Press release

AUTOSTRADE PER L'ITALIA GROUP'S QUARTERLY RESULTS ANNOUNCEMENT FOR THREE MONTHS ENDED 31 MARCH 2020

Consolidated results for Q1 2020[(1)]

- **Traffic on Group's motorway network falls 20.7%**
- **Operating revenue of €728m down €168m (19%)**
- **Gross operating profit (EBITDA) of €391m down €93m (down €134m on like-for-like basis)[(2)]**
- **Profit attributable to owners of parent amounts to €68m, down €78m (down €109m on like-for-like basis)[(2)]**
- **Capital expenditure totals €105m**
- **Operating cash flow totals €224m, down €22m (down €117m on like-for-like basis)[(2)]**
- **Group's net debt at 31 March 2020 totals €8,341m, down €51m compared with 31 December 2019 (€8,392m)**
- **In view of the downgrade of the Company's rating to below investment grade, as**

[(1)] In addition to the reported amounts in the 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)] The term "like-for-like basis" strips out the impact of the collapse of a section of the Polcevera road bridge, the difference in the discount rates applied to provisions and the 3.5% IRES surtax payable by infrastructure operators, as described in greater detail in the "Explanatory notes".

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a result of the unilateral and retroactive amendments introduced by the *Milleproroghe* Decree, and its resulting inability to access the credit market, Autostrade per l'Italia has had to resort to a €900m loan made available by the parent, Atlantia, in order to fund maintenance and investment, authorised by the grantor, designed to ensure fully safe operation of the network

- **Delivery of accelerated maintenance programme is continuing in full accordance with Transformation Plan 2020-2023**
- **With reference to the ongoing dialogue with the Ministry of Infrastructure and Transport ("MIT"), based on the progress of the talks and the legislative and/or regulatory framework, Autostrade per l'Italia retains the right to take advantage of all the safeguards provided for in its Concession Arrangement, whilst continuing to have confidence in a rapid and positive solution to the situation**

Rome, 11 June 2020 – The Board of Directors of Autostrade per l'Italia SpA, chaired by Giuliano Mari, met on 10 June 2020 to approve the Autostrade per l'Italia Group's quarterly results announcement for the three months ended 31 March 2020 ("Q1 2020").

During preparation of the results announcement for the three months ended 31 March 2020, the Board confirmed ability of the Company and the Group to continue to operate as going concerns in accordance with the Italian Civil Code and IFRS, as described in greater detail in the Annual Report for 2019. In spite of the ongoing uncertainty described in the Annual Report for 2019, Autostrade per l'Italia's Board of Directors has prepared the results announcement for the three months ended 31 March 2020 on a going concern basis. This reflects the steps taken to meet the Company's financing requirements and the reasonable likelihood that agreement will be reached with the Government and the MIT (that would bring long-term structural stability and allow Autostrade per l'Italia to strengthen its financial structure, thanks to readier access to the credit market), leading the Company to believe that all the risks and uncertainties are reasonably surmountable.

Group operating review

Traffic performance

Traffic on the Group's motorway network in the first quarter of 2020 was down 20.7% compared with the same period of the previous year[3]. The reduction primarily regarded the number of kilometres travelled by vehicles with 2 axles, which is down 23.4%, whilst the figure for vehicles with 3 or more axles is down 5.9%. Traffic during the first quarter was significantly impacted by the spread of Covid-19 in Italy from the last week in February, and by the subsequent progressive introduction of restrictions on movement.

Traffic on the network operated under concession in Q1 2020

	KM TRAVELLED (IN MILLIONS)		
OPERATOR	Q1 2020	Q1 2019	% change
Autostrade per l'Italia	8,207.7	10,353.4	-20.7%
Autostrade Meridionali	314.4	390.2	-19.4%
Tangenziale di Napoli	179.6	226.5	-20.7%
Autostrada Tirrenica	37.5	47.5	-21.0%
Raccordo Autostradale Valle d'Aosta	23.4	27.4	-14.8%
Società Italiana per il Traforo del Monte Bianco	2.2	2.7	-18.9%
TOTAL AUTOSTRADE PER L'ITALIA GROUP	**8,764.7**	**11,047.7**	**-20.7%**

The figures are in millions of kilometres travelled, after rounding to the nearest decimal place.
The quarterly performance includes the leap-year effect, equal to 0.8%.

(3) Includes the leap-year effect, equal to 0.8%.

Weekly traffic trends at Autostrade per l'Italia

Change in weekly traffic figures in 2020 versus same weeks in 2019(*)

Week	ADT	Week	ADT
1	2.0%	13	-80.9%
2	2.9%	14	-81.5%
3	0.9%	15	-80.8%
4	2.9%	16	-84.3%
5	6.5%	17	-81.0%
6	-0.2%	18	-74.3%
7	-0.5%	19	-57.2%
8	0.0%	20	-54.1%
9	-17.3%	21	-45.9%
10	-23.6%	22	-45.3%
11	-59.9%	23	-30.4%
12	-75.1%	**YTD** (from 1 January 2020 to 7 June 2020)	**-40.7%**

(*) Traffic figures are provisional from week 18.

Capital expenditure

Capital expenditure by the Autostrade per l'Italia Group in the first quarter of 2020 amounts to €105m.

(€m)	Q1 2020	Q1 2019
Autostrade per l'Italia -projects in Agreement of 1997	37	47
Autostrade per l'Italia - projects in IV Addendum of 2002	21	27
Autostrade per l'Italia: other capital expenditure (including capitalised costs)	37	43
Other operators (including capitalised costs)	2	2
Total investment in infrastructure operated under concession	**97**	**119**
Investment in other intangible assets	5	4
Investment in property, plant and equipment	3	2
Total capital expenditure	**105**	**125**

Work on the following projects continued in the first quarter of 2020:

- projects included in the Agreement of 1997, with particular regard to the widening of the A1 between Barberino and Florence North and between Florence South and Incisa to three lanes;
- projects included in the IV Addendum of 2002, with particular regard to works involved in completion of the widening to three lanes of the A14, the interventions included in the second phase of the Tunnel Safety Plan and work on the fifth lane of the A8 motorway between Milan North and the Lainate Link Road;
- major works included in other capital expenditure: with particular regard to work on construction of the fourth free-flow lane for the A4 in the Milan area.

