounts	Incidence
Pre-tax result	12,575		
Theoretical tax charge		3,458	27.5%
Temporary differences taxable in subsequent financial years:			
Other temporary differences			
Total			
Temporary differences deductible in subsequent financial years:			
Allocations to the fund for ongoing lawsuits	242		
Allocations to the fund for future charges	1,244		
Allocation for losses on multi-annual contracts	1,981		
Excess credit depreciations	565		
Other temporary differences			
Total	4,032		
Reversal of temporary differences from other financial years			
Absorption of the fund for ongoing lawsuits	(43)		
Absorption of multi-annual contracts fund	(308)		
Absorption of the excess credit depreciation fund			
Use of the multi-annual personnel incentives fund			
Other recoveries of temporary differences	(440)		
Total	(791)		
Permanent differences			
IRAP 2015 deduction	(1,362)		
Deduction for motor vehicles	1,227		
Previous financial years tax	(330)		
Ace	(1,777)		
Balance of other permanent differences	1,894		
Total	(348)		
IRES fiscal taxable base	15,468		
Effective tax charge		4,254	33.83%
Reimbursement from the parent company for adhesion to the consolidated fiscal regime			

IRAP			
Description	Total differences	Fiscal effect	
		Amounts	Incidence
Difference between production value and costs	15,542		
Values not significant for IRAP purposes	61,859		
Total	77,401		
<i>Theoretical tax charge</i>		3,406	4.40%
Temporary differences taxable in subsequent financial years			
-			
Total			
Temporary differences deductible in subsequent financial years			
Total			
Temporary differences deductible in subsequent financial years:			
Allocations to the fund for ongoing lawsuits			
Excess credit depreciation			
Other temporary differences			
Total			
Reversal of temporary differences from other financial years			
Absorption of the fund for ongoing lawsuits			
Recovery of excess representation expenses in previous years			
Recovery of excess maintenance costs in previous years (Art. 102 para. 6)			
Use of the multi-annual personnel incentives fund			
Other recoveries of temporary differences			
Total			
Permanent differences			
Balance of permanent differences	(46,457)		
Total	(46,457)		
IRAP taxable base (average rate 4.4%)	30,944		
<i>Effective tax charge</i>		1,362	1.76%

Since the 2009 fiscal year, the Company has not continuously adhered to the National Consolidated Fiscal regime of the group leader Atlantia S.p.A., and has opted to do so again for 2015-2017.

In the 2015 financial year, the Company recorded advance taxes, dependently on the temporary differences prevalently concerning the allocations made to the credit depreciation funds and the emoluments to be paid to the Chief Executive Officer and the Board of Directors. This item, which was recorded in observance of the taxation laws in force, was dealt with in respect of the principle of prudence. Therefore, the advance taxes have been recorded in the financial statements to the extent to which there is a reasonable certainty of the existence for these amounts of sufficient levels of taxable income in future fiscal years to enable their recovery.

In the financial year being examined, deferred taxes were also recorded for an overall amount corresponding to the deferred fiscal costs deriving from the income from exchange rates after assessment. The following tables illustrate the effects of these items and movements in them:

BREAKDOWN OF ADVANCE TAXES						
Description	31.12.15			31.12.14		
	Amount of the temporal differences	Rate applied	Advance tax	Amount of the temporal differences	Rate applied	Advance tax
Allocation to taxed funds:						
Provisions for risks and charges:						
- losses on multi-annual contracts	2,103	24.00%	505	430	27.50%	118
- ongoing lawsuits	981	24.00%	235	782	27.50%	215
- environmental recovery	77	28.40%	22	77	31.94%	25
- contractual costs	1,244	27.50%	342			
Board of Directors emoluments	368	27.50%	101	440	27.50%	121
Exchange rate costs from evaluation	293	24.00%	70	262	27.50%	72
Depreciation receivables from clients	4,684	24.00%	1,123	4,798	27.50%	1,319
Available balance	9,750		2,398	6,789		1,870

MOVEMENTS IN ADVANCE TAXES	
Balance at 31.12.14	1,870
<u>Releases</u>	
Losses on multi-annual contracts	(84)
Provision for the recovery of environmental costs	0
Exchange rate costs from evaluation	0
Board of Directors emoluments	(121)
Fund for ongoing lawsuits	(12)
<u>Rectification estimates in prev. fin. years</u>	
Depreciation of receivables from clients	(77)
<u>Releases for rate adjustments</u>	
Losses on multi-annual contracts	(5)
Environmental recovery costs	(3)
Exchange rate from evaluation costs	(9)
Depreciation of receivables from clients	(159)
Fund for ongoing lawsuits	(26)
<u>Allocations</u>	
Exchange rate from evaluation costs	7
Ongoing lawsuits	58
CEO and BOD emoluments	101
Depreciation of receivables from clients	40
Contractual costs	342
Losses on multi-annual contracts	476
Effect on the Income Statement	528
Balance at 31.12.15	2,398

