



FINANCIAL STATEMENTS

AT 31 DECEMBER 2016 AND RELATED REPORTS

Concessioni Autostradali Venete CAV S.p.A.

***Via Bottenigo, 64/A
30175 Marghera (Venice)***

Fully paid-up share capital € 2,000,000.00

***Register of Companies, Tax Code and VAT no. 03829590276
Economic Administrative Index no. VE 0341881***

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Notice of Call to the Shareholders' Meeting

Venice, May 25, 2017

Subject: Notice of Call to extraordinary and ordinary Shareholders' Meeting

Pursuant to art. 2364 and 2365 of the Italian Civil Code, the shareholders of Concessioni Autostradali Venete - CAV S.p.A. are hereby called to the Extraordinary and Ordinary Shareholders' Meeting to be held at the registered office, Via Bottenigo, 64/A, Venezia-Marghera on 26 June 2017 at 11:30 a.m. on first call and, if necessary, on 28 June 2017 at 12:00 a.m. on second call, to discuss and resolve upon the following

AGENDA

Extraordinary Part

- Proposal for amendments of Concessioni Autostradali Venete - CAV S.p.A.'s Articles of Association.

Ordinary Part

- 1) Financial Statements at 31 December 2016 and the Management Report, Board of Statutory Auditors' Report and Independent Auditors' Report: contingent resolutions;
- 2) Appointment to the Board of Statutory Auditors for the years 2017/2019 and determination of their remuneration pursuant to and in accordance with art.21 of the Articles of Association;
- 3) Appointment to a member of the Board of Directors;
- 4) Mestre motorway bypass (Passante di Mestre) L.244/2007 – use of Provisions resulting from the motorway management activities and restricted to infrastructure works on the Concessioni Autostradali Venete – Cav S.p.A.'s financial statements.

Pursuant to art. 12 of the Articles of Association, shareholders are entitled to attend the Shareholders' Meeting if duly entered in the Shareholders' Register, or have applied for registration, at least three days prior to the date of the Shareholders' Meeting on first call.

Pursuant to art. 2372 of the Italian Civil Code and art. 12 of the Articles of Association, shareholders can be represented at the Shareholders' Meeting if written proxy is submitted in advance.

Attendance at the Shareholders' Meeting pursuant to art. 11 of the Articles of Association can also be via audio or audio-video link.

Best Regards.

CHAIRMAN
(Luisa SERATO)

Company Officers

BOARD OF DIRECTORS ⁽¹⁾

Chairman

SERATO Luisa ⁽²⁾

Chief Executive Officer

ADILETTA Michele ⁽³⁾

Directors ⁽⁴⁾

MAGGIONI Alessandro

RIBECHI Federica

BOARD OF STATUTORY AUDITORS ⁽⁵⁾

Chairman

AMICI Claudio

Standing Auditors

CORSO Francesco

SOLIN Barbara

Alternate Auditors

FIOR Sara

PADULA Gian Vito

SENIOR MANAGERS

Chief Financial Officer

BORDIGNON Giovanni

Chief Operating Officer

MATASSI Angelo

Chief Human Resources

BRAGATO Paolo

Chief Technical Officer

FUSCO Sabato

INDEPENDENT AUDITORS

RIA GRANT THORNTON S.p.A.

(1) The Board of Directors was appointed by the Shareholders' Meeting on 21 October 2015 with a three-year mandate from 2015 to 2017.

(2) Director Luisa Serato was appointed Chairman by the Shareholders' Meeting on 21 October 2015.

(3) Director Michele Adiletta was appointed Chief Executive Officer by the Board of Directors on 27 October 2015.

(4) Director Alessio Adami resigned from office on 18 November 2015.

(5) The Board of Statutory Auditors was appointed by the Shareholders' Meeting on 16 June 2016.

The Chairman of the Board of Statutory Auditors Claudio Amici was nominated by the Ministry of the Economy and Finance; the Standing auditor Francesco Corso was nominated by the Ministry of Infrastructure and Transport; the Standing auditor Barbara Solin was nominated by the Veneto Regional Government.

Share capital structure

SHAREHOLDER	NO. OF SHARES	NOMINAL VALUE OF ORDINARY SHARES	SHARE CAPITAL	PERCENTAGE %
ANAS S.p.A.	1,000,000	1.00	1,000,000	50
Veneto Regional Government	1,000,000	1.00	1,000,000	50
Total	2,000,000		2,000,000	100

MANAGEMENT REPORT

INTRODUCTION

Dear Shareholders,

in this report we describe the performance and results in the year 2016, characterised by two extremely significant events, i.e., the positive conclusion of the Project Bond transaction and the highly pleasing closure of the financial statements with a considerable profit.

The Financial Statements

Again in 2016, the financial statements show a profit of EUR 14.1 million.

This figure is particularly positive and exceeds all expectations and forecasts.

This excellent result for the year can be certainly attributed to a great extent to good traffic trends.

At year-end, there was an overall rise of 4.25% in vehicles/kilometre: this performance is at the top of the motorway sector.

This increase in vehicles obviously had an impact on toll revenue, which is by far the most important item on the company's financial statements.

It should also be considered that this positive result was achieved with no increase in tariffs.

Indeed, in 2016 MIT suspended tariff updates pending the approval of the new Economic and Financial Plan: therefore, traffic also made up for the stability in tariffs.

We believe that the situation described above demonstrates the secure strength of the Company, which is capable of handling all of its commitments with absolute tranquillity.

A second important and significant element that contributed to the strong result was having dedicated precise and constant attention to operating costs referring to all company activities, particularly maintenance and personnel costs.

