Press release

AUTOSTRADE PER L'ITALIA GROUP'S RESULTS ANNOUNCEMENT FOR NINE MONTHS ENDED 30 SEPTEMBER 2019

Consolidated results for 9M 2019[(1)]

- **Traffic on Group's motorway network up 0.6%**
- **Operating revenue of €3,116m up €70m**
- **Gross operating profit (EBITDA) of €1,903m up €210m[(2)] (down €95m on like-for-like basis)**
- **Profit attributable to owners of parent amounts to €759m, up €154m (down €67m on like-for-like basis)**
- **Capital expenditure totals €395m**
- **Operating cash flow of €1,182m down €202m (down €24m on like-for-like basis)**
- **Group's net debt at 30 September 2019 totals €8,445m, down €368m compared with 31 December 2018 (€8,813m).**

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(1) In addition to the reported amounts in the statutory consolidated financial statements, this press release also presents and analyses alternative performance indicators ("APIs"), such as EBITDA, operating cash flow and capital expenditure. A detailed description of the principal APIs used in the following consolidated financial review, including an explanation of the term "like-for-like basis", used in describing changes in certain consolidated financial indicators, is provided in the "Explanatory notes" below.
(2) EBITDA for the first nine months of 2018 included the preliminary estimate (totalling €352m) of the direct impact of the events of 14 August 2018.

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Roma, 8 November 2019 – The Board of Directors of Autostrade per l'Italia SpA, chaired by Giuliano Mari, met on 7 November 2019 to approve the Autostrade per l'Italia Group's interim report for the nine months ended 30 September 2019 ("9M 2019").

Events relating to the collapse of a section of the Polcevera road bridge in Genoa on 14 August 2018

In addition to the Company's immediate response to the tragic events, the first nine months of 2019 saw Autostrade per l'Italia redouble its efforts to mitigate the impact, working closely with the population, government agencies and businesses, and giving full priority to its response in keeping with its role as a socially responsible company.

The Company has made available the resources needed by the Special Commissioner in order to fund demolition work and reconstruction of the new bridge, based on requests received from the Commissioner's office. In addition, Autostrade per l'Italia has continued to support the people of Genoa, with the various initiatives regarding: support for individuals and families forced to abandon their homes (benefitting approximately 500 people); financial help for over 520 firms, shop owners and small businesses in the Red Zone (*Zona Rossa*) and Orange Zone (*Zona Arancione*), with financial support provided to the latter covering losses through to April 2020, when the new bridge is expected to be completed; compensation paid to more than 90% of victims' families, the injured and others with valid claims, with the related calculations based on the maximum amounts required by law and without waiting for completion of the lengthy procedures involved in the insurance claims.

The total cost to the Company of the above initiatives amounts to approximately €500m.

New approach to the monitoring of bridges and road bridges and maintenance plan

Autostrade per l'Italia has decided to assign responsibility for the statutory monitoring and surveillance of infrastructure works to a leading international firm, for which the selection process has already started. It is envisaged, therefore, that these activities will no longer be carried out by SPEA Engineering (an Atlantia Group company). By the end of the year, work on the inspection and certification of all the 1,943 infrastructure works on Autostrade per l'Italia's network, begun in October 2018 and carried out by engineering companies outside the Group, will have been completed.

In 2019, the Company also began implementing a maintenance plan that envisages more than 350 interventions on infrastructure throughout the network managed by Autostrade per l'Italia. The plan aims to step up the pace of work on bridges and road bridges on its network in order to significantly cut time to completion. The Company has also created a special "transparency zone" on its website, where it intends to publish key information on network operations, including details of maintenance work and the monitoring of the most important infrastructure.

Traffic

The volume of traffic on the Group's motorway network rose 0.6% in the first nine months of 2019, compared with the same period of 2018. The number of kilometres travelled by vehicles with 2 axles is up 0.2%, with the figure for those with 3 or more axles up 3.5%.

OPERATOR Km travelled (in millions)	9M 2019	9M 2018	% CHANGE
Autostrade per l'Italia	37,035.1	36,799.2	0.6%
Autostrade Meridionali	1,280.8	1,282.5	-0.1%
Tangenziale di Napoli	692.3	688.9	0.5%
Autostrada Tirrenica	250.1	252.4	-0.9%
Raccordo Autostradale Valle d'Aosta	89.8	88.0	2.0%
Società Italiana per il Traforo del Monte Bianco	9.1	9.1	0.3%
Total	**39,357.2**	**39,120.1**	**0.6%**

Figures in millions of kilometres travelled, after rounding to the nearest decimal place.

Capital expenditure

The Group's capital expenditure in the first nine months of 2019 totals €395m.

€M	9M 2019	9M 2018
Autostrade per l'Italia -projects in Agreement of 1997	162	145
Autostrade per l'Italia - projects in IV Addendum of 2002	75	93
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	126	112
Other operators (including capitalised costs)	10	13
Total investment in infrastructure operated under concession	**373**	**363**
Investment in other intangible assets, property, plant and equipment	22	27
Total capital expenditure	**395**	**390**

With regard to the works envisaged in Autostrade per l'Italia's Agreement of 1997, work continued in the first nine months of 2019 on widening the A1 between Barberino and Florence North to three lanes, with mechanical boring of the Santa Lucia Tunnel currently under way alongside the existing motorway, and between Florence South and Incisa, where work is in progress on Lot 1 North. Work is also continuing on completion of off carriageway works for the *Variante di Valico* and the Florence North-Florence South section of the A1.

In terms of the works contained in Autostrade per l'Italia's IV Addendum of 2002, work continued on construction of link roads serving the Municipality of Fano, connected with the widening of the A14 motorway to three lanes, already opened to traffic. Work is also underway on most of the lots included in the second phase of the Tunnel Safety Plan.

With regard to the new road and motorway system serving Genoa (the so-called "*Gronda di Genova*"), for which the final design was approved by the Grantor in September 2017, the detailed designs for all the 10 lots forming the project were submitted to the Ministry of Infrastructure and Transport between February and August 2018. To date, most of the work involved in preparing for the start-up of work has been completed (surveys, expropriations, the movement of existing services interfering with construction, etc.), with the costs incurred so far amounting to over €150m. Tenders have been called for works amounting to a further €700m, despite the fact that the Group is still waiting for the Grantor's formal approval of the detailed designs, which is necessary before contracts can be awarded.