BREAKDOWN OF DEFERRED TAXES						
Description	31.12.15			31.12.14		
	Amount of the temporal differences	Rate applied	Deferred tax	Amount of the temporal differences	Rate applied	Deferred tax
Allocations to taxed funds:						
Provisions for risks and charges: - taxes, including deferred (Revenues from exchange rates from evaluation)	236	24.00%	57	228	27.50%	63
Available balance	236		57	228		63

MOVEMENTS IN DEFERRED TAXES	
Balance at 31.12.14	63
Releases for rate adjustments	
Income from exchange rates from evaluation	(8)
Allocation	
Income from exchange rates from evaluation	2
Effect on the Income Statement	(6)
Balance at 31.12.15	57

Financial year result

€ 7,764 thousand (3,047)

FINANCIAL REPORT

INTRODUCTION

In fulfilment of that established by OIC 10, the Financial report represents all the outgoing and incoming financial flows of the cash and cash equivalents during the financial year.

In the financial report, illustrated and commented on hereafter, the individual financial flows are separated into one of the following categories:

1. income management;
2. investment activities;
3. financing activities.

The financial flows from income management are determined using the indirect method.

The algebraic sum of the financial flows in each of the categories listed above represents the net variation (increase/decrease) in the cash and cash equivalents during the course of the financial year.

	2015	2014
A. Financial flows deriving from income management (indirect method)		
Financial year profits (losses)	7,764	3,047
Income tax	4,811	3,449
Interest payable/interest receivable	1,725	1,582
Capital gains/losses deriving from the transfer of assets	(548)	(268)
1. Financial year profits (losses) before income tax, interest, dividends and capital gains/losses from transfers	13,752	7,810
Adjustment for non-monetary elements which have no counterparty in the net operating capital		
Allocations to funds	2,410	393
Depreciation of durable losses		11
Amortizations of fixed assets	8,730	9,020
Other adjustments of non-monetary elements		
<i>Total adjustments of non-monetary elements</i>	<i>11,140</i>	<i>9,424</i>
2. Financial flow before changes to the net operating capital	24,892	17,234
Changes to the net operating capital		
Decrease/(increase) in inventories	22,557	16,790
Decrease/(increase) in receivables from clients	6,985	(19,256)
Increase/(decrease) in payables to suppliers	(23,934)	49,583
Decrease/(increase) in accrued income	(2,008)	(2,762)
Increase/(decrease) in deferred liabilities	38	5
Other changes to the net operating capital	(16,380)	13,004
<i>Total changes to the net operating capital</i>	<i>(12,742)</i>	<i>57,364</i>
3. Financial flow after changes to the net operating capital	12,150	74,598
Other adjustments		
Interest received/(paid)	(2,140)	(1,608)
(Income tax paid)	(2,988)	(5,503)
Dividends received		
(Use of funds)	(1,135)	(2,370)
<i>Total other adjustments</i>	<i>(6,263)</i>	<i>(9,481)</i>
Financial flow from income management (A)	5,887	65,117
B. Financial flow deriving from investments		
Tangible fixed assets		
(Investments)	(25,667)	(7,481)
Realization price of disinvestments	651	1,636
Intangible fixed assets		
(investments)	(102)	(129)
Realization price of disinvestments		
Financial fixed assets		
(Investments)	(729)	(1,301)
Realization price of disinvestments		
Financial flow from investments (B)	(25,847)	(7,275)
C. Financial flow deriving from financing activities		
Third party means		
Increase/(decrease) in short-term payables to banks and equivalent	20,532	(58,372)
Start-up of loans	10,663	
Reimbursement of loans		
Own means		
Increase in capital by payment		
Transfer (purchase of treasury shares)		
Dividends (deposits on dividends paid)		
Financial flow from financing activities ©	31,195	(58,372)
Increase in cash and cash equivalents (A+B+C)	11,235	(530)
Availability as at January 1	1,013	1,543
Availability as at December 31	12,248	1,013

The variation in the cash and cash equivalents amounts to € +11,235 thousand.

The financial flow from income management is positive and amounts to € 5,887 thousand. It represents the monetary flow generated by the operating activities due to the positive effect of both the profits and amortizations, compensated by the increased outgoings related to the dynamics of the trade payables.