Group financial review

Introduction

The international financial reporting standards (IFRS) endorsed by the European Commission and in effect as at 31 March 2020 were used in the preparation of the accounts for the first quarter of 2020. The standards are unchanged with respect to those used in the preparation of the consolidated financial statements for the year ended 31 December 2019.

The scope of consolidation as at 31 March 2020 is unchanged with respect to 31 December 2019.

The spread of the Covid-19 epidemic, the Italian Government's declaration of a health emergency and the resulting quarantine measures and restrictions on movement had a significant impact on the performance of traffic. This has had an estimated overall impact on EBITDA of approximately €151m (€102m after tax).

With regard to the collapse of a section of the Polcevera road bridge on the A10 Genoa-Ventimiglia motorway on 14 August 2018, no further provisions were made or operating costs incurred during the first quarter of 2020. This means that the total cost of €520m reported at the end of 2019 is unchanged. In addition to this amount, the decision to exempt road users in the Genoa area from the payment of tolls in the first quarter of 2020 has resulted in an estimated reduction in toll revenue of €4m (a total of €26m in 2019 and 2018). In particular, in financial terms as at 31 March 2020:

- at the request of the Special Commissioner for Genoa, and without prejudice to the objections raised in correspondence with the Commissioner and in the legal challenges brought, the Company has paid out a total of €320m, including €265m net of the remaining advance payment for the start-up of work and VAT, which was covered by use of the related provisions for repair and replacement (of which €40m in the first quarter of 2020);
- compensation of €54m 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 (including €3m in the first quarter of 2020).

Consolidated operating results

"**Operating revenue**" for the first quarter of 2020 totals €728m, a reduction of €168m compared with the comparative period (€896m).

"**Toll revenue**" of €663m is down €151m compared with the first quarter of 2019 (€814m). This reflects the sharp fall in traffic on the network, registered from the end of February 2020 and amounting to a reduction of 20.7% (down 18.1% after also taking into account the positive effect of the traffic mix. This essentially reflects the negative impact of the limitations and restrictions on movement that followed the spread of Covid-19.
It should be noted that toll revenue includes €68m (€85m in the same period of 2019) in surcharges matching the addition to the concession fee payable to ANAS and accounted for in operating costs under the item "concession fees". The reduction of €17m is linked to the decline in kilometres travelled during the first quarter.
After stripping out the above surcharges, total revenue is down €134m compared with the first quarter of 2019.

"**Other operating income**" amounts to €65m (€82m in the first quarter of 2019). The reduction of €17m primarily reflects reduced royalties from service areas due to the decline in traffic during the Covid-19 lockdown.

The "**Cost of materials and external services**" amounts to €181m, a reduction of €68m compared with the first quarter of 2019 (€249m). This essentially reflects the costs connected with work on reconstruction of the Polcevera road bridge (€40m in the first quarter of 2020 and €123m in the first quarter of 2019). The impact of these costs on EBITDA is essentially offset by use of the related provisions for repair and replacement accounted for in the "Operating change in provisions". After stripping out these costs, the increase is €15m and is essentially linked to increased maintenance work on the network, above all at Autostrade per l'Italia, regarding the continued implementation of network surveillance, inspection, maintenance and safety programmes. These increased costs were partially offset by a reduction in the variable costs linked to winter operations, reflecting kinder weather conditions during the first quarter of 2020, compared with the comparative period.

"**Concession fees**", totalling €83m, are down €22m compared with the first quarter of 2019 (€105m), reflecting the reduction in fees relating to toll revenue and sub-concession arrangements as a result of the above negative impact on motorway traffic.

"**Net staff costs**" of €113m are down €10m compared with the first quarter of 2019 (€123m). This essentially reflects the reduction in the fair value of management incentive plans and a decrease in the average workforce of 158. The latter primarily reflects a slowdown in turnover among the toll collectors employed by the motorway companies and a reduction in the volume of work carried out by Giove Clear due to the Covid-19 emergency, partially offset by Autostrade per l'Italia's recruitment of new operating and technical personnel.

The **"Operating change in provisions"** generated income of €40m (€65m in the first quarter of 2019). This essentially reflects the use of provisions for the repair and replacement of motorway infrastructure to fund work on reconstruction of the Polcevera road bridge (€40m from provisions already made as at 31 December 2019).

"**Gross operating profit**" **(EBITDA)** of €391m is down €93m compared with the first quarter of 2019 (€484m), essentially due to the above impact on revenue of restrictions on movement. On a like-for-like basis, EBITDA is down €134m (25%).

"**Amortisation and depreciation, impairment losses and reversals of impairment losses**", totalling €161m, is down €7m compared with the comparative period (€168m).

"**Operating profit**" **(EBIT)** of €230m is thus down €86m compared with the first quarter of

2019 (€316m).

“**Net financial expenses**” of €116m are up €11m compared with the same period of 2019 (€105m). This reflects an increase in fair value losses (€21m), essentially linked to the change in fair value losses on derivatives classified as not qualifying for hedge accounting in 2019, partially offset by a reduction in financial expenses linked to the lower amount of debt in the first quarter of 2020 compared with the comparative period (€4m).

“**Income tax expense**” of €42m is down €21m compared with the first quarter of 2019 (€63m), broadly in line with the decline in pre-tax profit from continuing operations.

“**Profit for the period**” of €69m is down €149m compared with the first quarter of 2019 (€147m). On a like-for-like basis, profit for the period is down €112m (61%).