Autostrade per l'Italia's other capital expenditure includes construction of the fourth free-flow lane for the A4 in the Milan area and improvements to feeder roads for the Tuscan stretch of the A1, as well as amounts earmarked to fund work on sections already open to traffic and the cost of design work and contract tenders relating to priority works relating to the addition of third and fourth lanes, such as the planned widening of the Florence-Pistoia, Ravenna-Bologna San Lazzaro and Milan South-Lodi sections of motorway.

A revised design for the Bologna Interchange was recently agreed on with the Ministry of Infrastructure and Transport, partly after talks with the relevant local authorities, and work on the final design is proceeding. The addendum including the agreed design solution has been finalised.

Group financial review

Introduction

The international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 30 September 2019 were used in the preparation of the accounts for the first nine months of 2019.

With regard to the new IFRS in effect, IFRS 16 - Leases was adopted for the first time from 1 January 2019. In relation to lease contracts where the Group has the role of lessee, this has resulted in the recognition of right-of-use assets in "Non-current non-financial assets" (€9m corresponding with the present value of the of the minimum lease payments due over the remaining lease term), with the accompanying recognition of the non-current portion of the same amount in "Medium/long-term borrowings", and the current portion in "Current portion of medium/long-term financial liabilities.

Following the acquisition of the Abertis group by the parent, Atlantia, in view of certain pre-existing differences with regard to presentation and the use of performance indicators by the Abertis group with respect to the Atlantia Group, the Autostrade per l'Italia Group's reclassified consolidated income statement for the first nine months of 2018 - in line with that of the Atlantia Group - includes certain differences with respect to the information published in the interim report for the nine months ended 30 September 2018. In particular, the items corresponding to provisions and uses of provisions for the repair and maintenance of motorway infrastructure and provisions for risks and charges have been included in the components that contribute to EBITDA. It should be noted, instead, that certain work of an extraordinary nature, relating to renewal of the infrastructure operated by Società Italiana per Azioni per il Traforo del Monte Bianco, continues to be accounted for below EBITDA for the first nine months of 2018 (in line with the same period of 2019) in "Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work". The changes have reduced EBITDA for the first nine months of 2018 by €296m compared with the previously published figure.

The scope of consolidation as at 30 September 2019 is unchanged with respect to 31 December 2018.

With regard to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway on 14 August 2018, the following occurred in the first nine months of 2019: (i) further provisions of €4m were made to cover compensation for victims' families and for the injured, and (ii) other operating costs of €1m were incurred, thereby increasing the charges of €502m (including €454m in the form of provisions) reported in the financial statements as at 31 December 2018. In addition to these charges, the decision to exempt road users in the Genoa area from the payment of tolls during the first nine months of 2019 has resulted in a reduction in toll revenue of €14m (€2m in the first nine months of 2018). Support for the demolition and reconstruction of the road bridge and for the people and businesses directly affected by the collapse continues to be provided. In particular:

- at the request of the Special Commissioner for Genoa, and without prejudice to the reservations expressed in correspondence with the Commissioner and in the legal challenges brought, the Company has paid a total of €234m (€181m, net of the remaining advance payment for the start-up of work and VAT, which were also included in the provisions made as at 31 December 2018), essentially in connection with preparations for reconstruction of the road bridge;
- compensation of €46m has been paid to the families of the victims and the injured, as well as to cover legal expenses and financial support provided to small businesses and firms. This amount was also included in the provisions made as at 31 December 2018.

Finally, insurance proceeds of €38m have been recognised in "Other operating income" for the first nine months of 2019, following agreement with the Group's insurance company regarding quantification of the amount payable to Autostrade per l'Italia under existing third-party liability insurance policies for the Polcevera road bridge.

Consolidated operating results

"**Operating revenue**" for the first nine months of 2019 totals €3,116m, up €70m compared with the same period of the previous year (€3,046m).

"**Toll revenue**" of €2,817m is up by a total of €17m compared with the same period of 2018 (€2,800m), primarily due to traffic growth of 0.6% (up 1.0% also taking into account the positive impact of the traffic mix).

As already noted, the decision to exempt road users in the Genoa area from the payment of tolls during the first nine months of 2019 has resulted in a reduction in toll revenue of €14m (€2m in the first nine months of 2018).

"**Other operating income**" of €299m is up €53m on the first nine months of 2018 (€246m), reflecting recognition of the previously mentioned insurance proceeds linked to the events of 14 August 2018 (€38m).

The "**Cost of materials and external services**" amounts to €621m, an increase of €286m compared with the first nine months of 2018 (€335m). The increase essentially reflects the costs connected with reconstruction of the Polcevera road bridge (€182m in the first nine months of 2019), which have essentially had a zero impact on EBITDA as these costs were covered by the use of provisions for repair and replacement accounted for in the "Operating change in provisions". After stripping out the above charges linked to reconstruction of the Polcevera road bridge, the cost of materials and external services is up €104m, primarily due to increased maintenance work on Autostrade per l'Italia's network. This in part reflects new and more complex tender procedures (launched in 2017) that resulted in delays to work in the previous year, and the early implementation of operational programmes.

"**Concession fees**" of €361m are up €3m compared with the same period of 2018 (€358m), broadly due to the component of tolls corresponding with the additional concession fee payable to ANAS, also accounted for in toll revenue.

"**Net staff costs**" of €368m are up €4m compared with the first nine months of 2018 (€364m).

The "**Operating change in provisions**" has resulted in income of €137m (expense of €296m in the first nine months of 2018). In the first nine months of 2019, this item includes the impact of use of the provisions for the repair and replacement of motorway infrastructure to fund work on reconstruction of the new bridge in Genoa (€181m) and of provisions for risks and charges (totalling €4m), relating to compensation paid to families of the victims of the events of 14 August 2018. After stripping out these factors, the item registers an expense of €40m, primarily reflecting the performance of the interest rates used to adjust the present value of the provisions for the repair and replacement of Group companies' motorway infrastructure (a negative impact of €44m). It should also be noted that the "Operating change in provisions" resulted in an expense of €296m in the first nine months of 2018, after provisions of €345m made following a preliminary estimate of the costs directly connected with the events of 14 August 2018.