The new Financial plan

The new 2015-2032 Economic and Financial Plan and the enclosed Regulatory Financial Plan relating to the 2015-2019 five-year period were updated and presented in 2015 to the Ministry of Infrastructure and Transport/Directorate General for Infrastructure and Motorway Concession Supervision.

The key elements of the Plan are summarised as follows: Duration: the Financial Plan begins in 2015 and ends in 2032, the final year of the concession; tariffs: tariff increases were envisaged that were never greater than 1.5%, in accordance with the instructions from the granting Ministry; traffic: the traffic forecasts are based on a special study commissioned from an external company that is a leading expert in the specific sector; investments: the commitment of around EUR 279 million already envisaged in the current Regulatory Financial Plan has remained unchanged; financial structure: the Plan envisages a project bond issue in the amount of EUR 830 million and the issue of a subordinated loan by ANAS for the VAT amount; dividends: dividend distribution was planned from 2022 to the end of the licence.

The approval process was therefore launched some time ago: however, it has not yet been completed.

However, there was some positive news in 2016: by resolution of 10 August 2016, CIPE approved, with requirements relating to a consistent rate of return on invested capital, the above-mentioned economic and financial, regulatory and planning documents of CAV and of various other motorway management companies. Therefore, the procedure is still ongoing: the regulation establishes that the approval process will be completed with the issue of the dedicated Interministerial Decree (MEF and MIT) and its subsequent registration with the Court of Auditors.

Therefore, the economic and financial plan/regulatory financial plan will become effective as of the date of registration of the above-mentioned Interministerial Decree.

The Project Bond and correlated aspects

On 12 April 2016, the company achieved an objective established some time ago, at the time the law establishing the Company was passed, i.e., the obligation, later also established by contract, to repay ANAS for the costs incurred for the construction of that significant infrastructure named Passante di Mestre (Mestre bypass).

This took place with the completion of the financing transaction by means of the bond issue in the technical form of a Project Bond, taking advantage of the opportunities provided by art. 157 of Italian Legislative Decree 163/2006.

In the course of 2016, the Company precisely complied with all obligations laid out in the contracts entered into: in particular - aside from various informational and reporting aspects - it paid the first two principal and interest instalments due on 30 June and on 31 December 2016 (the payment frequency is every six months).

The award

We will not spend a significant amount of time on the content of the transaction completed on 12 April 2016, as much has already been stated about it in the report to last year's financial statements.

However, there is one fact we cannot fail to mention: CAV's Project Bond transaction was assessed by an important international magazine specialising in economy and finance as the best financial transaction by means of a bond issue in Europe in 2016, and thus earned the Project Financing International Award.

This is a prestigious recognition within the scope of the project financing, which the Company shared with all parties that operated and worked for the full success of the transaction.

CAV received the award in London on 1 February 2017.

The rating

Also as regards the Project Bond, the Company - as you will recall - had obtained a highly satisfactory rating certification of A3 with a stable outlook.

In December 2016, however, the rating agency reported that the outlook for the Italian rating of Baa2 had changed from stable to negative.

As a result, all ratings issued to Italian Companies, including CAV, were re-analysed.

CAV's rating was confirmed at A3, but the outlook was revised from stable to negative, as took place for Italy and for other Italian Companies.

As noted above, this revision is not the result of any specific negative assessment of CAV itself (whose very positive rating was indeed confirmed and which is the only company in Italy with an A rating, the best issued by the Certification Authority to an Italian Company), but rather is solely correlated with the revision of the national rating's outlook.

The ANAS subordinated loan

A mention should also be made of the ANAS subordinated loan in favour of CAV (collateral to the Project Bond) in order to finance the VAT on invoices issued by ANAS to CAV for the costs of building the Passante bypass.

Also for this loan, the Company respected the contractual commitments undertaken and in October 2016 paid the first instalment including principal and interest, disbursing more than EUR 34 million to ANAS, an amount much higher than what is required.

The second instalment will be paid in April 2017, as set forth in the repayment plan.

The full settlement of the debt to ANAS was initially planned for 2021.

However, faster full repayment may be possible if - as took place in 2016 - the liquid funds of CAV turn out to be more significant than forecast, allowing for larger instalment payments.

Investments

The commitments undertaken by the Company and set forth in the agreement envisage an overall financial commitment of roughly EUR 1,340 million broken down as follows: EUR 986 million as reimbursement to ANAS for the Passante di Mestre costs; EUR 75 million for the Company's indemnity to Autostrade di Venezia e Padova S.p.A. for taking over the concession license; and EUR 279 million for other works.

The Company paid the amount due to ANAS for the costs of the Passante and due to Soc. Autostrade VE/PD for the take-over indemnity in full.

As regards the remaining activities of EUR 279.4 million set forth in the Economic and Financial Plan, they have been completed in the amount of EUR 230.0 million.

Therefore, EUR 40.4 million is yet to be completed, the majority of which, for roughly EUR 17.7 million, refers to auxiliary and completion works on the Passante.

With respect to the overall financial commitment set forth above, 97% of which has been met, the part still to be completed now represents only 3%.

Governance

As regards governance, it is necessary to keep in mind that the Board of Statutory Auditors currently in office was appointed on 16 June 2016 and completed its term in 2016.

As the term of office has come to an end, it is necessary to appoint a new Board of Statutory Auditors for 2017-2019.

We take this occasion to thank the outgoing Board of Statutory Auditors for its valuable collaboration and its contribution to achieving such excellent results this year.

Management systems

For some time now the Company has worked on developing various management systems in order to keep its activities under continuous control.

