Aeroporti di Roma

gruppo Atlantia

ROME FCO BEST AIRPORT 2018 | 2019 BEST IN EUROPE

CONSOLIDATED INTERIM FINANCIAL REPORT AS OF JUNE 30, 2019

CONSOLIDATED INTERIM FINANCIAL REPORT **AS OF JUNE 30, 2019**

Aeroporti di Roma S.p.A.

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Tax Code and Rome
Companies'Register no.: 13032990155
VAT Number 06572251004

Fully paid-in share capital:
Euro 62,224,743.00

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SYNTHETIC DATA AND GENERAL INFORMATION

Interim profile

Total passengers in the first half amounted to 23.4 million (23 million in the first half of 2018), with an increase of 2.0%. The increase was supported in particular by the development of international traffic which grew by 3.3%, while domestic traffic was slightly down (-2.3%). There was increase in movements (+2.4%) and seats (+3.4%), which were offset by a decrease in the coefficient of the load factor which was 77.2% (-1.1% compared to the first half of 2018).

The net income for the period amounted to 108.5 million euros and was essentially in line with the first half of the last financial year (108.9 million euros). Both the aeronautical (+2.2%) and even more so the “non-aeronautical” (+4.8%) components contributed to the growth in revenues (+2.9%). The extent of the increase in operating costs, correlated to the growth in traffic, was in any case compatible, net of amortization, depreciation and provisions, with an improvement in the gross operating margin (267.9 million euros) of 1.8% compared to the first six months of 2018.

The ADR Group has again in 2019 placed the quality of the service among its top priorities. This is confirmed by the fact that for the second consecutive year the “Leonardo da Vinci” Fiumicino airport was the best reviewed European airport. This was confirmed by ACI (Airport Council International) World - the international association of airport managers which independently assesses perceived quality at over 300 airports in the world - which granted Fiumicino airport the 2018 Airport Service Quality Award in March. Thanks to this result, ACI has permanently included the Leonardo da Vinci airport in the list of best awarded airports in the world, together with the international airports of Singapore, Beijing, Shanghai, Toronto, Indianapolis, Mumbai, Delhi and Moscow.

In a further confirmation of the excellence levels achieved by the airport, ACI Europe granted Leonardo da Vinci the Best Airport Award for the second consecutive year. Particularly noteworthy was the excellence of technological and management excellence in support of the efficiency of operations and the quality of services, as well as the high level of attention to airport security, the strict cooperation with air companies, the continuous monitoring of services and clear environmental objectives.

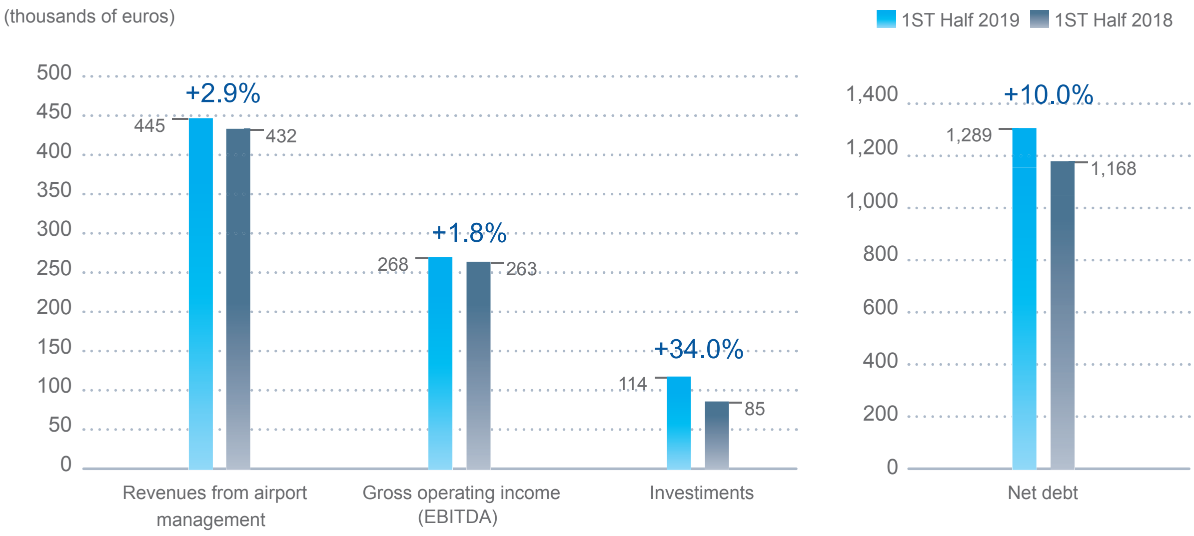
These achievements, in conjunction with the operational efficiency which has made Leonardo da Vinci one of the most punctual airports in Europe, persuaded the distinguished independent jury - composed of representatives of the European Commission, SESAR, the European Civil Aviation Conference (ECAC) and the European Union Aviation Safety (EASA) - to grant Fiumicino airport the 2019 Best Airport Award in June, in the category of airports with more than 25 million passengers, overtaking the airports of Munich, Copenhagen, Dublin, Istanbul Sabina Gökçen, London Gatwick, Moscow Sheremetyevo and Vienna in the final.

The level achieved by ADR was also confirmed by the opinion of Skytrax, the main international rating and valuation company in the airport sector, which again assigned the “4 Skytrax stars” to Leonardo da Vinci after the audit in May 2019. Among the reasons given were again the strong determination of the airport management to guarantee passenger comfort and the excellence of operation.

The initiatives that the ADR Group is pursuing in the context of environmental sustainability are no less relevant. It is to be noted that ADR’s Environmental Management System has been certified according to the ISO 14001 standard for both airports since 2001, and also for 2019 ADR committed to reobtain this certification of conformity according to the new standards set by ISO 14001:2015. The audit by the certifying body was carried out in the first half of the current financial year.

ADR confirms its willingness to guarantee a sustainable approach with respect to the urbanization of the territory. This is confirmed by the adoption of the highest criteria of eco-sustainability compliant with the voluntary LEED (Leadership in Energy and Environmental Design) Certification for the infrastructure in the process of being planned/built as well as the promotion of a “vertical” development of the airport to minimize the use of additional land. The realization of the new Departure Area “A”, currently being executed, and the planning of the new Business City, which will be completed by 2024, comply with these criteria. Both facilities guarantee the adoption of the highest energy efficiency standards, minimizing consumption of resources and soil.

Financial and operating highlights of the group



CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)	1ST HALF 2019	1ST HALF 2018
Revenues from airport management	444,902	432,225
Gross operating margin (EBITDA)	267,901	263,064
EBITDA %	60.2%	60.9%
Operating income (EBIT)	184,487	187,883
EBIT %	41.5%	43.5%
Net income (loss)	108,470	108,861
Group share of income (loss)	108,470	108,861
Investments	113,954	85,059
	06.30.2019	**12.31.2018**
Net invested capital	2,332,296	2,275,060
Shareholders' equity (including minority interests)	1,042,884	1,106,876
Group Shareholders' equity	1,042,884	1,106,876
Net debt	1,289,412	1,168,184
Net debt/Shareholders' equity	1.2	1.1

CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)	1ST HALF 2019	1ST HALF 2018
Net debt/EBITDA (°)	2.2	2.2
RATING	**06.30.2019**	**12.31.2018**
Standard & Poor’s	BBB+	BBB+
Moody’s	Baa2	Baa2
Fitch Rating	BBB+	BBB+

(°) ratios compared to the last 12 months

TRAFFIC VOLUMES	1ST HALF 2019	1ST HALF 2018	%CHANGE
Movements (no./000)	176	172	2.4
Total passengers (no./000)	23,438	22,989	2.0
Total cargo (tons)	96,859	103,526	(6.4%)
GROUP HUMAN RESOURCES	**1ST HALF 2019**	**1ST HALF 2018**	
Average headcount (no. of individuals)	3,153	3,050	3.4%

Corporate bodies

BOARD OF DIRECTORS

(In office until the Shareholders Meeting to approve the 2021 Annual Financial Report)

Chairman
Antonio Catricalà

Managing Director
Ugo de Carolis

Director
Carla Angela
Tommaso Barracco
Giovanni Castellucci
Michelangelo Damasco
Elisabetta De Bernardi di Valserra
Anna Beatrice Ferrino
Francesco Panfilo
Nicola Rossi
Gennarino Tozzi
Marco Troncone

Secretary
Guglielmo Bove

General Manager
Gian Luca Littarru

BOARD OF STATUTORY AUDITORS

(In office until the Shareholders Meeting to approve the 2021 Annual Financial Report)

Chairman
Alessandra dal Verme

Alternate Auditor
Francesco Follina
Carlo Regoliosi

Statutory Auditor
Alessandro Bonura
Pasquale De Falco
Maurizio De Filippo
Pier Vittorio Vietti

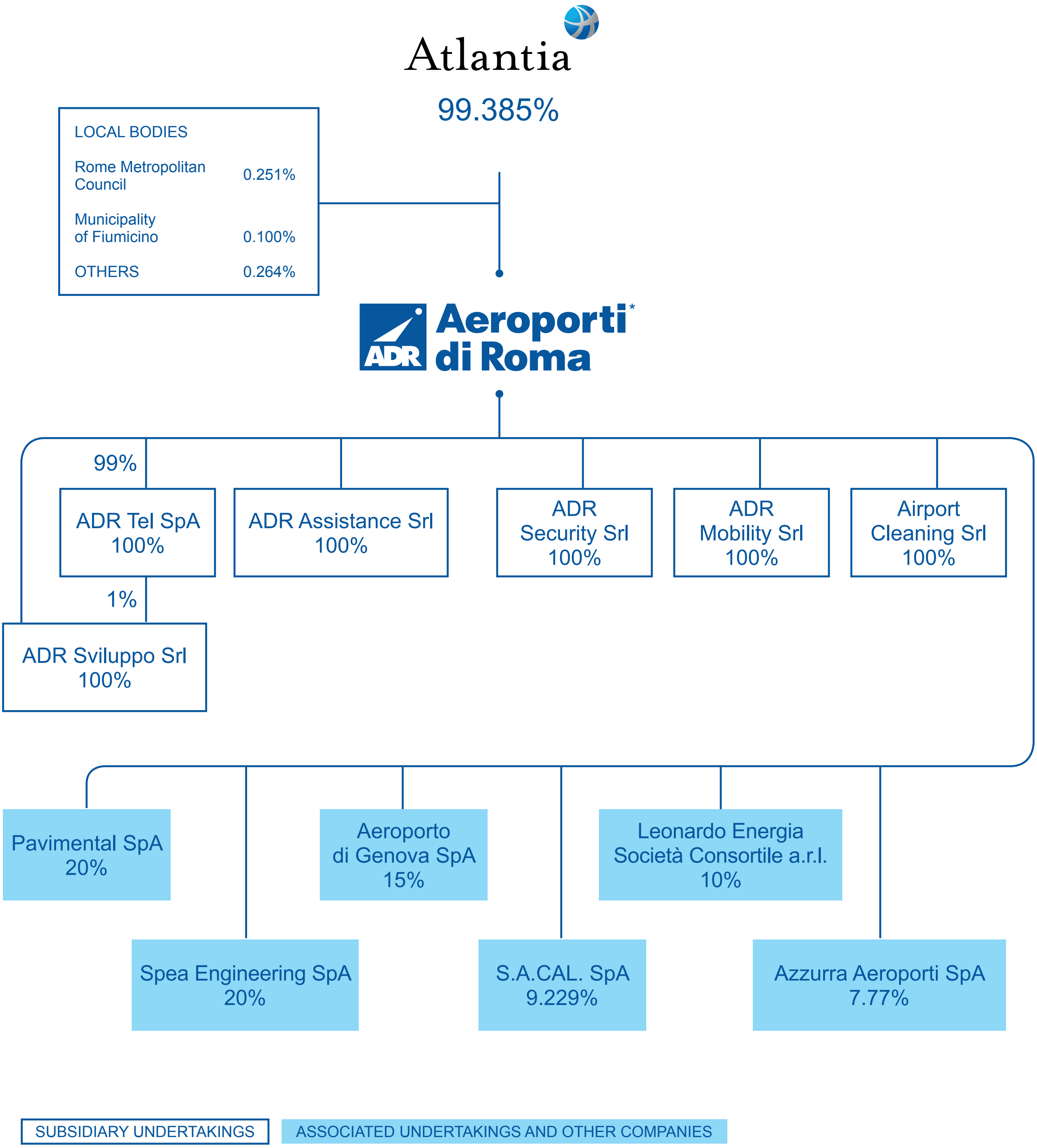
INDEPENDENT AUDITORS

(2013-2021 accounting periods)

EY S.p.A.

The Group's structure

(as of June 30, 2019)



(*) ADR SpA also holds a 25% share in Consorzio E.T.L. - European Transport Law (in liquidation) and a 0.99% share in Consorzio Autostrade Italiane Energia (CAIE)

INTERIM MANAGEMENT REPORT ON OPERATIONS

INTERIM MANAGEMENT REPORT ON OPERATIONS

RESULTS OF THE PERIOD

Traffic performance

Airport business

In the first five months of 2019, the air traffic sector recorded a +3.6%s[1] increase in passengers transported due to the positive development of volumes transported for both the International (+4.6%) and, to a lesser extent, the Domestic (+2.9%) segments.

All geographic areas recorded positive results, from +6.1% in Africa to +1.6% in the Middle East; Europe had the third largest increase, on par with that for North America, just behind Africa and South America, with a growth of +4.1%.

In Italy, passenger traffic[2] grew by +4.8%: the international component recorded a +6.1% increase in volumes, while the Domestic segment grew by +2.5%.

The Roman Airport System

The Roman airport system, in the first six months of 2019, welcomed more than 23.4 million passengers, with a growth of +2.0% compared to the previous year: the international market is the driver of the performance, recording a +3.3% increase in volume, while the domestic market traffic recorded a drop (-2.3%).

In terms of capacity, in the first half of 2019 there was an increase in movements (+2.4%) and seats (+3.4%). These increases, which were higher than that of passenger growth, resulted in a slight decrease in the coefficient of the load factor which, standing at 77.2%, recorded a drop of approximately 1.1%.

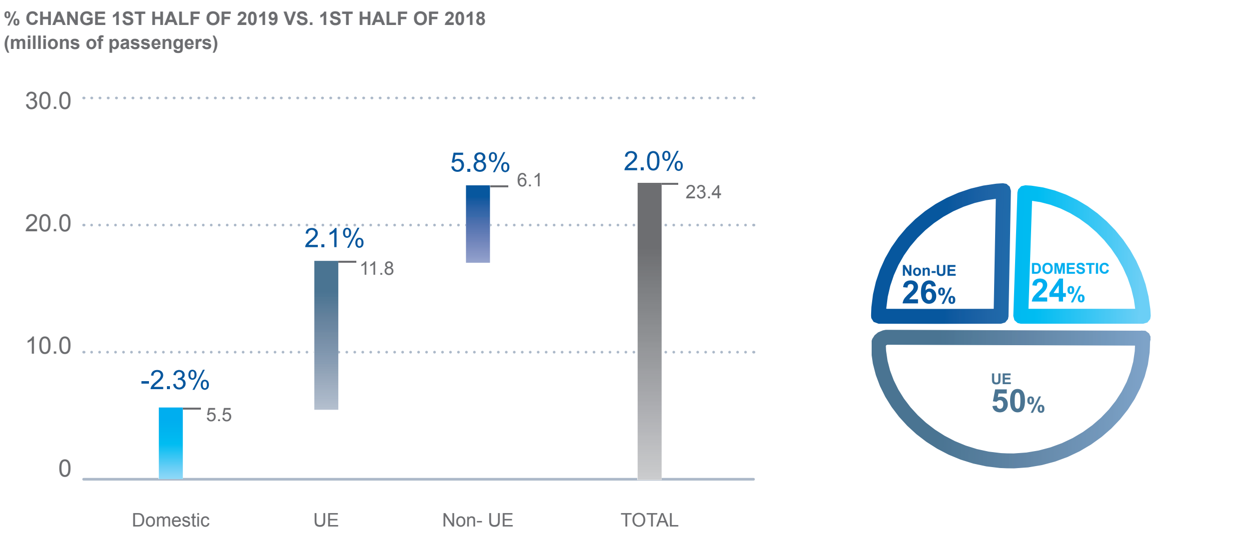
TABLE 1
Main traffic data of the Roman airport system

	1ST HALF 2019	1ST HALF 2018	Δ%
Movements (no.)	**176,013**	**171,851**	**2.4%**
Fiumicino	150,498	145,451	3.5%
Ciampino	25,515	26,400	(3.4%)
Passengers (no.)	**23,438,340**	**22,988,989**	**2.0%**
Fiumicino	20,547,554	20,110,300	2.2%
Ciampino	2,890,786	2,878,689	0.4%
di cui: imbarcati	11,606,392	11,395,901	1.8%
Fiumicino	10,159,719	9,951,509	2.1%
Ciampino	1,446,673	1,444,392	0.2%
Cargo (t.)	**96,859**	**103,526**	**(6.4%)**
Fiumicino	87,834	94,517	(7.1%)
Ciampino	9,025	9,009	0.2%

The graph below shows the trend of passenger traffic both in terms of absolute volumes and percentage difference compared to the same period of the previous year.

1 Source: ACI Pax Flash report, maggio 2019
2 Source: ACI Pax Flash report, maggio 2019

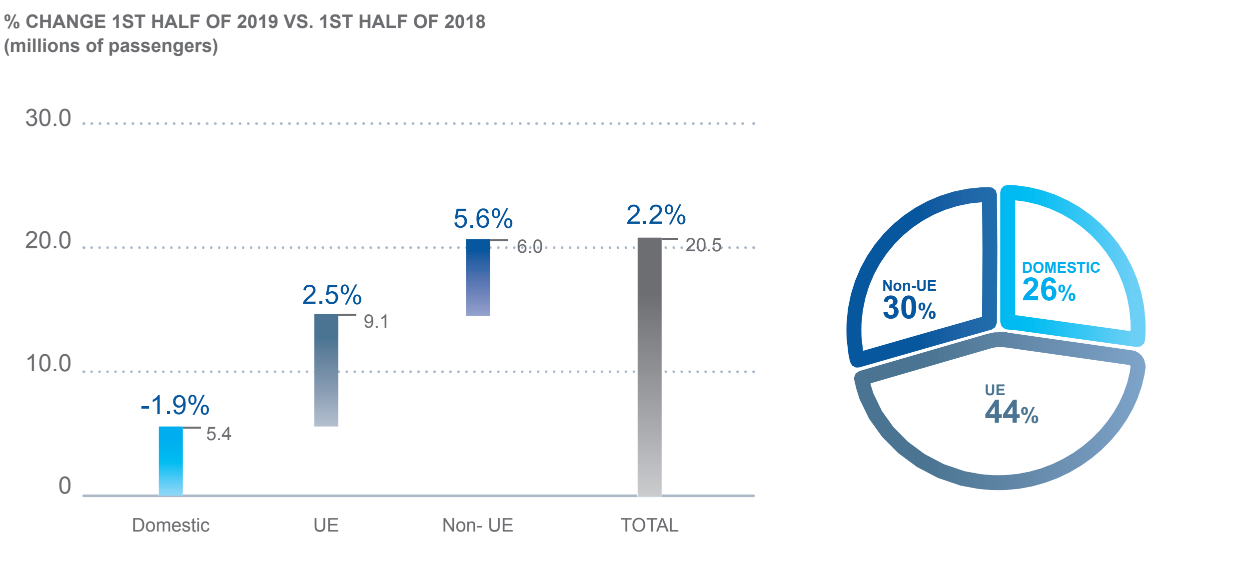
GRAFH 1,
Traffic composition in the first six months of 2019 for the Roman airport system



Fiumicino

In the first half of 2019, Fiumicino airport recorded increasing volumes (+2.2%), having managed more than 20.5 million passengers. International traffic continues to be the growth engine of the Roman airport, which has seen its traffic volume increase by +3.7% from the start of the year, driven in particular by the development of the Non-EU segment (+5.6%) and supported, to a lesser extent, by the growth in the EU segment (+2.5%).

GRAFH 2
Traffic composition in the first six months of 2019 for Fiumicino airport

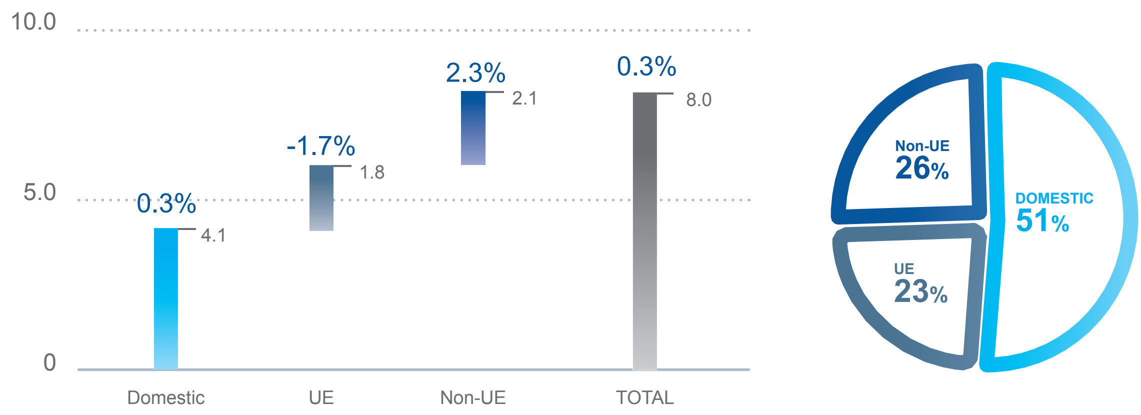


Domestic traffic experienced a decrease, mainly due to a reduction in the offer to the North of Italy and, more generally, in the load factor values recorded in the period under examination.

The growth of international volumes derives from the simultaneous increase both in the short haul sector, thanks to the developments started in 2018 and continued during 2019 in the EU Europe and Non-EU Europe (mainly Russia and Ukraine) sectors, and the significant increase in the long haul sector, especially towards North America, South America and the Far East, the latter driven by the improvements in the routes to China.
Alitalia, the reference carrier for the Fiumicino airport, recorded a +0.3% rise in passengers transported in the first six months of 2019, thanks to the increase in seats offered (+3.7%) and in movements (+3.9%). In the breakdown by sector, the increase in traffic is equally distributed between the Domestic (+0.3%) and the International (+0.4%) sectors, the latter driven by the development of the Non-EU sector (+2.3%).

GRAFH 3
Traffic composition in the first six months of 2019 for the carrier Alitalia

% CHANGE 1ST HALF OF 2019 VS. 1ST HALF OF 2018
millions of euros



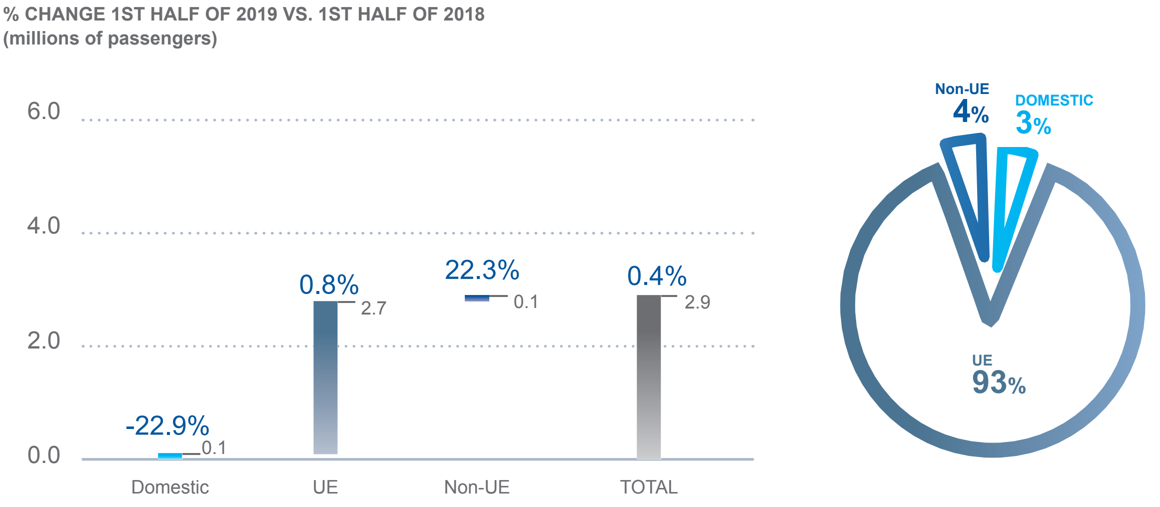
Ciampino

In the first half of 2019, Ciampino airport posted a slight increase in volumes of passengers transported (+0.4%), against a decrease in movements (-3.4%), which led the load factor to grow by +0.7%, to reach 89.1%.

The results are attributable to the good performance of the EU sector (+0.8%) which covers more than 93% of the traffic at this airport, with the growth of the Non-EU sector (+22.3%) almost totally offsetting the decrease in the domestic sector (-22.9%).

GRAFH 4

Traffic composition in the first six months of 2019 for Ciampino airport



Economic and financial situation

Consolidated economic performance

TABLE 1
Reclassified consolidated income statement

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018 (*)	CHANGE	% CHANGE
Revenues from airport management of which:	444,902	432,225	12,677	2.9%
aeronautical revenues	*318,512*	*311,580*	*6,932*	*2.2%*
non-aeronautical revenues	*126,390*	*120,645*	*5,745*	*4.8%*
Revenues from construction services	77,872	51,391	26,481	51.5%
Other operating income	6,345	7,451	(1,106)	(14.8%)
Total revenues	**529,119**	**491,067**	**38,052**	**7.7%**
External operating costs	(80,150)	(77,449)	(2,701)	3.5%
Costs for construction services	(72,960)	(47,297)	(25,663)	54.3%
Concession fees	(17,509)	(17,045)	(464)	2.7%
Payroll costs	(90,144)	(85,809)	(4,335)	5.1%
(Allocation to) Reabsorption of allowances for risks and charges	(455)	(403)	(52)	12.9%
Total net operating costs	**(261,218)**	**(228,003)**	**(33,215)**	**14.6%**
Gross operating margin (EBITDA)	**267,901**	**263,064**	**4,837**	**1.8%**
Amortization and depreciation, write-downs and reversals	(53,040)	(51,393)	(1,647)	3.2%
Provisions for renovation and other adjusting provisions	(30,374)	(23,788)	(6,586)	27.7%
Operating income (EBIT)	**184,487**	**187,883**	**(3,396)**	**(1.8%)**
Financial income (expense)	(23,935)	(25,407)	1,472	(5.8%)
Share of profit (loss) of associates accounted for using the equity method	(1,871)	(2,896)	1,025	(35.4%)
Income (loss) before taxes from continuing operations	**158,681**	**159,580**	**(899)**	**(0.6%)**
Taxes	(50,211)	(50,719)	508	(1.0%)
Net income (loss) from continuing operations	**108,470**	**108,861**	**(391)**	**(0.4%)**
Net income (loss) from discontinued operations	0	0	0	0.0%
Net income (loss) for the period	**108,470**	**108,861**	**(391)**	**(0.4%)**
Share of income (loss) for the period pertaining to third party shareholders	0	0	0	0.0%
Group share of income (loss) for the period	**108,470**	**108,861**	**(391)**	**(0.4%)**

(*) In compliance with the approach adopted from the 2018 Annual Financial Report, the format of the reclassified income statement includes allocations to allowances for risks and charges in the items contributing to the calculation of the Gross Operating Margin (EBITDA). The reclassified income statement of the first half of 2018 was therefore recalculated for comparison purposes.

Revenues

- Revenues from airport management, equal to 444.9 million euros, rose by 2.9% compared to the reference period, due to the growth in aeronautical activities (+2.2%), attributable to the positive trend in traffic volumes and the type of traffic (passengers +2.0%). Revenues for the non-aeronautical sector recorded a positive performance (+4.8%), thanks to the positive trend of commercial sub-concessions (+3.5%) correlated not only to the increase but also the type of passenger traffic, more favorable in terms of propensity to spend. The revenues from real estate management also recorded a positive trend (+9.0%) as did advertising revenues (+17.1%), due to the effect of the new business direct management model.
- Revenues from construction services equaled 77.9 million euros, up compared to the same period in 2018 (26.5 million euros), due to the increase of the development investments compared to 2018.
- Other operating income amounted to 6.3 million euros, down 1.1 million euros compared to the first half of 2018, when significant insurance reimbursements for 0.8 million euros were recorded.

Net operating costs

- External operating costs amount to 80.2 million euros, increasing by 2.7 million euros compared to the comparative period (+3.5%), mainly due to the effect of the increased costs for maintenance activities and commercial support.
- Costs for construction services, equal to 73.0 million euros, increased consistently with the trend of the corresponding revenues already analyzed in the previous paragraph by 25.7 million euros compared to the comparative period.
- Payroll costs, amounting to 90.1 million euros, rose by 5.1% (+4.3 million euros) due to the increase in the average number of employees (+102 fte), as well as the increase in average costs. The trend in the average number of staff is attributable to the increase in traffic and the completion of the process of bringing in-house the fire protection activity at Fiumicino airport and the supervision of customs areas activity at the airports of Fiumicino and Ciampino concluded in August 2018.
- (Allocations to) reabsorption of allowances for risks and charges for -0.5 million euros, due to the combined effect of increased allocations for 1.2 million euros and the reabsorption of pre-existing provisions for risks for 0.7 million euros.

Gross operating margin (EBITDA)

The gross operating margin (EBITDA), equal to 267.9 million euros, rose by 4.8 million euros compared to the first half of 2018 (+1.8%).

Amortization and depreciation

Amortization of intangible assets and depreciation of tangible assets stood at 53.0 million euros and mainly represented amortization of the airport concession owned by the Parent Company Aeroporti di Roma S.p.A. (hereinafter “ADR”, the “Parent Company” or the “Company”). The 1.6 million euros increase compared to the same period of 2018 is attributable to the operational start-up of new systems and infrastructures.