"**Gross operating profit**" (**EBITDA**) of €1,903m is up €210m compared with the first nine months of 2018 (€1,693m); on a like-for-like basis, EBITDA is down €95m (5%).

"**Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work**" amount to €489m, an increase of €23m compared with the comparative period (€466m).

"**Operating profit**" (**EBIT**) of €1,414m is up €187m on the figure for the first nine months of 2018 (€1,227m).

“**Net financial expenses**” of €317m are down €13m compared with the same period of 2018 (€330m), essentially reflecting the reduced amount of debt in the first nine months of 2019.

“**Income tax expense**” of €327m is up €55m compared with the first nine months of 2018 (€272m). This is broadly in line with the increase in pre-tax profit from continuing operations.

“**Profit for the period**” of €769m is up €149m compared with the first nine months of 2018 (€620m). On a like-for-like basis, profit for the period is down €67m (8%).

“**Profit for the period attributable to owners of the parent**”, amounting to €759m, is up €154m compared with the first nine months of 2018 (€605m). On a like-for-like basis, profit for the period attributable to owners of the parent is down €67m.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (*)

			Increase/(Decrease)	
€m	9M 2019	9M 2018	Absolute	%
Toll revenue	2,817	2,800	17	1
Other operating income	299	246	53	22
Total operating revenue	**3,116**	**3,046**	**70**	**2**
Cost of materials and external services	-621	-335	-286	n/s
Concession fees	-361	-358	-3	1
Net staff costs	-368	-364	-4	1
Operating change in provisions	137	-296	433	n/s
Total net operating costs	**-1,213**	**-1,353**	**140**	**-10**
Gross operating profit (EBITDA)	**1,903**	**1,693**	**210**	**12**
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work	-489	-466	-23	5
Operating profit (EBIT)	**1,414**	**1,227**	**187**	**15**
Financial income/(expenses), net	-317	-330	13	-4
Share of profit/(loss) of investees accounted for using the equity method	-1	-5	4	-80
Profit/(Loss) before tax from continuing operations	**1,096**	**892**	**204**	**23**
Income tax expense	-327	-272	-55	20
Profit/(Loss) from continuing operations	**769**	**620**	**149**	**24**
Profit/(Loss) from discontinued operations	-	-	-	-
Profit for the period	**769**	**620**	**149**	**24**
(Profit)/Loss attributable to non-controlling interests	10	15	-5	-33
(Profit)/Loss attributable to owners of the parent	**759**	**605**	**154**	**25**

	9M 2019	9M 2018	Increase/ (Decrease)
Basic earnings per share attributable to the owners of the parent (€)	**1.22**	**0.97**	**0.25**
of which:			
- from continuing operations	1.22	0.97	0.25
- from discontinued operations	-	-	-
Diluted earnings per share attributable to the owners of the parent (€)	**1.22**	**0.97**	**0.25**
of which:			
- from continuing operations	1.22	0.97	0.25
- from discontinued operations	-	-	-

(*) The reconciliation with the statutory consolidated income statement is provided in the section, “Explanatory notes”.

Consolidated financial position

As at 30 September 2019, "**Non-current non-financial assets**", totalling €18,117m, are down €245m compared with 31 December 2018 (€18,362m). This primarily reflects the amortisation of intangible assets deriving from concession rights (€434m), partially offset by investment during the period in construction services for which additional economic benefits are received (€95m) and an updated estimate of future investment in construction services for which no additional benefits are received, partly as a result of the significant decline in interest rates during the period (€92m).

"**Working capital**" reports a negative balance of €2,280m (a negative balance of €2,256m as at 31 December 2018). The increase of €24m primarily reflects a combination of the following:

- a €138m increase in the current portion of Autostrade per l'Italia's provisions for construction services required by contract, following reclassification of the current portion of investment in construction services for which no additional benefits are received during the next twelve months (€417m), partially offset by investment during the period (€277m);
- a €94m increase in trading liabilities, essentially attributable to Autostrade per l'Italia and relating primarily to the increase in amounts payable to the operators of interconnecting motorways and in payables for tolls in the process of being settled, in line with standard payment terms;
- a reduction of €229m in the current portion of other provisions, reflecting the previously mentioned use of provisions for the repair and replacement of motorway infrastructure to fund work on reconstruction of the new bridge in Genoa (€181m) and the use of provisions for risks and charges (€46m), after new provisions (€4m), linked to compensation paid to the families of the victims and the injured, as well as to cover legal expenses and financial support provided to small businesses and firms.

"**Non-current non-financial liabilities**", totalling €4,244m, are down €205m compared with 31 December 2018. This primarily reflects:

- a reduction of €317m in the non-current portion of provisions for construction services required by contract, essentially due to reclassification of the current portion (€417m), partially offset by an updated estimate of investment to be carried out through to the end of the concession (€92m);
- an increase in the non-current portion of other provisions, totalling €65m, primarily

following an updated estimate of the present value on completion of the works to be carried out on the repair and replacement of motorway infrastructure.

As a result, "**Net invested capital**" totals €11,593m, a reduction of €64m compared with 31 December 2018 (€11,657m).

"**Equity**" amounts to €3,148m (€2,844m as at 31 December 2018). "**Equity attributable to owners of the parent**", totalling €2,795m, is up €302m compared with 31 December 2018, essentially reflecting profit for the period (€759m), partially offset by Autostrade per l'Italia's payment of a final dividend for 2018 (€311m) and an increase in fair value losses on cash flow hedges (€145m after the related taxation). "**Equity attributable to non-controlling interests**" of €353m is up €2m compared with 31 December 2018 (€351m), reflecting profit for the period (€10m) partially offset by dividends paid by a number of Group companies to non-controlling shareholders (totalling €8m).

The Group's "**Net debt**" as at 30 September 2019 amounts to €8,445m, down €368m compared with 31 December 2018 (€8,813m).