In this sense, it created an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which also includes the Code of Conduct, the rules of which all CAV suppliers are required to follow. The quality management system certification was renewed and the certification valid until September 2018 was obtained on 30 October 2016, which is in any event subject to subsequent satisfactory results following periodic supervisory activities.

In implementation of what is set forth on one hand in Italian Law 190/2012 (containing provisions for the prevention and repression of corruption) and on the other hand in Italian Legislative Decree 33/2013 (which provided for the reorganisation of regulations regarding advertising and transparency obligations), the Company has developed two fundamental prevention measures relating to the above-mentioned regulations, i.e., the “Whistleblowing” and “Civic Access” rules.

The first is a system for receiving and managing reports of any unlawful conduct; the second is a system for receiving and managing requests for data, documents and company information.

The adoption of management systems entails the need to monitor them constantly and carefully in order to keep them updated in light of new regulations and provisions, also for the purpose of the resulting controls and overall effectiveness.

In this regard, consider the broad and constant obligations and commitments correlated with the above-mentioned Italian Law 190/2012, Italian Legislative Decree 33/2013, the Organisation, Management and Control Model, the prevention or repression of corruption and illegality and the relative Three-Year Plan, Italian Legislative Decree 81/2008 on occupational health and safety and the relative OHSAS 18001:2007 certification, Quality Management in compliance with the UNI EN ISO 9001 standards, Italian Legislative Decree 196/2003 regarding the protection of personal data; and also consider the intentions of CAV to further expand its management systems, such as that on road safety in accordance with the ISO 39001 “Road Traffic Safety Management Systems” standard or the suitable environmental management system in light of the nature of its activities, products and services in compliance with the requirements of the ISO 14001:2015 standard.

To remain up to the task and handle the numerous and important commitments set forth above, the Company has created a dedicated Planning and Management Control office at internal organisational level and also - through the dedicated selection carried out pursuant to the law - relies on external support and assistance for the development and coordination of the various management systems active within CAV or which it plans to adopt.

Legal situations and disputes

CAV is involved in only a few, marginal legal disputes, and the overall situation of disputes can be considered reassuring in terms of number as well as amount subject to the proceedings.

However, criminal proceedings are still under way at the Court of Venice - as already described in detail in last year’s report - to ascertain the liability of the parties involved on various bases in a serious motorway accident

on the A4 in 2014, in which two employees of a CAV contractor died. In January 2016, opening arguments began, while in the initial months of 2017 the initial hearings took place, which will continue until the preliminary investigation is completed.

A second dispute of a certain importance as regards the requests for compensation of the plaintiffs - also already illustrated previously - regards an accident entailing a death in 2002. An Insurance Company involved in the case challenged the ruling in the first instance before the Court of Appeals of Venice. CAV appeared before the court with a cross-appeal and request for injunction in relation to its lack of standing to act as defendant as well as with respect to its lack of liability in causing the mortal event. The Court of Appeals fully accepted the request for injunction submitted by CAV, suspending the enforceability of the ruling in the first instance, "as the grounds for the appeal with respect to the lack of standing to act as defendant do not appear to be clearly unfounded, while reserving the right to make any assessment otherwise in this respect". The next hearing was scheduled for September 2018.

Lastly, it should also be noted that in the final months of 2016 the Company was subject to a tax audit by the Financial Police, Venice Tax Police Unit Headquarters. The inspection was completed with the issue of a formal Report on Findings, in response to which the Company has already taken action to present its position to the Italian Revenue Agency and provide any clarifications required to avoid all possible consequences.

Other information pursuant to art. 2428 Italian Civil Code

In compliance with the requirements of art. 2428 of the Italian Civil Code, the Company notes that it did not undertake research and development activities, does not hold treasury shares, does not own financial instruments, and does not have secondary offices.

BUSINESS AND FINANCIAL PERFORMANCE

Business performance

The 2016 financial year concluded with a positive result: net profit after taxes was roughly EUR 14.1 million (EUR 11.9 million in 2015).

Production value stood at EUR 155.3 million (EUR 147.9 million in 2015), up EUR 7.4 million (+5.0%).

With regard to production value, toll revenue (net of VAT and the ANAS licence fee integration) came to EUR 133.2 million, an increase compared to the previous year (EUR 126.8 million in 2015; +5.0%). This figure is directly correlated with good traffic trends (+4.25%) and the favourable effect of rounding final tolls for users (already recorded in the previous year as well), while tariffs (unchanged with respect to 2015) and additional km travelled applied at the toll barriers (17.600 km, also unchanged with respect to 2015) had no effect.

The ANAS licence fee integration grew from EUR 13.4 million to EUR 14.0 million (EUR 0.6 million more; +4.6%) as a result of traffic.

The total for other motorway revenue amounted to EUR 6.8 million (EUR 6.7 million in 2015) and is broken down as follows: EUR 4.3 million in royalties on service area business; EUR 1.8 million from other motorway companies' share of collection costs; and EUR 0.7 million in recovered costs.

Production costs totalled EUR 106.5 million, down EUR 1.7 million (EUR 108.2 million in 2015; -1.5%) as broken down below.

Service costs amounted to EUR 19.9 million (EUR 20.2 million in 2015; -1.1%).

This decrease was mainly due to costs of annual and periodic maintenance, which declined from EUR 9.3 million to EUR 8.9 million (-4.3%).

The other significant item is the CAV sharing of collection costs incurred by the associated motorway companies, as envisaged in the motorway interconnection agreement, for EUR 4.6 million (EUR 4.4 million in 2015; +4.5%).