Provisions for renovation and other adjusting provisions

This item, totaling 30.4 million euros (23.8 million euros in the comparative period), is broken down as follows:

- allocation to the provision for the renewal of airport infrastructures, for 29.5 million euros, an increase of 6.4 million euros compared to the comparable period, is attributable for 5.6 million euros to the effect of the update of the interest rate taken as reference for the discounting of the financial flows expected in the future, which recorded a decrease in the period under examination, with a negative impact on the allocation of the period;
- provisions for doubtful accounts, amounting to 0.9 million euros, essentially in line with the first half of 2018 (+0.2 million euros).

Operating income (EBIT)

Operating income (EBIT) came to 184.5 million euros, decreasing by 3.4 million euros (-1.8%) compared to the first half of 2018.

Financial income (expense)

The item Net financial expense, for 23.9 million euros, is decreased compared to the same period in 2018 by 1.5 million euros, essentially due to the effect of the distributed dividend component which increased (3.5 million euros compared to 1.9 million euros in the first half of 2018) due to the contribution of the subsidiary Azzurra Aeroporti S.p.A..

Share of profit (loss) of associates accounted for using the equity method

This item, equal to -1.9 million euros (-2.9 million euros in the first half of 2018), includes the write-down of the equity investments in the associates Spea Engineering S.p.A. for -0.8 million euros (+0.2 million euros for the comparable period) and Pavimental S.p.A. for -1.1 million euros (-3.1 million euros for the comparable period).

Group share of income (loss) for the period

Net of the tax burden estimated for current and deferred taxation at 50.2 million euros (50.7 million euros in the comparative half-year period), the ADR Group recorded a net income of 108.5 million euros in the first half of 2019, essentially in line with the same period of 2018.

TABLE 2

Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
NET INCOME FOR THE PERIOD	**108,470**	**108,861**
Share of cash flow hedge derivative financial instruments	(55,119)	(1,127)
Tax effect	13,229	271
Share pertaining to the “other components of comprehensive income” of equity investments accounted for using the equity method	22	(19)
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(41,868)**	**(875)**
Income (loss) from actuarial valuation of employee benefits	(1,014)	10
Tax effect	244	(6)
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(770)**	**4**
Reclassifications of the other components of the comprehensive income statement for the period	**766**	**771**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(41,872)**	**(100)**
COMPREHENSIVE INCOME FOR THE PERIOD	**66,598**	**108,761**
of which		
Comprehensive income attributable to the Group	66,598	108,761

Consolidated financial performance

TABLE 3
Reclassified consolidated statement of financial position

	(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
	Intangible fixed assets	2,427,495	2,374,328	53,167
	Tangible fixed assets	57,680	44,327	13,353
	Non-current financial assets	71,115	73,008	(1,893)
	Deferred tax assets	51,586	44,290	7,296
	Other non-current assets	401	408	(7)
A	**FIXED ASSETS**	**2,608,277**	**2,536,361**	**71,916**
	Trade assets	351,049	316,334	34,715
	Other current assets	15,832	13,136	2,696
	Current tax assets	7,544	7,739	(195)
	Trade liabilities	(202,094)	(173,732)	(28,362)
	Other current liabilities	(193,299)	(174,797)	(18,502)
	Current tax liabilities	(9,335)	(21,475)	12,140
B	**WORKING CAPITAL**	**(30,303)**	**(32,795)**	**2,492**
	Provisions for employee benefits	(3,268)	(540)	(2,728)
	Provisions for renovation of airport infrastructure	(73,554)	(66,042)	(7,512)
	Other allowances for risks and charges	(7,348)	(7,409)	61
C	**CURRENT SHARE OF PROVISIONS**	**(84,170)**	**(73,991)**	**(10,179)**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	**(114,473)**	**(106,786)**	**(7,687)**
	Non-current liabilities	(161,508)	(154,515)	(6,993)
E	**NON-CURRENT LIABILITIES**	**(161,508)**	**(154,515)**	**(6,993)**
F = A + D + E	**NET INVESTED CAPITAL**	**2,332,296**	**2,275,060**	**57,236**
	Group Shareholders' equity	1,042,884	1,106,876	(63,992)
	Minority interests in Shareholders' equity	0	0	0
G	**SHAREHOLDERS' EQUITY**	**1,042,884**	**1,106,876**	**(63,992)**
	Non-current financial liabilities	1,510,172	1,485,965	24,207
	Other non-current financial assets	(1,943)	(4,517)	2,574
H	**NON-CURRENT NET DEBT**	**1,508,229**	**1,481,448**	**26,781**
	Current financial liabilities	40,902	16,286	24,616
	Current financial assets	(259,719)	(329,550)	69,831
I	**CURRENT NET DEBT**	**(218,817)**	**(313,264)**	**94,447**
L = H + I	**NET DEBT**	**1,289,412**	**1,168,184**	**121,228**
G + L	**HEDGING OF INVESTED CAPITAL**	**2,332,296**	**2,275,060**	**57,236**

Fixed assets

Fixed assets as of June 30, 2019 equaled 2,608.3 million euros, rising by 71.9 million euros compared to the end of 2018, mainly due to the following changes:

- an increase in intangible fixed assets (+53.2 million euros), substantially in relation to the investments for the year (82.0 million euros) and the advances paid to suppliers (21.9 million euros), partly offset by amortization and depreciation (45.4 million euros) and the recovery of advances paid to suppliers (-5.3 million euros);

- an increase in tangible fixed assets of 13.4 million euros due to the capital expenditure for the period (+18.0 million euros), and by the recognition, due to the effect of the application of the new IFRS 16 accounting standard in force from January 1, 2019, of the rights of use of leased assets (3.0 million euros), with a counter entry for the same amount under financial liabilities, corresponding to the current value of the leasing installments yet to be paid. These trends have been in part offset by amortization and depreciation for the period (7.6 million euros);
- a decrease in financial assets (1.9 million euros) attributable to the valuation of associated undertakings accounted for using the equity method, which takes into account the pro rata results of the year equal to -0.8 million euros for Spea Engineering S.p.A. and -1.1 million euros for Pavimental S.p.A.;
- increase in deferred tax assets for 7.3 million euros mainly in relation to the negative change in the fair value of derivatives.

Working capital

The Working Capital was negative at 30.3 million euros and showed an increase of 2.5 million euros compared to December 31, 2018 due to the events described below.

- Commercial assets, equal to 351.0 million euros, increased by 34.7 million euros overall compared to the end of 2018 due to the trade receivables substantially due to a seasonal trend associated to the increase in turnover.
- Trade liabilities increased by 28.4 million euros, essentially as a consequence of the increase of 13.9 million in deferred income for the advance billing of the sub-concession fees and of 14.3 million euros in trade payables for the higher level of investments with respect to the end of the previous financial year.
- Other current liabilities rose by 18.5 million euros overall, mainly as the combined effect of:
    - the increase in the payable for the firefighting service of 3.7 million euros due to the cost accrued in the halfyear period;
    - increase in payables to personnel for 4.5 million euros attributable to the rise in current payables;
    - increase in payables to social security agencies for 2.7 million euros, in relation to the rise in payables to personnel;
    - an increase in the payables for surtax on passenger fees of 1.9 million euros due to the impact of the correlated effect of the performance in the period of this type of collections from carriers. For this type of charge, ADR is an intermediary in the collection of surcharges, which it pays back to the end beneficiaries in the month after the month of collection;
    - increase of 2.7 million euros in IRESA payables, the tax charged to carriers by the Lazio Regional Authority. This payable, which is posted at the time of the receivable arising from amounts charged to the carriers, is settled in line with the collection performance with repayment back to the end beneficiaries by ADR on a quarterly basis.
- Current tax liabilities decreased by 12.1 million euros after the payment of the 2018 tax balance and the advance for 2019, net of the estimated tax burden for the period.

Current share of provisions and non-current liabilities

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Provisions for employee benefits	19,311	19,034	277
Provisions for renovation of airport infrastructure	197,756	181,227	16,529
Other allowances for risks and charges	22,307	24,440	(2,133)
TOTAL	**239,374**	**224,701**	**14,673**
of which:			
- current share	84,170	73,991	10,179
- non-current share (*)	155,204	150,710	4,494

(*) Non-current liabilities also include the item "Other liabilities" equal to 6,304 thousand euros as of June 30, 2019 and 3,805 thousand euros as of December 31, 2018.

The renovation provision, which includes the current value of the estimate of the charges to be incurred for the contractual obligation to restore and replace assets under concession, increased by 16.5 million euros compared to the balance at the end of 2018 due to provisions for the period net of operating uses, which absorb the values resulting from updating the scheduled replacement/renewal actions included in the latest long-term plan approved by the ADR Group.

Other allowances for risks and charges decreased overall by 2.1 million euros following uses for 2.6 million euros and reabsorption of 0.7 million euros, as well as allocations for 1.2 million euros resulting from the update of the Group's risk assessment for adverse outcomes.

Net invested capital

The consolidated net invested capital, equal to 2,332.3 million euros as of June 30, 2019, showed an increase of 57.2 million euros compared to the end of the previous year.

Shareholders' equity

The Group shareholders' equity, equal to 1,042.9 million euros, decreased by 64.0 million euros compared to December 31, 2018, due essentially to the payment of the 2018 dividend balance (130.7 million euros), partly offset by the overall net income of the period (66.6 million euros, which includes the negative change in the fair value of derivatives of 41.1 million euros).

Net debt

Net debt as of June 30, 2019 amounted to 1,289.4 million euros, up by 121.2 million euros compared to the end of 2018.

TABLE 4

Consolidated net debt

(THOUSANDS OF EUROS	06.30.2019	12.31.2018	CHANGE
Non-current financial liabilities	1,510,172	1,485,965	24,207
Bonds	1,099,604	1,097,076	2,528
Medium/long-term loans	249,598	249,559	39
Financial instruments - derivatives	159,245	139,330	19,915
Other non-current financial liabilities	1,725	0	1,725
Other non-current financial assets	(1,943)	(4,517)	2,574
NON-CURRENT NET DEBT	**1,508,229**	**1,481,448**	**26,781**
Current financial liabilities	40,902	16,286	24,616
Current share of medium/long-term financial liabilities	6,425	16,024	(9,599)
Financial instruments - derivatives	33,382	262	33,120
Other current financial liabilities	1,095	0	1,095
Current financial assets	(259,719)	(329,550)	69,831
Cash and cash equivalents	(258,369)	(328,200)	69,831
Other current financial assets	(1,350)	(1,350)	0
CURRENT NET DEBT	**(218,817)**	**(313,264)**	**94,447**
NET DEBT	**1,289,412**	**1,168,184**	**121,228**

Non-current net debt

The non-current net debt amounts to 1,508.2 million euros, up by 26.8 million euros as a result of the changes described below.

- Bonds (1,099.6 million euros) refer for 232.1 million euros to Tranche A4 in pound sterling of the bonds originally issued by Romulus Finance for 398.6 million euros and to the EMTN (“Euro Medium Term Note Program”) bond loan issued by ADR in December 2013 for 468.9 million euros by the bond issued by ADR in June 2017. The increase of 2.5 million euros is mainly attributable to the effects of the valuation of the loans with the amortized cost method and of the adjustment of Tranche A4 to the exchange rate at the end of the period.
- Other non-current liabilities include the recognition of financial liabilities relative to lease agreements due to the entry into force of the new IFRS 16 accounting standard (which has been commented upon under Tangible fixed assets) for a total of 1.7 million euros.
- Derivative financial instruments, amounting to 159.2 million euros and comprising Cross Currency Swaps to hedge the Tranche A4 in pounds sterling, showed a negative fair value of 128.2 million euros, down 2.1 million euros, mainly due to the interest rate component. The residual amount of 31.0 million euros refers to the non-current share of the negative fair value of four forward-starting Interest Rate Swap agreements (with a notional value of 300.0 million euros, with deferred application: February 20, 2022) up 25.9 million euros with respect to December 31, 2018 due to the downward trend in interest rates, which was particularly significant in the second part of the half-year period.

Current net debt

The financial position highlights, for the current part, net funds of 218.8 million euros, decreasing by 94.4 million euros compared to December 31, 2018, mainly due to lower cash and cash equivalents (-69.8 million euros) and the increase in the current portion of liabilities for derivative financial instruments (-33.1 million euros) relative to four forward-starting Interest Rate Swap contracts (with a notional value of 400.0 million euros, with deferred application: February 20, 2020). These effects were partially offset by the reduction by 8.5 million euros in the current share of the debt for interest on the bond issues of the Parent Company ADR S.p.A.

TABLE 5
Consolidated Statement of Cash Flows

(THOUSANDS OF EUROS	1ST HALF 2019	1ST HALF 2018
Net income for the period	**108,470**	**108,861**
Adjusted by:		
Amortization and depreciation	53,040	51,393
Allocation to provisions for renovation of airport infrastructure	29,497	23,076
Financial expense from discounting provisions	1,052	915
Change in other provisions	(2,899)	(3,975)
Share of profit (loss) of associates accounted for using the equity method	1,871	2,896
Net change in deferred tax (assets) liabilities	5,935	10,322
Other non-monetary costs (revenues)	4,225	4,151
Changes in working capital and other changes	7	719
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**201,198**	**198,358**
Investments in tangible assets	(18,002)	(4,237)
Investments in intangible assets (*)	(103,843)	(55,306)
Works for renovation of airport infrastructure	(13,992)	(26,105)
Gains from disinvestments and other changes in tangible and intangible assets and equity investments	5,256	1,327
Net change in other non-current assets	7	4
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(130,574)**	**(84,317)**
Dividends paid	(130,672)	(135,028)
Net change in other current and non-current financial liabilities	(9,783)	(9,573)
Net change in current and non-current financial assets	0	(61)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)	**(140,455)**	**(144,662)**
NET CASH FLOW FOR THE PERIOD (A+B+C)	**(69,831)**	**(30,621)**
Cash and cash equivalents at the start of the period	328,200	301,975
Cash and cash equivalents at the end of the period	258,369	271,354

(*) including advances to suppliers for 21,883 thousand euros in the first half of 2019 and 589 thousand euros in the first half of 2018.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS	1ST HALF 2019	1ST HALF 2018
Net income taxes paid (reimbursed)	56,220	21,014
Interest income collected	15	89
Interest payable and commissions paid	32,070	32,018

The net cash flow from operations of the ADR Group generated in the first half of 2019 amounts to 201.2 million euros, up slightly compared to the comparative period (+2.8 million euros).

The net cash flow from operations was partly absorbed by investment activities, which recorded a final negative cash flow of 130.6 million euros compared to -84.3 million euros for the same period of 2018.

The net cash flow from funding activities was negative for 140.5 million euros, due mainly to the payment of the 2018 dividend balance.

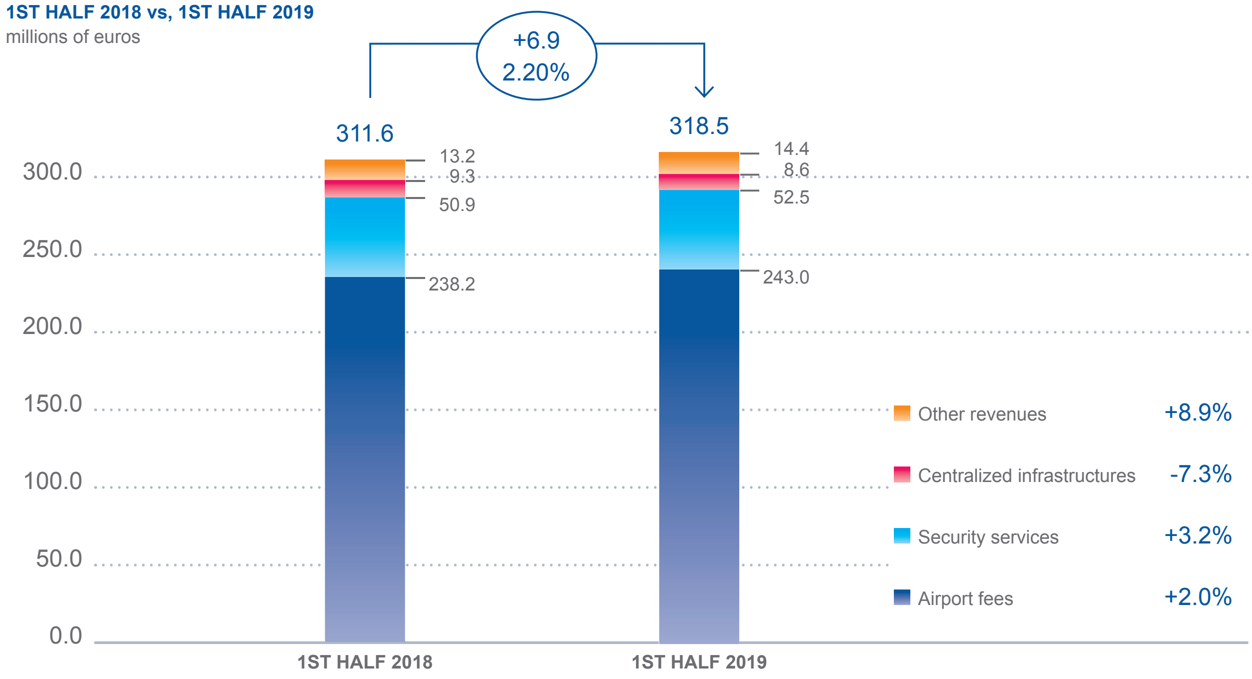
As a result of the trends described above, the net cash flow for the period, which was negative for 69.8 million euros, decreased the cash and cash equivalents at the end of the period to 258.4 million euros compared to the opening balance of 328.2 million euros.

Performance of the main business areas

Aeronautical activities

The aeronautical activities, i.e. those directly linked to the aeronautical activities carried out at the airports and including airport fees, security services, centralized infrastructures and other related minor activities, generated revenues for 318.5 million euros in 2019, up by 2.2% compared to the previous year (+6.9 million euros).

GRAFH 1
Economic performance of aeronautical activities



Airport fees

Revenues from airport fees in the first half of 2019 amounted to 243.0 million euros, net of a traffic development incentive component, with an increase of 2.0%, attributable to:

- landing, take-off and parking fees: equal to 69.5 million euros, up 4.7% as the consequence of a number of movements higher than the previous year (+2.4%), higher total aircraft tonnage (+3.8%), and the adjustment of prices as of March 1, 2019, in accordance with the Planning Agreement in force;
- passenger boarding fees: these amounted to 172.3 million euros and recorded an increase of 1.0% compared to the same period in the previous year. This result is essentially due to the increase in passenger traffic (+1.8%) as well as the effects from the adjustment of prices as of March 1 of each year;
- cargo revenues: these amounted to 1.2 million euros, down (-7.8%) compared to the final figure of the first half of 2018, as a consequence of the decrease in cargo (-6.4%), in addition to the effects from the adjustment of prices as of March 1 of each year in accordance with the Planning Agreement.

Security services

Security activities (security checks on passengers and carry-on and checked baggage, explosive detection checks, other security checks requested) generated revenues of 52.5 million euros during the first half of 2019, up 3.2% compared to the same period of the previous year. This result is related to the change in passenger traffic, as well as being influenced by the annual adjustments of unit fees as set by the current Planning Agreement.

Centralized infrastructures

The management of centralized infrastructures, essentially attributable to the revenues from loading bridges, recorded a turnover of 8.6 million euros, down (-7.3%) compared to the first half of 2018, essentially due to the adjustment of fees applicable from March 1, 2019, as established by the current Planning Agreement, lower than those previously applied.

Other revenues

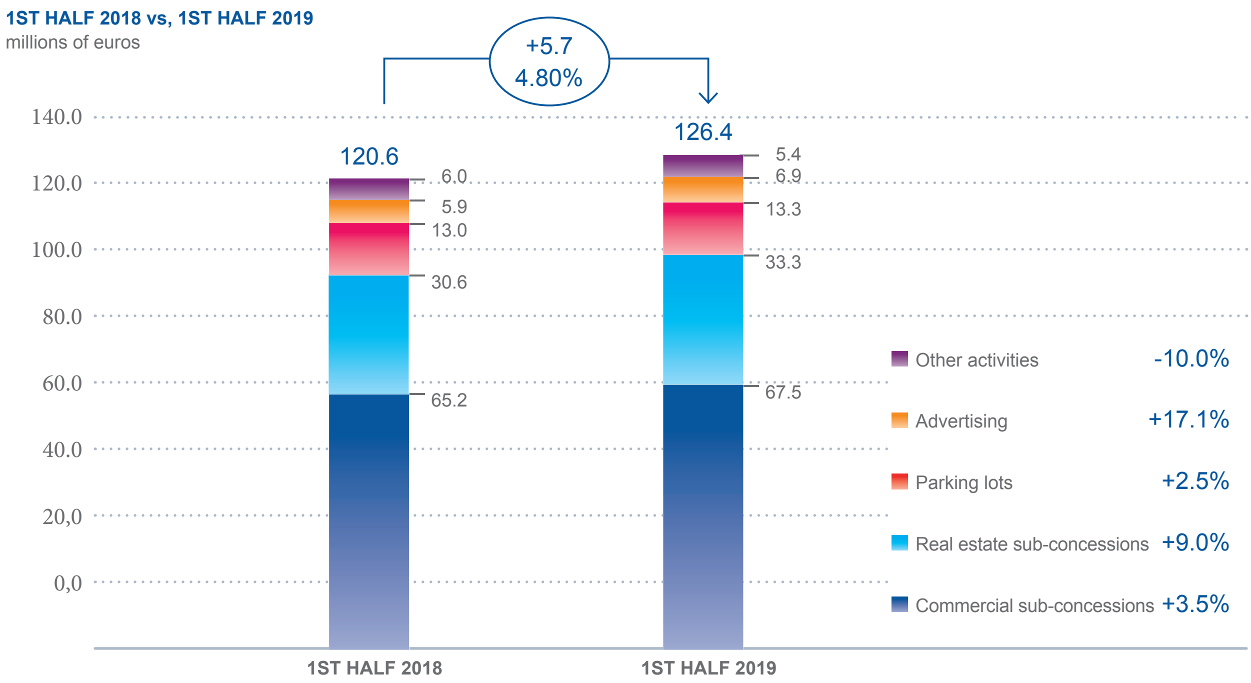
Revenues from other aeronautical activities stood at 14.4 million euros, an increase (+8.9%) compared to the comparative period in the previous year, essentially resulting from:

- assistance to passengers with reduced mobility (PRM), provided by ADR through a service agreement entrusted to the ADR Assistance subsidiary: revenues of 9.6 million euros, an increase (+11.1%) from the first half of 2018, deriving essentially from the rise in passenger traffic and the unit fees adjustment applied at Fiumicino and Ciampino airports in accordance with the Planning Agreement;
- passenger check-in desks: revenues of 4.4 million euros, an increase (+6.9%) compared to the same period in the previous year, mainly from the combined effect of the availability of infrastructures and the annual unit fees adjustment set by the Planning Agreement;
- other aeronautical revenues: equal to 0.4 million euros and consisting of revenues for the use of porterage and left luggage services, which posted a decrease (-0.1 million euros) compared with the first half of 2018.

Non-aeronautical activities

Non-aeronautical activities include commercial activities (sub-concessions and utilities, car parks, advertising), real estate activities and other activities for third parties.

GRAFH 1
Economic performance of non-aeronautical activities (millions of euros)



Non-aeronautical revenues rose by 5.7 million euros compared to the first half of 2018 and amounted to 126.4 million euros. The most significant components recorded the trends below.

Sub-concession of retail outlets

Sub-concessions of retail outlets, which include the sub-concessions for the retail sale of goods and services, recorded revenues of 67.5 million euros in the first half of 2019, increasing by 3.5% compared to the previous period. This positive performance was due both to the increase in volume (+4.2% increase in passengers departing from the Roman airport system) and the improvement in the passenger mix compared to the previous period (+4.1% passengers in relation to the Non-Schengen area in Fiumicino, especially in the high spender sector where a change of +8.9% was recorded, with a significant growth in China and Russia destinations); the improved performance of commercial activities, mainly in the new “Front Building” commercial space in the Non-Schengen area, also had an effect. In detail:

- Core Categories: this segment generated revenues for 23.8 million euros, up +1.1% compared to the previous period. The increase in revenues was principally concentrated in Non-Schengen areas due to the aforementioned increase in passenger volume and the improved passenger mix;
- Specialist Retail: revenues were recorded for 21.5 million euros, growing by 11% mainly for the increase in passenger volumes, especially in the high spender segment (including increases in passengers with China, Korea and Russia destinations); the most significant performance was recorded in the Luxury categories (+20% of turnover), Accessories (+5%) and Clothing (+12%). However, this category recorded a negative impact due to the closures prior to the opening of the East Hub, offset by the positive trend in the Non-Schengen area;

- Food & Beverage: the revenue for the first half of the year equaled 17.3 million euros, with a growth of +0.5%; the category was affected by the definitive closure of the Front Building (Assaggio) point of sale and the partial termination of activities due to the layout revision; activities in the T1 area experienced strong growth thanks to the change in acceptance rate of some carriers (+16% di turnover);
- Other commercial activities: passenger service activities such as currency exchange counters, VAT refunds and the luggage wrapping business recorded revenues for 4.9 million euros, down compared to the previous year (-4.1%), mainly due to the drop in turnover in exchange counter activities.

Real estate management

Revenues from real-estate activities amounted to 33.3 million euros in the first six months of 2019, up 9.0% compared to the same period of last year and broken down as follows:

- fees and utilities for retail and other sub-concessions: revenues amounted to 29.3 million euros, an increase of 2.6 million euros (+9.6%). This performance is attributable to the already contractually anticipated increase in the sub-concession fee of the Technical Area, of the spaces in sub-concession in the Front Building for the realization of a VIP hall, open to the public at the end of 2018, of the inclusion in leasing agreements of the engines workshop and changing rooms included in the purchase, completed by ADR on April 17, 2019, of the Pianabella land and two workshop buildings and of the installation, further to a call for tender, of new ATM devices in the airports of Fiumicino and Ciampino in the first half of 2018;
- other fees charged at Fiumicino and Ciampino, calculated on the volumes of activities managed (hotels, car wash, fuel stations, etc.): revenues equaled 4.0 million euros, slightly up over the same period of the prior year (+0.2 million euros), related to the improved performance of car rental agencies (+6.3%) also thanks to the correlation with the growing Non-EU traffic, partially offset by a lower hotel occupancy rate.

Car parks

Car park management generated revenues of 13.3 million euros, an improvement over the previous year (+2.5%). This result was achieved despite a drop in the domestic originating traffic, which is more correlated with the car park business, and the reduction in parking for Alitalia employees. In detail, the following trends for the main items were recorded:

- passenger car parking: revenue equal to 10.9 million euros (+2.2%); although competitive pressure continues from alternative means of transport used to arrive at airports in the period, the passenger car parking segment regained market share from external car parks. The attraction of the car park product at the airport increased also due to implementing and putting new parking areas into operation, which allowed the diversification and differentiation of the offer (T1 and T3 Executive Car Park and covered and uncovered Long Stay), and new fee structures aimed at recovering profit margins and volumes. Overall the booking-on-line and e-commerce channels showed very sustained growth rates (+14%), thanks to a greater pricing trend. Web marketing activities supporting the business and the easyParking brand with the new on-line booking platform were also further developed to improve the customer experience;
- airport operator car parking: revenues of 2.4 million euros, up compared to the previous year (+4.3%) despite the aforementioned reduction in Alitalia employee parking spaces more than offset by other operators which closed new parking contracts.

Advertising

Revenues from advertising activities amounted to 6.9 million euros, with an increase of 17.1% compared to the same period in the previous year. The top line growth is due to the change in the business management model which sees ADR directly involved in strategic activities with a higher added value, allowing the improvement of the economic results of the business line.

Other activities

Revenues from other activities amounted to 5.4 million euros in the first half of 2019, down 0.6 million euros with respect to the comparative period (-10.0%); the most significant items showed the following trends:

- evenues for the chargeback of cleaning and biological wastewater treatment for 1.7 million euros, up by 7.5% with respect to the comparative period;
- revenues for information systems of 0.6 million euros, essentially in line with the first half of 2018;
- revenues for third-party training of 0.2 million euros, down of 0.2 million euros;
- revenues for other sales (fuel, consumable materials, etc.), equal to 0.2 million euros, down 0.3 million euros compared to the first half of 2018 in relation to the outsourcing to third parties of the fuel resale business in the airside area beginning in February 2018.

Service quality

For the assessment of service performance, ADR uses both the valuation methods adopted by the most important international associations and standard qualitative parameters agreed and periodically updated with the granting administration (ENAC) and published in the “Service Charter”.

For ADR, the first half 2019 was characterized by further acceleration in the implementation of its continuous improvement policy for service quality. Continuing the renewal procedure launched in previous years, numerous actions were undertaken to improve all stages of the passenger travel experience, with the aim of maintaining Fiumicino’s performance as the leader of the best European airports of comparable size.

The surveys carried out by ACI highlighted a record value in the first half of 2019, with the global passenger satisfaction score for services provided at Fiumicino airport at 4.43 (on a scale of 1-poor to 5-excellent), a marked increase from the 2018 average, which was 4.40, confirming Fiumicino as the leading airport in the European Union in terms of the quality of services to passengers. Fiumicino’s higher score was driven by services such as security checks and checkins, improvements in wayfinding (particularly, internal signage and passenger information), courteous and helpful airport staff, the Wi-Fi service and the commercial offer. In terms of comfort, the cleanliness and availability of restrooms had a significant impact, as did the general cleanliness of the terminals, constantly monitored by dedicated airport staff.