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€m	30 September 2019	31 December 2018	Increase/ (Decrease)
Non-current non-financial assets (A)	18,117	18,362	-245
Working capital (B)	-2,280	-2,256	-24
Gross invested capital (C=A+B)	15,837	16,106	-269
Non-current non-financial liabilities (D)	-4,244	-4,449	205
NET INVESTED CAPITAL (E=C+D)	11,593	11,657	-64
Equity attributable to owners of the parent	2,795	2,493	302
Equity attributable to non-controlling interests	353	351	2
Total equity (F)	3,148	2,844	304
Non-current net debt (G)	9,442	9,850	-408
Current net funds (H)	-997	-1	40
Net debt (I=G+H)	8,445	8,813	-368
NET DEBT AND EQUITY (L=F+I)	11,593	11,657	-64

(*) The reconciliation with the statutory consolidated statement of financial position is provided in the section, "Explanatory notes".

As at 30 September 2019, the Group has cash reserves of €3,098m, consisting of €1,577m in cash and/or investments maturing in the short term, €186m in term deposits allocated to finance the execution of construction services and €1,355m in undrawn committed lines of credit.

The Group has lines of credit with a weighted average residual term to maturity of approximately six years.

Consolidated cash flow

"**Net cash from operating activities**" in the first nine months of 2019 amounts to €1,273m, a reduction of €147m compared with the first nine months of 2018. This reflects:

- a reduction of €202m in operating cash flow, with an outflow of €178m linked to the cost of reconstruction of the new bridge in Genoa and compensation paid to the families of the victims and the injured, as well as to cover legal expenses and financial support provided to small businesses and firms. On a like-for-like basis, operating cash flow for the first nine months of 2019 is down €24m (2%) compared with the previous period;
- an increase in inflows from movements in operating capital and non-financial assets and liabilities (totalling €55m). The cash inflow of €91m for the first nine months of 2019 reflects the previously mentioned increase in trading liabilities.

"**Cash used for investment in non-financial assets**", totalling €394m, essentially reflects capital expenditure in the period.

"**Net equity cash outflows**" amount to €319m for the first nine months of 2019, marking a reduction of €206m compared with the same period of 2018. This reflects a reduction in dividends declared by Autostrade per l'Italia and other Group companies for payment to non-controlling shareholders.

In addition, other changes during the first nine months of 2019 have resulted in an increase of €192m in net debt. This reflects an increase in fair value losses on hedging derivatives (€191m), due to the significant reduction in the relevant interest rates during the period. On the other hand, other changes during the first nine months of 2018 resulted in a decrease of €83m in net debt.

The overall impact of the above cash flows reduced net debt by €368m in the first nine months of 2019, compared with 31 December 2018.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT (*)

€m	9M 2019	9M 2018
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating cash flow	1,182	1,384
Change in operating capital	13	-40
Other changes in non-financial assets and liabilities	78	76
Net cash generated from/(used in) operating activities (A)	**1,273**	**1,420**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Capital expenditure	-395	-390
Government grants related to assets held under concession	2	-
Increase in financial assets deriving from concession rights (related to capital expenditure)	1	-
Purchases of investments	-3	-28
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	1	4
Proceeds from sales of consolidated investments, including net debt transferred	-	4
Net cash from/(used in) investment in non-financial assets (B)	**-394**	**-410**
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Dividends declared by Autostrade per l'Italia and Group companies and payable to non-controlling shareholders	-319	-525
Net equity cash inflows/(outflows) (C)	**-319**	**-525**
Increase/(Decrease) in cash and cash equivalents during period (A+B+C)	**560**	**485**
Other changes in net debt (D)	**-192**	**83**
Decrease/(Increase) in net debt for period (A+B+C+D)	**368**	**568**
Net debt at beginning of period	**-8,813**	**-9,351**
Net debt at end of period	**-8,445**	**-8,783**

(*) The reconciliation with the statutory consolidated statement of cash flows is provided in the section, "Explanatory notes".

Significant regulatory and legal aspects

Toll increases for 2019

In response to requests from the Grantor, on 13 September 2019, Autostrade per l'Italia informed the Grantor that it was willing to extend postponement of the annual toll increase of 0.81% for 2019, previously authorised by interministerial decree. The postponement, applied voluntarily until 15 September 2019, was thus extended for a further two months through to 15 November 2019.

Transport Regulator – Tariff regimes

On 29 March 2019, Autostrade per l'Italia, alongside other operators, filed a legal challenge with Piedmont Regional Administrative Court contesting resolution 16 issued by the Transport Regulator ("ART") on 18 February 2019. The legal action challenges the legality of the resolution, alleging that the regulator has exceeded its powers and does not have the authority to establish tariff regimes in connection with Autostrade per l'Italia's Single Concession Arrangement, as well as accusing ART of violating EU and constitutional norms regarding legal certainty and legitimate expectations. In addition, the company also took part in the relevant consultation process, contesting the scope of application of the tariff regime devised by ART on the basis of the same arguments presented in the above legal challenge, and submitting its observations on the related financial aspects.
On 18 September 2019, Autostrade per l'Italia, in connection with the legal action challenging ART resolution 16/2019 launching the consultation, also filed a further challenge for additional reasons against ART resolution 71/2019, marking the conclusion of the process initiated by the regulator.

Investigation by the Public Prosecutor's Office in Avellino regarding the anchorages for the New Jersey safety barriers installed on 12 road bridges on the A16

On 2 May 2019, a notice of investigation was received by 3 of Autostrade per l'Italia's executives in relation to the offences provided for in and punishable in accordance with articles 110 and 434 of the criminal code ("culpable collapse or other culpable disasters").

This was accompanied by a seizure order for the New Jersey barriers installed on 12 road ridges on the A16.

From 1 July 2019, the Company's area offices voluntarily launched a series of additional inspections throughout the network, with the exception of the road bridges on the A16 covered by the seizure order. The aim was to confirm and provide evidence that it has acted correctly.

Then, on 11 September 2019, the preliminary investigating magistrate notified the Company of a further preventive seizure order, involving the closure to traffic of the inside lanes along the A14 between Pescara West and Pedaso. At the same time, the current head of Area Office VII in Pescara and their predecessor were placed under investigation.