“**Profit for the period attributable to owners of the parent**”, amounting to €68m, is down €78m compared with the first quarter of 2019 (€146m). On a like-for-like basis, profit for the period attributable to owners of the parent is down €109m.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT (*)

€m	Q1 2020	Q1 2019	Increase/(Decrease) Absolute	%
Toll revenue	663	814	-151	-19
Other operating income	65	82	-17	-21
Total operating revenue	**728**	**896**	**-168**	**-19**
Cost of materials and external services	-181	-249	68	-27
Concession fees	-83	-105	22	-21
Net staff costs	-113	-123	10	-8
Operating change in provisions	40	65	-25	-38
Total net operating costs	**-337**	**-412**	**75**	**-18**
Gross operating profit (EBITDA)	**391**	**484**	**-93**	**-19**
Amortisation, depreciation, impairment losses, reversals of impairment losses and provisions for renewal work	-161	-168	7	-4
Operating profit (EBIT)	**230**	**316**	**-86**	**-27**
Financial income/(expenses), net	-116	-105	-11	10
Share of profit/(loss) of investees accounted for using the equity method	-3	-1	-2	n.s.
Profit/(Loss) before tax from continuing operations	**111**	**210**	**-99**	**-47**
Income tax expense	-42	-63	21	-33
Profit/(Loss) from continuing operations	**69**	**147**	**-78**	**-53**
Profit/(Loss) from discontinued operations	-	-	-	-
Profit for the period	**69**	**147**	**-78**	**-53**
(Profit)/Loss attributable to non-controlling interests	1	1	-	-
(Profit)/Loss attributable to owners of the parent	**68**	**146**	**-78**	**-53**

	Q1 2020	Q1 2019	Increase/ (Decrease)
Basic earnings per share attributable to the owners of the parent (€)	**0,11**	**0,23**	**-0,12**
of which:			
- from continuing operations	0,11	0,23	-0,12
- from discontinued operations	-	-	-
Diluted earnings per share attributable to the owners of the parent (€)	**0,11**	**0,23**	**-0,12**
of which:			
- from continuing operations	0,11	0,23	-0,12
- from discontinued operations	-	-	-

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

Consolidated financial position

As at 31 March 2020, "**Non-current non-financial assets**", totalling €17,905m, are down €103m compared with the figure as at 31 December 2019 (€18,008m). This primarily reflects the amortisation of intangible assets deriving from concession rights (€149m), partially offset by investment during the period in construction services for which additional economic benefits are received (€28m) and an updated estimate of future investment in construction services for which no additional benefits are received, in part due to the significant fall in interest rates during the period (€22m).

"**Working capital**" reports a negative balance of €3,668m (a negative €3,692m as at 31 December 2019). The reduction of €24m primarily reflects a combination of the following:

- a €123m reduction in trading liabilities, essentially due to a decline in amounts payable by Autostrade per l'Italia to the operators of interconnecting motorways and in tolls in the process of settlement, reflecting the decline in traffic registered in March 2020 as a result of Covid-19, and a decrease in amounts payable to suppliers, primarily due to the performance of capital expenditure;
- a reduction of €46m in the current portion of provisions, essentially due to the above use of provisions for the repair and replacement of motorway infrastructure to fund preparations for the reconstruction of the Polcevera road bridge (€40m);
- a €149m decrease in trade receivables, reflecting the reduction in motorway tolls registered in March 2020.

"**Non-current non-financial liabilities**", totalling €3,597m, are down €107m compared with the figure as at 31 December 2019. This primarily reflects a reduction of €134m in the non-current portion of provisions for construction services required by contract, essentially due to reclassification of the current portion (€155m), partially offset by an updated estimate of the present value on completion of the works to be carried out (€22m).

"**Net invested capital**" of €10,640m is up €28m compared with 31 December 2019 (€10,612m).

"**Equity**" amounts to €2,299m (€2,220m as at 31 December 2019). "**Equity attributable to owners of the parent**", totalling €1,941m, is up by a total of €77m compared with the figure as at 31 December 2019, essentially due to profit for the period (totalling €68m). "**Equity attributable to non-controlling interests**" of €358m is up €2m compared with the figure as at 31 December 2019 (€356m).

The Group's "**Net debt**" as at 31 March 2020 amounts to €8,341m, a reduction of €51m compared with 31 December 2019 (€8,392m).

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (*)

€m	31 March 2020	31 December 2019	Increase/ (Decrease)
Non-current non-financial assets (A)	17,905	18,008	-103
Working capital (B)	-3,668	-3,692	24
Gross invested capital (C=A+B)	14,237	14,316	-79
Non-current non-financial liabilities (D)	-3,597	-3,704	107
NET INVESTED CAPITAL (E=C+D)	10,640	10,612	28
Equity attributable to owners of the parent	1,941	1,864	77
Equity attributable to non-controlling interests	358	356	2
Total equity (F)	2,299	2,220	79
Non-current net debt (G)	8,664	9,334	-670
Current net funds (H)	-323	-942	619
Net debt (I=G+H)	8,341	8,392	-51
NET DEBT AND EQUITY (L=F+I)	10,640	10,612	28

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

As at 31 March 2020, the Group has lines of credit with a weighted average residual term to maturity of approximately five years and seven months and a weighted average residual drawdown period of approximately two years.

Consolidated cash flow

"**Net cash from operating activities**" in the first quarter of 2020 amounts to €155m, a reduction of €43m compared with the same period of 2019. This reflects:

- a reduction of €22m in operating cash flow, reflecting the increase in income taxes paid, given that the negative impact of the spread of Covid-19 in the first quarter of 2020 (€102m) was broadly offset by the reduced impact of the cost of demolition and reconstruction of the Polcevera road bridge and the compensation paid to the families of the victims and the injured (€98m). On a like-for-like basis, operating cash flow for the first quarter of 2020 is down €117m (31%) compared with the comparative period, essentially due to the above negative impact of the spread of Covid-19;
- an increase in the outflow for movements in operating capital and non-financial assets and liabilities (totalling €21m).

"**Cash used for investment in non-financial assets**", totalling €105m, is essentially linked to capital expenditure in the period.

"**Net equity cash outflows**" amount to zero in the first quarter of 2020, marking a reduction of €5m compared with the comparative period. This reflects dividends declared by Group companies for payment to non-controlling shareholders in the same period of 2019.