The financial flow from investment activities is negative and amounts to € 25,847 thousand, and refers prevalently to the increase in the tangible fixed assets and in particular the advance payments made to Herrenknecht AG for the realization of the shielded tunnel boring machine for excavating the Santa Lucia tunnel (€ 14,353 thousand), the expenses incurred for constructing an aqueduct and cable duct required for using the TBM (€ 1,956 thousand) and, lastly, the expenses concerning the loan contract underwritten with Credit Agricole Corporate Investment Bank Deutschland in order to obtain the required sources of coverage (€ 317 thousand).

The financial flow from financing activities is negative and amounts to € 31,195 thousand, following the reimbursement of part of the credit line granted by ASPI, and a consequent increase in the short-term debts to the banking system of € 35,827 thousand. Also, the start of the medium-term loan underwritten with Credit Agricole Corporate Investment Bank Deutschland should also be noted, amounting to € 10,663 thousand as at December 31, 2015.

**INFORMATION PURSUANT TO ART. 149-DUODECIES OF CONSOB
ISSUERS REGULATION NO. 11971/1999**

**Table annexed to the financial statements pursuant to art. 149-12 of the Issuer
Regulations**

(thousands of Euros)

Type of service	Firm providing the service	Remuneration
Auditing of the accounts	Deloitte & Touche Spa	22
Other attestation activities	Deloitte & Touche Spa	2
Other services	Deloitte & Touche Spa	2
Total		26

OPERATIONS WITH THE OBLIGATION OF WITHDRAWAL ON TERMINATION

The Company has no payables and/or receivables deriving from operations with the obligation for the purchaser to withdraw on termination.

FINANCIAL LEASING OPERATIONS

The Company did not have any assets under financial leasing as at December 31, 2015.

**INFORMATION CONCERNING THE "FAIR VALUE" OF THE FINANCIAL
INSTRUMENTS**

The Company has not stipulated derivative contracts for which the information required by article 2427-bis of the Civil Code must be provided.

SUMMARY OVERVIEW OF THE ESSENTIAL FIGURES FROM THE LAST FINANCIAL STATEMENTS OF THE COMPANY EXERCISING MANAGEMENT AND CONTROL PURSUANT TO ART. 2497 BIS OF THE CIVIL CODE

ATLANTIA S.p.A	
ESSENTIAL FIGURES FROM THE 2014 FINANCIAL STATEMENTS	
	(Thousands of Euros)
EQUITY AND FINANCIAL SITUATION	
Non-current assets	17,870,060
Current assets	769,991
Total Assets	18,640,051
Net equity	9,437,975
<i>of which share capital</i>	825,784
Non-current liabilities	8,911,880
Current liabilities	290,196
Total Net Equity and Liabilities	18,640,051
INCOME STATEMENT	
Operating revenues	1,592
Operating expenses	-23,151
Operating result	-21,559
Financial year result	686,217

**Report by the Board of Statutory Auditors on the Financial Statements as at
December 31, 2015 (pursuant to art. 2429, second paragraph of the Civil
Code)**

Dear Shareholders,

During the course of the financial year closed on December 31, 2015, we carried out the supervisory activities required of the Board of Statutory Auditors, pursuant to art. 2403 of the Civil Code and, as applicable, art. 149 of Legislative Decree 58/98 and subsequent amendments or integrations.

This report has been prepared pursuant to art. 2429, second paragraph of the Civil Code and art. 153, paragraph 1 of Legislative Decree 58/98 and subsequent amendments or integrations, according to the principles of conduct of the Board of Statutory Auditors of companies controlled by companies with shares floated on regulated markets, emanated by the National Board of Chartered Accountants and Ordinary Accountants.

We have also taken into account, as applicable, Consob Communication no. DEM/1025564 dated April 6, 2001 and subsequent amendments or integrations.

With regard to the activities carried out during the 2015 financial year, we hereby inform you that:

- we participated in the Shareholders' Meetings (one) and the meetings of the Board of Directors (7), supervising over the respect of the statutory, legislative and regulatory regulations which discipline the functioning of the company and can

attest that no significant deliberations were taken that may be in potential conflict of interest or be such as to compromise the integrity of the company's equity without prior and opportune notification of the Directors and Statutory Auditors;