The above inspections, conducted by the various area offices on a voluntary basis, continued until they had covered a total of 41 road bridges, including a number of those covered by the second seizure order. The results were highly satisfactory in that they showed that the safety barriers are fit for purpose and confirmed their containment capacity.

The investigations are ongoing.

Finally, on 29 October 2019, the Company applied for the release of the barriers from seizure, in order to allow it to respect the timetable for work on the upgrade of barriers installed on road bridges on the A16 and A14, in accordance with the procedures and timing previously agreed with the Ministry of Transport.

Investigation by the Public Prosecutor's Office in Genoa of bridges and road bridges managed by Autostrade per l'Italia and the Group's response

As part of a second ongoing investigation of allegations regarding false statements in relation to monitoring reports on certain bridges on the network operated under concession by Autostrade per l'Italia, a number of executives and employees of the Company and Spea Engineering (a subsidiary of Atlantia) are under investigation.

According to the investigators, certain reports prepared by technical experts responsible for testing, monitoring and design were whitewashed to make it look as if the bridges were in a better state of repair than they actually were. The preliminary investigations are still in progress.

In September, the preliminary investigating magistrate applied for a court order placing two of Autostrade per l'Italia's executives in custody (house arrest) and for a prohibitory

injunction suspending them from work for a period of 12 months. In response to the evidence that has emerged, the Company has suspended the executives concerned.
Counsel for the defendants challenged the above measures, with the result that house arrest has been replaced by a one-year ban on working as a public service provider and a further one-year ban on exercising their profession. The prohibitory injunction was, on the other hand, upheld.

Events after 30 September 2019

Five-yearly review of Autostrade per l'Italia's financial plan

With regard to the appeal filed by Autostrade per l'Italia, requesting a ruling on the unlawfulness of the Grantor's failure to respond to the proposed update of the financial plan for the regulatory period 2018-2022, at the hearing held on 2 October 2019, Lazio Regional Administrative Court gave the Grantor 20 days to file a report on the status of the process and scheduled a new hearing for 20 November this year.

Award of the concession for the A3 Naples-Pompei-Salerno motorway

In 2012, the Ministry of Transport and Infrastructure issued a call for tenders for the new concession for the A3 Naples – Pompei – Salerno motorway. The tender process was then subsequently abandoned. On 9 July 2019, the Grantor invited both the competing bidders from the earlier tender to submit new bids. The subsidiary, Autostrade Meridionali, submitted its new bid on 14 October 2019.
Following Intesa Sanpaolo's decision to grant the credit lines necessary in order to guarantee the creation and operation of a new project company should the bid be successful, and to provide the bank guarantees required in order to participate in the tender process, Autostrade per l'Italia agreed to act as a guarantor in respect of Intesa Sanpaolo. In order to establish the terms and conditions for, among other things, indemnities and guarantee fees, should the contract be awarded, Autostrade per l'Italia will enter into agreements with Autostrade Meridionali and the new project company regarding a package of back-to-back guarantees.
The other bidder, the SIS Consortium, has also submitted a bid.

Outlook and risks or uncertainties

We expect the full-year performance to be broadly in line, on a like-for-like basis, with the operating performance in the first nine months of 2019 (after excluding non-recurring items connected with the collapse of the Polcevera road bridge in Genoa and the impact of movements in the interest rates used to discount the provisions accounted for among the Group's liabilities).

Finally, we feel it is necessary to reiterate the potential risks resulting from the letter of complaint sent to Autostrade per l'Italia by the Ministry of Infrastructure and Transport on 16 August 2018, alleging serious breaches of the Company's contractual obligations in relation to the events in Genoa, from the subsequent letter of 20 December 2018 and, latterly, from the letter of 5 April 2019, in which the Ministry (the Grantor of the company's concession) detailed its allegations regarding the Company's alleged failure to meet its obligations relating to the safety and maintenance of the road bridge. Autostrade per l'Italia replied to these letters on 3 May 2019, stating its belief that it has provided ample evidence that it has acted correctly and reiterating its concerns and objections regarding the above procedure.

Explanatory notes

Like-for-like performance indicators

The following table shows a reconciliation of like-for-like consolidated amounts, for the two comparative periods, for gross operating profit (EBITDA), profit for the period, profit for the period attributable to owners of the parent and operating cash flow and the corresponding amounts presented in the reclassified consolidated financial statements shown above.

		9M 2019				9M 2018			
€m	Note	Gross operating profit (EBITDA)	Profit for the period	Profit attributable to owners of the parent	Operating cash flow	Gross operating profit (EBITDA)	Profit for the period	Profit attributable to owners of the parent	Operating cash flow
Reported amounts (A)		**1,903**	**769**	**759**	**1,182**	1,693	620	605	1,384
Adjustments for non like-for-like items									
Impact connected with collapse of a section of the Polcevera road bridge	(1)	18	14	14	-184	-352	-254	-254	-6
Change in discount rate applied to provisions	(2)	-44	-36	-33	-	21	16	14	-
Sub-total (B)		**-26**	**-22**	**-19**	**-184**	-331	-238	-240	-6
Like-for-like amounts (C) = (A)-(B)		**1,929**	**791**	**778**	**1,366**	2,024	858	845	1,390

Notes:
The term "like-for-like basis", used in the description of changes in certain consolidated performance indicators, means that amounts for comparative periods have been determined by eliminating:
1) from consolidated amounts for the first nine months of 2019 and 2018, the after-tax impact on the income statement and on operating cash flow of the reduction in toll revenue, the insurance proceeds and the charges and provisions recognised as a result of the collapse of a section of the Polcevera road bridge;
2) from consolidated amounts for the first nine months of 2019 and 2018, the after-tax impact of the difference in the discount rates applied to the provisions accounted for among the Group's liabilities.