Personnel costs stood at EUR 19.8 million (EUR 19.0 million in 2015; +4.2%).

Amortisation and depreciation in 2016 totalled EUR 46.1 million (EUR 48.8 million in 2015; -5.5%). Most of this relates to amortisation of the costs of the Passante, which alone totalled EUR 28.7 million (equivalent to 2015).

Note that this amortisation is calculated on a straight-line basis.

As regards the provision for renewals, the related allocation made to meet periodic maintenance costs was EUR 10.3 million (as in 2015). Related utilisation of the provision in 2016 totalled EUR 9.0 million (EUR 9.6 million in 2015; -6.0%).

Another important item is other operating costs, amounting to EUR 18.0 million (EUR 17.9 million in 2015; +0.1%).

Other operating costs include the licence fee pursuant to art. 1, paragraph 1020 of Italian Law 296/2006 for EUR 3.2 million (EUR 3.0 million in 2015), corresponding to 2.4% of net toll revenue: of this fee, 42% (EUR 1.3 million) is paid directly to ANAS and 58% (EUR 1.9 million) to the State.

Also included is the ANAS licence fee integration, which increased from EUR 13.4 million in 2015 to EUR 14.0 million in 2016 (+4.6%). This amount is a balancing entry to the amount recorded in revenue, as it is simply an amount collected on behalf of a third party, i.e. ANAS.

In brief, note that the figure relating to production costs was caused by a series of factors, of which some have an increasing effect (the most significant of which is personnel costs, up EUR 0.8 million) and others a decreasing effect (the most important of which is maintenance costs: down EUR 0.4 million).

The difference between production value and cost was EUR 48.8 million (EUR 39.8 million in 2015). The EUR 9.0 million change (+22.7%) is due on the one hand to the increase in revenue (approx. EUR 7.4 million) and on the other to the decrease in costs (around EUR 1.6 million).

Financial charges totalled EUR 28.5 million, higher than the previous year (EUR 24.7 million in 2015; +15.7%) and refer to: EUR 14.3 million in interest expense associated with the Project Bond transaction and EUR 8.0 million in interest expense associated with the ANAS subordinated loan; they also include interest expense relating to debt prior to 12 April 2016 (date of closing of the Project Bond and issue of the bonds) connected to the previous debt to ANAS and the previous CDP loan.

Interest income (roughly EUR 0.9 million, compared to EUR 2.9 million in 2015: EUR -2 million) refers mainly to interest on the portion of public grants collected by ANAS and not yet paid to CAV at the date of 12 April 2016 (Project Bond closing).

Based on the economic situation described above, income before taxes amounted to EUR 21.1 million (EUR 18.0 million in 2015; +17.3%), recording an increase of EUR 3.1 million, whilst income taxes (IRES and IRAP and deferred tax assets) totalled EUR 7.0 million (EUR 6.1 million in 2015). As mentioned previously, the profit for the year was EUR 14.1 million.

Financial statement ratios

		2016		2015	
ROE	NET INCOME	14,142	14.11%	11,931	13.86%
	EQUITY	100,217		86,075	
ROI	EBIT	48,791	4.75%	39,752	3.91%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,026,422		1,017,339	
ROS	EBIT	48,791	34.52%	39,752	29.54%
	NET SALES REVENUE	141,349		134,567	
ROA	EBIT + INTEREST INCOME	49,659	4.76%	42,663	4.00%

TOTAL ASSETS			1,043,360		1,067,732
FIXED ASSETS/TOTAL ASSETS RATIO	FIXED ASSET PORTION OF INVESTED CAPITAL	1,030,737	98.79%	1,022,107	95.73%
	INVESTED CAPITAL	1,043,360		1,067,732	
LEVERAGE RATIO	PAYABLES	923,779	921.78%	962,971	1118.75%
	EQUITY	100,217		86,075	
DEBT/EQUITY RATIO	LIABILITIES - EQUITY	943,143	941.10%	981,657	1140.46%
	EQUITY	100,217		86,075	
ASSET/EQUITY RATIO	EQUITY	100,217	9.76%	86,075	8.46%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,026,422		1,017,339	
CURRENT RATIO	CURRENT ASSETS	182,294	130.92%	291,921	29.75%
	CURRENT LIABILITIES	139,237		981,254	

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUR)

	31/12/2016	% revenue	31/12/2015	% revenue
REVENUE				
Net toll revenue	133,250	94.27%	126,843	94.26%
Other revenue from sales and services	6,808	4.82%	6,706	4.98%
Other income and revenue	1,291	0.91%	1,018	0.76%
TOTAL REVENUE	141,349	100.00%	134,567	100.00%
Production overhead	-21,378	-15.12%	-21,792	-16.19%
Other costs and plus/minus balance	-4,034	-2.85%	-4,572	-3.40%
VALUE ADDED	115,937	82.02%	108,203	80.41%
Net labour costs	-19,766	-13.98%	-18,979	-14.10%
EBITDA	96,172	68.04%	89,224	66.30%
Accumulated amortisation/depreciation	-46,094	-32.61%	-48,763	-36.24%
Allocations to provisions for risks and charges	-1,287	-0.91%	-708	-0.53%
EBIT	48,791	34.52%	39,752	29.54%
Financial income and charges	-27,656	-19.57%	-21,748	-16.16%
Asset adjustments/sale of investments	-20	-0.01%	-5	0.00%
INCOME BEFORE TAXES	21,115	14.94%	17,999	13.38%
Income taxes for the year	-6,973	-4.93%	-6,068	-4.51%
PROFIT (LOSS) FOR THE PERIOD	14,142	10.00%	11,931	8.87%

A number of summary forecasts for next year

A variety of factors will affect the value of toll revenue, first and foremost, traffic.