As regards the quality provided, through a networked monitoring system of over 14,000 objective checks per month performed at Fiumicino and Ciampino airports, it was possible to detect a significant increase in the levels of service provided compared to 2018. Of note is the decrease in waiting times for last baggage delivery for domestic flights, from 20 minutes and 16 seconds in the first half of 2018 (time in 90% of cases) to 18 minutes and 41 seconds in the first half of 2019 (-8%). The result was similar for international flights, where the delivery times were reduced by approximately 2%, to 30 minutes and 14 seconds in the first half of 2019. Restroom cleaning maintained an excellent level, where on a scale of 1 (extremely poor) to 4 (good), the average score was stable at 3.99. The good performance in terms of perceived quality obtained in 2018 was maintained, with a percentage of fully satisfied passengers at around 97%.

Numerous initiatives were also launched at Ciampino airport to improve the passenger travel experience, with clear results in terms of perceived quality: the percentage of overall satisfied passengers rose from 91% in the first half of 2018 to 94% in the first half of 2019. The increase in the percentage of passengers satisfied with the check-in process should also be noted, rising by 9 percentage points, from 79% in the first half of 2018 to 88% in the first half of 2019. Positive results were also achieved in the baggage reclaim service, with 89% satisfied passengers in the first half of 2019 (+3%) and an improvement of 19.5% in the performance of delivery of the last baggage (21 minutes and 27 seconds in the first half of 2019). Lastly, in terms of quality provided, the improvements posted in the time for the security check process were appreciable, reaching 3 minutes and 37 seconds in the first half of 2019, compared to 4 minutes and 14 seconds in the first half of 2018 (times refer to 90% of cases).

As regards the Quality and Environmental Protection Plan, defined in the Planning Agreement signed with ENAC, ADR achieved the objectives once again in the first half of 2019 for both airports managed. The results obtained were positive enough to allow the achievement of the maximum degree of benefit contractually established with reference to both airports.

Service Charter: quality indicators

The Service Charter (SC) includes quality indicators for all types of passengers. The document is divided into two main sections:

- quality indicators: include a list of perceived and provided quality KPI established by ENAC, including the final data for last year and the target for the year of validity of the Service Charter;
- airport guide: it provides information on wayfinding, air companies working in the airport, parking, shuttle bus / taxi / NCC / train services.

The SC is updated annually through a process that envisages the maximum involvement of the various subjects involved and is approved by the regulator ENAC.

TABLE 1

Main service quality indicators included in the Service Charter of Fiumicino and Ciampino

	U.M.	1ST HALF 2019	1ST HALF 2018(*)	STANDARD
Fiumicino				
Waiting time in line at common check-in desks for non-sensitive flights, within 12 minutes	%	95.6	95.3	90
Waiting time for carry-on baggage security checks, within 5 minutes for non-sensitive flights	%	98.7	97.1	90
Delivery of first bag from block-on within 19 minutes at domestic level	%	95.5	94.2	90
Delivery of first bag from block-on within 24 minutes at Schengen level	%	98.9	98.6	90
Delivery of first bag from block-on within 26 minutes at non-Schengen level	%	98.8	99.0	90
Delivery of last bag from block-on within 23 minutes at domestic level	%	96.8	94.8	90
Delivery of last bag from block-on within 32 minutes at Schengen level	%	96.5	96.5	90
Delivery of last bag from block-on within 34 minutes at non-Schengen level (narrow body)	%	97.3	96.0	90
Delivery of last bag from block-on within 40 minutes at non-Schengen level (wide body)	%	90.1	88.2	90
Punctuality of departing flights (flights leaving with less than 15 minutes' delay)	%	81.0	78.1	75
Ciampino				
Waiting time in line at check-in desks, within 17 minutes	%	88.9	91.5	90
Waiting time for carry-on baggage security checks, within 7 minutes	%	99.5	98.9	90
Delivery of first bag from block-on within 19 minutes	%	98.3	97.0	90
Delivery of last bag from block-on within 25 minutes	%	95.4	84.9	90
Punctuality of departing flights (flights leaving with less than 15 minutes' delay)	%	80.0	77.6	75

(*) Compared with the information figure published in the Consolidated Interim Financial Report as of June 30, 2018, the standard relating to departures punctuality, both for Fiumicino and for Ciampino, has been amended.

Compared to 2018, more challenging targets have been set for Fiumicino airport for those indicators that recorded a particularly positive performance during 2018. In particular: overall perception of airport services, personal and property security, level of cleanliness of the restrooms, availability of luggage trolleys, Wi-fi service, commercial offer, website, professionalism of personnel and ticketing service.

The Fiumicino results in the first half of 2019, in terms of quality provided, highlighted an overall improved performance compared to the first half of 2018. Significant progress was made in the time for baggage reclaim, where improvements of up to 2% were recorded, in addition to the punctuality of departures which, with an increase of 3%, achieved a level of 81%. The performance of the process relating to carry-on baggage control has also shown an improvement of 1.6 percentage points compared to the first half of 2018. The performance relative to the waiting time at check-in desks remained unchanged on already high levels.

The performance level of quality provided at the airport of Ciampino also improved for all processes. Only waiting time in line at check-in desks within a preset time limit recorded a drop of 2.6%. The delivery of the last item of luggage within a preset time limit recorded a marked improvement (+10.5%) as did the punctuality of departures (+2.4%).

ACTIVITIES FOR THE PERIOD

ADR Group investments

TABLE 1

ADR Group capital investment in the first half of 2019, 2018 and 2017

(THOUSANDS OF EUROS)	1st HALF 2019	1st HALF 2018	1st HALF 2017
Airport concession investments	78.0	51.5	66.2
Other investments in tangible and intangible assets	22.0	7.5	6.0
Total investments	**100.0**	**59.0**	**72.2**
Renovation interventions (*)	**14.0**	**26.1**	**32.7**
TOTAL	**114.0**	**85.1**	**104.9**

(*) These amounts are for the use of the provisions for renovation of airport infrastructure

Initiatives implementing the Planning Agreement continued in the first half of 2019. 114.0 million euros have been spent in total, broken down as follows:

- 81.9 million euros targeted to the expansion of capacity; in particular, 43.1 million euros for the realization of the East Airport System, 13.2 million euros for the realization of new Terminals and Piers and 25.6 million euros for the expansion of airport aprons;
- 18.1 million euros for the development of computing and technological equipment and systems to support the airports of Fiumicino and Ciampino and other minor interventions;
- 14.0 million euros for recovery interventions, extraordinary maintenance and renovation of the existing infrastructure.

(THOUSANDS OF EUROS)		1ST HALF 2019
East Airport System		**43.1**
Works on runways and aprons		**25.6**
of which the main ones are:		
Acquisition of land at Pianabella	15.7	
Urbanization of west area / "W" aprons	6.1	
Interventions on terminals and piers		**13.2**
of which the main ones are:		
Terminal maintenance and optimization works	8.7	
Terminal 3 - restructuring	3.0	
Development of systems, ICT systems and other minor systems		**18.1**
of which the main ones are:		
Property developments (Business District I, Epua 3, III Hotel)	4.6	
Maintenance works on buildings managed by sub-concessionaires	2.1	
Total investments		**100.0**
of which:		
Finished	71.3	
in progress	28.7	
Renovation interventions		**14.0**
TOTAL		**114.0**

Development of Airport Capacity

Terminals and piers

Works relative to interventions to increase the capacity of the East terminals continue, which relate in particular to the realization of the new Departure Area A and the Front Building of Terminal 1. The works for the extension of Terminal 1 on the West side, towards the areas previously occupied by Terminal 2, have also started for the realization of the Departure Area D and for the redevelopment of Departure Area C.

These works, whose conclusion is scheduled between June 2020 and November 2021, with progressive opening stages, will allow to increase the airport capacity of Fiumicino terminals by about 9 million passengers per year, thanks to the additional 70,000 square meters surface available and 30 new departure areas, of which 13 linked to the Pier (through aircraft loading bridges) and the simultaneous discontinuation of 16 "remote" departure areas (served by buses). The type of traffic served will be Domestic-Schengen; the level of quality of the environment will be particularly high and comparable with that of the airport areas which have come into operation since December 2016 (Front Building and Pier of the Departure Area E). The extension of the commercial areas will be of approximately 18,000 square meters. Departure Area A, in particular, will be certified according to the Leadership in Energy Environmental Design (LEED) Class Gold protocol (the highest available), as it uses materials, technologies and working methods according to the most advanced innovation, energy saving and material recycling criteria.

In April the fifth check-in island, with 28 desks, became operational in the East area of Terminal 1. This structure, based on the new check-in concept, characterized by high quality finishes with high levels of ergonomics for operators, is equipped with a double belt for the dispatch of luggage to control and routing systems for the next departure; thanks to this system, passengers waiting times due to build-up of luggage on check-in belts will be eliminated; the new structure is also equipped with two Self Bag Drop units, for passengers that have checked in online or have used self check-in facilities and must check in luggage independently.

Runways and aprons

Fiumicino's Airside has also been affected by interventions for capacity expansion. Works have been essentially completed for the realization of the new Second Phase West aprons which will allow the airport capacity to expand, with 9 additional aircraft parking bays, all equipped with equipment for aircraft ground service, which are added to the 129 bays already available, to meet growing parking demand.

Expansion of the airport area

In March the purchase of approximately 60 hectares of land in the area known as Pianabella, between the Fiumicino long-term parking area and the technical area, was finalized. Infrastructures set out by the development plan of the airport will be built on this land.

With respect to the investments anticipated in the Planning Agreement between ENAC and ADR, the interventions for the planning of the fourth runway and the first module of the "Fiumicino North" terminals, pertaining to the future expansion of the airport, were not started due to delays approved in the Environmental Impact Assessment procedure relative to the 2030 Masterplan, currently being examined by the Ministry for the Environment.

Improvement of the service

Terminals

With regard to the existing air terminals, interventions aimed at the constant improvement of the quality and the comfort of environments, of passenger service levels and the efficiency of the infrastructures made available to airport operators (mainly air companies and ground assistance companies) have continued.

In particular, at Fiumicino airport:

- in April the reconfiguration works for the passport control areas in Terminal 3, with regard to the flows of arriving, leaving and transit passengers, were completed; the reconfiguration was characterized by a change in the flows of passengers and by an increase both in the automatic check positions (+6 egate units) and the traditional passport control booths, to which 2 new triple positions boxes were added, which allow greater speeds in carrying out checks; these interventions have allowed to significantly facilitate and speed up passport control operations, with the reduction of waiting times and promoting the passengers' perception of a better organized and efficient area, which meets their needs for immediate identification and access to a clear and fluid path;
- a new Family Lane was realized and made operational in April in the East area of Terminal 3, for security checks reserved for families with strollers, in order to speed up and simplify control operations for this type of user;
- again in April, activities for the expansion of capacity of control lanes at the security gates in the west side of Terminal 1 and East side of Terminal 3 were completed, halving the time needed for passengers to approach trays on which to place the objects to be X-rayed, with a subsequent reduction in queuing times;
- lastly, the works for the gradual improvement of passengers signage continue, in order to make it clearer and more intuitive, in a context characterized by continuous changes determined by works in progress and by the optimizations of passengers flow periodically implemented. Thanks to the new signage, passengers are directed, particularly at traffic hubs, by LED variable message displays; directions are provided in several languages, including Russian and Chinese; in addition to its orientation purpose, signage also has the task to facilitate some airport processes (for example, in the security and passport control areas passengers are directed towards the nearest free positions).

Other infrastructures and systems

The new online purchasing portal, www.romeairports.com, was officially launched in March. This is able to support the offer of services from both ADR and third parties and, thanks to an innovative user experience, it simplifies and facilitates the purchasing process; currently services such as parking, fast-track, VIP halls and other services can be purchased online; the service is being gradually expanded.

Airport parking and infrastructures

The card-in/card-out functionality has been added to the panels at the entrance and exit of car parks. By simple contact with a credit card, the system can also automatically determine the start and end times of the stay in a complete ticketless manner; this additional functionality became operational in June and guarantees the saving of precious time for the users of this service.

Real estate projects

The following new support infrastructures at the Fiumicino airport are currently at an advanced planning stage:

- a new directional pole, in the proximity of the terminals and the railway station, called Business City, characterized by a qualified offer of spaces for office use and by a mix of accessory functions (convention center, co-working areas, gym, medical center, supermarket, food & beverage services), which will offer new services to passengers and will attract new suppliers, promoting the development of the airport; the initiative also represents an important competitive lever for Fiumicino with respect to other airports;
- a third building for airport offices, called “EPUA 3”, in the area in front of Terminal 1, to complete the offer in this segment in an area adjacent the terminals, and a third 4-star Superior hotel, which will be managed by the Radisson Hotels group, located adjacent Terminal 1, with approximately 290 rooms; the above initiatives meet the need for spaces and services in line with the growth of air traffic and of other associated services.

Innovation, research and development

No specific investments in research and development have been carried out during the first half of 2019.

Human resources

TABLE 1
Main human resource indicators

	M.U.	06.30.2019	12.31.2018
ADR Group headcount by company (actual headcount)	**n°**	**3,768**	**3,453**
ADR	n°	1,448	1,401
ADR Tel	n°	56	55
ADR Assistance	n°	525	389
ADR Security	n°	1,016	990
ADR Mobility	n°	66	61
Airport Cleaning	n°	657	557
ADR Group headcount by contract type (actual headcount)	**n°**	**3,768**	**3,453**
Open-ended contract	n°	3,118	2,789
Fixed-term contract	n°	650	664
	M.U.	1ST HALF 2019	1ST HALF 2018
ADR Group headcount by company (average headcount)	**FTE**	**3,152.5**	**3,050.3**
ADR	FTE	1,376.0	1,360.0
ADR Tel	FTE	55.5	57.9
ADR Assistance	FTE	352.1	306.4
ADR Security	FTE	789.4	754.7
ADR Mobility	FTE	62.2	61.4
Airport Cleaning	FTE	517.3	509.9
ADR Group headcount by contract type (average headcount)	**FTE**	**3,152.5**	**3,050.3**
Open-ended contract	FTE	2,638.3	2,578.2
Fixed-term contract	FTE	514.2	472.1

Employees

As at the end of the first half of 2019, ADR Group had a total headcount of 3,768, recording an increase of 315 people (+9.1%) compared to the end of the 2018 financial year. In particular, an increase of 329 units in personnel with a permanent contract (+11.8%), due to the application of Legislative Decree 87/2018, converted into Law 96/2018 (known as the Dignity Decree).

As the comparison between the two periods is influenced by the impacts deriving from the seasonality of passenger traffic, the analysis of the variances between the two precise reference points indicated in the table is not significant. For this reason the following comments are focused on the main changes intervened on the average employee headcount compared to the same period in 2018.

The Group's average headcount as of June 30, 2019 equaled 3,152.5 fte, up by 102.2 fte (+3.4%) compared to same period in the previous year. This increase is mainly due to:

- growth of passenger traffic which recorded an increase of 2% compared to the previous period, with the consequent impact on the main operational areas (ADR Assistance, ADR Security, Airport Cleaning);
- completion of the process of bringing in-house the fire protection activity and the manual coding of checked baggage at Fiumicino airport, as well as bringing in-house the security control activities at the staff and crew entry points at the airports of Fiumicino and Ciampino (concluded in August 2018).

The impact deriving from traffic growth and internalization initiatives were partially offset by action to improve the efficiency of processes and productivity recovery.

The average permanent total headcount of the Group in the first half of 2019 was 2,638.3 fte, up by 60.1 fte (+2.3%) compared to the same period of 2018, due to the effect of the application of Legislative Decree 87/2018, converted to Law 96/2018 (known as the Dignity Decree).

Training

The ADR Group again dedicated particular attention to training activities in the first half of 2019. The number of training hours provided totaled 42,897, with a total of 7,798 participants. Internal trainers of ADR Group were used to provide 30% of total training hours.

With reference to the issue of improved service quality to the Customer, the ADR Group planned and started a training program in the first six months with focus on Customer Experience Education, with the participation of 921 workers and a total number of hours provided of 7,370.

It is noted that traditional classroom training was accompanied by e-learning facilities, which related mainly to regulation compliance issues. There were 2,443 participants in the first half, for a total of 4,985 hours of training provided. Of particular interest was also the offer of multimedia self-development paths dispensed through e-learning, which saw the launch in the period of a new Communications module, to be added to those on managing and developing collaborators and on Problem Solving and Execution, launched in 2018. To date, these initiatives concerned about 557 resources, for a total of 2,228 hours of training provided.

Airport Security training was provided to 775 resources, for a total of 5,121 hours of training.

Environment and sustainability

The commitment of ADR in relation to environment and sustainability issues extends beyond the achievement of the ISO certification 14001:2015 mentioned at the start of the Report. Through the Environmental Sustainability Plan, ADR has identified a complex program of interventions and objectives to minimize environmental impact. The Plan is inspired by international guidelines defined by the United Nations General Assembly through SDGs (Sustainable Development Goals).

The Planning Agreement (concession) signed with ENAC also defines sustainability improvement targets annually. The parameters periodically monitored are as follows:

- reduced energy consumption at the terminals;
- energy production through photovoltaic systems;
- replacement of the carpooling fleet with low-emission vehicles (mainly electric or hybrid);
- further optimization of the separate waste collection of non-hazardous waste in the passenger transit areas;
- reduced drinking water consumption per passenger;
- verification of environmental activities of the primary suppliers.

The performance of environmental indicators monitored in the first half of 2019 was comfortably higher than the parameters agreed with the regulator.

Energy consumption

In the first half of 2019 Fiumicino airport was powered by electricity, of which around 97.3% generated by a cogeneration plant, present on airport land, while the remaining 2.7% was purchased from the distribution network. In addition, most of the heating energy is generated by the cogeneration plant and the remaining portion is supplied by methane plants.

The energy resources are guaranteed by two installations: (i) a methane-gas powered cogeneration plant for the synergetic production of electricity and heat energy with overall capacity of about 26 MW electric and 18 MW thermal and (ii) a methane-gas powered plant with an overall capacity of 48.8 MW thermal serving as back-up for the co-generation plant.

Five methane gas driven thermal central stations are present at the Ciampino site, three with a potential higher than 3 MW.

The continuous commitment of ADR to improve energy efficiency was confirmed once again in 2019 by maintaining the ISO 50001 standard certification of the Energy Management System for both airports.

With regard to Fiumicino airport, 77.7 GWh were consumed in the first half of 2019, with a kWh/(passengers x m2) ratio equal to 8.4, 4% less than in 2018, as a result of the numerous energy saving initiatives implemented on plants and systems.

In the first half of 2019 7,800 kWH of wind power were produced while the photovoltaic plant generated 213,000 kWh.

CO_2 emissions

As specified at the start of the report, in 2019 the Ciampino airport maintained a level 3+ ACA Neutrality accreditation with respect to 2018 emissions.

A level 3+ ACA Neutrality accreditation was confirmed for Fiumicino last year, in relation to 2017 emissions.

Both airports are included among the very few airports in the world to have obtained this result. These results were mainly obtained thanks to energy savings actions.

In the case in point, with regard to Fiumicino, indirect emissions were also reduced thanks to stakeholders' involvement for the use of car sharing free floating and the expansion of bus stops, as sustainable alternatives for the arrival of passengers at the airport. For Fiumicino airport, the next ACA submissions will take place in November, in order to certify emissions for 2018.

Waste management

In the first half of 2019, about 87% of the total waste produced at Fiumicino and 51% of the waste produced at Ciampino were sent to recovery plants.

During the first half of 2019, the system to monitor environmental performance in real time of food & beverage sub-concessionaires using the "door-to-door" service was regularly continued. Specific reports are drawn up that compare the turnover and the surface area under sub-concession with the production of waste at individual shops. The outcome of the monitoring was periodically sent to the sub-concessionaires.

Furthermore, activities continued to check the transfer of separate waste, as an additional instrument to stimulate correct differentiation. The analysis, performed on samples of unsorted garbage bags, is aimed at verifying that the percentage of recyclable waste is below the set maximum levels. Non-compliant results are communicated to the sub-concessionaires so that they improve their performance.

An additional seven compacting machines for PET bottles and aluminum cans were purchased, which will be installed in July at the security checks in order to reduce the quantity of liquid waste to be disposed and ensure the recycling of plastic and metal packaging. Furthermore, the compacting machines already installed in 2018 will be reviewed/modified to adapt them to the new restyling of the T3 preparation area. Two plastic packaging compacting machines will also be installed at Ciampino airport in July.

The process was completed to acquire 2 electromechanical composters for the realization of a composting plant with a capacity of 1,000 t/year of food waste from the terminals restaurants and bars, in order to implement a green system for the management and enhancement of organic waste at the airport (self-composting) which starts and finishes where the organic waste is produced. The compost obtained will be spread on the green areas of the airport, to directly value the product on site.

Noise pollution

Based on current legislation, Fiumicino and Ciampino airports have a monitoring system in place that regularly detects any exceeded limits set according to airport noise zoning and connects this information with the data and trajectory of the aircraft concerned. Currently, there are 16 central units at Fiumicino and 12 at Ciampino. From time to time, depending on particular needs, controls are conducted with central units, which can be relocated (5 in total for the two airports).

The operating systems were modernized by implementing new and updated hardware and software to manage the central units, whose calibration continued this year.

The annual monitoring conducted in 2018 at Fiumicino airport highlighted the full compliance with the values set by the airport noise zoning.

For Ciampino airport, where some limits were exceeded over time in some areas, the intervention plan specific to the G.B. Pastine airport in Ciampino for noise reduction and abatement was launched with the publication, at the start of 2019, of Ministerial Decree protocol no. 0000345 of December 18, 2018.

Moreover, it is at this same airport that a new take-off procedure is being experimented which is believed may have significant benefits from the point of view of the acoustic impact on the airport area.

RISK FACTORS
OF THE ADR GROUP

Risk factors of the ADR Group

The correct management of the risks inherent in performing the company's businesses is a fundamental element for the ADR Group to maximize opportunities and reduce the potential losses associated with unexpected events, preserve the creation of economic value in the long-term and protect the tangible assets and intangible interests of the stakeholders.

The ADR Group has adopted a preventive approach to risk management, to guide management's decisions and activities, with the belief that a suitable process of identification, measurement, management and monitoring of the main risks contributes to guaranteeing that the company is run smoothly, correctly and in line with the strategic objectives. The key principles of the internal control and risk management system of the ADR Group are based on:

- a suitable definition of the roles and responsibilities structured to prevent functional overlapping and an appropriate system of operating mandates that consider the nature, size and risks of the individual categories of operations;
- a definition of operating processes that requires suitable documentary support to allow the tracking of decisions and the compliance with suitable authorization procedures;
- a definition of security mechanisms that ensure a suitable protection of the assets and data of the corporate organization, in order to allow data access within the limits of what is necessary to perform the assigned activities;
- periodic and continuous repetition of the risk identification and assessment process, periodic assessment of the effectiveness and efficiency of business processes for their constant adjustment;
- continuous monitoring of the internal control system carried out firstly by line management, and of the checks of the Internal Audit department of the parent company Atlantia to ensure the actual application of the procedures and compliance with regulations in force.

The structure of the risk management system can be summarized mainly as the activities performed by:

- The Board of Directors, which defines the nature and level of risk compatible with the strategic objectives (the Risk Appetite), through a continuous process of analysis and assessment of the business context in which the company works. In relation to the risk profiles, the guidelines for the risk management and containment action implementation system are outlined;
- ADR's top management pursues the business objectives in compliance with the guidelines defined by the Board of Directors and made operational in terms of risk assessment by the Legal Department, entrusted with guaranteeing a risk management system that is in line with the methods specified by the parent company Atlantia.

With the purpose of providing a synthetic representation of risks, the following four macro-categories can be identified: (i) strategic, (ii) operational, (iii) financial and (iv) compliance.

Strategic risks

The strategic risk factors may significantly affect long-term performance, thereby resulting in changes to ADR Group’s development policies. The main strategic risks are attributable to the evolution of the air transport market: ADR Group’s economic results are highly affected by air traffic which, in turn, is influenced by the economic scenario, the economic-financial conditions of the individual carriers, alliances between carriers, and competition, on some routes, from alternative means of transport. The risk management tools are: i) short-and long-term analysis of the competitive scenario, (ii) monitoring trends in demand, (iii) investment program in close cooperation with the stakeholders, (iv) customer diversification of the operating carriers.

The business performance is also affected by situations concerning the main Italian carrier (Alitalia) and other important carriers including Ryanair, Vueling Airlines and EasyJet.

As for other sector operators, the possible decrease in or discontinuation of flights by one or more of the aforementioned carriers and the termination or change of the connections to some destinations featuring high passenger traffic may negatively and significantly impact ADR Group’s business activities and growth prospects as well as its operational results and financial position.

Among the major strategic risks, those connected to the development of investments in compliance with the Planning Agreement and the commitments to stakeholders are particularly important.

Operational risks

The operational risk factors are strictly connected to the performance of business activities and, though able to affect short- and long-term performance, do not entail significant consequences for strategic choices.

Air transport security risks are the most significant category of the operational risks: potential incidents have negative consequences with a highly significant impact on the business of the ADR Group. The chief management tools include: (i) the safety management system, (ii) continuing investments in safety and security, (iii) staff training, and (iv) strict control and constant monitoring activities of the security standards.

Important risks of an operational nature may affect the continuity of service: strikes by company staff, by staff of the airlines, air traffic controllers and sector operators; adverse weather conditions (snow, fog, etc.), service interruptions by utility providers (e.g. water, electricity, etc.) or connectivity services, may lead to business interruptions and have a negative financial and reputational impact. The main management tools primarily include the airport plans and procedures to manage contingencies and states of emergency.

Financial risks

The net debt of the ADR Group amounted to 1,289.4 million euros as of June 30, 2019 (1,168.2 million euros as of December 31, 2018).

The gross nominal debt of the ADR Group refers exclusively to the Parent Company ADR (1,475.0 million euros) and comprises (i) two senior unsecured bond issues from 2013 and 2017 valid on the Euro Medium Term Notes (EMTN) program, with a par value as of June 30, 2019 equal to 900 million euros, (ii) a bond issue in pound sterling called "Class A4 Notes" issued in 2003 and with a par value, converted into euro via a cross currency swap, of 325 million euros, and (iii) three bank loans granted by: Banca Nazionale del Lavoro ("BNL"), expiring in 2020 for a total amount of 100 million euros fully used, by the European Investment Bank ("EIB"), expiring in 2031 for an amount used equal to 110 million euros (on a total loan value of 150 million euros), and by Cassa Depositi e Presitti ("CDP"), expiring in 2031 for an amount used of 40 million euros (on a total loan value of 150 million euros).

The Class A4 Notes bond issue of 215 million pounds sterling has been, from the beginning, hedged against exchange rate risk and interest rate risk through cross currency swap contracts for a total value of 325 million euros, at a fixed rate of 6.4%. It should be remembered that, after an Issuer Substitution operation finalized in March 2016, ADR became the direct debtor towards the A4 shareholders in place of the special purpose securitization company Romulus Finance, the original issuer of the bonds issued in 2003.

Since July 2016, a pool of banks has made available to ADR an unsecured line of credit of the revolving type (RCF) for 250 million euros maturing in July 2023.

Note that in December 2016 two contracts had been signed with regard to the line for 300 million euros resolved by the European Investment Bank ("EIB") in favor of ADR in 2014: the first contract totaled 150 million euros and was agreed directly with the EIB, and the latter, for the residual 150 million euros, with Cassa Depositi e Prestiti ("CDP"). The EIB/CDP loans were subscribed as financial support of the "Aeroporti di Roma – Fiumicino Sud" project to carry out the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. On April 4, 2018, CDP granted an extension of the available period for an additional 18 months, until December 13, 2019. As of June 30, 2019, these funding lines granted by the EIB and CDP were used for 110 and 40 million euros, respectively. The utilized lines expire in 2031, with an amortizing repayment and a fixed rate. The financial contracts that govern them are characterized by terms and conditions that are more oriented to a "project" type loan structure consisting of their disbursement.

In December 2017, EIB approved an update of the aforementioned infrastructure project, which resulted in an extension of the line of credit granted to ADR for an additional 200 million euros to be granted directly by the bank. On March 23, 2018, the related loan contract was signed with contractual terms essentially in line with the previous contract which may be used through the first quarter of 2021.

Credit risk

This is the risk that a customer or the counterparty to a financial instrument fails to meet its obligations, thereby causing a loss. As of 30 June 2019, the ADR Group's maximum exposure to this risk is the nominal value of the guarantees provided for third parties' debt or commitments, the carrying value of the financial assets shown in the Consolidated Interim Financial Report and especially, trade receivables to customers.

For an analysis of the policies in place to control the investment in loans, please see Note 9.3 to the Condensed consolidated interim financial statements.

Liquidity risk

Liquidity risk occurs when the ADR Group does not hold, and finds it difficult to obtain, the resources needed to meet future financial commitments.

The financial structure of the ADR Group is distinguished by a limited incidence of the financial leverage component, since net debt as of June 30, 2019 equals 2.2 times the EBITDA of the last 12 months.

Commitments on repayments or refinancing of the existing short-term debt are not envisaged, since the BNL bank loan will be due in 2020, as are the initial principal payments on the EIB and CDP loans, while the new RCF facility (not used) will mature in 2023, the EMTN bond loans will expire in 2021 and 2027, and the Class A4 Notes in 2023.

Note that the Group's cash on hand as of June 30, 2019, equal to 258.4 million euros, and the RCF line of credit of 250 million euros help ensure a more than adequate liquidity reserve for unexpected needs. As of June 30, 2019, a residual amount of 350 million euros was also available on the medium/long-term EIB/CDP lines.

Also see note 9.3 in the Notes to the Condensed consolidated interim financial statements.

Interest rate risk

The ADR Group uses external financial resources. All the funding lines currently used are at a fixed rate. Only the RCF line has a floating rate, but has not been used.

The ADR Group uses interest rate swaps (IRS) to manage its exposure to unfavorable fluctuations in interest rates.