Alternative performance indicators

The Group's performance is assessed on the basis of a number of alternative performance indicators ("APIs"), calculated on the same basis used in the Group's Annual Report for 2018, to which reference should be made. In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines for alternative performance indicators ("APIs") issued by the European Securities and Markets Authority (ESMA), the composition of each indicator and reconciliations with reported amounts are provided below:

- "**Gross operating profit (EBITDA)**", the synthetic indicator of earnings from operations, calculated by deducting the operating change in provisions and operating costs, with the exception of amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for the costs to be incurred over time in relation to the renewal of infrastructure operated under concession by Società Italiana per Azioni per il Traforo del Monte Bianco ("SITMB"), from operating revenue;
- "**Operating profit (EBIT)**", the indicator that measures the return on the capital invested in the business, calculated by deducting amortisation, depreciation, impairment losses, reversals of impairment losses and the above provisions for the costs to be incurred over time in relation to the renewal of infrastructure operated under concession by SITMB from EBITDA. Like EBITDA, EBIT does not include the capitalised component of financial expenses relating to construction services, which is shown in a specific item under financial income and expenses in the reclassified income statement, whilst being included in revenue in the consolidated income statement in the statutory consolidated financial statements;
- "**Net invested capital**", showing the total value of non-financial assets, after deducting non-financial liabilities;
- "**Net debt**", indicating the portion of net invested capital funded by net financial liabilities, calculated by deducting "Current and non-current financial assets" from "Current and non-current financial liabilities";

- "**Capital expenditure**", indicating the total amount invested in development of the Group's businesses, calculated as the sum of cash used in investment in property, plant and equipment, in assets held under concession and in other intangible assets, excluding investment linked to transactions involving investees;
- "**Operating cash flow**", indicating the cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions +/- share of profit/(loss) of investees accounted for using equity method +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax income/expense recognised in profit or loss.

A number of APIs, calculated as above, are also presented after certain adjustments applied in order to provide a consistent basis for comparison over time. These "like-for-like changes", used in the analysis of changes in gross operating profit (EBITDA), profit for the period, profit for the period attributable to owners of the parent and operating cash flow, have been calculated by excluding, where present, the impact of: (i) changes in the scope of consolidation, and (ii) events and/or transactions not strictly connected with operating activities that have an appreciable influence on amounts for at least one of the two comparative periods. The section, "Explanatory notes – Like-for-like performance indicators", included in this announcement, provides a reconciliation of like-for-like indicators and the corresponding amounts presented in the reclassified consolidated financial statements, in addition to details of the adjustments made.

Reconciliation of the reclassified and statutory financial statements

Reconciliations of the income statement, statement of financial position and statement of cash flows, as prepared under IFRS, with the corresponding reclassified financial statements presented above are shown below.

RECONCILIATION OF THE CONSOLIDATED INCOME STATEMENT WITH THE RECLASSIFIED CONSOLIDATED INCOME STATEMENT

€m	9M 2019						9M 2018					
Reconciliation of items	Reported basis			Reclassified basis			Reported basis			Reclassified basis		
	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries	Ref.	Sub-items	Main entries
Toll revenue			2,817			2,817			2,800			2,800
Revenue from construction services			95						112			
Revenue from construction services - government grants and cost of materials and external services	*(a)*	*86*					*(a)*	*102*				
Capitalised staff costs - construction services for which additional economic benefits are received	*(b)*	*6*					*(b)*	*6*				
Revenue from construction services: capitalised financial expenses	*(c)*	*3*					*(c)*	*4*				
Revenue from construction services provided by sub-operators	*(d)*	*-*					*(d)*	*-*				
Other revenue	*(e)*		299				*(e)*		246			
Other operating income				*(e+d)*		299				*(e+d)*		246
Revenue from construction services provided by sub-operators				*(d)*	-					*(d)*	-	
Total revenue			**3,211**						3,158			
TOTAL OPERATING REVENUE						**3,116**						**3,046**
Raw and consumable materials			**-202**		-202				-94		-94	
Service costs			**-706**		-706				-514		-514	
Gain/(Loss) on sale of elements of property, plant and equipment			-		-				-		-	
Other operating costs			**-420**						-423			
Concession fees	*(f)*		-361				*(f)*		-358			
Lease expense			-4		-4				-6		-6	
Other			-55		-55				-59		-59	
Use of provisions for construction services required by contract and other provisions				*(j)*	*260*					*(j)*	*232*	
Revenue from construction services: government grants and capitalised cost of materials and external services				*(a)*	*86*					*(a)*	*102*	
Use of provisions for renewal of motorway infrastructure				*(i)*	*-*					*(i)*	*4*	
COST OF MATERIALS AND EXTERNAL SERVICES						-621						-335
CONCESSION FEES				*(f)*		-361				*(f)*		-358
Staff costs	*(g)*		**-392**				*(g)*		-386			
NET STAFF COSTS				*(g+b+k)*		-368				*(g+b+k)*		-364
OPERATING CHANGE IN PROVISIONS						137						-296
Operating change in provisions			**124**						-299			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			150		150				-225		-225	
(Provisions)/Uses of provisions for renewal of motorway infrastructure			-13						-3			
Provisions for renewal of airport infrastructure	*(h)*	*-13*					*(h)*	*-7*				
Uses of provisions for renewal of airport infrastructure	*(i)*	*-*					*(i)*	*4*				
Provisions/(Uses) of provisions for risks and charges			-13		-13				-71		-71	
TOTAL NET OPERATING COSTS						**-1,213**						**-1,353**
GROSS OPERATING PROFIT (EBITDA)						**1,903**						**1,693**
Use of provisions for construction services required by contract			**278**						248			
Use of provisions for construction services required by contract	*(j)*	*260*					*(j)*	*232*				
Capitalised staff costs - construction services for which no additional economic benefits are received	*(k)*	*18*					*(k)*	*16*				
Amortisation and depreciation	*(l)*		**-469**				*(l)*		-459			
Depreciation of property, plant and equipment			-17						-16			
Amortisation of intangible assets deriving from concession rights			-438						-430			
Amortisation of other intangible assets			-14						-13			
(Impairment losses)/Reversals of impairment losses	*(m)*		**-7**				*(m)*		-			
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES, REVERSALS OF IMPAIRMENT LOSSES AND PROVISIONS FOR RENEWAL WORK				*(l+h+m)*		**-489**				*(l+h+m)*		**-466**
TOTAL COSTS			**-1,794**						-1,927			
OPERATING PROFIT/(LOSS)			**1,417**						1,231			
OPERATING PROFIT/(LOSS) (EBIT)						**1,414**						**1,227**
Financial income			**64**						74			
Dividends received from investees	*(n)*		-				*(n)*		1			
Other financial income	*(o)*		64				*(o)*		73			
Financial expenses			**-384**						-408			
Financial expenses from discounting of provisions for construction services required by contract and other provisions	*(p)*		-29				*(p)*		-23			
Other financial expenses	*(q)*		-355				*(q)*		-385			
Foreign exchange gains/(losses)	*(r)*		-				*(r)*		-			
FINANCIAL INCOME/(EXPENSES)			**-320**						-334			
Net financial expenses				*(c+n+o+p +q+r)*		**-317**				*(c+n+o+p+ q+r)*		**-330**
Share of profit/(loss) of investees accounted for using the equity method			**-1**			**-1**			-5			**-5**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**1,096**			**1,096**			892			**892**
Income tax (expense)/benefit			**-327**			**-327**			-272			**-272**
Current tax expense			-239						-264			
Differences on tax expense for previous years			2						-			
Deferred tax income and expense			-90						-8			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**769**			**769**			620			**620**
Proft/(Loss) from discontinued operations			-			-			-			-
PROFIT FOR THE PERIOD			**769**			**769**			620			**620**
of which:												
Profit attributable to owners of the parent			**759**			**759**			605			**605**
Profit attributable to non-controlling interests			**10**			**10**			15			**15**

RECONCILIATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH THE RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€m	30 September 2019						31 December 2018					
Reconciliation of items	**Reported basis**			**Reclassified basis**			**Reported basis**			**Reclassified basis**		
	Ref.		**Main entries**	*Ref.*	**Sub-items**	**Main entries**	*Ref.*		**Main entries**	*Ref.*	**Sub-items**	**Main entries**
Non-current non-financial assets												
Property, plant and equipment	*(a)*		83			83	*(a)*		82			82
Intangible assets	*(b)*		17,839			17,839	*(b)*		18,093			18,093
Investments	*(c)*		84			84	*(c)*		84			84
Deferred tax assets	*(d)*		111			111	*(d)*		103			103
Other non-current assets	*(e)*		-			-	*(e)*		-			-
Total non-current non-financial assets (A)						**18,117**						**18,362**
Working capital												
Trading assets	*(f)*		572			572	*(f)*		534			534
Current tax assets	*(g)*		142			142	*(g)*		32			32
Other current assets	*(h)*		133			133	*(h)*		79			79
Non-financial assets held for sale or for distribution to shareholders or related to discontinued operations				*(w)*		4				*(w)*		4
Current portion of provisions for construction services required by contract	*(i)*		-544			-544	*(i)*		-406			-406
Current provisions	*(j)*		-606			-606	*(j)*		-835			-835
Trading liabilities	*(k)*		-1,413			-1,413	*(k)*		-1,319			-1,319
Current tax liabilities	*(l)*		-238			-238	*(l)*		-30			-30
Other current liabilities	*(m)*		-330			-330	*(m)*		-315			-315
Non-financial liabilities related to discontinued operations				*(x)*		-				*(x)*		-
Total working capital (B)						**-2,280**						**-2,256**
Gross invested capital (C=A+B)						**15,837**						**16,106**
Non-current non-financial liabilities												
by contract	*(n)*		-2,322			-2,322	*(n)*		-2,639			-2,639
Non-current provisions	*(o)*		-1,259			-1,259	*(o)*		-1,194			-1,194
Deferred tax liabilities	*(p)*		-633			-633	*(p)*		-589			-589
Other non-current liabilities	*(q)*		-30			-30	*(q)*		-27			-27
Total non-current non-financial liabilities (D)						**-4,244**						**-4,449**
NET INVESTED CAPITAL (E=C+D)						**11,593**						**11,657**
Total equity (F)			**3,148**			**3,148**			**2,844**			**2,844**
Net debt/(Net funds)												
Non-current net debt/(net funds)												
Non-current financial liabilities	*(r)*		**9,784**			**9,784**	*(r)*		**10,260**			**10,260**
Non-current financial assets	*(s)*		**-342**			**-342**	*(s)*		**-410**			**-410**
Total non-current net debt/(net funds) (G)						**9,442**						**9,850**
Current net debt/(net funds)												
Current financial liabilities	*(t)*		**1,081**			**1,081**	*(t)*		**1,236**			**1,236**
Short-term borrowings		*245*			*245*			*245*			*245*	
Current derivative liabilities		*-*			*-*			*1*			*1*	
Intercompany current account payables due to related parties		*12*			*12*			*7*			*7*	
Current portion of medium/long-term borrowings		*792*			*792*			*949*			*949*	
Other current financial liabilities		*32*			*32*			*34*			*34*	
Current financial liabilities related to discontinued operations				*(aa)*	*-*					*(aa)*	*-*	
Cash and cash equivalents	*(u)*		**-1,589**			**-1,589**	*(u)*		**-1,791**			**-1,791**
Cash		*-877*			*-877*			*-1,139*			*-1,139*	
Cash equivalents		*-5*			*-5*			*-*			*-*	
Intercompany current account receivables due from related parties		*-707*			*-707*			*-652*			*-652*	
Cash and cash equivalents related to discontinued operations				*(y)*	*-*					*(y)*	*-*	
Current financial assets	*(v)*		**-489**			**-489**	*(v)*		**-482**			**-482**
Current financial assets deriving from concession rights		*-409*			*-409*			*-408*			*-408*	
Current financial assets deriving from government grants		*-29*			*-29*			*-22*			*-22*	
Current term deposits		*-28*			*-28*			*-21*			*-21*	
Current portion of other medium/long-term financial assets		*-15*			*-15*			*-22*			*-22*	
Other current financial assets		*-8*			*-8*			*-9*			*-9*	
Financial assets held for sale or related to discontinued operations				*(z)*	*-*					*(z)*	*-*	
Total current net debt (H)						**-997**						**-1,037**
Total net debt (I=G+H)						**8,445**						**8,813**
NET DEBT AND EQUITY (L=F+I)						**11,593**						**11,657**
Assets held for sale or related to discontinued operations	*(-y-z+w)*		4				*(-y-z+w)*		4			
Liabilities related to discontinued operations	*(-x+aa)*		-				*(-x+aa)*		-			
TOTAL NON-CURRENT ASSETS	*(a+b+c+d+e-s)*		**18,459**				*(a+b+c+d+e-s)*		**18,772**			
TOTAL CURRENT ASSETS	*(f+g+h-u-v-y-z+w)*		**2,929**				*(f+g+h-u-v-y-z+w)*		**2,922**			
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p-q+r)*		**14,028**				*(-n-o-p-q+r)*		**14,709**			
TOTAL CURRENT LIABILITIES	*(-i-j-k-l-m+t-x+aa)*		**4,212**				*(-i-j-k-l-m+t-x+aa)*		**4,141**			