In the second place, it must be kept in mind that in 2017, unlike in 2016, the additional km travelled decreased from 17.600 km to 15.836 (1,764 metres less) and toll discounting initiatives for commuters adopted at the local level (Mirano/Dolo-Padova Est stretch) and at national level were extended for all of 2017.

Thirdly, the tariffs rose in 2017 compared to 2016. By MIT/MEF interministerial decree, a tariff update of +0.45% was recognised.

With a general outlook characterised by the initial signs of an economic recovery and taking into account the above elements, the Company is prudentially forecasting a substantial confirmation of revenue in 2017 at the same levels as the previous year.

Production costs are expected to post figures very similar to those recorded in 2016.

Lastly, interest expense should decrease as a result of the reduction in borrowings due to the repayments made.

Based on the aforementioned assumptions, the Company expects to post profit again in 2017.

Financial performance

At 31 December 2016, cash and cash equivalents totalled around EUR 36.5 million (EUR 50.8 million in 2015), down EUR 14.2 million.

In addition, it should also be noted that specific liquidity reserves (restricted current accounts) were established as envisaged in the contractual documentation for the project bond totalling EUR 69.5 million at 31 December 2016 and, more precisely, a Debt Service Reserve Account for EUR 36.3 million, a Capex Reserve Account for EUR 28.6 million and a Maintenance Reserve Account for EUR 4.6 million.

At 12 April 2016, two loans had been taken out, i.e., the loan through the Project Bond and the ANAS subordinated loan.

The situation at 31 December 2016 is the following: as regards the Project Bond, after principal repayments made during the year, there is a residual debt (calculated with the amortised cost method) of EUR 775.6 million; as regards the ANAS subordinated loan, the residual debt is EUR 101.9 million.

A brief indication of 2017 financial issues

With the liquidity noted above, which will be added to the financial resources generated by the ordinary motorway management activities and from typical toll revenues, the Company will be able to meet all of its financial obligations or, above all, those resulting from the project bond with the repayment of principal and interest for a total of EUR 69.7 million (settled in half-yearly payments due on 30 June 2017, for EUR 27.9 million in principal and EUR 8.4 million in interest, and on 31 December 2017 for EUR 25.3 million in principal and EUR 8.1 million in interest), secondly those relating to the ANAS subordinated loan and thirdly those correlated with investments for operating needs to manage the licenced motorway stretches and to conclude auxiliary and completion works on the Passante.

Main risks and uncertainties

The following information is provided in compliance with art. 2428 of the Italian Civil Code in order to provide further analysis of the major risks and uncertainties to which the Company is exposed.

Traffic risk and tariff risk

The Company reflects the combined effect of changes in traffic and tariff changes in developing its revenue. Changes in traffic are essentially caused by external factors influenced by the general economic performance. Tariff changes are determined by the approval process of the granting agency and contractual formulas. Please refer to the "Motorway management" section for further information.

Financial risks

The financial requirements to support ordinary activities, maintenance plans and contractual commitments are met through the bonds and shareholder loan that are currently in place.

Contractual commitments include the requirement of financial solidity as per art. 3, paragraph 2, letter t, of Attachment K of the agreement in force.

MOTORWAY MANAGEMENT

The main motorway management figures are provided below, accompanied (in the final section of the reporting package) by additional statistical information with related tables and charts.

Traffic

To begin with, a number of simple definitions.

The “actual vehicle count” refers to the actual number of vehicles that joined the motorway, regardless of the number of kilometres travelled; “vehicles per km” refers to number of vehicles that joined the motorway multiplied by the total kilometres travelled; “virtual vehicle count” refers to the number of vehicles that have virtually travelled the entire stretch of the licenced motorway subject to payment of tariffs.

In 2016 there were no changes to the infrastructural organisation.

To clarify the presentation of data in the following paragraphs, here we specify the motorway stretches managed by the Company: A4 stretch from Padova Est as far as the interconnection with the Passante and the Passante itself; the A57 stretch from the interconnection with the Passante as far as the Venezia/Mestre toll barrier (under the closed system); and the Tangenziale di Mestre until the “Terraglio” junction. The entire stretch of the A57 (part closed and part open) is known as the Tangenziale di Mestre.

There is also the “Marco Polo” Venezia/Tessera Airport ring road on the open system.

Lastly, note that in the summary report below all figures are shown - as usual - in reference to traffic classified as “paying”. This is also for a more even comparison with the accounting data referring to toll revenue.

Traffic relating to the toll-free stretch and therefore “free of charge” is commented where a distinction is necessary.

Total traffic figures

An initial overall figure: the vehicles per km (open + closed systems) in 2016 totalled 1,797,500,010 (in 2015: 1,724,303,511), recording an increase of 4.25%, continuing and improving upon the positive trend already seen in the previous financial statements (+3.14%).

Closed system

In 2016, in the entire closed system (part on the A4 and part on the A57) the actual vehicle count was 41,517,325, marking an increase of 1,944,255 units and a percentage rise of 4.91% compared to the figure of 39,573,070 in 2015.

The related vehicles per km totalled 1,080,109,390, growth of 5.43% compared to 1,024,444,293 in 2015. The virtual vehicles totalled 23,416,498, growth of 5.43% compared to 22,209,693 in 2015.

These figures on a daily basis result in the following: 113,435 daily average actual vehicle count (VEMG) versus 108,419 in 2015 (+4.63%); 2,951,119 daily average vehicles per km (VKmMG) versus 2,806,697 in 2015 (+5.15%); 63,980 daily average virtual vehicle count (VTMG) versus 60,848 in 2015 (+5.15%).