With the resolution of May 14, 2015, the Parent Company's Board of Directors had authorized, consistently with the policies adopted by its shareholder and after assessing the best market opportunities, the possibility of signing forward-starting interest rate swap transactions up to a notional 900 million euros and with a maximum duration of 10 years. Presently, contracts for a notional value of 700 million euros have been signed pursuant to this resolution, of which 300 were closed at the time of the 2017 bond issue.

Considering the macroeconomic context and in line with the Group's hedging policies, on July 11, 2018, the Board of Directors of ADR resolved to increase the total negotiable amount by an additional 1,300 million euros. With this type of instrument, which allows forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR improves its ability to tackle the risk of rising interest rates in a market featuring extreme volatility.

Following the mentioned resolution of July 2018, on August 7, 2018 three forward-starting interest rate swap contracts for a total notional capital of 300 million euros were subscribed, effective starting from February 2022 for a duration of 10 years, to hedge the risk related to refinancing the bond expiring at the beginning of 2023.

Therefore, as of June 30, 2019 there were seven IRS forward-starting contracts for a total notional value of 700 million euros, effective from (i) February 2020, for 400 million euros to hedge the refinancing of the bond expiring in February 2021, and (ii) from February 2022, for 300 million euros to hedge the refinancing of the bond expiring in February 2023. All the contracts have a hedging timeframe of 10 years.

Also see note 9.3 in the Notes to the Condensed consolidated interim financial statements.

Exchange rate risk

This is linked to unfavorable changes in the exchange rate with consequent increases in the outgoing cash flows.

The ADR Group has a financial exposure in pound sterling. For this reason, the Group uses currency swaps to manage its exposure to unfavorable fluctuations in exchange rates. Also see note 9.3 in the Notes to the Condensed consolidated interim financial statements.

Concerning transactions with consumers, the ADR Group has a negligible exposure to this risk since the transactions in currencies other than the euro are related to limited purchases of goods and services.

Risks related to outstanding loan agreements

Rating

ADR and its funding sources, both bonds and banking facilities, are directly or indirectly affected by the assignment of a rating from the rating agencies, which in ADR's specific case are released publicly by the agencies Standard & Poor's, Moody's and Fitch. The rating level assigned affects the cost of the current debt (according to contractually defined parameters for the RCF line only) and the characteristics of the covenants included in the banking contracts, with special reference to the levels of the financial ratios to be complied with.

With regard to this it is noted that on January 28, 2019 Moody's, having taken into account a reduction of the risk linked to the beginning in the near term of a revocation procedure of the concession of Autostrade per l'Italia (hereinafter "ASPI"), suspended the "review for downgrade" judgment (previously launched on August 22, 2018) assigning a negative outlook for Atlantia, ASPI and ADR.

However, on July 4, 2019 the same agency reopened the "review for downgrade" judgment on the entire Atlantia Group due to the renewed uncertainties on the outcome of the Polcevera bridge collapse issue linked to the publication by the Ministry of Infrastructures and Transports of the opinion produced by the jurists' Commission specifically relating to the early resolution of ASPI's concession.

On July 11, 2019 S&P also changed all the Atlantia Group ratings, including the one of ADR, to "credit watch negative", having assessed an increase in the uncertainties linked to the ASPI concession following the publication of the above mentioned opinion.

All the changes to ADR rating made by the agencies in this period are attributable to factors that are external to the ADR Group (Italy sovereign rating and changes to the rating of the Atlantia Group).

No additional changes were made to the ratings assigned to ADR.

Security and financial covenants

With the previously mentioned "Issuer Substitution" transaction, the comprehensive security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains, ceased. The only residual, though more limited, guarantee, is a "deed of assignment" under British law in favor of A4 notes on any receivables of ADR related to cross currency swaps contracts in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros.

Furthermore, ADS constituted a pledge on the total investment of 7.77% in Azzurra Aeroporti S.p.A. (hereinafter "Azzurra") in favor of the lenders of the same Azzurra. This guarantee is also limited to a maximum amount of 130.6 million euros.

ADR's loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies classified as investment grade. It is important to note the presence of a leverage ratio constraint, requiring – in the most stringent contract – a threshold value not exceeding 4.75, which drops to 4.25 in the event of a downgrade of the company's rating level to BBB-/Baa3.

The financial ratios must be checked twice a year, in accordance with the agreements, by applying the calculation formulas to the Group's reference data (which must exclude any equity investments in companies funded through non-recourse financial debt) in the Consolidated Annual Financial Report as of December 31 and the Consolidated Interim Financial Report as of June 30.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program does not envisage limitations on ADR, nor the observance of financial covenants or obligations to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for "investment grade" issuers.

Compliance risks

Risks of compliance with laws and regulations

The ADR Group operates in a sector that is highly regulated at domestic, EU and international level: an example of significant compliance risk categories can be related to the regulations concerning noise and the environment. The airport operator is obliged to respect the national and international laws on containing noise and environmental protection. The management of these risks is focused on the utmost substantial compliance with regulations and legislation in force, cooperation with the reference authorities and the implementation of activities to protect the environment.

Regulatory risks

The airport operator performs the activities under a concession agreement, in compliance with obligations whose non-fulfillment may result in the termination or cancellation of the concession. In addition, it is possible to incur sanctions as a consequence of the non-fulfillment of concession obligations required by the Planning Agreement. The main risk management tool, in addition to the reference business procedures, is close collaboration with the granting authority to ensure the utmost observance of requirements relating to the regulated activities.

OTHER INFORMATION

Updates and changes to the reference regulatory framework

Some national and EU provisions were issued during the first half of 2019, which affect the regulatory framework of the airport sector in general and ADR's business in particular.

Determination of the airport management fees

Decree of January 10, 2019 issued by the State Property Office defines the methods for the determination of the airport management fees for the three-year period 2019-2021. The Office, continuing with the previous provisions, confirmed, also for the next three-year period, the methodology identified with Interministerial decree of June 30, 2003 and based on the WLU (Work Load Unit, corresponding to 1 passenger or 100Kg of goods or mail). The validity of this calculation methodology was confirmed by both ENAC and the Ministry of Infrastructure and Transport, and is in line with the provisions of art. 2, paragraph 4 of the Single Deed - Planning Agreement, in case of ADR's obligations to pay the annual concession fee to ENAC.

European Law 2018

Article 10 (Provisions relating to airport fees - Infringement provision no. 2014/4187) of Law no. 37 of May 3, 2019, laying down the "Provisions for the fulfillment of the obligations deriving from Italy's membership of the European Union - European Law 2018" (published in Official Gazette no. 109 of May 11, 2019), sets out provisions in relation to airport fees under which the functions of National Supervisory Authority in relation to program contracts pursuant to article 17, paragraph 34-bis, of Italian Legislative Decree 78/2019, converted with amendments to Law 102/2009 ("Planning agreements in derogations") are transferred to the Transport Regulating Authority ("ART").

Brexit - Regulations on basic air connectivity between the EU and the United Kingdom.

EU Regulation 2019/502 of March 25, 2019, establishes the common emergency rules to ensure a basic connectivity of air transport in relation to the United Kingdom withdrawing from the Union. The Regulation defines a 12-months temporary juridical regime to guarantee air connections between EU airports and those in the United Kingdom, in case of the United Kingdom withdrawing from the EU without a deal (hard Brexit).

The terms of application of the Regulation, applicable since March 28, 2019, must be reviewed in the light of the new date for the United Kingdom's leaving the EU determined by the European Council of April 10, 2019 (October 31, 2019). The temporary nature of the provision requires the same to cease to apply "on occurrence of the earliest of the following two dates: a) the effective date, or, if applicable, of temporary application, of an overall agreement that disciplines the provision of air transport services with the United Kingdom, and of which the Union is part; or b) March 30, 2020".

Brexit Legislative Decree - Temporary measures relating to air connections with the United Kingdom

Official Gazette no. 120 of May 24, 2019 published Law no. 41 of May 20, 2019, the conversion with amendments of Italian Legislative Decree no. 22 of March 25, 2019, which set out "Urgent measures for ensuring security, financial stability and market integrity, as well as the protection of the health and freedom of residence of Italian citizens and citizens of the United Kingdom, in case of the latter's withdrawal from the European Union" (Brexit Legislative Decree).

Article 17-ter intervenes on the issue of airport fees, indicating that, for the purposes of the application of passengers' fees, passengers boarding at national airport with destination of an airport in the United Kingdom are equivalent to those of passengers boarding flights with destination of an EU airport, on condition of reciprocity. It is established that this will apply until the effective date of a global agreement disciplining the provision of transport services with the United Kingdom or, in the absence of this, until March 30, 2020.

Art. 17-quater allows community and United Kingdom carriers, on a temporary basis and in any case for no longer than 18 months from the date of withdrawal, to continue to operate point to point connections through narrow body aircrafts, between the airport of Milan Linate and other airports in the United Kingdom, within the limits of the defined operational capacity of the airport of Milan Linate and on condition of reciprocity.

Surcharge on boarding fees

Art. 26 of Italian Legislative Decree no. 4/2019 (Solidarity Fund for air transport and airport systems), converted with amendments into Law 26/2019, postpones to January 1, 2020, the transfer to INPS (management of healthcare interventions) of the 3-euros portion of the municipal surcharge on boarding fees (pursuant to art. 6-quater, paragraph 2 of Italian Legislative Decree 7/2005), destined until December 31, 2018 to the Solidarity Fund for air transport and airport systems. For 2019, however, the regulation requires only 50% of the above mentioned sums to continue to be paid to the Solidarity Fund for the sector and the remaining 50% to be in any case transferred to the INPS' healthcare and social security fund. Paragraph 3 requires the abrogation of the increase of the surcharge on boarding fees of 0.32, required by Italian Legislative Decree 113/2016, which should have become effective from February 4, 2019, only for 2019.

New implementation provisions of community regulations for air security

The European Union Official Journal L21 of January 24, 2019, published Commission (EU) Regulation 2019/103 setting out the amendment of the Commission (EU) Regulation 2015/1998 with regard to the clarification, harmonization and simplification, as well as the strengthening of specific security measures. The Commission's amendment relates to these sectors: security at airports, increased background checks of security personnel in order to strengthen security and improve its resilience, as well as the introduction and definition of result standards and the use of devices for the detection of explosives in footwear (SED devices) and the detection of explosive vapors (EVD devices).

Preliminary investigation by ANAC of the Pier C tender

In October 2016, ANAC launched a supervisory procedure pursuant to Italian Legislative Decree no. 50/2016 concerning the tender for Pier C (currently Pier E and Front Building), formulating requests for documents and information, to which the Company promptly responded. In April 2018, ANAC sent its preliminary findings to the Company and ENAC, which revealed some critical issues identified in various stages of the tender process. The Company examined the above-mentioned results and formulated its counterarguments according to the specified terms (July 31, 2018). In order to reiterate the correctness of its conduct, ADR has asked ANAC to be heard at a hearing. The first of such hearings was held on September 12, 2018, before the competent authority; the second was held on June 12, 2019, before the Authority Council. ANAC's definitive ruling is pending.

Inter-company relations and transactions with related parties

Disclosure on management and coordination of the company

From August 2, 2007, ADR qualifies as a company “managed and coordinated” by Gemina, which owned 100% of the share capital of Leonardo S.r.l., subsequently merged into Gemina. As a result of the merger by incorporation of Gemina into Atlantia, with effect from December 1, 2013, ADR is subject to “management and coordination” by Atlantia.

In turn, ADR “manages and coordinates” its subsidiary undertakings, ADR Tel, ADR Sviluppo S.r.l., ADR Assistance, ADR Security, ADR Mobility and Airport Cleaning.

Inter-company relations and transactions with related parties

All transactions with parent companies, subsidiary undertakings and other related parties were carried out on an arm’s length basis.

With reference to inter-company relations and transactions with related parties, please see Note 10 to the Condensed consolidated interim financial statements.

Subsequent events

Traffic trends in the first seven months of 2019[3]

In the period January-July 2019, the Roman airport system recorded an increase in traffic of +1.7%, driven by growth in the international component (+3.1%, of which EU +1.9% and Non-EU +5.4%, respectively), which offset the drop in domestic traffic volumes (-2.5%).

TABLE 1
Main traffic data of the Roman airport system

	JAN. –JUL. 2019	JAN. –JUL. 2018	Δ%
Movements (no.)	**202,084**	**197,736**	**2.2%**
Fiumicino	172,842	167,700	3.1%
Ciampino	29,242	30,036	(2.6%)
Passengers (no.)	**27,126,657**	**26,662,569**	**1.7%**
Fiumicino	23,845,125	23,397,010	1.9%
Ciampino	3,281,532	3,265,559	0.5%
Cargo (t.)	**111,253**	**119,626**	**(7.0%)**
Fiumicino	101,000	109,498	(7.8%)
Ciampino	10,253	10,128	1.2%

Fiumicino

In the period considered, Fiumicino recorded a +1.9% rise in passenger traffic, as well as growth in seats (+3.6%) and movements (+3.1%).

Non-EU traffic was a driver in the development of the Leonardo da Vinci airport (+5.1%), mainly due to the long haul component. The greatest increases in the intercontinental markets related to the Far East and North America (+8.1% and +5.9%, respectively), thanks to numerous developments towards China and United States. Instead, domestic traffic was down (-2.0%) due to the reduction in frequency in North Italy and the low performance in Southern Italy of carriers operating in the network sector.

The first three weeks of July are in line with the performance last year, with a slight increase in passenger traffic (+0.3%) and movements (+0.4%) attributable to the performance of the International market (+1.6%). In fact, the Non-EU segment continues to grow (+2.7%), sustained to a lesser extent by the EU component (+0.8%), while the domestic market traffic has slowed down (-3.2%).

3 Provisional data updated to July 23, 2019 and compared with the same period of 2018.,

Ciampino

In the period in question, the airport recorded a growth in traffic of +0.5%, thanks to the good results achieved in the international market (+1.5%) which totally offset the drop in domestic traffic (-21.5%).

The first three weeks of July confirm the trend seen in the first half of the year, with an increase in passenger traffic (+1.0%) again driven by international traffic (+1.5%), with a growth both in the Non-EU (+11.4%) and EU (+1.2%) sectors.

Other significant events

- With regard to more recent updates relating, at the start of July, to the rating of Atlantia and ADR, please see the paragraph relative to the ADG Group risk factors.

Business Outlook

As far as it is foreseeable at present, the traffic growth in the Rome airport system will continue to be driven by the international sector; however, also due to the continuing decline of the domestic sector, it is not deemed to be possible to forecast an annual performance significantly better than the one achieved in the first half of the year.

However, several risk elements remain that have for some time been affecting global markets (customs duties, Brexit, political instability in some areas of the world) and which in any case continue to represent a threat to the future development of traffic.

On the other hand, on the domestic front there are some new elements that might lead, in a short term perspective, to the identification of a possible solution of the crisis that has affected Alitalia for some time and that, should it be successfully resolved, would allow at last to achieve greater clarity regarding the prospects of the main Italian carrier operating in the Fiumicino airport.

The implementation of the Infrastructure Development Plan will continue and in the next few months this will focus on the progress of the implementation of the new “Pier A” and the “Front Building”. Both infrastructures are part of the “East Airport System”, whose conclusion is expected, by stages, between the second half of 2020 and 2021.

Financial commitments correlated to the implementation of the plan are, in the short term, largely compatible with available financial resources, also supported by a positive forecast in terms of liquidity and interest rates offered by the financial markets.

The Board of Directors

ANNEXES

Alternative performance indicators

In order to illustrate the economic result of the Group as well as its economic and financial position, reclassified statements were prepared which are different from those required under EU IFRS accounting standards adopted by the Group and contained in the Condensed consolidated interim financial statements. These reclassified statements[4] contain alternative performance indicators to those directly resulting from the Condensed consolidated interim financial statements that management deem useful for monitoring the Group's performance and representing the economic and financial results of the business.

These alternative performance indicators ("API") are:

- Net operating costs
- Gross operating margin (EBITDA)
- Fixed assets
- Working capital
- Net invested capital
- Net debt

Reference is made to the next paragraph for a reconciliation of the above-mentioned indicators with the Condensed consolidated interim financial statements.

Moreover, in order to better assess the Group's operating performance at economic and financial level, the following additional alternative performance indicators are presented:

IAP	SOURCE/CALCULATION METHOD
EBITDA%	ratio between EBITDA and Revenues from airport management
EBIT%	ratio between Operating income (EBIT) and Revenues from airport management
Investments	are determined as follows:
	+ investments in Tangible assets (see Note 6.1 of the Explanatory Notes)
	+ investments in Intangible assets net of advances paid to suppliers in the period (see Note 6.2 of the Explanatory Notes)
	+ revenues for construction services (see Note 7.1 of the Explanatory Notes)
	+ operating uses of the Provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Net debt/Shareholders' equity	ratio between Net debt and Shareholders' equity
Net debt/EBITDA (last 12 months)	ratio between Net debt and EBITDA of the last 12 months rolling determined as so: EBITDA of the six months under review + EBITDA previous year - EBITDA of the comparative six months

The reclassified statements and the above-mentioned indicators must be considered as replacing the conventional ones required by IFRS.

4 As already highlighted in the paragraph relative to the Consolidated economic and financial situation, in compliance with the approach adopted starting from the 2018 Annual Financial Report, the format of the reclassified income statement includes allocations to allowances for risks and charges in the items contributing to the calculation of the Gross Operating Margin (EBITDA). The reclassified income statement of the first half of 2018 was therefore recalculated for comparison purposes.

Reconciliation between the reclassified consolidated income statement and the consolidated financial statements

The income statement was reclassified on a “value-added” basis, which shows the contribution of the financial and core areas of operation.

For the items that cannot be directly inferred from the consolidated financial statements, the calculation method and the reference to the sections of this Consolidated interim financial report containing the necessary information for calculation purposes are provided.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	SOURCE/CALCULATION METHOD
Revenues from airport management of which:	as inferred from the consolidated financial statements
aeronautical revenues	see Note 7.1 of the Explanatory Notes
non-aeronautical revenues	see Note 7.1 of the Explanatory Notes
Revenues from construction services	as inferred from the consolidated financial statements
Other operating income	as inferred from the consolidated financial statements
Total revenues	
External operating costs	calculated as follows
	+ Consumption of raw materials and consumables (as inferred from the consolidated financial statements)
	+ Service costs (as inferred from the consolidated financial statements)
	- Costs for construction services (see Note 7.3 of the Explanatory Notes)
	- Costs for renovation of airport infrastructures (see Note 7.3 of the Explanatory Notes)
	+ Expenses for leased assets (as inferred from the consolidated financial statements)
	+ Other costs (as inferred from the consolidated financial statements)
	- Allocations to provisions for doubtful accounts (see Note 7.5 of the Explanatory Notes)
Costs for construction services	see Note 7.3 of the Explanatory Notes
Concession fees	as inferred from the consolidated financial statements
Payroll costs	as inferred from the consolidated financial statements
(Allocation to) Reabsorption of allowances for risks and charges	as inferred from the consolidated financial statements
Total net operating costs	
Gross operating margin (EBITDA)	
Amortization and depreciation	as inferred from the consolidated financial statements
Provisions for renovation and other adjusting provisions	calculated as follows
	+ Allocations to provisions for doubtful accounts (see note 7.5 of the Explanatory Notes)
	+ Allocation to (use of) the provisions for renovation of airport infrastructure (as inferred from the consolidated financial statements)
	- operating uses of the provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Operating income (EBIT)	
Financial income (expense)	as inferred from the consolidated financial statements
Share of profit (loss) of associates accounted for using the equity method	as inferred from the consolidated financial statements
Income (loss) before taxes from continuing operations	as inferred from the consolidated financial statements
Taxes	as inferred from the consolidated financial statements
Net income (loss) from continuing operations	as inferred from the consolidated financial statements
Net income (loss) from discontinued operations	as inferred from the consolidated financial statements
Net income (loss) for the period	as inferred from the consolidated financial statements
Share of income (loss) for the period pertaining to third party shareholders	as inferred from the consolidated financial statements
Group share of income (loss) for the period	as inferred from the consolidated financial statements

Reconciliation between the reclassified consolidated statement of financial position and the consolidated financial statements

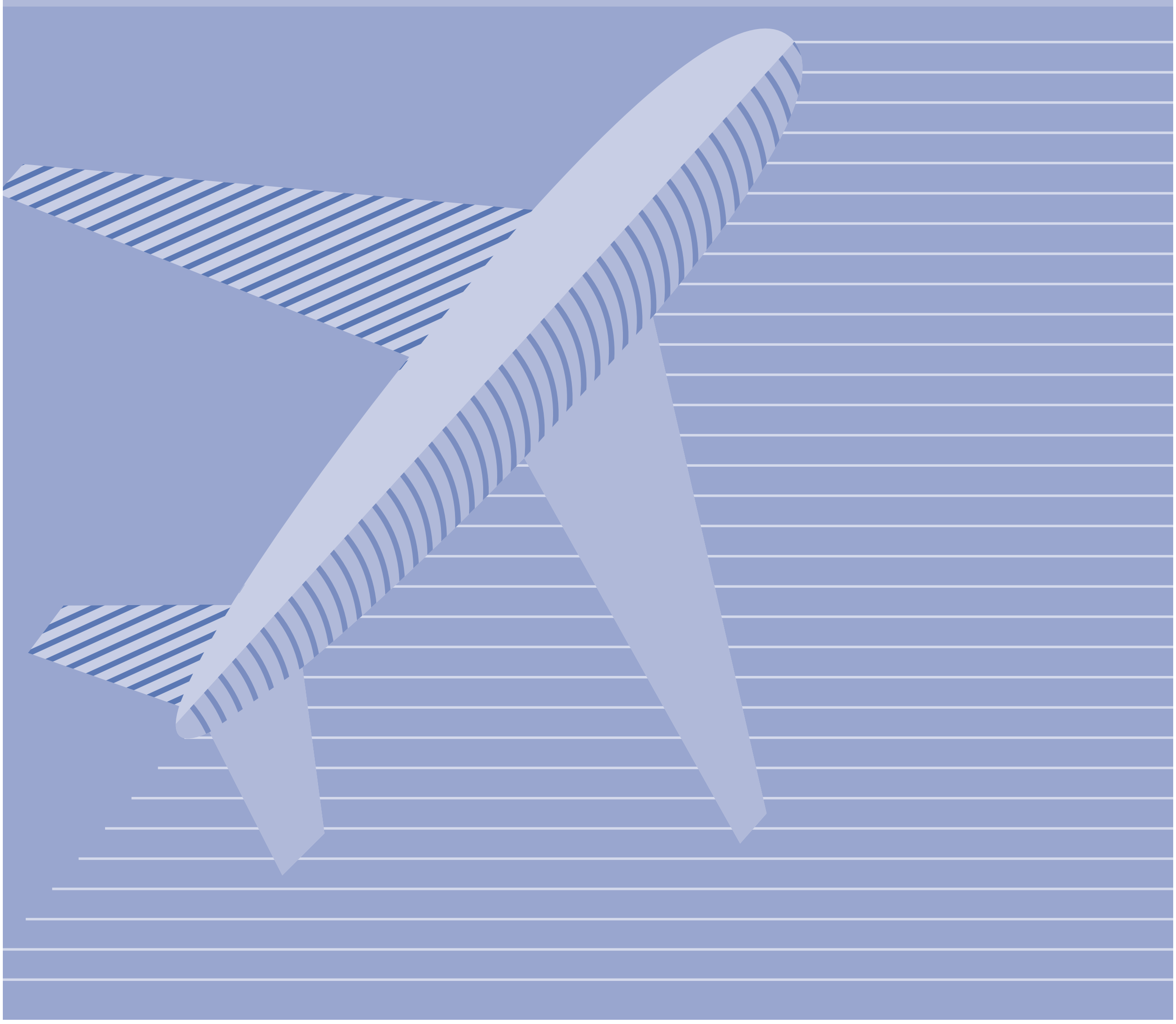
The consolidated statement of financial position was reclassified in accordance with “management criteria”, which, on one hand, shows the division of invested capital between fixed capital and working capital, net of provisions, and on the other, the related sources of funding, represented by self-financing (shareholders’ equity) and borrowing (current and non-current net debt). For the items that cannot be directly inferred from the consolidated financial statements, the calculation method is provided.

	RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	SOURCE/CALCULATION METHOD
	Intangible fixed assets	corresponding to the item “Intangible assets” in the consolidated financial statements
	Tangible fixed assets	corresponding to the item “Tangible assets” in the consolidated financial statements
	Non-current financial assets	corresponding to the item “Equity investments” in the consolidated financial statements
	Deferred tax assets	as inferred from the consolidated financial statements
	Other non-current assets	as inferred from the consolidated financial statements
A	**FIXED ASSETS**	
	Trade assets	as inferred from the consolidated financial statements
	Other current assets	as inferred from the consolidated financial statements
	Current tax assets	as inferred from the consolidated financial statements
	Trade liabilities	as inferred from the consolidated financial statements
	Other current liabilities	as inferred from the consolidated financial statements
	Current tax liabilities	as inferred from the consolidated financial statements
B	**WORKING CAPITAL**	
	Provisions for employee benefits	as inferred from the consolidated financial statements
	Provisions for renovation of airport infrastructure	as inferred from the consolidated financial statements
	Other allowances for risks and charges	as inferred from the consolidated financial statements
C	**CURRENT SHARE OF PROVISIONS**	**corresponding to the item “Allowances for current provisions” in the consolidated financial statements**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	
	Non-current liabilities	+ Allowances for non-current provisions as inferred from the consolidated financial statements
		+ Other non-current liabilities as inferred from the consolidated financial statements
E	**NON-CURRENT LIABILITIES**	
F = A + D + E	**NET INVESTED CAPITAL**	
	Group Shareholders' equity	as inferred from the consolidated financial statements
	Minority interests in Shareholders’ equity	as inferred from the consolidated financial statements
G	**SHAREHOLDERS' EQUITY**	
	Non-current financial liabilities	as inferred from the consolidated financial statements
	Other non-current financial assets	as inferred from the consolidated financial statements
H	**NON-CURRENT NET DEBT**	
	Current financial liabilities	as inferred from the consolidated financial statements
	Current financial assets	+ Other current financial assets as inferred from the consolidated financial statements
		+ Cash and cash equivalents as inferred from the consolidated financial statements
I	**CURRENT NET DEBT**	
L = H + I	**NET DEBT**	
G + L	**HEDGING OF INVESTED CAPITAL**	

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2019

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2019

CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP



Consolidated Statement of Financial Position

ASSETS (THOUSANDS OF EUROS)	NOTES	06.30.2019	OF WHICH TOWARDS RELATED PARTIES	12.31.2018	OF WHICH TOWARDS RELATED PARTIES
NON-CURRENT ASSETS					
Tangible assets	6.1	57,680		44,327	
Concession fees		2,369,033		2,333,617	
Other intangible assets		58,462		40,711	
Intangible assets	6.2	2,427,495		2,374,328	
Equity investments	6.3	71,115		73,008	
Other non-current financial assets	6.4	1,943		4,517	
Deferred tax assets	6.5	51,586		44,290	
Other non-current assets	6.6	401		408	
TOTAL NON-CURRENT ASSETS		**2,610,220**		**2,540,878**	
CURRENT ASSETS					
Inventories		3,847		3,750	
Trade receivables		347,202	*2,871*	312,584	*4,125*
Trade assets	6.7	351,049	*2,871*	316,334	*4,125*
Other current financial assets	6.4	1,350	*1,350*	1,350	*1,350*
Current tax assets	6.8	7,544	*7,470*	7,739	*7,470*
Other current assets	6.9	15,832	*633*	13,136	*596*
Cash and cash equivalents	6.10	258,369		328,200	
TOTAL CURRENT ASSETS		**634,144**	***12,324***	**666,759**	***13,541***
TOTAL ASSETS		**3,244,364**	***12,324***	**3,207,637**	***13,541***

SHAREHOLDERS' EQUITY AND LIABILITIES (THOUSANDS OF EUROS)	NOTES	06.30.2019	OF WHICH TOWARDS RELATED PARTIES	12.31.2018	OF WHICH TOWARDS RELATED PARTIES
SHAREHOLDERS' EQUITY					
GROUP SHAREHOLDERS' EQUITY					
Share capital		62,225		62,225	
Reserves and retained earnings		872,189		912,282	
Net income for the period, net of the advance on dividends		108,470		132,369	
		1,042,884		1,106,876	
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY		0		0	
TOTAL SHAREHOLDERS' EQUITY	6.11	**1,042,884**		**1,106,876**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	6.12	16,043		18,494	
Provisions for renovation of airport infrastructure	6.13	124,202		115,185	
Other allowances for risks and charges	6.14	14,959		17,031	
Allowances for non-current provisions		155,204		150,710	
Bonds		1,099,604	*239,808*	1,097,076	*240,350*
Medium/long-term loans		249,598		249,559	
Financial instruments - derivatives		159,245		139,330	
Other financial liabilities		1,725		0	
Non-current financial liabilities	6.15	1,510,172	*239,808*	1,485,965	*240,350*
Other non-current liabilities	6.16	6,304	*628*	3,805	*882*
TOTAL NON-CURRENT LIABILITIES		1,671,680	*240,436*	1,640,480	*241,232*
CURRENT LIABILITIES					
Provisions for employee benefits	6.12	3,268		540	
Provisions for renovation of airport infrastructure	6.13	73,554		66,042	
Other allowances for risks and charges	6.14	7,348		7,409	
Allowances for current provisions		84,170		73,991	
Trade payables	6.17	202,094	*74,809*	173,732	*57,220*
Trade liabilities		202,094	*74,809*	173,732	*57,220*
Current share of medium/long-term financial liabilities		6,425	*392*	16,024	*431*
Financial instruments - derivatives		33,382		262	
Other financial liabilities		1,095		0	
Current financial liabilities	6.15	40,902	*392*	16,286	*431*
Current tax liabilities	6.8	9,335	*6,851*	21,475	*17,827*
Other current liabilities	6.18	193,299	*3,474*	174,797	*1,231*
TOTAL CURRENT LIABILITIES		529,800	*85,526*	460,281	*76,709*
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,244,364**	**325,962**	**3,207,637**	**317,941**