In addition, other changes during the first quarter of 2020 have resulted in a reduction in net debt of €1m.

In contrast, other changes during the first quarter of 2019 resulted in an increase of €77m in net debt, above all reflecting an increase in fair value losses on derivative financial instruments (€74m), due to the reduction in the relevant interest rates recorded as at 31 March 2019.

The overall impact of the above cash flows has reduced net debt by €51m as at 31 March 2020 compared with 31 December 2019.

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT(*)

€m	Q1 2020	Q1 2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Operating cash flow	224	246
Change in operating capital	34	-24
Other changes in non-financial assets and liabilities	-103	-24
Net cash generated from/(used in) operating activities (A)	**155**	**198**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS		
Capital expenditure	-105	-125
Government grants related to assets held under concession	-	-
Increase in financial assets deriving from concession rights (related to capital expenditure)	-	-
Purchases of investments	-	-3
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments	-	-
Proceeds from sales of consolidated investments, including net debt transferred	-	-
Net cash from/(used in) investment in non-financial assets (B)	**-105**	**-128**
NET EQUITY CASH INFLOWS/(OUTFLOWS)		
Dividends declared by Autostrade per l'Italia and Group companies and payable to non-controlling shareholders	-	-5
Net equity cash inflows/(outflows) (C)	**-**	**-5**
Increase/(Decrease) in cash and cash equivalents during period (A+B+C)	**50**	**65**
Other changes in net debt (D)	**1**	**-77**
Decrease/(Increase) in net debt for period (A+B+C+D)	**51**	**-12**
Net debt at beginning of period	**-8,392**	**-8,813**
Net debt at end of period	**-8,341**	**-8,825**

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

Significant regulatory and legal aspects

In addition to the information already provided in the Annual Report for 2019, this section provides details of updates or new developments relating to significant regulatory and legal events affecting Group companies and occurring through to the date of approval of this results announcement for the three months ended 31 March 2020.

Correspondence with the Ministry of Infrastructure and Transport regarding the procedure for serious breach of the concession arrangement and the potential for a negotiated solution

With regard to correspondence with the Ministry of Infrastructure and Transport (the "MIT"), aimed at resolving the dispute over the Ministry's allegations of serious breaches of the Concession Arrangement following the collapse of a section of the Polcevera road bridge, it should be noted that, as reported in greater detail in the Annual Report for the year ended 31 December 2019, on 5 March 2020, Autostrade per l'Italia sent the MIT a new proposal in which - whilst confirming the objections raised - the Company reiterated its willingness, shared by Atlantia, to find an agreed and final solution to the dispute, which would also be in the public interest.

After further discussions with the MIT, on 6 April 2020 and 8 April 2020, Autostrade per l'Italia sent further letters to (i) the MIT and (ii) the Prime Minister and the Ministers of Infrastructure and Transport and of the Economy and Finance, the content of which is described in detail in the above-mentioned Annual Report.

Lastly, on 13 May 2020, Autostrade per l'Italia sent a memorandum to the Minister of Infrastructure and Transport and the Minister of the Economy and Finance, reiterating the need to rapidly agree on a resolution of the dispute initiated by the MIT. This is based on the fact that the continuing uncertainty over a resolution of the dispute is no longer sustainable for the Company and, at the same time, presents a serious obstacle to the regular continuation and implementation of its investment programme. The situation has been further exacerbated by Cassa Depositi e Prestiti's decision to turn down Autostrade per l'Italia's request to draw down funds under the facility agreed in December 2017, citing the failure to meet the related suspensive conditions due to the pending dispute with the MIT and the changes introduced by art. 35 of the *Milleproroghe* Decree.

Furthermore, on 21 May 2020, Autostrade per l'Italia also requested access in order to "view and make copies of all the papers, reports, opinions, assessments, correspondence, technical, financial and contractual documents and any other paper and/or document prepared and/or produced and/or used" by the Ministry or in its possession.

Whilst continuing to have confidence in a rapid and positive solution to the situation faced by Autostrade per l'Italia, based on the progress of talks with the MIT, the Ministry of the Economy and Finance and the Cabinet Office, and the legislative and/or regulatory framework, including with regard to the eventual outcome of the challenges contesting the provisions contained in the *Milleproroghe* Decree, Autostrade per l'Italia will, in any event, have the option of exercising all the rights granted to it under the terms of the concession arrangement, as confirmed by the opinions provided by the Company's legal advisors.

Law Decree 162 of 30 December 2019 (the so-called *Milleproroghe* Decree)

With regard to art. 13 of Law Decree 162 of 30 December 2019 (the so-called *Milleproroghe* Decree), converted into law on 28 February 2020, Autostrade per l'Italia has duly raised issues relating to conflict with EU and constitutional law in the legal challenges filed before Lazio Regional Administrative Court, contesting the measures implementing the legislation.
With regard to art. 35 of the *Milleproroghe* Decree, Autostrade per l'Italia has asked Lazio Regional Administrative Court to rule on whether articles 8, 9 and 9-*bis* of the Concession Arrangement are still valid and in force.
Based on the developments: (i) talks with the MIT, the Ministry of the Economy and Finance and the Cabinet Office, and (ii) the legislative and/or regulatory framework, including with regard to the eventual outcome of the challenges contesting the provisions contained in the *Milleproroghe* Decree, Autostrade per l'Italia will, in any event, have the option of exercising all the rights granted to it under the terms of the concession arrangement, as confirmed by the opinions provided by the Company's legal advisors.

Legal challenges brought by the company before Liguria Regional Administrative court against the actions taken by the Special Commissioner pursuant to Law Decree 109/2018

Following Liguria Regional Administrative Court's decision to ask the Constitutional Court to rule on the issues of constitutional legitimacy raised by Autostrade per l'Italia, the Court has scheduled a public hearing to discuss the case for 8 July 2020.

On the other hand, with regard to the appeals brought by the authorities - the Special Commissioner for the Reconstruction, the Cabinet Office and the MIT – challenging the headings of the rulings on the preliminary issues raised by Autostrade, the Council of State has scheduled hearings on all four appeals for 8 October 2020.