To complete the information, note that the traffic trend at national level also saw an estimated increase of around +3.70% (preliminary data; source: AISCAT).

Open system

Open system traffic refers to that recorded on entry and exit at the Venezia/Mestre station (in Marghera) and the Mira/Oriago and Mirano/Dolo stations on the A57 managed by CAV, the Venezia Nord station (in Mogliano) on the A27 managed by Autostrade per l'Italia and Venezia Est (in Quarto d'Altino) on the A4 managed by Autovie Venete.

Transit at one of the aforementioned stations represents movement from the open system to the closed system or vice versa.

Transits recorded in 2016 totalled 30,142,463, an increase of 2.50% compared to 29,405,850 in 2015. These transits generated a total of 717,390,620 vehicles per kilometre, up 2.50% compared to 699,859,230 in 2015, broken down as follows: 530,507,350 V/km relating to additional km travelled (in 2016 corresponding to 17 km + 600) applied on every transit in the above-mentioned stations, an increase of 2.50% compared to 2015 (517,542,960 V/km) due to the favourable performance of traffic which posted a greater number of transits in the five stations; 186,883,270 V/km with an increase of 2.50% compared to 2015 (182,316,270 V/km) relating to the flat mileage rate (6 km + 200) on the Tangenziale di Mestre.

As already indicated, the number of transits indicated above does not include entry and exit transactions at the Venezia/Mestre, Mira/Oriago, and Mirano/Dolo stations with journeys starting/ending between them, or for transactions relating to toll-free internal traffic as already mentioned and to be discussed in the next paragraph. Lastly, we should point out that the above figures do not take into account city traffic travelling on the Tangenziale di Mestre via the various local junctions (Miranese, Castellana and Terraglio) and on the airport ring road, but which do not then access the closed motorway system (A57, A4, A27) through one of the stations mentioned above.

Toll removal for traffic between the Venezia/Mestre, Mira/Oriago and Mirano/Dolo stations and simultaneous application of a subscription system on the Padova Est-Mirano/Dolo route.

In 2016, the number of commuters resident in the municipalities of Mirano, Dolo, Mira, Spinea and Pianiga (all in the province of Venice) using the subscription system on the Mirano/Dolo–Padova Est stretch was 232 (class A, using Telepass device, 40% discount). The total for the year as 24,161 transits with lower toll revenues for CAV of approximately EUR 27,000 (including VAT).

Lastly, please also note that for 2017 the Ministry of Infrastructure authorised the continuation of this pilot project.

Toll removal for traffic between the Venezia/Mestre, Mira/Oriago and Mirano/Dolo stations

Internal transits between said stations (not subject to tolls) in 2016 were 10,946,133, marking a rise of 5.00% compared to 2015 (10,424,662).

Traffic classification and payment types

Traffic is broken down into five classes according to the axle-shape approach, i.e., class A (motorcycles and twin axle vehicles with front axle height of up to 1.30 metres), conventionally referred to as light vehicles; class B (twin axle vehicles with front axle height of more than 1.30 metres); and classes 3, 4 and 5 (three-, four- and five-axled); heavy vehicles are included in classes from B to 5.

Traffic composition has been substantially constant for years; the conventionally classified light vehicles generated 75.36% of the total vehicles per km (paying traffic on both closed and open systems) whilst heavy vehicles accounted for 24.64%.

With reference to the various toll payment systems, all stations managed by the Company offer users the most advanced automatic collection services and maximum possible lanes equipped for this purpose made available, on the basis of the physical configuration of the stations in question.

In 2016, a new remote activity management system was activated in the automatic lanes of all stations managed, through MCT (centralised stretch monitoring) stations, guaranteeing an improvement in the user assistance quality standard, through:

- an equal distribution of the number of anomalies managed by the various stations;
- a reduction in remote anomaly intervention timing;
- a reduction in in-lane anomaly intervention timing;
- greater commitment and involvement of the collection agents present in each station.

In addition, and in compliance with Directive 2004/52/EC, the Company - together with all the other Italian motorway management operators - is implementing the project to adapt its electronic toll management systems to become fully functional and operational (gradually and according to predefined timing) with EETS (European Electronic Toll Service). This system will allow transit and toll payments to all European toll system operators which - as service providers for their customers - will request access to the motorway network.

As a result, the Italian motorway sector launched an adaptation of the motorway toll collection system in compliance with the dictates of this European regulation, particularly with reference to the need to guarantee interoperability in the interconnected network and to determine the toll due by users based on the actual route taken ("actual route").

After these activities, it was also found that it was necessary to develop and create a sector IT system for the acquisition of motorway transit data ("Central Sector System") to calculate the "actual route" taken by users, so as to bring the sector fully into line with Directive 2004/52/EC relating to the EETS.

The "Central Sector System" is the IT system used by motorway management companies for the exchange required for the shared management of data and transits on the interconnected network, and is functional to the continuous acquisition of the information needed to unambiguously determine the route taken by detecting transits in entrance, exit and interim stations, in accordance with established criteria. It operates in an integrated manner with the systems of the individual Management Companies.

The “Central Sector System” managed by AISCAT Servizi will provide the Management Companies with all of the data needed to conduct checks and controls on the proper functioning of the System.

Already in the initial months of 2017, the Central Sector System is operating in parallel with the current system; the transition to the executive phase is expected to take place in the second half of 2017.

Below is a series of figures on usage of the various toll payment systems.