- from our participation in the meetings of the Board of Directors and also the meetings held with the directors and managers of the company – on at least a quarterly basis – we have been able to obtain information on the overall activities carried out by the company and on the operations of most significance in economic, financial and equity terms, ascertaining that the actions deliberated and undertaken were in compliance with the law or the Company Statutes and were not manifestly imprudent or risky, in potential conflict of interest or in contrast with the deliberations taken by the corporate bodies or such as to compromise the integrity of the company's equity;
- we have conducted analyses, for the matters of our competence, on the adequacy of the organizational structure of the company, by obtaining information and also by examining the documentation transmitted to us by the corporate departments and by the representatives of the independent auditing firm, during the meetings scheduled for the exchange of data and information;
- we have presided over the adequacy of the system of internal audits, structured at a Group level and constantly updated both by the Group leader and the subsidiary companies;

- we have acquired information on and presided over the adequacy of the accounting and administration system, and also the reliability of the latter in terms of correctly representing management circumstances, by obtaining information from the managers of the corporate departments, examining the documents and obtaining information from the Independent Auditing Firm;
- we have verified the punctuality in providing to the parent company both the data required for the preparation of the Financial Statements and interim reports and the information of which in arts. 114 and 115 of Legislative Decree 58/98 and subsequent amendments or integrations.

Furthermore, with regard to the auditing activities carried out, we hereby confirm that:

- the Company has not carried out any atypical or unusual operations, including infra-group ones and those with related parties. As regards the infra-group operations and those with related parties of an ordinary nature, the Board of Directors has provided detailed information in its own report. In this regard, we believe that these operations are congruous with and respond to the interests of the Company;
- no reports ex art. 2408 of the Civil Code have been received and no claims have been received from third parties;
- during the course of the activities carried out, no omissions, irregularities or censurable, or in any event significant, conduct emerged such as to require reporting to the corporate bodies or mention in this report;

- we have met with the Supervisory Board ex Law 231/01, which informed us of the activities carried out, which did not report to the Board on any occurrences of particular significance as regards matters of its competence;
- the company is subject to the management and coordination of the parent company Atlantia S.p.A., and the publicity obligations provided by art. 2497 bis of the Civil Code have been fulfilled;
- the company adheres to the national consolidated fiscal regime, pursuant to art. 117 and following of the T.U.I.R., with the company Atlantia S.p.A. as consolidating company.

The auditing of the financial statements has been conducted by Deloitte & Touche S.p.A., also entrusted with auditing the financial statements of the parent company.

During the course of the financial year, regular relations were undertaken with the independent auditing firm, in the form of formal meetings, in which the administrative managers of the company were involved, and informal meetings.

We have also ascertained that no duties were conferred upon individuals bound by continuing working relations with the independent auditing firm.

As regards the annual financial statements, we would report the following:

- as we are not responsible for analytically checking the merit of the contents of the financial statements, we have presided over their general layout and that of the Report on management, on their general compliance with the law as regards their

formation and structure and we have no particular observations to make in this regard;

- the Company has prepared its annual financial statements according to the civil laws and Italian accounting standards, at the same time preparing the periodical reports required for the transmission of the economic and equity situation for the preparation of the interim reports and the Consolidated Financial Statements of Atlantia S.p.A., according to the IAS/IFRS international accounting standards;
- we have verified the response of the financial statements to the circumstances and information we have become aware of following the completion of our duties;
- as far as we are aware, the Directors have not derogated the law pursuant to art. 2423, fourth paragraph of the Civil Code.

In its report, issued today pursuant to arts. 156 and 165 of Legislative Decree no. 58/1998, the Independent Auditing Firm attests that the annual financial statements as at December 31, 2015 truthfully and correctly represent the equity and financial situation and the economic result of your Company, and no informative comments or recalls have been made to them.

As regards the contents of this report, taking into account the opinion of the Independent Auditing Firm, the Board of Statutory Auditors hereby gives its favourable opinion for the approval of the Annual Financial Statements as at December 31, 2015 and on the proposal for the allocation of the financial year result made by the Directors.

Furthermore, you will be called upon to deliberate on the renewal of the Board of Statutory Auditors, due to the expiry of its triennial mandate.