Investigation by the Public Prosecutor's Office in Genoa

With regard to the criminal action before the Court of Genoa following the collapse of a section of the Polcevera road bridge, two pre-trial hearings were arranged by the preliminary investigating magistrate. The first, aimed at ascertaining the conditions at the time of the collapse, concluded with the filing of an initial report prepared by experts on 31 July of last year, followed by a hearing to examine the report on 20 September 2019.

On the other hand, with regard to the second pre-trial hearing, the purpose of which is to determine the causes of the collapse, following the entry into force of Law Decree 11 of 8 March 2020, containing "*Extraordinary and urgent measures to combat the Covid-19 epidemic and contain the negative impact on the judicial system*" and the later Law Decree 23 of 8 April, containing "*Urgent measures regarding access to credit and tax compliance for businesses, special powers in strategic sectors, measures relating to health and labour, and extensions to administrative and court proceedings*", in a ruling dated 13 May 2020, the preliminary investigating magistrate extended the deadline for filing the expert report to 31 July 2020, scheduling the date of the hearing to be held for the purpose of appointing and swearing in a new technical expert for 14 July 2020.

Five-yearly update of the financial plan

With regard to the current five-yearly update of the financial plan, reported on in the Annual Report for 2019, it should be noted that, on 21 May 2020, the Grantor sent all motorway operators a memorandum announcing its decision to extend the deadline for submitting the related financial plans until 20 June 2020, due to the Covid-19 health emergency.

Autostrade per l'Italia had already submitted its updated financial plan for the period 2020-2024 to the Grantor on 8 April 2020, expressing the hope that the plan would be accompanied by the definition of a stable, effective regulatory and concession framework.

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

With regard to Autostrade Meridionali's appeal to the Campania Regional Administrative Court against the decision to award the SIS Consortium the new concession to operate the A3 Naples-Pompei-Salerno motorway, requesting its cancellation after suspension of the award, on 13 May 2020, the Court rejected Autostrade Meridionali's request for a provisional injunction halting the award and, at the same time, scheduled a hearing on the merits of the case to be held on 7 October 2020.

Autostrada Tirrenica - judgement of the Court of Justice of 18 September 2019 and art. 35 of the *Milleproroghe* Decree

Following conversion into law of the *Milleproroghe* Decree, on 14 May 2020, Autostrade Tirrenica filed a legal challenge with Lazio Regional Administrative Court. The operator has requested the Court to rule on whether the articles in the operator's Concession Arrangement are still valid and in force, having granted relief in the form of non-application of art. 35, paragraphs 1 and 1-*ter* of Law Decree 162 of 30 December 2019, converted with amendments into Law 8 of 28 February 2020, or relief in relation to issues regarding the interpretation of EU law and connected issues relating to constitutional law.

The operator's challenge primarily requests the Court to confirm the validity and effectiveness of the provisions in the concession arrangement, having granted relief in the form of non-application of art. 35, paragraphs 1 and 1-*ter* of the Milleproroghe Decree as it breaches numerous constitutional principles, in addition to certain basic EU principles, above all those regarding legal certainty and legitimate expectations forming the basis of the fundamental freedoms established by articles 49 *et seq.* and 63 *et seq.* of the Treaty on the Functioning of the European Union.

The challenge also requests the Court to rule on the validity and effectiveness of the provisions in the Single Concession Arrangement, following the referral of preliminary issues to the European Court, and of the issue of constitutional legitimacy to the Constitutional Court.

Other information

Oil and food service royalties for service areas

In response to the Covid-19 epidemic, from the second week of March, Autostrade per l'Italia has adopted a series of financial initiatives to support oil and food service providers at service areas. This has been done with the aim of safeguarding jobs, maintaining quality and health and safety standards for consumers, and ensuring that refreshments and fuel are available 24 hours a day, seven days a week, despite the fact that there are almost no customers. This is in line with the obligation to remain open for business imposed on service providers by measures introduced by the Government.

Events after 31 March 2020

Request for the drawdown of funds from Cassa Depositi e Prestiti

On 3 April 2020, Autostrade per l'Italia requested the disbursement of funds totalling €200m under the credit facility agreed with Cassa Depositi e Prestiti SpA ("CDP") on 15 December 2017. The request regards use of the Revolving Credit Facility tranche to meet the Company's working capital requirements.

In a letter dated 24 April 2020, Cassa Depositi e Prestiti replied that not all the suspensive conditions that would permit the requested disbursement had been met, and that it would not disburse the funds requested, basing its decision in part on the measures introduced by art. 35 of the *Milleproroghe* Decree. Cassa Depositi e Prestiti has, moreover, announced that, in view of the prolonged nature of the emergency and the resulting need to support the future recovery, and the need, expressed by Autostrade per l'Italia, to use part of the funds to finance delivery of its Business Plan, including major investment, the request for disbursement will be assessed following further dialogue with the Company. Following the reply of 24 April, talks regarding satisfaction of the conditions to which disbursement is subject have continued without result.

Financial support from the parent, Atlantia, and other short-term financing

On 24 April 2020, Atlantia provided Autostrade per l'Italia with a Letter of Support, committing the parent to provide the Company with a line of credit of up to €900m, where necessary and subject to the Company's inability to secure other sources of funding. The facility breaks down into two tranches to be disbursed by 31 December 2020 and maturing on 31 December 2021. The support is subject to the Company's continued ability to operate as a going concern and the absence of events or circumstances – that cannot be resolved by such financial support – that could prevent the Company from meeting its debt obligations.

On 10 June 2020, a contract as signed for the first tranche of up to €400m, maturing on 15 January 2021 (to be used by 15 December 2020).

The Company has prepared and is in the process of finalising other short-term financial transactions, partly taking advantage of urgent legislation introduced to provide aid for businesses. These transactions will, together with the above transactions, enable the Company to meet the funding requirements that may also result from the sharp decline in traffic expected to take place in 2020 as a result of the Covid-19 emergency.