Transit with tolls paid in cash represent 23.15% and can be broken down as follows: 9.19% manually in cash and 13.96% in cash via the automatic cash points.

The total for the various automatic payment systems represents 76.85% of paying transits, with the following breakdown: users of a standard Viacard with deferred payments 1.35%; users of a Telepass device combined with a deferred payment Viacard code 35.75%; users of a Telepass Family device combined with a banking code 31.24%; users of prepaid Viacards 0.71%; Europass users of a credit card combined with Telepass 0.12%; users of a Bancomat/FastPay card 3.01%; users paying by credit card 4.67%.

Despite considerable changes with respect to the previous year, 2016 again confirmed the continual decline in the cash payment system as compared with the gradual consolidation, year after year, of automated and/or deferred payment systems, particularly the dynamic “drive through without stopping” transit systems. The latter systems (Telepass) alone represented 67.11% in 2016, compared with 66.91% in 2015.

Proceeds from tolls

In 2016 proceeds from tolls (net of VAT and ANAS licence fee integration) totalled EUR 133.2 million, compared to EUR 126.8 million in 2015.

The end result - recording an increase of around EUR 6.4 million; +5.05% - was basically caused by good traffic trends: indeed, neither tariffs nor additional km travelled changed with respect to 2015.

Note that the authorised percentage increases still represent a nominal increase in unit tariffs per km, whilst the final toll actually charged to the user includes VAT and the rates per km relating to the ANAS integration fee (the latter not increased), and is affected by final rounding, up or down, established as 0.10 Eurocents by Italian Interministerial Decree 10440/28/133 of 12 November 2001.

Clearly the effect of rounding - sometimes positive, sometimes negative - was, on the whole, positive in 2016 (as in 2015).

The above revenue figure is made up of toll proceeds paid by traffic on the various stretches of motorways licenced to CAV. Specifically, traffic on the Passante (A4) and traffic on the Padova-Mirano/Dolo stretch (part A4 and part A57) in the closed system, as well as open system traffic (at the toll barriers of Venezia/Mestre, Mira/Oriago and Mirano/Dolo on the A57 managed by CAV, the Venezia Nord barrier on the A27 managed by Autostrade per l'Italia and the Venezia Est barrier on the A4 managed by Autovie Venete), where a toll is applied for 6.200 km (for the Tangenziale) and 17.600 km (also confirmed for 2016) for additional km travelled to finance the Passante.

In statistical terms, toll revenue can be broken down as follows: 50.14% of revenue from the Passante itself; 21.04% of revenue from the closed Padova-Mirano/Dolo stretch; 21.31% of revenue from the open system for transits to stations for 17.600 km; 7.51% of revenue from transits to stations for 6.200 km.

The licence fee integration in favour of ANAS totalled EUR 13,981,543 (EUR 13,364,970 in 2015; +4.61%).

This increase is mostly associated with the traffic trend and traffic distribution across the five tariff classes.

In fact, note that for every kilometre travelled by classes A and B, 6 thousandths of a Euro is applied (from 1 January 2011), whilst for classes 3, 4 and 5 it is 18 thousandths of a Euro. The related monthly amounts (payments on account plus balances) have been duly paid to ANAS.

Lastly, with regard to the contents of art. 18, Italian Law 41/1986, note that since 2013 no further toll subsidies are granted.

Beginning in February 2014, upon request from the government, the Company launched a pilot project until 31 December 2015, later extended also on a pilot basis until the end of 2016, for a tariff regulating system for users commuting to work, with a 20% discount on the toll if certain conditions are met (use of Telepass, class A, commuters, predefined stretch) that cannot be aggregated with any other subsidy systems in place.

In 2016, the application of this system resulted in lower toll revenue for CAV of around EUR 5,200 (including VAT), with an average of approximately 752,000 users making use of these subsidies each month on an annual total of 191,000 transits.

Tariff regulations

The toll for each journey is determined by the number of kilometres assigned to a given stretch multiplied by the number of stretches then multiplied by the related unit tariff, on a class by class basis. Added to this amount are any legal surcharges (ANAS licence fee integration) and value-added tax (VAT) as envisaged by current regulations.

The additional km travelled charged at the stations of Venezia/Mestre, Mirano/Dolo, Mira/Oriago, Venezia Nord and Venezia Est, implemented to finance the cost of the Passante, are defined and authorised from year to year by the MIT/Directorate General for Motorway Concession Supervision in application of the criteria established in the current agreement and its attached regulatory financial plan.

For the year 2016, the tariff update was suspended on a provisional basis by Interministerial Decree pending the application of the new Economic and Financial Plan.

On the other hand, in 2017, unlike in the previous year, the Ministry of Infrastructure and Transport, in concert with the Ministry of Economics and Finance, issued an Interministerial Decree authorising the application of the new tariffs as of 1 January 2017: the tariff increase recognised and due to CAV is equal to +0.45% considering the need, pending the formalisation of the new EFP, to exclude significant tariff fluctuations for users at the moment in which the new EFP becomes effective connected to the reduced "K" value for the year 2017.

In its letter of 30 December 2016, the MIT/Directorate General for Motorway Concession Supervision authorised 15.836 km for 2017 (1,764 metres fewer than in 2016) for the additional km travelled due to CAV and applied at the barriers of Venezia/Mestre, Mirano/Dolo and Mira/Oriago on the stretch of the A57 managed by CAV, the Venezia Nord barrier on the A27 managed by Autostrade per l'Italia and the Venezia Est barrier on the A4 managed by Autovie Venete.