Consolidated Income Statement

(THOUSANDS OF EUROS)	NOTES	1st HALF 2019	OF WHICH TOWARDS RELATED PARTIES	1st HALF 2018	OF WHICH TOWARDS RELATED PARTIES
REVENUES					
Revenues from airport management		444,902	*6,905*	432,225	*6,816*
Revenues from construction services		77,872		51,391	
Other operating income		6,345	*572*	7,451	*597*
TOTAL REVENUES	7.1	**529,119**	***7,477***	**491,067**	***7,413***
COSTS					
Consumption of raw materials and consumables	7.2	(14,936)	*(9,708)*	(14,779)	*(9,262)*
Service costs	7.3	(146,832)	*(57,058)*	(130,262)	*(34,380)*
Payroll costs	7.4	(90,144)	*(2,040)*	(85,809)	*(2,028)*
Concession fees		(17,509)		(17,045)	
Expenses for leased assets		(582)		(1,495)	
(Allocation to) use of the provisions for renovation of airport infrastructure	6.13	(15,505)		(3,029)	
(Allocation to) re-absorption of allowances for risks and charges	6.14	(455)		(403)	
Other costs		(5,629)	*(7)*	(5,027)	
Other operating costs	7.5	(39,680)	*(7)*	(20,941)	
Depreciation of tangible assets	6.1	(7,631)		(7,015)	
Amortization of intangible concession fees	6.2	(42,455)		(41,649)	
Amortization of other intangible assets	6.2	(2,954)		(2,729)	
Amortization and depreciation		(53,040)		(51,393)	
TOTAL COSTS		**(344,632)**	***(68,813)***	**(303,184)**	***(45,670)***
OPERATING INCOME (EBIT)		**184,487**		**187,883**	
Financial income		3,946	*3,520*	2,462	*1,873*
Financial expense		(28,422)	*(6,503)*	(27,542)	*(6,653)*
Foreign exchange gains (losses)		541		(327)	
FINANCIAL INCOME (EXPENSE)	7.6	**(23,935)**	***(2,983)***	**(25,407)**	**(4,780)**
Share of profit (loss) of associates accounted for using the equity method	7.7	(1,871)		(2,896)	
INCOME (LOSS) BEFORE TAXES		**158,681**		**159,580**	
Income taxes	7.8	(50,211)		(50,719)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**108,470**		**108,861**	
Net income (loss) from discontinued operations		0		0	
NET INCOME FOR THE PERIOD		**108,470**		**108,861**	
of which:					
Group income		108,470		108,861	
Minority interests		0		0	

Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1st HALF 2019	1st HALF 2018
NET INCOME FOR THE PERIOD	**108,470**	**108,861**
Share of cash flow hedge derivative financial instruments	(55,119)	(1,127)
Tax effect	13,229	271
Share pertaining to the “other components of comprehensive income” of equity investments accounted for using the equity method	22	(19)
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(41,868)**	**(875)**
Income (loss) from actuarial valuation of employee benefits	(1,014)	10
Tax effect	244	(6)
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(770)**	**4**
Reclassifications of the other components of the comprehensive income statement for the period	**766**	**771**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(41,872)**	**(100)**
COMPREHENSIVE INCOME FOR THE PERIOD	**66,598**	**108,761**
of which:		
Group income	66,598	108,761
Minority interests	0	0

Statement of Changes in Consolidated Equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	(FLOW HEDGE RESERVE CASH FLOW HEDGE DERIVATIVES	RESERVE FOR THE VALUATION OF EQUITY INVESTMENTS ACCORDING TO THE EQUITY METHOD	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME FOR THE PERIOD (net of the advance on dividends)	TOTAL	MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS OF DECEMBER 31, 2017	**62,225**	**12,462**	**667,389**	**(46,995)**	**74**	**275,747**	**137,322**	**1,108,224**	**0**	**1,108,224**
Changes in IFRS standards				(46)		6,128		6,082		6,082
BALANCE AS OF JANUARY 1, 2018	**62,225**	**12,462**	**667,389**	**(47,041)**	**74**	**281,875**	**137,322**	**1,114,306**	**0**	**1,114,306**
NET INCOME FOR THE PERIOD							108,861	108,861		108,861
Other components of comprehensive income:				(85)	(19)	4		(100)		(100)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(85)				(85)		(85)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						4		4		4
Share pertaining to the "Other components of comprehensive income" of equity investments accounted for using the equity method					(19)			(19)		(19)
Comprehensive income for the period				(85)	(19)	4	108,861	108,761	0	108,761
Dividend distribution (balance)							(135,028)	(135,028)		(135,028)
Allocation of residual profit of the previous year						2,294	(2,294)	0		0
Other changes					15	12		27		27
BALANCE AS OF JUNE 30, 2018	**62,225**	**12,462**	**667,389**	**(47,126)**	**70**	**284,185**	**108,861**	**1,088,066**	**0**	**1,088,066**
BALANCE AS OF JANUARY 1, 2019	**62,225**	**12,462**	**667,389**	**(51,654)**	**32**	**284,053**	**132,369**	**1,106,876**	**0**	**1,106,876**
Net income for the period							108,470	108,470		108,470
Other components of comprehensive income:				(41,124)	22	(770)		(41,872)		(41,872)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(41,124)				(41,124)		(41,124)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						(770)		(770)		(770)
Share pertaining to the "Other components of comprehensive income" of equity investments accounted for using the equity method					22			22		22
Comprehensive income for the period				(41,124)	22	(770)	108,470	66,598		66,598
Dividend distribution (balance)							(130,672)	(130,672)		(130,672)
Allocation of residual profit of the previous year						1,697	(1,697)	0		0
Other changes					(44)	126		82		82
BALANCE AS OF JUNE 30, 2019	**62,225**	**12,462**	**667,389**	**(92,778)**	**10**	**285,106**	**108,470**	**1,042,884**		**1,042,884**

Consolidated Statement of Cash Flows

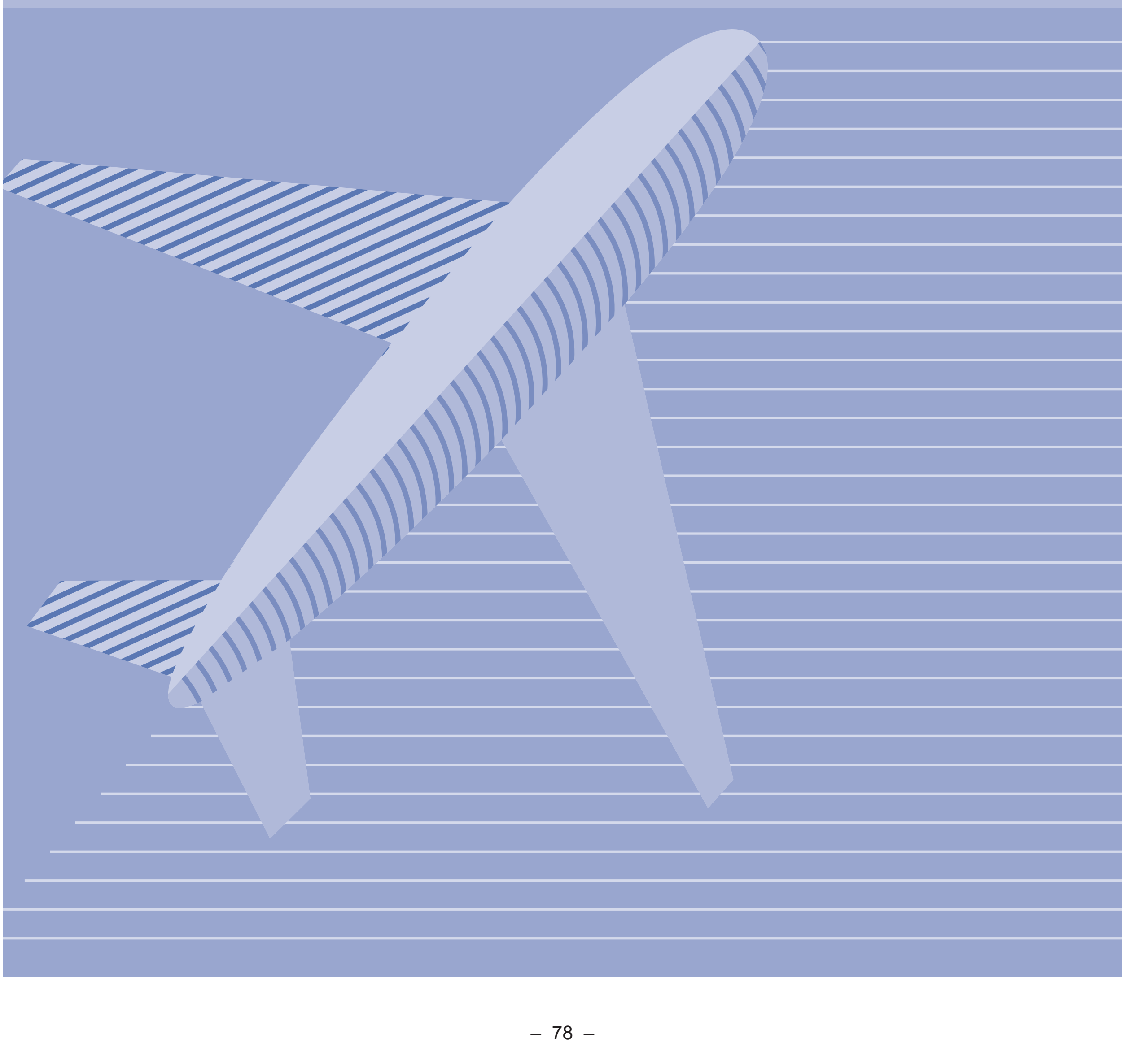
(THOUSANDS OF EUROS)	1st HALF 2019	1st HALF 2018
Net income for the period	**108,470**	**108,861**
Adjusted by:		
Amortization and depreciation	53,040	51,393
Allocation to provisions for renovation of airport infrastructure	29,497	23,076
Financial expense from discounting provisions	1,052	915
Change in other provisions	(2,899)	(3,975)
Share of profit (loss) of associates accounted for using the equity method	1,871	2,896
Net change in deferred tax (assets) liabilities	5,935	10,322
Other non-monetary costs (revenues)	4,225	4,151
Changes in working capital and other changes	7	719
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**201,198**	**198,358**
Investments in tangible assets	(18,002)	(4,237)
Investments in intangible assets (*)	(103,843)	(55,306)
Works for renovation of airport infrastructure	(13,992)	(26,105)
Gains from disinvestments and other changes in tangible and intangible assets and equity investments	5,256	1,327
Net change in other non-current assets	7	4
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(130,574)**	**(84,317)**
Dividends paid	(130,672)	(135,028)
Net change in other current and non-current financial liabilities	(9,783)	(9,573)
Net change in current and non-current financial assets	0	(61)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)	**(140,455)**	**(144,662)**
NET CASH FLOW FOR THE PERIOD (A+B+C)	**(69,831)**	**(30,621)**
Cash and cash equivalents at the start of the period	328,200	301,975
Cash and cash equivalents at the end of the period	258,369	271,354

(*) including advances to suppliers for 21,883 thousand euros in the first half of 2019 and 589 thousand euros in the first half of 2018.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	1st HALF 2019	1st HALF 2018
Net income taxes paid (reimbursed)	56,220	21,014
Interest income collected	15	89
Interest payable and commissions paid	32,070	32,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP



1. General information

Aeroporti di Roma S.p.A. (hereafter the "Company" or "ADR" or "the Parent Company") manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority ("ENAC") and ADR. On December 21, 2012, the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through the subsidiary undertakings, to which specific activities are assigned.

The registered office of the Parent Company is in Fiumicino, Via Pier Paolo Racchetti 1, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration is currently set until December 31, 2050.

On the date of presenting the Condensed consolidated interim financial statements, Atlantia S.p.A. ("Atlantia") is the shareholder that directly holds the majority of the shares of ADR (61,841,885, equal to 99.38% of the capital) and exercises management and coordination of the Company.

These Condensed consolidated interim financial statements of ADR and its subsidiary undertakings (the "ADR Group") were approved by the Board of Directors of the Company during the meeting of July 31, 2019 and subject to audit by EY S.p.A..

The Consolidated financial statements were prepared in the assumption of going-concern.

2. Form and content of the Consolidated financial statements

The Condensed consolidated interim financial statements as of June 30, 2019 were prepared in compliance with IAS 34 "Interim Financial Reporting" (applicable for half-year financial information).

The Condensed consolidated interim financial statements comprise statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows and these explanatory notes, applying the provisions of IAS 1 "Presentation of Financial Statements" and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items described in the Consolidated Financial Statements as of December 31, 2018, to which reference is made.

Compared to the annual Consolidated Financial Statements, a summarized report is envisaged in terms of form and content, as provided for by IAS 34. As a consequence, for more detailed information, these Condensed consolidated interim financial statements must be read together with the Consolidated Financial Statements as of December 31, 2018, prepared according to the International Financial Reporting Standards (IFRS).

The accounting statements are the same as those adopted in the Consolidated Financial Statements as of December 31, 2018.

All the values are expressed in thousands of euros, unless otherwise stated. Euro is the functional currency of the Parent Company and the subsidiary undertakings and the currency of presentation of the financial statements.

For each item in the consolidated financial statements, the corresponding value of the previous year or period is reported for comparison purposes.

3. Consolidation area and principles

The Condensed consolidated interim financial statements include the financial statements of ADR and its subsidiary undertakings for the period ending June 30, 2019, directly or indirectly controlled by ADR, both by virtue of the shares held corresponding to the majority of votes in the Shareholders' Meeting (also when considering the potential voting rights deriving from options that can be exercised immediately) and due to other facts or circumstances that (also when excluding the related shares) assign the power over the company, the exposure or the right to variable returns on the investment in the company and the ability to use the power over the company to influence the returns on the investment.

The subsidiary undertakings are included in the consolidation area as of the date when control is acquired by the Group and are excluded from the area as of the date when control is lost by the Group. Annex 1 “List of equity investments” lists the companies included in the consolidation area. The consolidation area has not changed compared to December 31, 2018.

For consolidation purposes, the accounting situations of the subsidiary undertakings were used, approved by the relevant Boards of Directors and the Sole Directors, adjusted on the basis of the IFRS standards adopted by the Group.

The consolidation principles are the same applied to the preparation of the Consolidated Financial Statements as of December 31, 2018, to which reference is made.

4. Accounting standards applied

In preparing the Condensed consolidated interim financial statements as of June 30, 2019, the same accounting standards and valuation criteria applied in preparing the Consolidated Financial Statements as of December 31, 2018, were used, with the exception of amendments introduced by the application, effective January 1, 2019, of the new standards IFRS 16 “Leases”, whose main elements are described below.

The Notes to the Consolidated Financial Statements as of December 31, 2018, to which reference should be made, describe in detail the accounting standards and measurement criteria applied as well as standards issued but not yet in force.

According to IFRS, the preparation of the financial statements requires estimates and valuations to be made, which affect the determination of the book value of assets and liabilities as well as the information provided in the explanatory notes, also with reference to the assets and liabilities potentially existing at the end of the period. These estimates are used primarily to determine the amortization and depreciation, the impairment test of assets (including the valuation of receivables), allowances for provisions, employee benefits, the fair value of financial assets and liabilities, current and deferred tax assets and liabilities.

Therefore, the actual results subsequently recorded may differ from these estimates; furthermore, the estimates and valuations are reviewed and updated periodically and the effects deriving from any variation are immediately reflected in the financial statements.

In accordance with IAS 36, note that, when preparing the condensed consolidated interim financial statements, the recognized assets are subject to impairment only when internal and external impairment indicators are present that require the immediate measurement of the relevant losses. If such indications exist, the value of these assets is estimated to verify the recoverability of the amounts recorded in the financial statements and determine the amount of any write-downs to be entered.

For accounting standards IFRS 16, which as stated is applicable from January 1, 2019, the salient elements introduced by these standards are described below, as well as the differences compared to the previously applied criteria.

IFRS 16 – Leases

On January 13, 2016 the IASB published the definitive version of the new accounting standard regarding the accounting of lease transactions, which replaces IAS 17, IFRIC 4, SIC 15 and SIC 27, to be adopted starting from January 1, 2019. The new standard provides a new definition of lease and introduces a control-based criterion for an asset to distinguish lease contracts from contracts for the provision of services, identifying the following as discriminating factors: the identification of the asset, the right to replace it, the right to obtain essentially all the economic benefits from use of the asset, and finally, the right to manage the use of the asset underlying the contract.

The new standard intervenes on the lessee by conforming the accounting treatment of operating and financial leasing. IFRS 16 requires the lessee to record the assets from a lease contract in the statement of financial position, to recognize and classify as rights of use (or under the same item that the corresponding underlying asset would have been recorded if it were owned) regardless of the nature of the leased assets, to be subject to amortization based on the duration of the rights; at the time of the initial measurement, the lessee recognizes the liability deriving from the contract, for an amount equal to the current value of the minimum mandatory lease payments.

IFRS 16 also clarifies that a lessee, within the framework of the lease agreement, must separate lease components (to which the provisions of IFRS 16 apply) from those relating to other services, which instead must be subject to the relevant provisions of the other IFRSs.

The lease agreements with a duration equal to or shorter than 12 months and those regarding assets of a negligible amount may be excluded from the new methodology of accounting representation, due to their little significance for the lessee.

Regarding the lessor, the alternative accounting models of finance lease and operating lease, depending on the characteristics of the contract, remain essentially applicable, as currently governed by IAS 17; consequently, it will be necessary to recognize the financial receivable (in case of finance lease) or the tangible asset (in case of operating lease).

Impacts on ADR Group's Consolidated interim financial statements resulting from the adoption of IFRS 16

As permitted by IFRS 16, the ADR Group availed itself of the simplification envisaged by the standard which allows the retrospective modified application of IFRS 16, without amending the comparative items of the statement of financial position and of the income statement.

Therefore, on the basis of the adopted approach, at the date of first accounting treatment the ADR Group recognized the present value of the residual payments for financial leases as of January 1, 2019 under financial liabilities, offset by the recognition of the right of use.

The nature and effects of these changes are shown in the following table.

(THOUSANDS OF EUROS)	DATA PUBLISHED 12.31.2018	IFRS 16 APPLICATION ADJUSTMENT	RESTATED DATA 01.01.2019
ASSETS			
Non-current assets	2,540,878	2,972	2,543,850
of which tangible assets - rights of use	44,327	2,972	47,299
Current assets	666,759	0	666,759
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1,106,876	0	1,106,876
Non-current liabilities	1,640,480	2,029	1,642,509
of which other non-current financial liabilities - non-current payables for leases	0	2,029	2,029
Current liabilities	460,281	943	461,224
of which Current share of medium/long-term financial liabilities - current lease payables	0	943	943

The ADR Group does not hold significant lease instruments as a lessee, which, in any case, mainly refer to leases of property, vehicles, fittings and hw equipment.

The Group availed itself of the following simplifications permitted by the standard, in addition to the above mentioned one of the retrospective application:

- exclusion of lease agreements with a residual duration equal to or shorter than 12 months (starting from January 1, 2019) and those regarding assets of a negligible amount from the new methodology of accounting representation, since they are not very significant. Lease fees will continue to be recognized in the income statement for these assets for the duration of the respective contracts;
- use of the information on the transition date to determine the duration of the lease, with special reference to the exercise of extension or early closing options;
- exclusion of the initial direct costs from measurement of the right as of January 1, 2019;
- exclusion of application of the new standard for contracts with a lease that has an intangible asset as its underlying asset.

With reference to the lease contracts held by Group companies in the position of lessor, essentially related to the sub-concessions for the lease of areas used for sales and catering activities in the airport infrastructures used as concessions, IFRS 16 does not introduce any new elements in the accounting recognition of the lease contracts by the lessor compared to what had been established in the previous IAS 17.

5. Concession Agreement

Concessionary Relationship

ADR's corporate purpose is the construction and management of airports or a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the ENAC Regulations that govern the operation of airports open to civil traffic.

The original Concession Management Agreement 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with a specific Council of Ministers Presidential Decree. The single document regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be guided by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

Duration of the Concession

The term of the concession expires on June 30, 2044 in compliance with art. 14 of Italian Law no. 359 of August 8, 1992, and art. 1-quater of Italian Law no. 351 of August 3, 1995, as set forth in the reports by the Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998.

The causes for revocation, default or termination of the concessionary relationship are specified in the new Single Deed - Planning Agreement under arts. 18, 19 and 20 as well as art. 20-bis for the effects set for the natural expiry as of June 30, 2044.

Subject Matter of the Concession

Italian Law 755/73 (art. 1) sets forth the subject of the concession, consisting in the single management of the Roman airport system, to be carried out under the supervision of the Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

ADR also provides security screening services for passengers and carry-on and checked baggage, always based on the concession regime.

Income

Pursuant to art. 6, paragraph 1, of Italian Law 755/73, "all revenues of the State, which derive from the management of the two airports, belong to the company holding the concession".

Art. 10 of the Single Deed - Planning Agreement lists in detail the concessionaire’s income, providing also the “fair fee” to be paid to it by anyone carrying out non-aeronautical activities for a profit, including occasionally, within the airports under concession, which is not remunerated otherwise.

This article also specifies the income deriving from or connected to commercial activities that are not included in the tariff discipline of the Planning Agreement.

It regulates the so-called “regulated consideration”, i.e. the airport services originally identified in the “Reordering framework regarding the tariff system for airport services rendered on an exclusive basis” proposed by the Minister of Transport and Navigation in conjunction with the Minister of Finance and approved with CIPE resolution no. 86 of August 4, 2000 and replaced by Resolution no. 51/08. These fees include the airport fees and all the fees for the services rendered on an exclusive basis.

Concession fees

Italian Law Decree 251/95, converted into Italian Law 351/95, introduced the obligation to pay a concession fee.

The reference parameter for calculating the fee (“WLU” - Work Load Unit) was adopted following the Decree of the State Property Office of June 30, 2003, then extended in subsequent years. The WLU corresponds to one passenger or 100 kg of cargo or post and is calculated using the data reported in the statistical yearbook of the Ministry for Infrastructure and Transport - ENAC (Italian Civil Aviation Authority). This fee quantification method was confirmed until 2021, with subsequent Decrees of the State Property Office.

According to art. 2, paragraph 4 of the Single Deed - Planning Agreement, if, as a result of regulatory provisions and/or administrative measures, the amount of the concession fee were to be changed compared to the one in force at the time of stipulation, or if taxation were introduced with an equivalent effect to be borne by the Concessionaire, the latter shall be entitled to a specific increase to cover the greater disbursement.

ADR also pays ENAC a fee for the concession of the baggage and passenger security checking services pursuant to Italian Ministerial Decree no. 85/99. The amount is set to 0.07 euros per outgoing passenger (Italian Ministerial Decree of July 13, 2005). The obligation to make this payment is reported also under art. 2, paragraph 5 of the Planning Agreement.

The asset regime

Art. 12 of the Single Deed - Planning Agreement governs the Concessionaire’s right to use the assets. This is to be interpreted together with the provisions in arts. 703 and 41 of the Navigation Code.

Additional rules contained in the Planning Agreement contribute to defining the legal treatment of the assets (e.g., art. 20-bis) which, though conditioned by the relevance of the principle of correlation to the use for performing regulated activities or alternatively commercially (unregulated) activities, does not significantly differ from the pre-existing regime. In particular:

- the assets received under concession at the time of establishing the concessionaire or subsequently created by it by virtue of laws of the State with public funds, are possessed by the concessionaire under the right of use regime as these are government property; these assets are summarized in the table below:

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018
Assets received under the concession at Fiumicino	119,812	119,812
Assets received under the concession at Ciampino	29,293	29,293
Assets completed on behalf of the State (*)	742,197	742,197
TOTAL	**891,302**	**891,302**

(*) value of construction services for works financed, realized and reported to the Italian Civil Aviation Authority

- the assets acquired/created by the Concessionaire with funding from its accounts and used to perform activities subject to fee regulation are held under the ownership regime until the end of the concession. This leads to the obligation to hand them over to the Grantor upon the natural expiry of the concession; this action will be in any case conditioned by the repayment of their value to be established according to the convention rules;
- the same treatment applies to the goods acquired/created by the Concessionaire with funding from its accounts, but used to perform (unregulated) commercial activities, provided these are related to real estate whose need has been expressly declared by ENAC, due to their characteristics to perform airport functions, thus authorizing their creation;
- for commercial movable properties, instead, the concessionaire has full ownership; the Grantor is granted a right to purchase (art. 20-bis 4.d) upon the natural expiry of the concession, which can be exercised by paying the former concessionaire their residual carrying value.

  Based on the Single Deed - Planning Agreement, at the natural expiration of the concession, ADR will receive a fee equal to the residual value of the investments made. The residue value will be taken from the regulatory accounts. To date, the ADR Group does not have assets in service whose residual value from the regulatory accounts exceeds zero.

6. Information on the items of the consolidated statement of financial position

6.1 Tangible assets

(THOUSANDS OF EUROS)	12.31.2018			CHANGE					06.30.2019		
	COST	ACC. DEPR.	NET VALUE	INVEST MENTS	DEPRECI ATION	OTHER CHANGES	DISPOSALS	EFFECT OF IFRS16	COST	ACC. DEPR.	NET VALUE
Land and buildings	0	0	0	15,546	(36)	0	0	0	15,546	(36)	15,510
Plant and machinery	96,929	(65,387)	31,542	637	(5,062)	18	0	0	97,430	(70,295)	27,135
Industrial and commercial equipment	14,279	(11,846)	2,433	120	(387)	0	0	0	14,399	(12,233)	2,166
Other assets	35,158	(25,617)	9,541	507	(1,577)	680	(5)	0	36,241	(27,095)	9,146
Work in progress and advances	811	0	811	780	0	(683)	0	0	908	0	908
Right of use on Property, plant and equipment and other assets	0	0	0	412	(569)	0	0	2,972	3,384	(569)	2,815
TOTAL TANGIBLE ASSETS	**147,177**	**(102,850)**	**44,327**	**18,002**	**(7,631)**	**15**	**(5)**	**2,972**	**167,908**	**(110,228)**	**57,680**

(THOUSANDS OF EUROS)	12.31.2017			CHANGE				06.30.2018		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Plant and machinery	96,506	(57,562)	38,944	222	(4,916)	440	0	97,081	(62,391)	34,690
Industrial and commercial equipment	14,141	(11,420)	2,721	117	(325)	30	0	14,265	(11,722)	2,543
Other assets	30,796	(22,171)	8,625	2,577	(1,774)	361	0	33,734	(23,945)	9,789
Work in progress and advances	1,990	0	1,990	1,321	0	(810)	0	2,501	0	2,501
TOTAL TANGIBLE ASSETS	**143,433**	**(91,153)**	**52,280**	**4,237**	**(7,015)**	**21**	**0**	**147,581**	**(98,058)**	**49,523**

Tangible assets, equaling 57,680 thousand euros (44,327 thousand euros as of December 31, 2018) rose in the six months by 13,353 thousand euros due mainly to investments (18,002 thousand euros), partly offset by the depreciation for the period.

Investments of 18,002 thousand euros mainly refer to:

- in the Land and buildings item (15,546 thousand euros), land for 11,900 thousand euros and buildings for 3,646 thousand euros, following the purchase by ADR S.p.A. on April 17, 2019 of an area (known as Pianabella) adjacent the airport territory owned by Alitalia LAI and Alitalia Servizi under extraordinary administration;
- within the category Plant and machinery (637 thousand euros) entirely due to transport vehicles and the like;
- within the category Other assets (507 thousand euros), to electronic machinery (198 thousand euros) and furniture/furnishings (109 thousand euros).

The tangible assets item also increased by 2,972 thousand euros due to the effect of the recognition of the right of use of leased assets in relation to Equipment, machinery and other assets following the first application of the new accounting standard IFRS 16, starting from January 1, 2019. The increase in the first half of the year was of 412 thousand euros, while depreciation amounted to 569 thousand euros.

During the period, no significant changes took place in the estimated useful life of the assets.

6.2 Intangible assets

(THOUSANDS OF EUROS)	COST	W.D.	ACC. AMORT.	12.31.2018 NET VALUE	INVEST MENTS	AMORTIZ ATION	CHANGE OTHER CHANGES	COST	W.D.	ACC. AMORT.	06.30.2019 NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(911,233)	1,256,733	0	(24,642)	0	2,167,966	0	(935,875)	1,232,091
Airport management concession - investments in infrastructure	1,287,991	0	(211,107)	1,076,884	77,871	(17,813)	0	1,365,862	0	(228,920)	1,136,942
TOTAL CONCESSION FEES	3,455,957	0	(1,122,340)	2,333,617	77,871	(42,455)	0	3,533,828	0	(1,164,795)	2,369,033
Other intangible assets	73,907	(41)	(58,939)	14,927	4,090	(2,954)	27	78,024	(41)	(61,893)	16,090
Advances to suppliers	25,784	0	0	25,784	21,882	0	(5,294)	42,372	0	0	42,372
TOTAL OTHER INTANGIBLE ASSETS	99,691	(41)	(58,939)	40,711	25,972	(2,954)	(5,267)	120,396	(41)	(61,893)	58,462
TOTAL INTANGIBLE ASSETS	**3,555,648**	**(41)**	**(1,181,279)**	**2,374,328**	**103,843**	**(45,409)**	**(5,267)**	**3,654,224**	(41)	**(1,226,688)**	**2,427,495**

(THOUSANDS OF EUROS)	COST	W.D.	ACC. AMORT.	12.31.2017 NET VALUE	INVEST MENTS	AMORTIZ ATION	CHANGE OTHER CHANGES	COST	W.D.	ACC. AMORT.	06.30.2018 NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(861,949)	1,306,017	0	(24,642)	0	2,167,966	0	(886,591)	1,281,375
Airport management concession - investments in infrastructure	1,178,334	0	(176,627)	1,001,707	51,392	(17,007)	0	1,229,726	0	(193,634)	1,036,092
TOTAL CONCESSION FEES	3,346,300	0	(1,038,576)	2,307,724	51,392	(41,649)	0	3,397,692	0	(1,080,225)	2,317,467
Other intangible assets	65,777	(41)	(53,364)	12,372	3,325	(2,729)	54	69,156	(41)	(56,093)	13,022
Advances to suppliers	29,704	0	0	29,704	589		(1,402)	28,891	0	0	28,891
TOTAL OTHER INTANGIBLE ASSETS	95,481	(41)	(53,364)	42,076	3,914	(2,729)	(1,348)	98,047	(41)	(56,093)	41,913
TOTAL INTANGIBLE ASSETS	**3,441,781**	**(41)**	**(1,091,940)**	**2,349,800**	**55,306**	**(44,378)**	**(1,348)**	**3,495,739**	**(41)**	**(1,136,318)**	**2,359,380**

Intangible assets, equal to 2,427,495 thousand euros (2,374,328 thousand euros as of December 31, 2018) rose by 53,167 thousand euros mainly due to the investments in the period, equal to 103,843 thousand euros, partly offset by amortization equal to 45,409 thousand euros.