The above actions are designed to provide the Company with the financing necessary to meet its funding requirements, based on current reasonable expectations for 2020 and 2021, taking into account the significant decline in traffic caused by the Covid-19 emergency, the Company's existing debt obligations and implementation of its investment and maintenance programmes.

Request for SACE-backed financing

In May 2020, Autostrade per l'Italia began the process of applying for loans from a number of banks that would benefit from guarantees provided by SACE under art. 1, paragraph 7 of the *Liquidità* Decree, which is designed to support companies in financial difficulty due to the Covid-19 emergency, taking into account ASPI's role in managing "critical and strategic infrastructure" and its "impact on employment and the labour market". Unicredit, acting as agent bank, has begun the arrangement process with SACE with the aim of obtaining a guarantee for 70% of the nominal amount of the facility, with a term to maturity of 3 years.

Outlook and risks or uncertainties

At the date of preparation of this results announcement, there are significant ongoing uncertainties surrounding Autostrade per l'Italia's concession and regulatory framework and the resulting financial and liquidity risks, which have also been caused by the restrictions on movements introduced in order to combat the spread of the Covid-19 pandemic.

The resulting reductions in traffic are having a negative impact on the ability of Group companies to generate cash to fund planned investment and to service debt.

The Group has responded to the consequences of the decline in traffic by rapidly taking steps to implement cost efficiencies and cuts and partially revise its investment programme, whilst continuing to ensure continued investment in the safety of infrastructure. The Group is also looking into taking advantage of the measures made available by the Government and the authorities to mitigate the impact of the Covi-19 emergency.

It is not at this time possible to foresee how the situation will develop or how long it will take for traffic and the Group's activities to return to pre-existing conditions.

As previously noted in the Annual Report for 2019, considering the traffic figures up to this point, a preliminary sensitivity analysis, conducted with the support of leading research organisations, results in an estimated annual decline in traffic of between 25% and 35% compared with the previous year. This would lead to an estimated reduction in Autostrade per l'Italia's toll revenue of between €850m and €1,100m (including toll surcharges). The assumptions underlying such a sensitivity analysis are, however, subject to change depending on events and on a number of risk factors and uncertainties. As a result, the impact on expected revenue may differ, perhaps significantly, from the above figures.

Group companies are closely monitoring developments in the situation and further cost efficiencies, as well as the potential for taking advantage of government measures designed to mitigate the impact on revenue and the financial position.

The Company has yet to receive a formal response to the proposal submitted to the MIT by Autostrade per l'Italia on 5 March this year, with the aim of reaching agreement on a resolution of the dispute that has been ongoing for almost two years. In the meantime, following the downgrade of the Company's credit rating to below investment grade, following the unilateral and retroactive amendments to legislation, introduced by the *Milleproroghe* Decree, and its resulting inability to access the credit market, Autostrade per l'Italia is availing itself of a loan made available by the parent, Atlantia (amounting to up to €900m) in order to guarantee maintenance of the network and investment in safety, in accordance with all its existing obligations, whilst postponing other investment until it is able to raise the necessary financing.

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.

		Q1 2020				Q1 2019			
€m	Note	Gross operating profit (EBITDA)	Profit/(Loss) for the period	Profit/(Loss) attributable to owners of the parent	Operating cash flow	Gross operating profit (EBITDA)	Profit/(Loss) for the period	Profit/(Loss) attributable to owners of the parent	Operating cash flow
Reported amounts (A)		**391**	**69**	**68**	**224**	**484**	**147**	**146**	**246**
Adjustments for non like-for-like items									
Impact connected with collapse of a section of the Polcevera road bridge	(1)	-4	-3	-3	-39	-6	-4	-4	-137
3.5% IRES surtax on motorway operators	(2)	-	-2	-2	-2	-	-	-	-
Change in discount rate applied to provisions	(3)	-1	3	3	-1	-40	-32	-29	-
Sub-total (B)		**-5**	**-2**	**-2**	**-42**	**-46**	**-36**	**-33**	**-137**
Like-for-like amounts (C) = (A)-(B)		**396**	**71**	**70**	**266**	**530**	**183**	**179**	**383**