RECONCILIATION OF THE STATEMENT OF CHANGES IN CONSOLIDATED NET DEBT WITH THE CONSOLIDATED STATEMENT OF CASH FLOWS

€M		9M 2019		9M 2018	
Reconciliation of items	*Note*	**Consolidated statement of cash flows**	**Changes in consolidated net debt**	**Consolidated statement of cash flows**	**Changes in consolidated net debt**
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Profit for the period		**769**	**769**	**620**	**620**
Adjusted by:					
Amortisation and depreciation		469	469	459	459
Operating change in provisions, excluding uses of provisions for renewal of motorway infrastructure		-175	-175	304	304
Financial expenses from discounting of provisions for construction services required by contract and other provisions		29	29	23	23
Share of (profit)/loss of investees accounted for using the equity method		1	1	5	5
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		7	7	-	-
Net change in deferred tax (assets)/liabilities through profit or loss		90	90	8	8
Other non-cash costs (income)		-8	-8	-35	-35
Operating cash flow			**1,182**		**1,384**
Change in operating capital	(a)		13		-40
Other changes in non-financial assets and liabilities	(b)		78		76
Change in working capital and other changes	(a+b)	91		36	
Net cash generated from/(used in) operating activities (A)		**1,273**	**1,273**	**1,420**	**1,420**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS					
Investment in assets held under concession		-373	-373	-363	-363
Purchases of property, plant and equipment		-9	-9	-7	-7
Purchases of other intangible assets		-13	-13	-20	-20
Capital expenditure			**-395**		**-390**
Government grants related to assets held under concession		2	2	-	-
Increase in financial assets deriving from concession rights (related to capital expenditure)		1	1	-	-
Purchases of investments		-3	-3	-28	-28
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments		1	1	4	4
Proceeds from sales of consolidated investments, including net debt transferred	(c)		-		4
Proceeds from sales of consolidated investments, after cash and cash equivalents transferred	(d)	-		6	
Net change in other non-current assets		-	-	-	-
Net change in current and non-current financial assets	(e)	61		6	
Net cash from/(used in) investment in non-financial assets (B)	**(f)**		**-394**		**-410**
Net cash generated from/(used in) investing activities (C)	**(f+e)**	**-333**		**-402**	
NET EQUITY CASH INFLOWS/(OUTFLOWS)					
Dividends declared by Autostrade per l'Italia and Group companies and payable to non-controlling shareholders	(g)		-319		-525
Dividends paid	(h)	-322		-543	
Net equity cash inflows/(outflows) (D)			**-319**		**-525**
Net cash generated during period (A+B+D)			**560**		**485**
Increase in lease liabilities		3		-	
Redemption of bonds		-593		-	
Repayments of medium/long term borrowings (excluding lease liabilities)		-125		-122	
Repayments of lease liabilities		-2		-	
Net change in other current and non-current financial liabilities		-108		-568	
Net cash generated from/(used in) financing activities (E)		**-1,147**		**-1,233**	
Change in fair value of hedging derivatives	(i)		-191		15
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)			-2		-2
Effect of foreign exchange rate movements on net debt and other changes	(j)		1		70
Other changes in net debt (F)			**-192**		**83**
Net effect of foreign exchange rate movements on net cash and cash equivalents (G)		**-**		**-**	
Decrease in net debt for period (A+B+D+F)			**368**		**568**
Net debt at beginning of period			**-8,813**		**-9,351**
Net debt at end of period			**-8,445**		**-8,783**
Increase/(Decrease) in cash and cash equivalents during period (A+C+E+G)		**-207**		**-215**	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,784**		**2,931**	
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,577**		**2,716**	

Notes:

a) this item shows cash flows not generated from operating activities with an impact on profit for the period of the companies classified as “discontinued operations”;
b) the “Change in operating capital” shows the change in trade-related items directly linked to the Group’s ordinary activities (in particular: inventories, trading assets and trading liabilities);
c) this item includes the impact on net debt arising from the sale and consequent deconsolidation of subsidiaries, calculated as the price collected on the sale, after the net (debt)/funds transferred;
d) this item includes the impact of cash and cash equivalents arising from the sale and consequent deconsolidation of subsidiaries, calculated as the price collected on the sale, after the net (debt)/funds transferred;
e) the “Net change in current and non-current financial assets” is not shown in the “Statement of changes in consolidated net debt”, as it does not have an impact on net debt;
f) “Net cash from/(used in) investment in non-financial assets” excludes changes in the financial assets and liabilities that do not have an impact on net debt;
g) “Dividends declared by Group companies” regard the portion of dividends declared by the Parent Company and other Group companies attributable to non-controlling interests, regardless of the period of payment;
h) “Dividends paid” refer to amounts effectively paid during the reporting period;
i) the amount represents the change in the fair value of cash flow hedges, before the related taxation, as shown in “Fair value gains/(losses) on cash flow hedges” in the consolidated statement of comprehensive income;
j) this item includes the impact of exchange rate movements on financial assets (including cash and cash equivalents) and financial liabilities denominated in currencies other than the euro held by Group companies, and non-cash income/(costs) resulting in changes in net debt.

* * *

The manager responsible for financial reporting, Alberto Milvio, declares, pursuant to section 2 of article 154 bis of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records.

The Group's net debt, as defined in the European Securities and Market Authority – ESMA Recommendation of 20 March 2013 (which does not entail the deduction of non-current financial assets from debt), amounts to €8,787m as at 30 June 2019 (€9,223m as at 31 December 2018).