Concession fees include the concession relating to managing the Roman Airport System; for further information on the concession relationship reference should be made to Note 5. In detail:

- Airport management concession - rights acquired: represents the value of the airport management concession, and reflects the difference between the price paid for ADR's shares by Leonardo S.p.A. (incorporated in Leonardo S.p.A. effective January 1, 2001) compared to the pro-rata value of shareholders' equity of ADR Group;
- Airport management concession - investments in infrastructure: includes the activities to create new infrastructure and/or improve and enhance the existing airport infrastructure carried out by the ADR Group.

  The investments in the Airport management concession - investments in infrastructure equal 77,871 thousand euros and relate to construction services provided in the year on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded by nature, as well as the fair value of the related construction services carried out.

  Worth noting are:
- work relating to the East Terminal System for 43.1 million euros, aimed at the realization of a new Boarding Area A and of the Avant-corps of Terminal 1;
- urbanization works in the West area/Aprons W for 6.1 million euros, relative to the development of nine further aircraft parking lay-bys;
- works on runways and aprons for 3.7 million euros;
- terminal maintenance and optimization of the terminals for 8.6 million euros;
- restructuring of Terminal 3 for 3.0 million euros;
- works on the new ADR headquarters for 1.1 million euros;

no impairment indicators were identified as of June 30, 2019.

Other intangible assets, equal to 16,090 thousand euros (14,927 thousand euros as of December 31, 2018), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for the half-year, equal to 4,090 thousand euros, mainly refer to the acquisition of licenses, the implementation of airport systems and the evolutionary maintenance of the accounting system.

Advances to suppliers amounted to 42,372 thousand euros as of June 30, 2019, an increase of 16,588 thousand euros compared to December 31, 2018, attributable to the advances paid to suppliers for 21,882 thousand euros, partially offset by the recovery of advances to suppliers for 5,294 thousand euros.

6.3 Equity investments

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
ASSOCIATED UNDERTAKINGS			
Pavimental S.p.A.	2,456	3,608	(1,152)
Spea Engineering S.p.A.	14,806	15,547	(741)
Consorzio E.T.L. (in liquidation)	0	0	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	17,262	19,155	(1,893)
OTHER COMPANIES			
Azzurra Aeroporti S.p.A.	52,000	52,000	0
Aeroporto di Genova S.p.A.	894	894	0
S.A.CAL. S.p.A.	957	957	0
Consorzio CAIE	1	1	0
Leonardo Energia - Società Consortile a r.l.	1	1	0
	53,853	53,853	0
TOTAL	**71,115**	**73,008**	**(1,893)**

Equity investments amount to 71,115 thousand euros, down by 1,893 thousand euros compared to December 31, 2018 due to:

- decrease in the investment in Pavimental S.p.A. ("Pavimental") (20% of capital) of 1,152 thousand euros, following the valuation according to the equity method, of which -1,126 thousand euros booked to the income statement (for ADR's share of the associated undertaking's loss for the period), +18 thousand euros to the other components of the comprehensive income statement, and -44 thousand euros to shareholders' equity. The company operates in the building and maintenance sector and in the modernization of road, motorway and airport paving;
- reduction of the value of the investment in Spea Engineering S.p.A. ("Spea Engineering") (20%) of 741 thousand euros, due to the valuation according to the equity method, of which -745 thousand euros booked to the income statement in relation to the loss for the half-year and +4 thousand euros to the comprehensive income statement. The company is engaged in the provision of engineering services for work design and management activities.

ADS constituted a pledge on the total investment of 7.77% in Azzurra Aeroporti S.p.A. (hereinafter "Azzurra") in favor of the lenders of the same Azzurra. This guarantee is limited to a maximum amount of 130.6 million euros.

6.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)	06.30.2019			12.31.2018		
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Derivatives with positive fair value	0	0	0	2,342	0	2,342
Other financial assets	3,293	1,350	1,943	3,525	1,350	2,175
TOTAL OTHER FINANCIAL ASSETS	**3,293**	**1,350**	**1,943**	**5,867**	**1,350**	**4,517**

Derivatives with positive fair value

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Interest rate hedging derivatives	0	2,342	(2,342)
Interest accrual	0	0	0
TOTAL DERIVATIVES WITH POSITIVE FAIR VALUE	**0**	**2,342**	**(2,342)**
non-current share	0	2,342	(2,342)
current share	0	0	0

Interest rate hedging derivatives

The ADR Group uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

In October 2016, ADR signed three forward-starting interest rate swap contracts, with activation in February 2020, with the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2021. These contracts, whose main characteristics are reported below, as of June 30, 2019 present a negative fair value compared to the positive fair value of 2,342 thousand euros as of December 31, 2018. For details, therefore, please refer to Note 6.15.

									FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE	
COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	AS OF 06.30.2019	AS OF 12.31.2018	TO INCOME STATEMENT	TO OCI (***)
Unicredit, BNPP, RBS	ADR	IRS FWD (*)	CF	I	10.2016	02.2030	300,000	They pay an average fixed rate of 0.969% and receive the 6-month Euribor	0	2,342	(14)	(2,328)
					TOTAL				**0**	**2,342**	**(14)**	**(2,328)**
					of which:							
					Exchange rate hedging derivatives				0	0		
					Interest rate hedging derivatives				0	2,342		

(*) forward-starting IRS: activation date February 2020. The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year equal the fair value listed in the table.

(**) the change in fair value is posted in the OCI net of the tax effect

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

In relation to the valuation techniques and the inputs used to determine the fair value of the derivatives, reference is made to Note 9.4 Information on fair value measurement.

Other financial assets

Other non-current financial assets, equal to 1,943 thousand euros (2,175 thousand euros as of December 31, 2018), essentially (1,897 thousand euros) refer to the ancillary charges incurred to subscribe the unused revolving facility as of June 30, 2019. For details, refer to Note 6.15.

Other current financial assets, equal to 1,350 thousand euros (1,350 thousand euros as of December 31, 2018), include the recognition of the receivable from the associate Spea Engineering S.p.A. for the dividends resolved in 2018 and not yet paid.

6.5 Deferred tax assets

Deferred tax assets, equal to 51,586 thousand euros (44,290 thousand euros as of December 31, 2018), are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below.

	12.31.2018	CHANGE			06.30.2019
(THOUSANDS OF EUROS)		PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME AND CHARGES RECORDED IN SHAREHOLDERS' EQUITY	
DEFERRED TAX ASSETS					
Allocation to (use of) the provisions for renovation of airport infrastructure	55,746	1,370	(6,434)	0	50,682
Allocations to allowance for obsolete and slow-moving goods	56	13	0	0	69
Allocations to provisions for doubtful accounts	7,424	0	0	0	7,424
Amortized cost and derivative instruments	16,460	(1)	(28)	12,987	29,418
Allowances for risks and charges	3,667	286	(337)	0	3,616
Other	1,416	206	(284)	243	1,581
TOTAL DEFERRED TAX ASSETS	84,769	1,874	(7,083)	13,230	92,790
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET					
Application of IFRIC 12	38,640	1,624	(820)	0	39,444
Amortized cost and derivative instruments	1,839	0	(95)	0	1,744
Other	0	16	0	0	16
TOTAL DEFERRED TAX LIABILITIES	40,479	1,640	(915)	0	41,204
TOTAL NET DEFERRED TAX ASSETS	**44,290**	**234**	**(6,168)**	**13,230**	**51,586**

The increase of 7,296 recorded in the first half of 2019 mainly refers to the performance of the fair value of the derivative instruments, partially offset by the provisions for renovation of airport infrastructure.

6.6 Other non-current assets

Other non-current assets, equal to 401 thousand euros (408 thousand euros as of December 31, 2018), refer to guarantee deposits.

6.7 Trade assets

Trade assets, equal to 351,049 thousand euros (316,334 thousand euros as of December 31, 2018), include:

- inventories of 3,847 thousand euros (3,750 thousand euros as of December 31, 2018) comprising consumable materials, clothing, spare parts, cleaning material, fuel, telephone material, etc.;
- trade receivables of 347,202 thousand euros (312,584 thousand euros as of December 31, 2018).

In detail, trade receivables are broken down as follows:

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Due from clients	375,699	341,946	33,753
Due from parent companies	359	316	43
Receivables for construction services	8,051	8,051	0
Other trade receivables	2,665	1,703	962
TOTAL TRADE RECEIVABLES, INC. PROVISIONS FOR DOUBTFUL ACCOUNTS	386,774	352,016	34,758
Provisions for doubtful accounts	(31,983)	(31,839)	(144)
Provisions for overdue interest	(7,589)	(7,593)	4
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(39,572)	(39,432)	(140)
TOTAL TRADE RECEIVABLES	**347,202**	**312,584**	**34,618**

Due from clients (including provisions for doubtful accounts) total 375,699 thousand euros and show a positive change of 33,753 thousand euros, mainly attributable to a seasonal component associated to the increased turnover.

Due from clients includes all receivables from Alitalia SAI under special administration accrued prior to the airline's admission to the extraordinary administration procedure and will be settled according to the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. In any case, any losses on receivables for services subject to settlement and resulting as an outcome of the procedure underway, being considered an event outside the concessionaire's responsibility, would lead to an alteration in the economic-financial balance that would be restored in accordance with the Planning Agreement, in the same way as other cases of force majeure or change in the regulatory framework.

It is worth remembering that the ADR Group's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 10,919 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, note that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia LAI S.p.A. under special administration (as well as due to the lessors owners of the aircrafts, jointly and severally obliged) in order to allow the aircraft owned by lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under other current liabilities.

Other trade receivables, equal to 2,665 thousand euros (1,703 thousand euros as of December 31, 2018), refer to prepaid expenses of a commercial nature and advances to suppliers.

The table below shows the movements of the provisions for doubtful accounts:

(THOUSANDS OF EUROS)	12.31.2018	INCREASES	DECREASES	06.30.2019
Provisions for doubtful accounts	31,839	877	(733)	31,983
Provisions for overdue interest	7,593	0	(4)	7,589
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**39,432**	**877**	**(737)**	**39,572**

The book value of trade receivables is close to the relevant fair value.

6.8 Current tax assets and liabilities

The table below shows in detail the assets and liabilities for current taxes at the start and end of the period.

	ASSETS			LIABILITIES		
(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE	06.30.2019	12.31.2018	CHANGE
Due from/to parent company for tax consolidation	7,470	7,470	0	6,851	17,827	(10,976)
IRES	36	185	(149)	1	0	1
IRAP	38	84	(46)	2,483	3,648	(1,165)
TOTAL	**7,544**	**7,739**	**(195)**	**9,335**	**21,475**	**(12,140)**

Current tax assets are equal to 7,544 thousand euros (7,739 thousand euros as of December 31, 2018) and mainly include the receivable from the parent company Atlantia (as consolidating company for tax purposes) of 7,470 thousand euros for the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs and similar; for further information on the tax consolidation please see Note 7.8 Income taxes;

Current tax liabilities equal 9,335 thousand euros (21,475 thousand euros as of December 31, 2018) and comprise:

- the payable to the parent company Atlantia due to the tax consolidation for 6,851 thousand euros (17,827 as of December 31, 2018). The reduction of 10,976 thousand euros compared to December 31, 2018 is attributable to the payments on account for 2019 and the balance for 2018, partially offset by the estimate of taxes for the year;
- the IRAP payable of 2,483 thousand euros, down by 1,165 thousand euros compared to the balance at the end of 2018, due to the effect of payments on account for 2019 and the balance for 2018, offset by the tax accrued during the half-year.

6.9 Other current assets

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	10,517	9,230	1,287
Due from others	4,833	3,424	1,409
TOTAL OTHER CURRENT ASSETS	**15,832**	**13,136**	**2,696**

Due from tax authorities, equal to 10,517 thousand euros (9,230 thousand euros as of December 31, 2018), mainly includes:

- VAT credit of 5,080 thousand euros (3,795 thousand euros as of December 31, 2018);
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 1/1/1993-3/23/1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required.

6.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Bank and post office deposits	257,893	327,797	(69,904)
Cash and notes in hand	476	403	73
TOTAL CASH AND CASH EQUIVALENTS	**258,369**	**328,200**	**(69,831)**

Cash and cash equivalents, amounting to 258,369 thousand euros, have decreased by 69,831 thousand euros compared to December 31, 2018, mainly as a consequence of the investments made during the period as well as the payment of the 2018 dividend balance of 130.7 million euros.

6.11 Shareholders' equity

The shareholders' equity of ADR Group as of June 30, 2019 amounts to 1,042,884 thousand euros (1,106,876 thousand euros as of December 31, 2018), while the minority interests in shareholders' equity amount to zero (zero also as of December 31, 2018).

The shareholders' equity is analyzed as follows:

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Share capital	62,225	62,225	0
Share premium reserve	667,389	667,389	0
Legal reserve	12,462	12,462	0
Cash flow hedge reserve	(92,778)	(51,654)	(41,124)
Reserve for the valuation of equity investments according to the equity method	10	32	(22)
Other reserves and retained earnings	285,106	284,053	1,053
Net income for the period, net of the advance on dividends	108,470	132,369	(23,899)
TOTAL GROUP SHAREHOLDERS' EQUITY	**1,042,884**	**1,106,876**	**(63,992)**
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	**0**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**1,042,884**	**1,106,876**	**(63,992)**

The changes taking place in the six months are highlighted in the table entered among the accounting statements and mainly refer to:

- Group income for the period for 108,470 thousand euros;
- the negative result of the comprehensive income statement for 41,872 thousand euros deriving mainly from the negative change in fair value of the cash flow hedge derivatives (41,124 thousand euros net of the tax effect);
- the distribution of the 2018 dividend balance equal to 130,672 thousand euros (2.10 euros per share).

As of June 30, 2019, ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

ADR's legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details reference is made to Note 6.4 and Note 6.15.

Furthermore, pursuant to IFRS 2, the value accrued in the year of the fair value of share-based remuneration plans settled with the conferment of securities as resolved by the Board of Directors of the parent company Atlantia, including to employees and directors of ADR, equal to +126 thousand euros, was booked to the income statement, offset by the increase in the specific shareholders' equity reserve, classified in the item "other reserves and retained earnings". In relation to information on the remuneration plans based on shares, reference is made to Note 11.1.

6.12 Provisions for employee benefits

Provisions for employee benefits are 19,311 thousand euros (19,034 thousand euros as of December 31, 2018) of which 16,043 thousand euros non-current, and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the obligation, determined based on actuarial techniques, to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

(THOUSANDS OF EUROS)	1ST HALF 2019	
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**19,034**
Current cost	57	
Interest payable	28	
Total costs recorded in the income statement		85
Liquidations / Releases		(822)
Actuarial gains/losses from changes in the demographic assumptions	1	
Actuarial gains/losses from changes in the financial assumptions	1,077	
Effect of past experience	(64)	
Total actuarial gains/losses recognized in the comprehensive income statement		1,014
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**19,311**
of which:		
non-current share		16,043
current share		3,268

Summarized below are the main assumptions made for the actuarial estimate process regarding the employee severance indemnity provision at June 30, 2019:

FINANCIAL ASSUMPTIONS	1ST HALF 2019	1ST HALF 2018
Discount rate	0.35%	0.96%
Inflation rate	1.5%	1.5%
Annual rate of increase in employee severance indemnities	2.18%	2.18%
Annual rate of pay increase	3.02%	2.83%
Annual turnover rate	0.55%	0.55%
Annual rate of disbursement of advances	1.19%	1.19%

The discount rate used to determine the current value of the obligation was determined in accordance with paragraph 78 of IAS 19, with reference to the average return curve deriving from the index IBOXX Eurozone Corporates AA 7-10 with duration based on the average seniority of the group under consideration.

DEMOGRAPHIC ASSUMPTIONS	2019/2018
Mortality	2017 ISTAT mortality tables broken down by gender, reduced to 85%
Disability	INPS tables broken down by age and gender, reduced to 70%
Retirement	Reaching the minimum foreseen by the regulations in force

6.13 Provisions for renovation of airport infrastructure (non-current and current share)

Provisions for renovation of airport infrastructure, equal to 197,756 thousand euros (181,227 thousand euros as of December 31, 2018), of which 73,554 thousand euros for the current share (66,042 thousand euros as of December 31, 2018), include the current value of the updated estimate of charges to be incurred for extraordinary maintenance, repairs and replacements of goods and plants for the contractual obligation of the concession manager to ensure the due functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the period.

(THOUSANDS OF EUROS)	12.31.2018	PROVISIONS	DISCOUNTING EFFECT	OPERATING USES	06.30.2019
Provisions for renovation of airport infrastructure	**181,227**	29,496	1,024	(13,991)	**197,756**
of which:					
current share	66,042				73,554
non-current share	115,185				124,202

6.14 Other allowances for risks and charges (current and non-current share)

Other allowances for risks and charges amount to 22,307 thousand euros (24,440 thousand euros as of December 31, 2018), of which 7,348 thousand euros for the current share (7,409 as of December 31, 2018). Reported below is the analysis of the breakdown of the item and the changes during the period.

(THOUSANDS OF EUROS)	12.31.2018	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	06.30.2019
Tax provisions	13,727	0	(428)	(2,476)	10,823
Provisions for current and potential disputes	9,762	1,150	(37)	(112)	10,763
Provisions for internal insurance	938	0	(230)	0	708
To cover investee companies' losses	13	0	0	0	13
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**24,440**	**1,150**	**(695)**	**(2,588)**	**22,307**
of which:					
current share	7,409				7,348
non-current share	17,031				14,959

Tax provisions, equal to 10,823 thousand euros, reflect the risk of negative outcomes of the pending disputes with UTF (now the Customs Office) concerning import taxes and additional provincial taxes on electricity disbursed in the period 2002-2012 and regarding ICI/IMU (property taxes). In the first half of 2019 the provision was used for 2,476 thousand euros following the decision to proceed to the settlement of IMU tax on the Hilton hotel relative to the years 2017 and 2018, on conclusion of the dispute with the hotel management and pertaining the subjectivity of this tax, in addition to the effect of the payment of the sums deriving from the signature, with the Italian Tax Authorities, of the tax assessment settlement through which the Company defined the 2013 and 2014 tax years object of a previous dispute.

The provisions for current and potential disputes of 10,763 thousand euros (9,762 thousand euros as of December 31, 2018) include the estimated charges that are expected to be incurred in connection with the disputes in progress at the end of the period. This provision increased in the six months by 1,001 thousand euros, essentially due to the effect of the allocation, in part offset by utilizations for 112 thousand euros.

This provision includes a prudent valuation, made on the basis of the best current information, of the liabilities the Company is likely to pay for the claims for compensation of third parties referring to the fire in T3 on May 7, 2015. On this point, so far 170 claims have been lodged by third parties (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification of the damages requested, to date amounting to approximately 19 million euros.

For further information on the current disputes, reference should be made to Note 9.5 Litigation.

6.15 Financial liabilities (current and non-current share)

					06.30.2019			12.31.2018
(THOUSANDS OF EUROS)	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,099,604	0	1,099,604	630,738	468,866	1,097,076	0	1,097,076
Medium/long-term loans	249,598	0	249,598	162,430	87,168	249,559	0	249,559
Accrued expenses medium/long-term financial liabilities	6,425	6,425	0	0	0	16,024	16,024	0
Other financial liabilities	2,820	1,095	1,725	1,255	470	0	0	0
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	1,358,447	7,520	1,350,927	794,423	556,504	1,362,659	16,024	1,346,635
FINANCIAL INSTRUMENTS - DERIVATIVES	192,627	33,382	159,245	159,245	0	139,592	262	139,330
TOTAL FINANCIAL LIABILITIES	**1,551,074**	**40,902**	**1,510,172**	**953,668**	**556,504**	**1,502,251**	**16,286**	**1,485,965**

Bonds

	12.31.2018				CHANGES	06.30.2019
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	AMORTIZED COST EFFECT	BOOK VALUE
Bonds	**1,097,076**	0	0	(542)	3,070	**1,099,604**
current share	0					0
non-current share	1,097,076					1,099,604

As of December 30, 2019, bonds are equal to 1,099,604 thousand euros (1,097,076 thousand euros as of December 31, 2018). The increase, of 2,528 thousand euros, is attributable to the effects on the debt measurement of application of the amortized cost method (+3,070 thousand euros) as well as the adjustment of A4 bond to the exchange rate at the end of the period (-542 thousand euros).

Reported below is the main information regarding the bond issues in place as of June 30, 2019.

(THOUSANDS OF EUROS)

NAME	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	232,123	5.441%	every six months	bullet	20 years	02.2023
€600,000,000 3.250% EMTN 02/2021	ADR	400,001	EUR	398,614	3.25%	yearly	bullet	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06/2027	ADR	500,000	EUR	468,867	1.625%	yearly	bullet	10 years	06.2027
TOTAL BONDS				**1,099,604**					

(*) the book value recorded in the financial statements (232.1 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the period.

(**) bonds originally issued by Romulus Finance Srl, subsequently "replaced" by ADR following the Issuer Substitution operation in 2016.

Note that 99.87% of the A4 bonds are held by the parent company Atlantia, which acquired them consequently to the Tender Offer procedure concluded in January 2015. For further information, see Note 8.

In addition to the above-mentioned A4 bonds, the last of the tranches issued in 2003 by the Romulus Finance "vehicle" to fund the securitization of the previous bank loan taken on after the privatization of the company, the issues related to the bond issue program known as EMTN (Euro Medium Term Notes) launched by the company in 2013 are still in effect. In addition to the senior unsecured issue on December 10, 2013 for a total par value of 600 million euros - of which to date 400 million euros remain following the buyback transaction in 2017 -, the subsequent issue completed on June 8, 2017 is on the market, for a par value of 500 million euros. The securities representing both bond issues were placed with qualified investors and listed in the regulated market of the Irish stock exchange.

As of June 30, 2019, the ratings assigned by the Fitch, Moody's and S&P agencies to the bond issues was of BBB+, Baa2 and BBB+ respectively, all with negative outlook, which correspond to the issuer rating assigned to the same ADR. With regard to this it is noted that on January 28, 2019 Moody's, having taken into account a reduction of the risk linked to the beginning in the near term of a revocation procedure of the concession of Autostrade per l'Italia (hereinafter "ASPI"), suspended the "review for downgrade" judgment (previously launched on August 22, 2018) assigning a negative outlook for Atlantia, ASPI and ADR.
However, on July 4, 2019 the same agency reopened the "review for downgrade" judgment on the entire Atlantia Group due to the renewed uncertainties on the outcome of the Polcevera bridge collapse issue linked to the publication by the Ministry of Infrastructures and Transports of the opinion produced by the jurists' Commission specifically relating to the early resolution of ASPI's concession.
On July 11, 2019 S&P also changed all the Atlantia Group ratings, including the one of ADR, to "credit watch negative", having assessed an increase in the uncertainties linked to the ASPI concession following the publication of the above mentioned opinion.

The fair value of the bond issues is reported in the table below.

	06.30.2019		12.31.2018	
(THOUSANDS OF EUROS)	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,099,604	1,207,243	1,097,076	1,158,365
TOTAL BONDS	**1,099,604**	**1,207,243**	**1,097,076**	**1,158,365**

The fair value of the bond issues was determined based on the market values available at June 30, 2019; in particular, the future cash flows were discounted according to standard discounting curves used in the market (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2018, there was an increase in the fair value of both the pound sterling bond, with regard to a reduction of the liability due to the exchange rate, and the euro bond. The overall increase in the fair value of the bonds therefore amounted to 48.9 million euros compared to December 31, 2018.

Medium/long-term loans

(THOUSANDS OF EUROS)	12.31.2018 BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	06.30.2019 BOOK VALUE
Medium/long-term loans	**249,559**	0	0	39	**249,598**
current share	0				0
non-current share	249,559				249,598

Medium/long-term loans equal 249,598 thousand euros (249,559 at the end of the previous year) and include the bank loans granted by BNL (99,931 thousand euros), EIB (109,817 thousand euros) and CDP (39,850 thousand euros).

Reported below is the main information regarding the medium/long-term loans in place as of June 30, 2019.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
Syndicate of banks	Revolving Credit Facility (“RCF”)	250,000	0	0	EUR	variable rate indexed to the Euribor + margin	quarterly	revolving	5 years (*)	07.2023
Banca Nazionale del Lavoro (“BNL”)	BNL Loan	100,000	100,000	99,931	EUR	0.18%	every six months	at maturity	4 years	11.2020
European Investment Bank (“EIB”)	EIB Loan	150,000	110,000	109,817	EUR	1.341%	yearly	amortizing from 2020	14 years	09.2031 (**)
Cassa Depositi e Prestiti (“CDP”)	CDP Loan	150,000	40,000	39,850	EUR	1.629%	yearly	amortizing from 2020	14 years	09.2031 (**)
European Investment Bank (“EIB”)	2018 EIB Loan	200,000	0	0	EUR	n.a.	n.a.	amortizing	up to 15 years	03.2021
Total medium/long-term loans		**850,000**	**250,000**	**249,598**						

(*) the contract originally provided the option of extending the initial deadline of July 2021 by an additional 2 years; this option was exercised by ADR, postponing the original deadline to July 2023.

(**) on the other hand, the final date the amount granted and not drawn on the loan is available is December 13, 2019.

The Revolving Credit Facility (“RCF”), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the Company's development plans. This line, which will expire in July 2023, was granted by a pool of banks made up as follows: Barclays, BNP Paribas Group, Crédit Agricole Group, Mediobanca, Natixis, Société Générale, NatWest and UniCredit. The interest rates applied to the RCF vary in relation to the level of ADR's rating.

The line of credit granted by BNL (BNP Paribas Group) was signed by ADR in November 2016. This line of credit, amounting to 100 million euros, is completely utilized as of June 30, 2019 and must be repaid in full in November 2020. The contractual structure is in line with the previously mentioned RCF and is characterized by a covenant structure in line with investment grade companies. This line of credit enjoys an especially favorable interest rate since the funds made available by the granting bank benefit from the Targeted Longer-Term Refinancing Operations (“TLTRO”) program provided by the European Central Bank at the time of subscription.

In December 2016 two contracts had been signed with regard to the line for 300 million euros resolved by the European Investment Bank ("EIB") in favor of ADR in 2014: the first contract totaled 150 million euros was agreed directly with the EIB, and the latter, for the residual 150 million euros, brokered by Cassa Depositi e Prestiti ("CDP"). The EIB/CDP loans were subscribed as financial support of the "Aeroporti di Roma – Fiumicino Sud" project to carry out the main works included in the project of infrastructural development of the existing airport perimeter of Fiumicino. These are fixed- or floating-rate amortizing loans with maturity up to 15 years and a period of availability of (i) 36 months for the EIB line and (ii) 18 months for the CDP line. On April 4, 2018, CDP granted an extension of the available period for an additional 18 months, until December 13, 2019. As of June 30, 2019, these new funding lines granted by the EIB and CDP are used for 110 and 40 million euros, respectively. The utilized lines expire in 2031, with an amortizing repayment and a fixed rate. The financial contracts that govern them are characterized by terms and conditions that are more oriented to a "project" type loan structure consisting of their disbursement.

In December 2017, EIB approved an update of the aforementioned infrastructure project, which resulted in an extension of the line of credit granted to ADR for an additional 200 million euros to be granted directly by the bank. On March 23, 2018, the related loan contract was signed with contractual terms essentially in line with the previous contract and that may be used through the first quarter of 2021.

At the same time, a 6-month extension was obtained from EIB and CDP for the period in which the commitment fees on the unused portion of the loans subscribed in December 2016 does not accrue for payment (this period was originally defined as 12 months in the contracts).

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)	06.30.2019		12.31.2018	
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	249,598	250,961	249,559	239,438
Floating rate	0	0	0	0
TOTAL MEDIUM/LONG-TERM LOANS	**249,598**	**250,961**	**249,559**	**239,438**

The fair value of the medium/long-term loans was determined based on market values available at June 30, 2019; in particular, the future cash flows were discounted according to the standard discount curves used by the market (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

The overall increase in the fair value of the medium-long term bonds therefore amounted to 11.5 million euros compared to December 31, 2018.

Other financial liabilities

	12.31.2018					06.30.2019
(THOUSANDS OF EUROS)	BOOK VALUE	IFRS 16 EFFECT	NEW LOANS RAISED	INCREASES FOR FINAL DISCOUNTING	REPAYMENTS	BOOK VALUE
Payables for leases	**0**	2,972	412	13	(577)	**2,820**
current share	0					1,095
non-current share	0					1,725

This item includes the effects deriving from the application of IFRS 16 in force since January 1, 2019. The balance of payables for leases includes the present value of liabilities deriving from lease contracts falling under the standard from 01.01.2019 (of 2,972 thousand euros) and the new contracts agreed in the half-year, net of the repayments made following the payments of the leasing installments.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Exchange rate hedging derivatives	85,211	84,670	541
Interest rate hedging derivatives	107,173	54,660	52,513
Interest accrual	243	262	(19)
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**192,627**	**139,592**	**53,035**
non-current share	159,245	139,330	19,915
current share	33,382	262	33,120

Exchange rate and interest rate hedging derivatives

The ADR Group uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

As of June 30, 2019 the ADR Group had a cross currency swap allowing the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in pound sterling to be stabilized.