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 quarter of 2020 and the first quarter of 2019, the after-tax impact on the income statement and on operating cash flow of (i) reductions in toll revenue, (ii) payments made at the request of the Special Commissioner for Genoa in relation to reconstruction of the Polcevera road bridge, and (iii) the compensation paid to victims' families and the injured, to cover legal expenses and to fund the financial support provided to small businesses and firms;
2) from consolidated amounts for the first quarter of 2020, the overall impact linked to the increase in current tax expense and remeasurement of the deferred tax assets and liabilities of operators resulting from the IRES surtax introduced by the 2020 Stability Law with effect from 2019;
3) from consolidated amounts for the first quarter of 2020 and the first quarter of 2019, 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 2019, 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, 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 Società Italiana per Azioni per il Traforo del Monte Bianco 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 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 assets/liabilities 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	Q1 2020						Q1 2019					
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			663			663			814			814
Revenue from construction services			28						31			
Revenue from construction services - government grants and cost of materials and external	*(a)*	*24*					*(a)*	*28*				
Capitalised staff costs - construction services for which additional economic benefits are received	*(b)*	*2*					*(b)*	*2*				
Revenue from construction services: capitalised financial expenses	*(c)*	*2*					*(c)*	*1*				
Revenue from construction services provided by sub-operators	*(d)*	-					*(d)*	-				
Other revenue	*(e)*		65				*(e)*		82			
Other operating income				*(e+d)*		65				*(e+d)*		82
Revenue from construction services provided by sub-operators				*(d)*	-					*(d)*	-	
Total revenue			**756**						927			
TOTAL OPERATING REVENUE						**728**						**896**
Raw and consumable materials			**-18**		-18				-152		-152	
Service costs			**-236**		-236				-193		-193	
Gain/(Loss) on sale of elements of property, plant and equipment			**-**		-				-		-	
Other operating costs			**-97**						-120			
Concession fees	*(f)*		-83				*(f)*		-105			
Lease expense			-1		-1				-2		-2	
Other			-13		-13				-13		-13	
Use of provisions for construction services required by contract and other provisions				*(j)*	*63*					*(j)*	*83*	
Revenue from construction services: government grants and capitalised cost of materials and external services				*(a)*	*24*					*(a)*	*28*	
Use of provisions for renewal of motorway infrastructure				*(i)*	-					*(i)*	-	
COST OF MATERIALS AND EXTERNAL SERVICES						-181						-249
CONCESSION FEES				*(f)*		-83				*(f)*		-105
Staff costs	*(g)*		**-121**				*(g)*		-130			
NET STAFF COSTS				*(g+b+k)*		-113				*(g+b+k)*		-123
OPERATING CHANGE IN PROVISIONS						40						65
Operating change in provisions			**38**						59			
(Provisions)/ Uses of provisions for repair and replacement of motorway infrastructure			43		43				65		65	
(Provisions)/Uses of provisions for renewal of motorway infrastructure			-2						-6			
Provisions for renewal of motorway infrastructure	*(h)*	*-2*					*(h)*	*-6*				
Uses of provisions for renewal of motorway infrastructure	*(i)*	-					*(i)*	-				
Provisions/(Uses) of provisions for risks and charges			-3		-3				-		-	
TOTAL NET OPERATING COSTS						**-337**						**-412**
GROSS OPERATING PROFIT (EBITDA)						**391**						**484**
Use of provisions for construction services required by contract			**69**						88			
Use of provisions for construction services required by contract	*(j)*	*63*					*(j)*	*83*				
Capitalised staff costs - construction services for which no additional economic benefits are received	*(k)*	*6*					*(k)*	*5*				
Amortisation and depreciation	*(l)*		**-159**				*(l)*		-156			
Depreciation of property, plant and equipment			-5						-6			
Amortisation of intangible assets deriving from concession rights			-149						-146			
Amortisation of other intangible assets			-5						-4			
(Impairment losses)/Reversals of impairment losses	*(m)*		-				*(m)*		-6			
AMORTISATION, DEPRECIATION, IMPAIRMENT LOSSES, REVERSALS OF IMPAIRMENT LOSSES AND PROVISIONS FOR RENEWAL WORK				*(l+h+m)*		**-161**				*(l+h+m)*		**-168**
TOTAL COSTS			**-524**						-610			
OPERATING PROFIT/(LOSS)			**232**						317			
OPERATING PROFIT/(LOSS) (EBIT)						**230**						**316**
Financial income			**32**						27			
Dividends received from investees	*(n)*		-				*(n)*		-			
Other financial income	*(o)*		32				*(o)*		27			
Financial expenses			**-150**						-133			
Financial expenses from discounting of provisions for construction services required by contract and other provisions	*(p)*		-4				*(p)*		-10			
Other financial expenses	*(q)*		-146				*(q)*		-123			
Foreign exchange gains/(losses)	*(r)*		-				*(r)*		-			
FINANCIAL INCOME/(EXPENSES)			**-118**						-106			
Net financial expenses				*(c+n+o+p+q+r)*		**-116**				*(c+n+o+p+q+r)*		**-105**
Share of profit/(loss) of investees accounted for using the equity method			**-3**			**-3**			-1			**-1**
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS			**111**			**111**			210			**210**
Income tax (expense)/benefit			**-42**			**-42**			-63			**-63**
Current tax expense			-17						-45			
Differences on tax expense for previous years			-						2			
Deferred tax income and expense			-25						-20			
PROFIT/(LOSS) FROM CONTINUING OPERATIONS			**69**			**69**			147			**147**
Proft/(Loss) from discontinued operations			-			-			-			-
PROFIT FOR THE PERIOD			**69**			**69**			147			**147**
of which:												
Profit attributable to owners of the parent			**68**			**68**			146			**146**
Profit attributable to non-controlling interests			**1**			**1**			1			**1**