Rome, March 4, 2016

The Board of Statutory Auditors

Mr. Alessandro Ludovico Trotter	Chairman (signed)
Rag. Silvio Laganà	Standing auditor (signed)
Mr. Fernando Sbarbati	Standing auditor (signed)

**INDEPENDENT AUDITORS' REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND TO ARTICLE 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

**To the Shareholders of
Pavimental S.p.A.**

Report on the Financial Statements

We have audited the accompanying financial statements of Pavimental S.p.A., which comprise the balance sheet as at December 31, 2015, the income statement for the year then ended and the supplementary notes.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these financial statements that give a true and fair view in accordance with the Italian law governing financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Pavimental S.p.A. as at December 31, 2015, and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Report on Other Legal and Regulatory Requirements*Opinion on the consistency of the report on operations with the financial statements*

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations, which is the responsibility of the Directors of Pavimental S.p.A., with the financial statements of Pavimental S.p.A. as at December 31, 2015. In our opinion the report on operations is consistent with the financial statements of Pavimental S.p.A. as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Francesco Legrottaglie
Partner

Rome, Italy
March 4, 2016

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

MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING

ON MARCH 21, 2016

On March 21, two thousand and sixteen, at 15:00 at the company headquarters in Rome, Via Giuseppe Donati no. 174, the Ordinary Meeting of the Shareholders of Pavimental S.p.A. was held on first call to discuss and deliberate on the following

AGENDA

1. Approval of the 2015 Annual Financial Statements and Report on Management.
2. Appointment of a member of the Board of Directors.
3. Appointment of the Board of Statutory Auditors and determination of their remuneration.
4. Appointment of a Branch Auditor in Poland.

Pursuant to the company Statutes, the chair for the meeting was taken by Ing. Gennarino Tozzi who, with unanimous consent, called upon Mrs. Lucilla Tamburrino to act as Secretary for the meeting.

The Chairman ascertained and let it be ascertained that:

- the notification of call for today's meeting was sent by telegram, on March 9, 2016, pursuant to the company Statutes, to all the Shareholders, Directors and Statutory Auditors;
- the Share Capital was represented as specified below:

<i>SHAREHOLDER</i>	<i>No. OF SHARES</i>	<i>VALUE</i>	<i>REPRESENTATIVE</i>
- Atlantia S.p.A.	46,223,290	6,009,027.70	Avv. Stefano Cusmai
- Autostrade per l'Italia S.p.A.	15,563,773	€ 2,023,290.49	Mrs. Annalisa Gianni
- Aeroporti di Roma	15,563,773	€ 2,023,290.49	Avv. Stefano Cusmai

and 77,350,936 shares are represented out of a total of 77,818,865, amounting to 99.40% of the Share Capital of € 10,116,452.45;

- the shareholders in attendance have regularly deposited the shares in their ownership at the company headquarters;
- for the Board of Directors, the Chairman Ing. Gennarino Tozzi and Chief Executive Officer Ing. Franco Tolentino were in attendance;
- for the Board of Statutory Auditors, the Chairman Mr. Alessandro Ludovico Trotter (by audio conference) and Standing Auditors Rag. Silvio Laganà (by audio conference) and Mr. Fernando Sbarbati were in attendance.

As the absolute majority of the shareholders were in attendance and all the preliminary deeds having been fulfilled, the Shareholders' Meeting was declared validly constituted and may examine the Agenda.

As regards item 1) on the Agenda, "Approval of the 2015 Annual Financial Statements and Report on Management", the Chairman illustrated to those in attendance the draft financial statements for the year closed on 31/12/2015 – Statement of Financial Position, Income Statement and Supplementary Notes (Annex A to these minutes) – prepared by the Board of Directors, commenting on the more significant items.

The Chairman then read out the Report prepared by the Board of Directors on the management of the company (Annex B to these minutes).

Lastly, Ing. Tozzi read out the Report on the 2015 financial statements prepared by the Independent Auditing Firm Deloitte & Touche S.p.A. (Annex C to these minutes).

In the name of the entire Board, the Chairman of the Board of Statutory Auditors read out the Report by the Statutory Auditors on the above financial statements (Annex D to these minutes).

Discussion thus began, at the end of which the Shareholders' Meeting unanimously acknowledged the Report by the Board of Statutory Auditors and the Report by the Independent Auditing Firm Deloitte & Touche on the 2014 financial statements and

DECIDED

- to approve the Financial Statements as at December 31, 2015 – Statement of Financial Position, Income Statement and Supplementary Notes – with the text as submitted by the Board of Directors;
- to approve the Report on Management for the 2015 financial year, with the text as submitted by the Board of Directors,
- to allocate the net profit for the financial year, amounting to € 7,764,349, as follows:
 - to allocate 5% to the legal reserve, amounting to € 388,217;
 - to bring forward the remaining profit for the financial year, amounting to € 7,376,132;
 - to reverse the reserve for profit on exchange rates ex art. 2426 point 8-bis of the Civil Code, amounting to € 25,654.

OMISSIS

There being nothing else to discuss and nobody requesting the floor, the Chairman declared the meeting closed at 16:00.

Noted in the minutes.

THE CHAIRMAN

THE SECRETARY