ADR had also signed forward-starting interest rate swap contracts in June 2015 (subsequently restructured in June 2016) and in February 2016, activated on February 9, 2017 and April 20, 2017, respectively, adopting a policy of hedging against the prospective rate risk deriving from future financial requirements. These hedges, after their activation, were subject to unwinding in line with the new debt assumed through the new 500 million euro bond issue of June 2017. The relative negative fair value, at the date of unwinding the contracts, was paid to the counterparties and the corresponding negative cash flow hedge reserve is reclassified in the income statement based on the residual life of the new bond issue. The amount of the cash flow hedge reserve charged to the income statement in 2019 equals 1,008 thousand euros.

As of June 30, 2019, ADR also has other forward-starting interest rate swap contracts in place from September 2017 and August 2018, for a total notional amount of 400 million. The aim of these contracts, with activation in February 2020 and February 2022, is to hedge interest rate risk for part of the new funding lines that will need to be signed to guarantee the repayment of the bond loans expiring in February 2021 and February 2023 respectively.

Below is a table summarizing the outstanding derivative contracts with negative fair value of the ADR Group at June 30, 2019.

COUNTERPARTY	COMPANY	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	FAIR VALUE OF THE DERIVATIVE AS OF 06.30.2019	FAIR VALUE OF THE DERIVATIVE AS OF 12.31.2018	CHANGE IN FAIR VALUE TO INCOME STATEMENT	CHANGE IN FAIR VALUE TO OCI (*)
Mediobanca, UniCredit	ADR	CCS	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3-month Euribor + 90bps until 12/2009, then pays a fixed rate of 6.4%	(42,999)	(45,641)	88	2,554
				C					(85,211)	(84,670)	(541)	0
									(128,210)	(130,311)	(453)	2,554
Société Générale	ADR	IRS FWD (**)	CF	I	09.2017	02.2030	100,000	It pays a fixed rate of 1.458% and receives 6-month Euribor	(11,940)	(3,868)	0	(8,072)
UniCredit, NATWEST, Société Générale	ADR	IRS FWD (***)	CF	I	08.2018	02.2032	300,000	They pay an average fixed rate of 1.618% and receive the 6-month Euribor	(31,035)	(5,151)	190	(26,074)
Unicredit, BNPP, RBS	ADR	IRS FWD (**)	CF	I	10.2016	02.2030	300,000	They pay an average fixed rate of 0.969% and receive the 6-month Euribor	(21,199)	0	0	(21,199)
					Total				**(192,384)**	**(139,330)**	**(263)**	**(52,791)**
					of which:							
					Exchange rate hedging derivatives				(85,211)	(84,670)		
					Interest rate hedging derivatives				(107,173)	(54,660)		

(*) the change in fair value is posted in the OCI net of the tax effect

(**) forward-starting IRS: activation date February, 2020.

(***) forward-starting IRS: activation date February 2022.

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

In relation to the valuation techniques and the inputs used to determine the fair value of the derivatives, reference is made to Note 9.4 Information on fair value measurement.

6.16 Other non-current liabilities

Other non-current liabilities are equal to 6,304 thousand euros (3,805 thousand euros as of December 31, 2018) and consist for 5,065 thousand euros of amounts due to personnel and 1,239 thousand euros of amounts due to social security agencies. In relation to information on the remuneration plans based on shares, reference is made to Note 11.1.

6.17 Trade payables

Trade payables are equal to 202,094 thousand euros (173,732 thousand euros as of December 31, 2018).

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Due to suppliers	175,898	161,549	14,349
Due to parent companies	1,220	1,844	(624)
Deferred income	15,455	1,511	13,944
Advances received	9,521	8,828	693
TOTAL TRADE PAYABLES	**202,094**	**173,732**	**28,362**

Payables due to suppliers, equal to 175,898 thousand euros, are up 14,349 thousand euros reflecting the increase in the volume of investments made in 2019 compared to the end of the previous year.

Deferred income, equal to 15,455 thousand euros, rose by 13,944 thousand euros compared to December 31, 2018 as a result of the advance billing of the sub-concession fees.

6.18 Other current liabilities

Other current liabilities are equal to 193,299 thousand euros (174,797 thousand euros as of December 31, 2018).

The item is analyzed in the table below.

(THOUSANDS OF EUROS)	06.30.2019	12.31.2018	CHANGE
Payables for taxes other than income taxes	117,714	110,072	7,642
Payables for firefighting services	3,668	0	3,668
Payables to personnel	22,187	17,663	4,524
Due to social security agencies	12,948	10,199	2,749
Payables for security deposits	14,945	14,945	0
Other payables	21,837	21,918	(81)
TOTAL OTHER CURRENT LIABILITIES	**193,299**	**174,797**	**18,502**

Payables for taxes other than income taxes are equal to 117,714 thousand euros (110,072 thousand euros as of December 31, 2018) and mainly include:

- payable for the passenger surcharges for 89,315 thousand euros (87,463 thousand euros as of December 31, 2018). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commission surcharge) for the commission management of the Municipality of Rome. The trend of the payable for the surcharge, up by 1,852 thousand euros compared to the end of 2018, reflects the correlated effect of the trend, in the period, of the corresponding fees from the carriers;
- payable of 21,116 thousand euros to the Lazio Regional Authority for IRESA (18,459 thousand euros as of December 31, 2017). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board. ADR started to charge this tax in May 2014, applicable from January 1, 2014, after signing the agreement for tax management with the Lazio Regional Authority on January 30, 2014, with subsequent amendments.

The 2,656 thousand euro increase in IRESA charges compared to December 31, 2018 reflects the correlated effect of the performance in the year of this type of collections from carriers.

The Payables for firefighting services equal 3,668 thousand euros (0 as of December 31, 2018) and essentially include the fee accrued in the period.

Payables to personnel and payables due to social security agencies increase by 4,524 thousand euros and 2,749 thousand euros, respectively, due to the increase in short-term payables.

Other payables, equal to 21,837 thousand euros (21,918 thousand euros as of December 31, 2018), include the payable to ENAC for the concession fee of 18,452 thousand euros, essentially in line with the end of 2018.

7. Information on the items of the consolidated income statement

7.1 Revenues

Revenues in the first half of 2019 equal 529,119 thousand euros (491,067 thousand euros in the first half of 2018) and are broken down as follows, in application of the new IFRS 15 standard:

(THOUSANDS OF EUROS)	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL 1ST HALF 2019	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL 1ST HALF 2018
AERONAUTICAL						
Airport fees	243,025	0	243,025	238,219	0	238,219
Centralized infrastructures	8,599	0	8,599	9,273	0	9,273
Security services	52,498	0	52,498	50,877	0	50,877
Other	14,391	0	14,391	13,211	0	13,211
	318,513	***0***	***318,513***	***311,580***	***0***	***311,580***
NON-AERONAUTICAL						
Sub-concessions and utilities:						
Properties and utilities	6,293	27,028	33,321	6,197	24,380	30,577
Shops	0	67,495	67,495	0	65,241	65,241
Car parks	13,297	0	13,297	12,967	0	12,967
Advertising	6,921	0	6,921	5,911	0	5,911
Other	5,286	69	5,355	5,697	252	5,949
	31,797	***94,592***	***126,389***	***30,772***	***89,873***	***120,645***
REVENUES FROM AIRPORT MANAGEMENT	350,310	94,592	444,902	342,352	89,873	432,225
REVENUES FROM CONSTRUCTION SERVICES	77,872	0	77,872	51,391	0	51,391
OTHER OPERATING INCOME	705	5,640	6,345	663	6,788	7,451
TOTAL REVENUES	**428,887**	**100,232**	**529,119**	**394,406**	**96,661**	**491,067**
Timing of goods/services transfer:						
Over the time	**112,716**			**84,688**		
At a point in the time	**316,171**			**309,718**		

Revenues from airport management, amounting to 444,902 thousand euros, rose by a total of 2.9% over the previous period, due to the growth in aeronautical activities (+2.2%), essentially attributable to the overall positive trend in traffic volumes and type (passengers +2.0%). The performance of the non-aeronautical sector also improved (+4.8%), thanks to the positive trend of all the segments of the commercial sub-concessions (+3.5%) correlated not only to the increase but also the type of passenger traffic, more favorable in terms of propensity to spend; the growth is concentrated, in particular, in the specialist retail and core categories segments. Also the revenues from real estate management recorded a positive trend (+9.0%) as did advertising revenues (17.1%), due to the effect of the new business direct management model.

Revenues from construction services equal to 77,872 thousand euros (51,391 thousand euros in the first half of 2018) refer to revenues from construction services for self-funded works. Consistent with the accounting model adopted, based on the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (mainly external costs).

Other operating income equal to 6,345 thousand euros (7,451 thousand euros in the first half of 2018) is broken down as follows:

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Grants and subsidies	49	0
Gains on disposals	15	11
Re-absorption of provisions:		
Provisions for overdue interest	0	20
Other allowances for risks and charges	0	810
Expense recoveries	2,516	2,346
Damages and compensation from third parties	212	1,085
Other income	3,553	3,179
TOTAL OTHER OPERATING INCOME	**6,345**	**7,451**

The decrease, totaling 1,106 thousand euros, is primarily due to the reduction of the compensation from third parties of 873 thousand euros due to the effect of lower insurance reimbursements compared to the comparative period, as well as the item “re-absorption of other allowances for risks and charges”, which amounted to 810 thousand euros in the 2018 half-year. It is noted that the re-absorption of provisions for risks and charges, amounting to 695 thousand in the period in question, was reclassified among other operating costs under (Allocation to) re-absorption of allowances for risks and charges, in accordance with the layout adopted starting from the 2018 Annual Financial Report.

7.2 Consumption of raw materials and consumables

Consumption of raw materials and consumables is equal to 14,936 thousand euros (14,779 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Fuel and lubricants	627	650
Electricity, gas and water	11,850	10,923
Consumables, spare parts and various materials	2,459	3,206
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**14,936**	**14,779**

7.3 Service costs

Service costs equal 146,832 thousand euros (130,262 thousand euros in the first half of 2018). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Costs for maintenance	23,187	22,294
Costs for renovation of airport infrastructure	13,992	26,104
External service costs	5,329	5,500
Costs for construction services	72,958	47,297
Cleaning and disinfestations	3,933	3,973
Professional services	3,444	3,250
Firefighting services	3,796	3,887
Other costs	19,176	17,510
Remuneration of Directors and Statutory Auditors	1,017	447
TOTAL SERVICE COSTS	**146,832**	**130,262**

The increase in service costs amounting to 16,570 thousand euros essentially attributable to the increase of construction service costs (+25,661 thousand euros), as well as the costs for maintenance and commercial support (classified under Other costs); this trend was partially offset by the reduction in costs for the renewal of the airport infrastructures (-12,112 thousand euros).

7.4 Payroll costs

Payroll costs equal 90,144 thousand euros (85,809 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Salaries and wages	64,036	61,885
Social security charges	18,784	17,941
Post-employment benefits	3,384	3,435
Other costs	3,940	2,548
TOTAL PAYROLL COSTS	**90,144**	**85,809**

The increase in payroll costs of 4,335 thousand euros compared to the 2018 half-year derives from the increased average number of the workforce employed by the ADR Group (+102 fte) as well as the increase in the average cost.

The trend in the average number of staff is attributable to the increase in traffic and the completion of the process of bringing in-house the fire protection activity at Fiumicino airport and the supervision of customs areas activity at the airports of Fiumicino and Ciampino concluded in August 2018.

The table below shows the average headcount of the ADR Group (broken down by Company):

AVERAGE HEADCOUNT	1ST HALF 2019	1ST HALF 2018	CHANGE
ADR S.p.A.	1,376	1,360	16
ADR Tel S.p.A.	56	58	(2)
ADR Assistance S.r.l.	352	306	46
ADR Security S.r.l.	789	755	34
ADR Mobility S.r.l.	62	61	1
Airport Cleaning S.r.l.	517	510	7
TOTAL AVERAGE HEADCOUNT	**3,152**	**3,050**	**102**

7.5 Other operating costs

The other operating costs equal 39,680 thousand euros (20,941 thousand euros in the reference period). The details are reported in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Concession fees	17,508	17,045
Expenses for leased assets	582	1,495
Allocation to (use of) provisions for renovation of airport infrastructure	15,505	(3,029)
Allocation to (re-absorption of) allowances for risks and charges	455	403
Other costs:		
Allocations to provisions for doubtful accounts	877	712
Indirect taxes and levies	3,514	3,303
Other expenses	1,239	1,012
TOTAL OTHER OPERATING COSTS	**39,680**	**20,941**

Concession fees, equal to 17,508 thousand euros, increased by 463 thousand euros compared to the same period of last year mainly due to the increase in traffic, as well as the effect of inflationary dynamics.

The item “Allocation to (use of) provisions for renovation of airport infrastructure” includes the allocation to provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the half-year period, classified in the corresponding item of the income statement.

Allocation to (re-absorption of) allowances for risks and charges amount to 455 thousand euros (403 thousand euro in the first half of 2018) for the combined effect of allocations of 1,150 thousand euros and the re absorption of pre-existing funds of 695 thousand euros. For more details, see Note 6.14.

Provisions for doubtful accounts, equal to 877 thousand euros, reflect an updated assessment of the recoverability of the ADR Group’s trade receivables and are essentially in line with the comparative half-year period (+165 thousand euros).

7.6 Financial income (expense)

The item financial income (expense) equals -23,935 thousand euros (-25,407 thousand euros in 2018). The tables below provide details on the financial income and expense.

Financial income

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Interest income		
Interest on bank deposits and loans	136	131
Income on derivatives		
Valuation of derivatives	278	453
Other income		
Interest on overdue current receivables	5	0
Interest from clients	6	5
Other	1	0
Dividends from equity investments	3,520	1,873
TOTAL FINANCIAL INCOME	**3,946**	**2,462**

Dividends from equity investments consist of the dividends approved and collected in 2019 from the subsidiary Azzurra Aeroporti S.p.A.

Financial expense

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	1,024	798
Interest on outstanding bonds	16,968	17,128
Interest on medium/long-term loans	1,526	1,422
Effects of applying the amortized cost method	3,342	3,254
Other financial interest expenses	2	2
TOTAL FINANCIAL INTEREST EXPENSE	21,838	21,806
Valuation of derivatives	556	0
IRS differentials	4,963	4,820
TOTAL EXPENSES ON DERIVATIVES	5,519	4,820
Financial expense from discounting employee benefits	28	118
Other expenses	13	0
TOTAL OTHER EXPENSES	41	118
TOTAL FINANCIAL EXPENSE	**28,422**	**27,542**

The Financial expense from discounting provisions for renovation of airport infrastructure, equal to 1,024 thousand euros, includes the financial component for the discounting of the provision and rose by 227 thousand euros consequently to the change in the rate applied.

Interest on outstanding bonds amounts to 16,968 thousand euros, with a decrease of 160 thousand Euros compared to 2018.

Interest on medium/long-term loans, amounting to 1,526 thousand euros, increased by 104 thousand euros compared to 2018.

The expense from valuation of derivatives, equal to 556 thousand euros (0 thousand euros in the comparative period) reflects the change of 542 thousand euros occurring in the period in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in pound sterling (shown in Note 6.15).

This change is offset by a component of the same amount recorded under foreign exchange gains, which refers to the decrease in the par value of the bonds in pound sterling.

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
Foreign exchange gains	543	8
Foreign exchange losses	(2)	(335)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**541**	**(327)**

For comments, refer to the paragraph on Financial expense.

7.7 Share of profit (loss) of associates accounted for using the equity method

The share of profit (loss) of associates accounted for using the equity method, equal to -1,871 thousand euros (-2,896 in the comparative period), includes the effect in the income statement of the write-down of the associated undertaking Pavimental for -1,126 thousand euros, and the write-down of the associated undertaking Spea Engineering for -745 thousand euros (-3,102 thousand euros and +206 thousand euros respectively in the 2018 half-year) due to the negative economic results of the associated undertakings during the period.

7.8 Income taxes

Income taxes equal 50,211 thousand euros (50,719 thousand euros in the first half of the previous year). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	1ST HALF 2019	1ST HALF 2018
CURRENT TAXES		
IRES	32,785	30,228
IRAP	11,439	10,259
	44,224	**40,487**
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	53	(92)
	53	**(92)**
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	5,209	9,107
Deferred tax liabilities	725	1,217
	5,934	**10,324**
TOTAL INCOME TAXES	**50,211**	**50,719**

With reference to IRES, please note that in June 2017 ADR S.p.A., together with the Group companies, ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility and ADR Security S.r.l., communicated to the consolidating company Atlantia the desire to exercise the group taxation option, pursuant art. 117 of TUIR, for the three-year period 2017-2019.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

For more details on the calculation of deferred tax assets, reference should be made to Note 6.5.

8. Guarantees and covenants on medium/long-term financial liabilities

With the previously mentioned “Issuer Substitution” transaction of 2016, the comprehensive security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains to date, ceased. The only residual, though more limited, guarantee, is a “deed of assignment” under British law in favor of A4 notes on any receivables of ADR related to cross currency swaps contracts in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros. Furthermore, ADS constituted a pledge on the total investment of 7.77% in Azzurra Aeroporti S.p.A. (hereinafter “Azzurra”) in favor of the lenders of the same Azzurra. This guarantee is also limited to a maximum amount of 130.6 million euros.

ADR’s loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies classified as investment grade. It is important to note the presence of a leverage ratio constraint, requiring – in the most stringent contract – a threshold value not exceeding 4.75, which drops to 4.25 in the event of a downgrade of the company’s rating level to BBB-/Baa3.

The financial ratios must be checked twice a year, in accordance with the agreements, by applying the calculation formulas to the Group’s reference data (which must exclude any equity investments in companies funded through non-recourse financial debt) in the Consolidated Annual Financial Report as of December 31 and the Consolidated Interim Financial Report as of June 30.

The closing data as of June 30, 2019 confirms, based on the simulations carried out, the respect of the financial ratios set in the agreements. The calculation of the financial ratios will be formalized after the approval of this Consolidated interim financial report as of June 30, 2019.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program does not envisage limitations on ADR, nor the observance of financial covenants or obligations to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for “investment grade” issuers.

9. Other guarantees, commitments and risks

9.1 Guarantees

As of June 30, 2019, ADR Group has outstanding guarantees, issued as part of the loan agreements mentioned in Note 8. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2018).

9.2 Commitments

The commitments on purchases of the ADR Group amount to 210.6 million euros regarding investment activities.

9.3 Management of financial risks

Credit risk

As of December 31, 2018, ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making provisions in a specific provision for doubtful accounts, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves making provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, as well as the status in the receivable management and collection process.

The Group's commercial policies set out the procedure illustrated below for checking the investment in receivables:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

Liquidity risk

Liquidity risk is the risk that the available financial resources may be insufficient to cover the maturing obligations. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of June 30, 2019 the ADR Group had a liquidity reserve estimated at 858.4 million euros, comprising:

- 258.4 million euros related to cash and cash equivalents;
- 600.0 million euros of unused credit facilities (for more details, see Note 6.15).

Interest rate and exchange rate risk

The ADR Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

With resolutions of May 14, 2015 and the more recent resolution of July 11, 2018, the Parent Company's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, forward-starting interest rate swap transactions. With this type of instrument, which allows forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR can significantly reduce and almost eliminate the risk of rising interest rates before new financial arrangements are signed.

As of June 30, 2019, the ADR Group has:

- cross-currency swap derivatives, originally signed in 2003 and transferred to new counterparties in 2010, to cover the A4 bonds in pound sterling; Class A4, equal to a par value of 215 million pound sterling and included in the series of bond issues originally issued by Romulus Finance, was actually hedged, for the entire duration (until expiration in 2023) by two euro/sterling cross-currency swaps. The characteristics of this derivative instrument are described in Note 6.15;
- four forward-starting interest rate swap contracts signed on October 18, 2016 and September 18, 2017 for a total notional value of 400 million euros, effective starting from February 2020 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15;
- three other forward-starting interest rate swaps signed on August 7, 2018 for a total notional value of 300 million euros, effective starting from February 2022 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15.

The Group does not have any other transactions in foreign currency in place.

9.4 Information on fair value measurements

Below is the fair value measurement at period end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non-recurring basis):

				06.30.2019
(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	0	0	0
Derivatives with negative fair value	0	(192,384)	0	(192,384)
TOTAL HEDGING DERIVATIVES	**0**	**(192,384)**	**0**	**(192,384)**

The only financial instruments of the Group valued at fair value are the derivative instruments described in Note 6.4 and Note 6.15. These derivative instruments are included in “level 2” of the “fair value hierarchy” defined by IFRS 7, with the fair value measured based on valuation techniques that use parameters that can be observed in the market, other than the price of the financial instrument.

In the first half of 2019, no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, for which Note 6.15 indicates the fair value, this fair value is also included in level 2 of the "fair value hierarchy" defined by IFRS 7.

9.5 Litigation

As regards litigation as a whole, the ADR Group carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific provision under "Allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. No specific allocations were made for disputes for which a negative outcome was merely possible, given the different legal interpretations. Furthermore, there are a limited number of civil proceedings underway for which no provisions were made, as the impact of any negative outcome for the ADR Group, while negligible, could not be measured.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

Tax litigation

The most significant disputes involving the Parent Company ADR are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Litigation with the Customs Office - Electricity

- In 2006, the Tax Office of Rome (UTF - now the Customs Office) issued demands for payment of a total of 13 million euros (including interest, expenses and sanctions), regarding failure to pay the tax on electricity consumption and the related surcharge for the period 2002-2006 in addition to notifications of administrative irregularities. The disputes relate to the alleged sale to third parties of electricity acquired by ADR, as well as the refusal to recognize the subsidy applied to entities qualifying for inclusion in the "industrial operators" category. After the judgment on the merits in favor of the company, the Supreme Court filed nineteen rulings with which the grounds for appeal proposed by the State Attorneys Office were admitted, rejecting those proposed by the Company on cross-appeal. Regarding the three sentences issued by the Supreme Court and pertaining to the refusal to recognize the favorable terms applied to industrial facilities, the Company filed a motion for revocation whose hearings were held on April 5, 2019. The relative judgments have not yet been filed.
- Similar to the audits undertaken for the years 2002-2006 by the Rome Tax Office, the Customs Office began two subsequent audits of ADR on its taxation of consumption, excise tax and surcharge on electricity in the periods 2007-2010 and 2011-2012. The Revenue Agency also provided the tax assessment notices of the VAT due on the excise duties at issue for the same years.

  In relation to the payment orders issued by the Customs Office for the tax periods 2007-2010 and the Revenue Agency for VAT 2007, the Company lodged a complaint with the Supreme Court against the unfavorable sentences of the Provincial Tax Commission, while defining the dispute of the 2011 and 2012 tax periods.

  For the new tax assessment notices notified by the Revenue Agency for the VAT due on the consumption taxation for the years 2008-2012, the Company appealed before the Provincial Tax Commission. For the years 2008, 2009, 2011, and 2012, the Provincial Tax Commission filed the rulings with which it rejected the appeals. Considering its arguments still open, ADR filed an appeal before the Regional Tax Commission. For the year 2008 and 2010, the Regional Tax Commission accepted the appeal lodged by ADR against the sentence submitted in first instance. The Revenue Agency has appealed to the Supreme Court.

ICI / IMU (PROPERTY TAXES)

In 2011, the Municipality of Fiumicino notified ADR tax assessments for the failure to pay the local property tax only for 2007-2009 regarding buildings of Alitalia Technical Area. The Company contested the mentioned deeds and appealed before the Provincial Tax Commission. For the year 2007, the Commission accepted the appeal filed by the company and the relative final judgment was issued, while the appeals for the other two years were rejected. ADR therefore appealed against the rulings of first instance regarding the years 2008 and 2009, both rejected by the Regional Tax Commission. The Company has appealed to the Supreme Court.

Check of ADR fiscal position

In order to check the fiscal position of ADR, on October 24, 2017 the Revenue Agency started a tax audit for the purposes of IRES, IRAP, VAT and withholdings for the tax period 2014. The audit was extended to the 2013 tax year, limited to the review of the tax regime applicable to financial charges. On July 26, 2018, the Revenue Agency served ADR with a Tax Audit Report following the conclusion of the tax audit for 2014 and, partially, for 2013, which formulated some observations in relation to IRES, IRAP and withholdings. The Company disagreed with the conclusions reached by the inspectors and submitted a pleading setting out its counterarguments, comments, and requests and, further to the notification of the notice of assessment relative to the 2013 tax period, submitted a tax settlement proposal. On March 27, 2019, ADR signed the settlement agreement for both the tax years object of the dispute with the Revenue Agency.

Tax indemnity

In 2002, when IRI obtained the consent to sell 44.74% of ADR to the Macquarie Group, the entities Gemina, Impregilo S.p.A. and Falck S.p.A. replaced IRI and directly assumed the indemnity commitment towards ADR (with a 50%, 13.1% and 36.9% share, respectively) as issued by IRI during the privatization of ADR, aimed at covering 51.166% of the losses that the Company may incur for tax claims relating to periods prior to the privatization that took place in July of 2000. The dispute between ADR and the Customs Office refers to the period of 1993/1998 and is covered by the mentioned guarantee. As Impregilo S.p.A. and Falck S.p.A. repudiate the validity of the guarantee, ADR has brought a case against these companies to obtain the payment of the sums due conditionally to the definitive sentence convicting ADR. With sentence of October 2012, the Court of Rome accepted ADR’s application, against which Impregilo S.p.A. and Falck S.p.A. have appealed. The hearing for final judgment has been scheduled for September 25, 2019.

Administrative, civil and labor litigation

The most significant disputes involving the Parent Company ADR are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Airport fees and regulated tariffs

- In 2014, EasyJet Switzerland SA summoned ADR to return 1 million euros, plus interest, equaling the excess amount paid, as claimed by the applicant, from 2009 to 2013 for the landing and take-off fees and passenger boarding fees (non-EU fees rather than EU fees for flights from/to the Swiss

Confederation). At the hearing for final judgment on February 6, 2019 the parties asked for a postponement, scheduled for October 16, 2019.

- In 2013, an appeal to the Lazio Regional Administrative Court was filed by the Municipality of Viterbo, with which the Planning Agreement was contested together with the Prime Ministerial Decree of December 21, 2012 and all the other preceding, related, and consequent deeds with a claim for damages, which to date is pending with no set hearing. Giving additional grounds on February 22, 2016, the Municipality also filed an appeal against Presidential Decree no. 201/2015, which had issued a "Regulation identifying the airports of national interest in accordance with article 698 of the Navigation Code".
- In 2014, Easyjet Airline Company Ltd notified ADR of an appeal to the Lazio Regional Administrative Court for the cancellation, with prior suspension, of the restructuring of the passenger boarding fees effective March 1, 2014, in connection with the determination of the new transit fees, introduced with ENAC provision "Fiumicino Tariffs" of December 27, 2013 (and all the preceding deeds, to the extent in which they change the fees for passenger boarding at Fiumicino). The plaintiffs deem this restructuring - resulting from the application of a 65% discount on the above-mentioned fees to the passengers in transit at the airport and the contextual increase of the same fee for outbound passengers - to be a violation of the Italian and community regulations. In 2014, the Lazio Regional Administrative Court rejected Easyjet's application for interim relief since the appeal was not secured by the "fumus boni iuris". An announcement of the date of the relevant hearing is awaited.

Airport fuel supply fees

- ENI S.p.A. has brought a claim before the Rome Civil Court against its own client airlines in order to ascertain their obligation to pay the oil company the amounts it owes to airport operators, and to order them to pay the amount accrued since October 2005. In the same claim, ENI S.p.A. has also brought a secondary claim against airport operators, including ADR, in order to ascertain that the concession fees paid by ENI to airport operators should not be calculated on the basis of the amount of fuel supplied to airlines. Moreover, as specifically regards ADR, ENI requests that the company be ordered to return the amount paid since October 2005, totaling 0.2 million euros and that it be determined that ENI does not owe the amount of 1.1 million euros requested by ADR until May 2006 and as yet unpaid. In 2017, the Court of Rome declared the lack of jurisdiction of the Ordinary Judge and Alitalia LAI filed an appeal to the Rome Court of Appeal. In 2018, the Court, in upholding the appeal, confirmed the jurisdiction of the Ordinary Judge and referred the case to the Court of Rome, where the action was reinstated. In the hearing of May 9, 2019 the Judge reserved his opinion on the prejudicial and preliminary actions raised by the parties; a reserve resolution is pending.
- In 2008 AirOne S.p.A. (now Alitalia) begun legal proceedings at the Civil Court of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators, including ADR, claiming the illegality of the fees charged to oil companies by operators in return for the use of airport infrastructure, which these companies subsequently "passed on" to carriers. Consequently, AirOne also requested that Tamoil, together with the other airport operators, be ordered to repay the sum paid by AirOne since 2003, amounting to 2.9 million euros. With a preliminary sentence in 2012, the Judge appointed an expert to examine the case. Following a series of hearing postponements, both in order to examine the report of the Court Appointed Consultant (CTU) and to allow the parties to reach an amicable settlement, the Court rejected the request made by AirOne with the judgment of May 11, 2019.
- Alitalia LAI under special administration has begun legal proceedings at the Civil Court of Milan against some oil companies to force them to return the amounts paid from time to time as royalties on fuel in the period 2000 – 2009, due to the alleged mismatch between these amounts and the

management costs for the specific service. In these proceedings, the oil company executives invoked ADR and other airport operators as third parties, in consideration of the fact that the royalties on fuel were requested by these companies. In some proceedings underway, with partial judgment, the Court of Milan, after deciding on the preliminary exceptions raised by the parties, such as, for example, the limitation of Alitalia's right before May 2000, submitted the case to preliminary inquiry in order to carry out an economic and accounting appraisal "*that may determine a mismatch between the consideration in question and the actual costs incurred for the service, stating the amount of the possible difference between the costs and the consideration paid as airport fees, also in order to ascertain whether and to what extent the plaintiff carried out a passing-on transaction for the aforementioned consideration towards its passengers"*. In the context of these expert investigations, ADR appointed its own technical consultant. Following a series of postponement of hearings for the examination of the Court Appointed Consultant's report and of the observations formulated by the parties, the Judge arranged for an expert to supply clarifications with regard to the observations made by SEA and ADR, fixing the term for filing of the report for January 31, 2019. A closing arguments hearing was held on April 17, 2019; judgment is pending.