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

€m	31 March 2020						31 December 2019					
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)*		85			85	*(a)*		88			88
Intangible assets	*(b)*		17,628			17,628	*(b)*		17,727			17,727
Investments	*(c)*		80			80	*(c)*		82			82
Deferred tax assets	*(d)*		112			112	*(d)*		111			111
Other non-current assets	*(e)*		-			-	*(e)*		-			-
Total non-current non-financial assets (A)						**17,905**						**18,008**
Working capital												
Trading assets	*(f)*		410			410	*(f)*		559			559
Current tax assets	*(g)*		48			48	*(g)*		48			48
Other current assets	*(h)*		187			187	*(h)*		134			134
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)*		-536			-536	*(i)*		-449			-449
Current provisions	*(j)*		-2,213			-2,213	*(j)*		-2,259			-2,259
Trading liabilities	*(k)*		-1,237			-1,237	*(k)*		-1,360			-1,360
Current tax liabilities	*(l)*		-62			-62	*(l)*		-45			-45
Other current liabilities	*(m)*		-269			-269	*(m)*		-324			-324
Non-financial liabilities related to discontinued operations				*(x)*		-				*(x)*		-
Total working capital (B)						**-3,668**						**-3,692**
Gross invested capital (C=A+B)						**14,237**						**14,316**
Non-current non-financial liabilities												
Non-current portion of provisions for construction services required by contract	*(n)*		-2,178			-2,178	*(n)*		-2,312			-2,312
Non-current provisions	*(o)*		-1,223			-1,223	*(o)*		-1,222			-1,222
Deferred tax liabilities	*(p)*		-170			-170	*(p)*		-141			-141
Other non-current liabilities	*(q)*		-26			-26	*(q)*		-29			-29
Total non-current non-financial liabilities (D)						**-3,597**						**-3,704**
NET INVESTED CAPITAL (E=C+D)						**10,640**						**10,612**
Total equity (F)			**2,299**			**2,299**			**2,220**			**2,220**
Net debt/(Net funds)												
Non-current net debt/(net funds)												
Non-current financial liabilities	*(r)*		**9,029**			**9,029**	*(r)*		**9,682**			**9,682**
Non-current financial assets	*(s)*		**-365**			**-365**	*(s)*		**-348**			**-348**
Total non-current net debt/(net funds) (G)						**8,664**						**9,334**
Current net debt/(net funds)												
Current financial liabilities	*(t)*		**1,236**			**1,236**	*(t)*		**1,168**			**1,168**
Short-term borrowings		*245*			*245*			*245*			*245*	
Current derivative liabilities		*1*			*1*			*1*			*1*	
Intercompany current account payables due to related parties		*21*			*21*			*28*			*28*	
Current portion of medium/long-term borrowings		*938*			*938*			*863*			*863*	
Other current financial liabilities		*31*			*31*			*31*			*31*	
Current financial liabilities related to discontinued operations				*(aa)*	-					*(aa)*	-	
Cash and cash equivalents	*(u)*		**-1,095**			**-1,095**	*(u)*		**-1,619**			**-1,619**
Cash		*-490*			*-490*			*-954*			*-954*	
Cash equivalents		*-10*			*-10*		-	*5*		-	*5*	
Intercompany current account receivables due from related parties		*-595*			*-595*			*-660*			*-660*	
Cash and cash equivalents related to discontinued operations				*(y)*	-					*(y)*	-	
Current financial assets	*(v)*		**-464**			**-464**	*(v)*		**-491**			**-491**
Current financial assets deriving from concession rights		*-410*			*-410*			*-410*			*-410*	
Current financial assets deriving from government grants		*-5*			*-5*			*-25*			*-25*	
Current term deposits		*-4*			*-4*			*-25*			*-25*	
Current portion of other medium/long-term financial assets		*-32*			*-32*			*-23*			*-23*	
Other current financial assets		*-13*			*-13*			*-8*			*-8*	
Financial assets held for sale or related to discontinued operations				*(z)*	-					*(z)*	-	
Total current net debt (H)						**-323**						**-942**
Total net debt (I=G+H)						**8,341**						**8,392**
NET DEBT AND EQUITY (L=F+I)						**10,640**						**10,612**
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)*		**18,270**				*(a+b+c+d+e-s)*		**18,356**			
TOTAL CURRENT ASSETS	*(f+g+h-u-v-y-z+w)*		**2,208**				*(f+g+h-u-v-y-z+w)*		**2,855**			
TOTAL NON-CURRENT LIABILITIES	*(-n-o-p-q+r)*		**12,626**				*(-n-o-p-q+r)*		**13,386**			
TOTAL CURRENT LIABILITIES	*(-i-j-k-l-m+t-x+aa)*		**5,553**				*(-i-j-k-l-m+t-x+aa)*		**5,605**			

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

€M		Q1 2020		Q1 2019	
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		**69**	**69**	**147**	**147**
Adjusted by:					
Amortisation and depreciation		159	159	155	155
Operating change in provisions, excluding uses of provisions for renewal of motorway infrastructure		-46	-46	-85	-85
Financial expenses from discounting of provisions for construction services required by contract and other provisions		4	4	10	10
Share of (profit)/loss of investees accounted for using the equity method		3	3	1	1
Impairment losses/(Reversal of impairment losses) and adjustments of current and non-current assets		-	-	6	6
Net change in deferred tax (assets)/liabilities through profit or loss		25	25	20	20
Other non-cash costs (income)		10	10	-8	-8
Operating cash flow			**224**		**246**
Change in operating capital	(a)		34		-24
Other changes in non-financial assets and liabilities	(b)		-103		-24
Change in working capital and other changes	(a+b)	-69		-48	
Net cash generated from/(used in) operating activities (A)		**155**	**155**	**198**	**198**
NET CASH FROM/(USED IN) INVESTMENT IN NON-FINANCIAL ASSETS					
Investment in assets held under concession		-97	-97	-119	-119
Purchases of property, plant and equipment		-3	-3	-2	-2
Purchases of other intangible assets		-5	-5	-4	-4
Capital expenditure			**-105**		**-125**
Purchases of investments		-	-	-3	-3
Net change in current and non-current financial assets	(c)	10		-11	
Net cash from/(used in) investment in non-financial assets (B)	**(d)**		**-105**		**-128**
Net cash generated from/(used in) investing activities (C)	**(c+d)**	**-95**		**-139**	
NET EQUITY CASH INFLOWS/(OUTFLOWS)					
Dividends declared by Autostrade per l'Italia and Group companies and payable to non-controlling shareholders	(e)		-		-5
Dividends paid	(f)	-		-4	
Net equity cash inflows/(outflows) (D)			**-**		**-5**
Net cash generated during period (A+B+D)			**50**		**65**
Redemption of bonds		-502		-593	
Repayments of medium/long term borrowings (excluding lease liabilities)		-70		-62	
Repayments of lease liabilities		-1		-1	
Net change in other current and non-current financial liabilities		-5		18	
Net cash generated from/(used in) financing activities (E)		**-578**		**-642**	
Change in fair value of hedging derivatives			-		-74
Financial income/(expenses) accounted for as an increase in financial assets/(liabilities)			-1		-1
Other changes			2		-2
Other changes in net debt (F)			**1**		**-77**
(Decrease)/Increase in net debt for period (A+B+D+F)			**51**		**-12**
Net debt at beginning of period			**-8,392**		**-8,813**
Net debt at end of period			**-8,341**		**-8,825**
Increase/(Decrease) in cash and cash equivalents during period (A+C+E+G)		**-518**		**-583**	
NET CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,592**		**1,784**	
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD		**1,074**		**1,201**	

Notes:

a) 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);

b) this item shows the balance of cash flows not generated by operating activities, with an impact on profit/(loss) for the period of companies classified as "discontinued operations";

c) 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;

d) "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;

e) "Dividends declared by Autostrade per l'Italia and Group companies and payable to non-controlling shareholders" 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;

f) "Dividends paid" refer to amounts effectively paid during the reporting period.

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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 €8,707m as at 31 March 2020 (net debt of €8,740m as at 31 December 2019).