Similar proceedings, again activated by Alitalia LAI under special administration, continue against other oil companies, in the context of which expert examinations of a financial and accounting character are under way.

- Within the framework of the appeal filed by Wind Jet against the sentence issued by the Court of Milan, regarding the claimed return, by some oil companies, of the jet fuel fees paid in the period 2004-2009 - which, in turn, invoked SEA and ADR - the Court, with decree issued in June 2017, deeming that "*with regard to disputes having a similar content to the one in question, rulings have already been issued about the validity of the claim……; having accepted the need to require, in the same manner as regulated for these disputes, an appraisal aimed at determining the amount paid by Wind Jet as airport fees as well as the costs incurred by the airport operators to allow the supply of fuel and any other useful figure for deciding on the case*", arranged for an expert to examine the case. ADR appointed its own technical consultant. At the hearing on November 20, 2019, the case was adjourned for final judgment.

Decree for the approval of the Airport noise reduction and abatement plan of the airport of Ciampino

- With appeal of March 7, 2019 at the Lazio Regional Administrative Court ADR challenged Ministerial Decree 345/18 with which the Ministry for the Environment and Land and Sea Conservation (hereinafter the "Ministry for the Environment") approved, with conditions, the ADR Intervention Plan for Noise Reduction and Abatement ("PICAR"); suspension of the challenged Ministerial Decree was not requested and a merit hearing is pending.

  Ryanair also challenged Ministerial Decree 345/18, asking for its suspension, with an appeal to the Lazio Regional Administrative Court of February 18, 2019, subsequently submitting additional reasons. ADR appeared in court, submitting a statement on its positions with respects to Ryanair's challenge. The Lazio Regional Administrative Court, with Order of May 8, 2019, accepted the precautionary measures requested by Ryanair and therefore suspended PICAR with respect to the reduction of daily movements at the airport at gate no. 65. The merit hearing has been scheduled for January 29, 2020.

  On May 30, 2019 the Ministry for the Environment challenged the abovementioned Order of the Lazio Regional Administrative Court, requesting the precautionary measures to be monocratic and collegial. On June 1, 2019, the Chairman of the Council of State, with a monocratic order, rejected the appeal of the Ministry for the Environment and set the date of the collegial hearing for June 20, 2019. ADR submitted its own statement to the Council of State, in which it rebutted some of the statements of the Ministry for the Environment and provided information on the ongoing positive results of the trials of the new flight procedure. On June 20, 2019, the Council of State rejected the appeal of the Ministry for the Environment.

- ADR was notified of two further appeals against Ministerial Decree 345/18, one for damages and an extraordinary one to the President of the Republic, filed by the carrier Wizzair, operating in Ciampino.
- Ryanair also challenged ENAC Order no. 2/2019, with which the entity repealed its own previous orders which permitted allowances for overruns of the airport night closing times due to force majeure. The Regional Administrative Court, both at monocratic and collegial setting, accepted the carrier's request for suspension and, therefore, has permitted the carrier to overrun past 23.00 hours for the above mentioned reasons of force majeure.

Realization of the Exit in the East area - Fiumicino Sud Completion Project - Expropriations

The Fiumicino Sud Completion Project (which completed its approval procedure before the competent authorities) includes the creation of the new interconnecting junction between "Autostrada A91 Roma – Fiumicino" and the "East Area – Cargo City" of Fiumicino airport. It is necessary to expropriate some areas in the ownership of private companies for the realization of the works and, pursuant to art. 9 paragraph 7 of the Planning Agreement, ADR has been delegated by ENAC to act as Expropriating Authority.

On April 16, 2019 Nuova Agrisud Immobiliare S.r.l., the company involved in the expropriation, challenged a series of provisions and communications, together with the actions mentioned in the same, issued by ADR during the expropriation procedure. To challenge the acts of the expropriation procedure, Nuova Agrisud has put forward reasons added to a previous 2017 appeal to the Regional Administrative Court with which it had challenged the 2014 Final Measure of the Services Conference which, among other things, had certified the compliance with planning rules of the Fiumicino Sud Completion Project, while at the same time stating the public utility of the works included in it. ADF was not notified of the above mentioned appeal of 2017 and on May 30, 2019 it therefore filed the act for the formal constitution of the procedure.

Redrawing the borders of the Roman Coastline State Reserve

With Ministerial Decree of October 24, 2013 the Minister of the Environment approved the "New borders of the Roman Coastline Natural State Reserve" replacing the one that had previously been identified with Ministerial Decree of March 29, 1996. In particular, the new border expands the "type 1" areas, preventing construction of most of the works provided for under the 2030 Master Plan.

ENAC, with an appeal to the President of the Republic, challenged the Ministerial Decree of October 24, 2013, while ADR filed an independent appeal with the Lazio Regional Administrative Court. Within the scope of the appeal to the President of the Republic, the Council of State (asked to issue an opinion concluding the preliminary inquiry stage) asked the MIT, the Italian Prime Minister, and the Lazio Region (Entities involved in the matter) to send their decisions regarding the issue to be decided and ENAC's interest in appealing. Since an article published on the daily newspapers summarized the decisions of the Italian Prime Minister and Regions against ENAC, ADR acquired the above-mentioned opinions and in order to support the Entity in the ruling, decided to intervene to support it, filing its motion on July 25, 2018. On January 22, 2019 ADR received a communication in which the Council of State ordered a stay in the appeal to the President of the Republic made by ENAC, pending the decision of the ordinary ruling submitted by ADR and currently pending before the Lazio Regional Administrative Court.

Ryanair - Access to Records

With an application to access the records dated June 15, 2018 Ryanair asked ADR if it could review all the commercial contracts between Alitalia and ADR still in force at the date of the access application, as well as all the charge documents that ADR issued Alitalia between January 1, 2015 and June 15, 2018 for the collection of additional airport fees and IRESA (regional airport noise tax). ADR denied that application for access, confirming its decisions following the counter-arguments submitted by Ryanair. Ryanair, on September 14, 2018, filed a claim with the Lazio Regional Administrative Court to obtain the cancellation of ADR’s refusal and subsequent confirmation of it. The Lazio Regional Administrative Court, with a ruling dated December 7, 2018, rejected Ryanair’s claim, considering its application, on the one hand, to be a mere fishing expedition which did not deserve to be upheld, and on the other, to be generic and vague with respect to the alleged purpose pursued. On February 11, 2019 ADR was notified of the appeal by Ryanair to the Council of State; the hearing is scheduled for September 19, 2019.

Airport charges - Planning Agreement Annual Monitoring

On April 11, 2019 ADR filed an extraordinary appeal to the President of the Republic challenging and requesting the annulment of measure prot. no. 142002-P of December 24, 2018, with which ENAC General Manager updated the charges for the regulated services provided by the airport manager for the year 2019, in execution of the annual activity of monitoring of the charges parameters k, v and ε pursuant to art. 37-bis paragraph 4 of the Management Agreement/Planning Agreement between ENAC and ADR.

On June 10, 2019, ENAC opposed the extraordinary appeal and, pursuant to art. 48 paragraph 1 of the Code of Administrative Procedures, on July 17, 2019 ADR moved the appeal to the President of the Republic before the Lazio Regional Administrative Court.

Bankruptcy proceedings involving clients

- A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia S.p.A. under special administration, Volare S.p.A. under special administration, Alitalia Express S.p.A. under special administration, Alitalia Servizi S.p.A. under special administration, and Alitalia Airport S.p.A. under special administration. Between the end of 2011 and 2013, insolvency claims were initially filed, followed by distribution plans. Subsequently, in 2014, 10.3 million euros were collected as “insolvency claim” secured by a lien. On March 19, 2014, 0.1 million euros were collected in accordance with the distribution plan for Alitalia Express under special administration.
- In 2009, Volare Airlines S.p.A. under special administration and Air Europe S.p.A. under special administration entered into separate civil proceedings in order to obtain cancellation of payments made to ADR during the year prior to the carriers' entry into bankruptcy respectively for 6.7 million euros and 1.8 million euros. With sentence of June 2011, the Court ordered ADR to pay the requested amounts; ADR filed as many appeals which were rejected by the Court of Appeal of Milan respectively in 2012 and 2014. In order to avoid enforcement proceedings, ADR proceeded to the payment of what requested and has submitted an appeal to the Supreme Court in both cases. For the judgment on Volare Airlines S.p.A., the Supreme Court rejected the appeal filed by ADR with order of 2018. Regarding the ruling on Air Europe S.p.A. under special administration, the hearing has not been scheduled yet.

Sub-concession of retail outlets

- CTP and Concora entered into civil proceedings in order to ascertain a case of abuse of dominant position pursuant to art. 102 TFEU for ADR’s conduct when activating the tender procedure (from which they were excluded due to not meeting the requirements) aimed at the sub-concession of areas in front of the terminal for car rental with driver (NCC) business. As a result, the plaintiffs demand ADR be ordered, pursuant to art. 2043 of the Italian Civil Code, to compensate one million euros each, as well as the stay of the proceedings and the referral to the Court of Justice for the preliminary rulings, also with regard to the airport management concession granted to ADR. On February 14, 2019 the hearing was held for final judgment; the sentence is pending.

- ADR has entered into civil proceedings against Moccia Conglomerati S.r.l. in order to ascertain the resolution of the sub-concession agreement regarding an area to be allocated to a system for the production and marketing of asphalt concrete, as a result of serious breach by the counterparty, which would not have been able to obtain the issue of the necessary permits for the performance of operations. Therefore, ADR requested the immediate release of the area and to obtain compensation for damages. Within the framework of the ruling, Moccia filed a counterclaim towards ADR for 38.4 million euros, 33.6 million euros of which for loss of earnings. At the hearing on May 15, 2019, the case was adjourned until November 6, 2019 for final judgment.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of Runway 3 at Fiumicino airport, appealed the 2006 sentence handed down by Rome’s Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest accrued from the time of the claim. The appeal reiterates the claims for damages made in first instance (66 million euros, including legal interest accrued from the time of the claim). With sentence filed in 2014, the Court of Appeal of Rome substantially rejected the appeal on the proposals of the ATI Alpine Bau, accepting the arguments put forward by ADR and declared the contract stipulated in 1997 terminated, due to the fault of the ATI contractor. In 2015 bankrupt Alpine Bau lodged an appeal with the Supreme Court; the date for the hearing has not yet been scheduled.
- Consorzio Stabile Imprese Padovane Società Consortile a r.l. (“Consip”) and Sertech s.r.l., with regard to the contract for the execution of restructuring works at the office building that will host the new ADR HQ, entered into civil proceedings in order to obtain from ADR, among other claims, compensation in favor of Sertech for 2.4 million euros against reserves recognized in the financial statements and for 0.5 million euros for damage due to the loss of opportunity. The hearing was adjourned to April 7, 2020 for the final judgment. On February 21, 2019, Consip and ADR signed an agreement pursuant to article 239 of Legislative Decree 163/2006 following which Consip dropped the pending proceedings. Sertech, which had in the meantime filed an appeal with the Court in Venice for a preventative agreement, will only drop proceedings if it is duly authorized by the Court, an authorization which was received on July 17, 2019; judgment has been postponed to September 24, 2019.
- Cimolai S.p.A. (in ATI with Sertech S.p.A., RPA S.r.l. and Tecnica Y Projectos S.A.), by summons served on November 28, 2018, brought proceedings against ADR in relation to certain reservations (from no. 30 to no. 41) registered as part of the contract to build Pier C. The total statement of claim amounts to 64.4 million euros plus interest and monetary revaluation. At the preliminary hearing of June 19, 2019 the ruling was postponed to the hearing of June 25, 2020.

Fire

Regarding the fire that, on the night between May 6 and 7, 2015, affected a large area of Terminal 3 (hereafter also “T3”), a proceeding is pending before the Public Prosecutor at the Court of Civitavecchia; the proceeding regards the offences under articles 113 and 449 of the Criminal Code (participation in arson) and personal injury, in relation to which, on November 25, 2015, the measure under art. 415 bis of the Criminal Procedure Code was issued, notifying the conclusion of the preliminary investigation against: (i) five employees from the contractor for the ordinary maintenance of the air-conditioning systems and two ADR employees, all investigated also with regard to the offence under art. 590 of the Criminal Code (personal injury through negligence), (ii) the then Managing Director of ADR in the capacity as “employer” of the Company, (iii) the Head of the Fire Corps Contingent and (iv) the Director of the Lazio Airport System (ENAC).

In 2017, the preliminary hearing was held, which continued for several days, at the end of which, on February 15, 2018, the judge sent the defendants to trial for the crimes of participation in arson and personal injury.

The hearing before the Court of Civitavecchia started on October 15, 2018. On those occasions some preliminary checks of procedural nature were carried out. At the hearing held on January 21, 2019, there was substantial recognition of the parties to the proceedings and the preliminary motions made by each party were admitted, mainly entailing the call to hear the named witnesses and technical consultants. The examination of witnesses started at the hearing of March 25, 2019, beginning with the names indicated by the Public Prosecutor. The hearing of witnesses, continued at the hearing of June 24, 2019, will continue at the hearing on September 16, 2019.

Claims for damages

- In 2011, ADR received a claim for damages for 27 million dollars for direct damages (indirect damages are still being defined) from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. ADR declines any responsibility for the event. Should the investigation being conducted by the competent authorities reveal ADR's clear responsibility, the compensation would be covered by the third-party liability insurance policy of the airport operator.
- About 170 claims have been received from third parties (mainly sub-concessionaires, handlers and passengers) with reference to the fire, only a portion of which, however, is concerned by a clear quantification of the damages (about 19 million euros). Given these claims for compensation, a prudent valuation - based on the best current information- of the liabilities the Company is likely to assume was included in the provisions.

Reserves on works posted by the contractors

As of June 30, 2019 reserves posted by the contractors amount to about 90 million euros (96 million euros as of December 31, 2018) towards ADR. Based on past evidence, only a small percentage of the reserves posted is actually due to the contractors. If recognized, the reserves will be recorded as an increase in the cost of concession fees.

If these refer to claims or maintenance, they are posted under the allowances for risks and charges for the portion deemed probable.

10. Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the six-month period no significant transactions or transactions that significantly affected the Group's financial position or results took place.

Trade transactions and other transactions

(THOUSANDS OF EUROS)	06.30.2019		1st HALF 2019		12.31.2018		1st HALF 2018	
	ASSETS	LIABILITIES	REVENUES	COSTS	ASSETS	LIABILITIES	REVENUES	COSTS
PARENT COMPANIES								
Atlantia S.p.A.	7,910	8,071	157	(682)	7,871	19,670	114	(784)
TOTAL RELATIONS WITH PARENT COMPANIES	7,910	8,071	157	(682)	7,871	19,670	114	(784)
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	693	39,894	14	(43,780)	1,200	26,385	295	(22,637)
Spea Engineering S.p.A.	70	26,324	324	(10,264)	39	22,406	332	(9,592)
Ligabue Gate Gourmet S.p.A. (insolvent)	482	968	0	0	482	968	0	0
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	1,245	67,186	338	(54,044)	1,721	49,759	627	(32,229)
RELATED PARTIES								
Leonardo Energia S.c.ar.l.	14	3,568	79	(9,708)	62	3,562	85	(9,262)
Fiumicino Energia S.r.l.	96	0	88	0	57	0	87	0
Infoblu S.p.A.	0	0	0	0	0	26	0	(13)
Telepass S.p.A.	675	55	354	(90)	220	82	59	(83)
Autogrill Italia S.p.A.	281	1,773	5,908	(293)	1,760	1,188	6,123	(251)
Autostrade per l'Italia S.p.A.	516	682	190	(563)	398	662	(23)	(489)
Autostrade Tech S.p.A.	0	230	0	(200)	0	98	0	(85)
Consorzio Autostrade Italiane Energia	0	13	0	(10)	0	0	0	0
Edizione S.r.l.	0	12	0	(12)	0	0	0	(12)
Retail Italia Network S.r.l.	151	82	295	0	63	0	301	0
Telepass Pay S.p.A.	3	0	0	0	3	0	0	0
Essediesse S.p.A.	72	0	68	0	25	0	24	0
Società Autostrada Tirrenica per azioni	11	0	0	0	11	0	18	0
Key Management Personnel	0	4,090	0	(3,211)	0	2,113	0	(2,462)
TOTAL RELATIONS WITH RELATED PARTIES	1,819	10,505	6,982	(14,087)	2,599	7,731	6,674	(12,657)
TOTAL	**10,974**	**85,762**	**7,477**	**(68,813)**	**12,191**	**77,160**	**7,415**	**(45,670)**

Relations with Atlantia refer mainly to the tax consolidation of some companies of the ADR Group and to charging back the cost for the seconded personnel.

The main relations with other related parties break down as follows:

- Pavimental: a company owned by Atlantia that carries out maintenance and modernization work of the airport paving, as well as the realization of infrastructural works for the ADR Group;
- Spea Engineering: a company owned by Atlantia, carrying out airport engineering services (work design and management) for the ADR Group;
- Fiumicino Energia S.r.l.: a company owned by Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Telepass S.p.A. (a subsidiary undertaking of Atlantia): costs related to the Telepass system used in the car parks managed by ADR Mobility;
- Autogrill Italia S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a majority interest in Atlantia): revenues from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Autostrade per l'Italia S.p.A. (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive directors and not the managers with strategic responsibilities (so-called key management personnel) in office at June 30, 2019 amount to 3,211 thousand euros and include the amount pertaining to remuneration, employment compensation, non-monetary benefits, bonuses and other incentives for assignments at ADR (the remuneration is indicated regarding the directors that in the period covered the position, also for a portion of the year).

Financial relations

(THOUSANDS OF EUROS)	06.30.2019		1st HALF 2019		12.31.2018		1st HALF 2018	
	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia S.p.A.	0	240,200	0	(6,503)	0	240,781	0	(6,653)
TOTAL RELATIONS WITH PARENT COMPANIES	0	240,200	0	(6,503)	0	240,781	0	(6,653)
Spea Engineering S.p.A.	1,350	0	0	0	1,350	0	0	0
Azzurra Aeroporti S.p.A.	0	0	3,520	0	0	0	1,873	0
TOTAL RELATIONS WITH RELATED PARTIES	1,350	0	3,520	0	1,350	0	1,873	0
TOTAL	**1,350**	**240,200**	**3,520**	**(6,503)**	**1,350**	**240,781**	**1,873**	**(6,653)**

The financial assets from Spea Engineering S.p.A. comprise the receivable for the dividends resolved by the company in the year and not paid.

The financial income from Azzurra Aeroporti S.p.A. consists of the dividends approved and paid by the company to ADR in the period under consideration.

Financial liabilities with Atlantia, as well as the related financial expense, concern the A4 bonds, 99.87% of which is held by the parent company upon the conclusion of the Tender Offer procedure launched by the same in January 2015 towards the holders of the outstanding A4 bonds.

11. Other information

11.1 Information on share-based remuneration plans

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the enhancement of the Group's value, in addition to the managerial efficiency of management, Atlantia Group has incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving pre-set corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' Meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans to include personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia Group resulting from the merger more coherent. The table below shows the chief elements of the incentive plans as of June 30, 2019, highlighting the rights attributed to directors and employees of the ADR Group. In addition, the unitary fair values of the assigned rights are shown, determined by a specifically appointed expert, using the Monte Carlo model.

	no. of rights assigned	no. of rights revoked	no. of rights for transfers	no. of rights opted for	no. of rights as of 06.30.2019	vesting expiry	expiry ex. / assignment	exercise price (euro)	unit fair value on the assign. date	rev. unit fair value as of 06.30.2019	expected expiry on the assign. date (years)	risk-free interest rate at the assignment date	exp. volatility (=historical) on the assign. date	dividends expected on the assign. date
2011 stock option plans of Atlantia extended to ADR	516,905	(99,339)	0	(383,301)	34,265	11.8.2016	11.9.2019	16.02	2.65	0	6	0.86%	29.5%	5.62%
2014 phantom stock option plans of Atlantia extended to ADR	766,032	(432,957)	(73,301)	(250,960)	8,814	5.9.2017	5.9.2020	n.a.	2.88	6.01	3-6	1.10%	28.9%	5.47%
2014 phantom stock option plans of Atlantia extended to ADR	758,751	(256,467)	(62,742)	(166,373)	273,169	5.8.2018	5.8.2021	n.a.	2.59	2.74	3-6	1.01%	25.8%	5.32%
2014 phantom stock option plans of Atlantia extended to ADR	611,682	(32,599)	(3,258)	(12,538)	563,287	6.10.2019	6.10.2022	n.a.	1.89	2.71	3-6	0.61%	25.3%	4.94%
2017 phantom stock option plans I cycle	428,074	(15,333)	(5,246)	0	407,496	7.1.2020	7.1.2023	n.a.	2.37	3.43	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock option plans II cycle	364,701	0	(21,337)	0	343,364	6.15.2021	7.1.2024	n.a.	2.91	3.15	5.9	2.35%	21.9%	4.12%
2017 phantom stock option plans III cycle	470,806	0	0	0	470,806	6.15.2022	7.1.2025	n.a.	2.98	2.98	6.06	1.72%	24.3%	4.10%
2017 phantom stock grant plans I cycle	42,619	(1,526)	(522)	0	40,571	7.1.2020	7.1.2023	n.a.	23.18	25.79	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock grant plans II cycle	40,330	0	(2,360)	0	37,970	6.15.2021	7.1.2024	n.a.	24.5	24.11	5.9	2.35%	21.9%	4.12%
2017 phantom stock grant plans III cycle	48,221	0	0	0	48,221	6.15.2022	7.1.2025	n.a.	22.57	22.57	6.06	1.72%	24.3%	4.10%

In accordance with IFRS 2, as a result of the incentive plans in place, in the first half of 2019 a charge was recorded in the income statement for 3,783 thousand euros, corresponding to the amount of the fair value of the attributed rights that accrued in the period; this charge includes the cost resulting from the adjustment to the fair value of the share-based Plans, amounting to 126 thousand euros recorded as an increase in the shareholders' equity reserves, while the payables relating to the fair value of the "phantom" options existing as of June 30, 2019 are posted under other current and non-current liabilities, in relation to the presumed exercise date.

11.2 Events and non-recurring, atypical or unusual transactions

During the first half of 2019, no non-recurring, atypical or unusual transactions were performed with third parties or related parties. No significant non-recurrent events occurred in the period under review.

12. Subsequent events

No significant events have occurred after the end of the half-year under review.

The Board of Directors

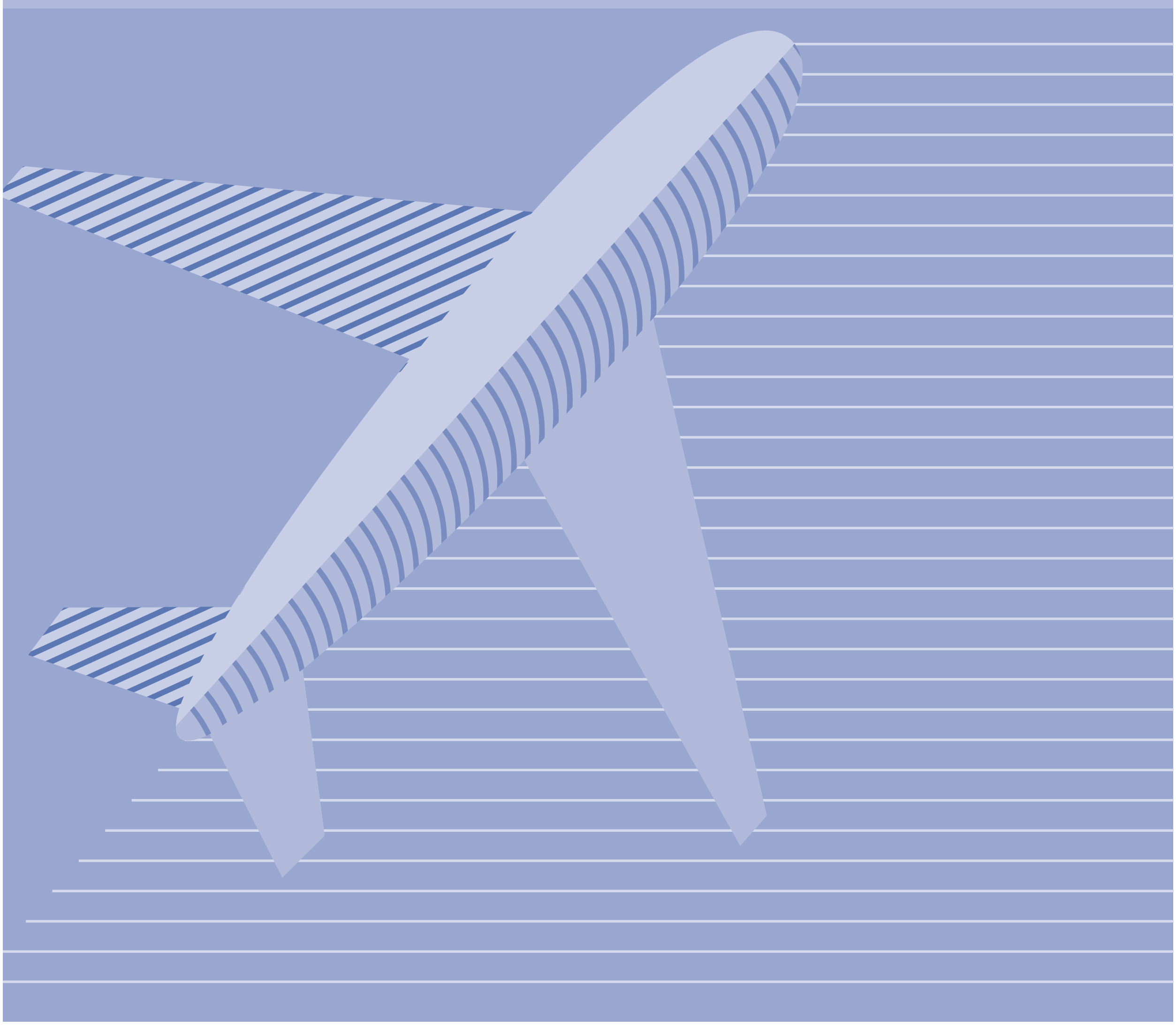
ANNEXES

Annex 1 - List of equity investments

NAME	REGISTERED OFFICE	ASSETS	CURRENCY	SHARE CAPITAL (EUROS) (*)	SHAREHOLDERS	% HELD	% ADR GROUP INTEREST	CONSOLIDATION METHOD OR VALUATION CRITERION
PARENT COMPANY								
Aeroporti di Roma S.p.A.	Fiumicino (Rome)	Airport management	Euros	62,224,743				
SUBSIDIARY UNDERTAKINGS								
ADR Tel S.p.A.	Fiumicino (Rome)	Telephony	Euros	600,000	Aeroporti di Roma S.p.A.	99	100	Line-by-line
					ADR Sviluppo S.r.l.	1		
ADR Assistance S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility (PRM)	Euros	4,000,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Sviluppo S.r.l.	Fiumicino (Rome)	Real estate management	Euros	100,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Mobility S.r.l.	Fiumicino (Rome)	Management of parking and car parks	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Security S.r.l.	Fiumicino (Rome)	Security and control services	Euros	400,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Airport Cleaning S.r.l.	Fiumicino (Rome)	Cleaning services	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	Rome	Construction	Euros	10,116,452	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Spea Engineering S.p.A.	Rome	Engineering and design services	Euros	6,966,000	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Consorzio E.T.L. - European Transport Law (in liquidation)	Rome	Office for European transport rules	Euros	(5,010)	Aeroporti di Roma S.p.A.	25		Valued at cost
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	Airport catering	Euros	103,200	Aeroporti di Roma S.p.A.	20		Valued at cost
OTHER INVESTMENTS								
Aeroporto di Genova S.p.A.	Genova Sestri	Airport management	Euros	7,746,900	Aeroporti di Roma S.p.A.	15		Measured at fair value
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	Airport management	Euros	13,920,225	Aeroporti di Roma S.p.A.	9.229		Measured at fair value
Azzurra Aeroporti S.p.A.	Rome	Real estate, financial investments, etc.	Euros	3,221,234	Aeroporti di Roma S.p.A.	7.77		Measured at fair value
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	Electricity production	Euros	10,000	Aeroporti di Roma S.p.A.	10		Measured at fair value
Consorzio Autostrade Italiane Energia	Rome	Supply on the electricity market	Euros	114,853	Aeroporti di Roma S.p.A.	0.99		Measured at fair value

(*) The amount stated for Consorzio E.T.L. – European Transport Law (in liquidation) refers to the net liquidation capital

REPORT OF THE INDEPENDENT AUDITORS



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Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the statements of income, the statement of comprehensive income, the statement of changes in equity and cash flows and the related explanatory notes of Aeroporti di Roma S.p.A. and its subsidiaries (the "Aeroporti di Roma Group") as of 30 June 2019. The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Aeroporti di Roma Group as of 30 June, 2019 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 1 August 2019

EY S.p.A. Signed by: Roberto Tabarrini, Partner

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

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