In another letter dated 30 December 2016, the MIT/Directorate General for Motorway Concession Supervision notified CAV that the tariff subsidy pilot project (subscription with 40% discount) on the stretch between the Mirano/Dolo and Padova Est stations (due to expire on 31 December 2016), could be extended for another 12 months as of 1 January 2017 until 31 December 2017, as a continuation of the pilot project.

In a previous letter dated 22 December 2016, the Ministry of Infrastructure and Transport also proposed to the entire motorway sector the extension for an additional 12 months on the tariff subsidy in favour of commuters (20% discount) that had been established at national level in the previous Memorandum of Understanding of 24 February 2014 with recognition of lost revenue according to the forecasts that had been developed in said memorandum. All Companies expressed their willingness through AISCAT without prejudice to the impossibility to waive the recovery of reduced revenue.

Other management information

Accidents and Roadside Assistance Service

In 2016 the number of accidents remained basically unchanged.

This positive performance was achieved, despite the significant increase in traffic, thanks to more intense supervisory and support activities on the road by the Polizia Stradale and the Traffic wardens, along with targeted and prompt information to users through messages on motorway message boards, published by the Operations Centre.

The increase in traffic entailed a greater number of vehicles involved in each accident, resulting in an increase in the number of injuries.

Accidents were basically caused by distracted driving and the failure to maintain a safe distance between vehicles.

In 2016, accidents on the closed and open system stretches of motorway licenced to CAV totalled 222 (234 in 2015; -5.13%), of which 131 involving light vehicles (138 in 2015; -5.07%) and 91 involving heavy vehicles (96 in 2015; -5.21%).

To properly assess the accident trend and understand the context, the numeric value has to be considered in relation to real traffic volumes and expressed as an accident rate. "Accident rate" is the ratio between the number of accidents and the km travelled by vehicles (i.e. vehicles per km) in the reporting period. The accident rate is conventionally expressed per 100 million km travelled.

A comparison between 2015 and 2016 shows that the accident rate of light vehicles (per 100 million kilometres travelled) decreased from 10.61 to 9.67 (-8.86%), whereas for heavy vehicles the rate decreased from 22.69 to 20.55 (-9.43%); the overall rate showed a positive decrease from 13.57 in 2015 to 12.35 in 2016 (-8.99%). Last year, there was a percentage increase of 11.78%.

Certain additional figures regarding the motorway for which the Company is responsible (closed system) is provided below.

Between 2015 and 2016, the accidents resulting in trauma to individuals increased from 82 to 98 (+19.51%). The rate per 100 million km travelled grew from 4.76 to 5.45 (+14.50%). According to AISCAT preliminary figures, the rate was 7.58 at the national level.

The number of individuals injured increased from 129 to 156 (+20.93%), with the rate increasing from 7.48 to 8.68 (+16.04%). At national level - preliminary AISCAT data - the rate was 13.48.

The number of deaths was 4 (3 in 2015; +33.33%), with the rate rising from 0.17 to 0.22 (+27.90%). According to AISCAT preliminary figures, the rate was 0.26 at the national level.

As the accident rate is an important indicator in assessing service quality parameters and also emphasising that in recording the accidents the Company has abided by consolidated criteria provided by the Contracting Authority, we believe that in 2016 travel safety on the motorway stretches under our management can be reviewed as positive, given the figures described above, both in absolute and statistical terms.

We consider that these results, however, do not allow us to draw conclusions of an absolute or general nature. In fact, we must prudentially consider that in certain contexts the findings and resulting statistics can change significantly, either positively or negatively, in relation to lower absolute values of the data under consideration. Even slight changes can have a considerable impact on the relevant accident rates, with many variables that, even by chance, could affect the accident trend.

We should also confirm that the Company constantly seeks to improve quality standards, the most important of which are: information for users (multi-content message boards, web sites with special, dedicated information pages and live-camera traffic displays, continuously updated traffic reports in real-time via local and national radio); operating centres that provide supervision on all managed stretches; constant monitoring by the Company of critical points; maintenance works undertaken with a particular focus on problems associated with work sites and safety (works scheduling, night shifts, etc.).

In addition, the highway patrol work performed by the Polizia Stradale was also important, as a deterrent and in terms of surveillance. The work of the Polizia Stradale, whose purpose is to control and oversee traffic, was performed on the basis of real and mutual cooperation with the Company's services. We should mention that the highway patrol service on the stretches of motorway under the Company's management is governed by a special agreement signed on 21 June 2010, which is currently being reviewed and updated.

In the context described above we repeat once again CAV's commitment to ensuring users the highest possible level of safety along all the stretches of motorway under the Company's management, both open and closed systems.

In 2016, two models were also adopted to manage traffic activities, meant to protect the company and its employees and increase the safety of motorway use.

These models are absolutely new within the motorway sector and assume significance pursuant to art. 30 of Italian Legislative Decree 81/2008 due to their purpose of ensuring the occupational safety of personnel:

- model for the management of interventions to secure the road if there are vehicles travelling in the wrong direction;
- model for the management of winter maintenance.

The operating methods identified with the two models were already positively tested in recent months.

The Roadside Assistance Service was performed by five organisations - all at the national level - that operate in the motorways sector on the basis of contractually defined callout procedures.

There were a total of 4,400 callouts in 2016 (4,172 in 2015; +5.47%).

The callout rate expressed per 1/million km travelled was 2.45 (in 2015: 2.42; + 1.17%).

Service Centres

Various user support activities are performed at the Service Centres, and a vast range of services are provided, including: marketing and distribution of Telepass devices and Viacards, after-sales support (billing, registration plate changes, lost items, etc.), settlement of missed toll payments, information on motorway tolls, issue of subscriptions on the Mirano/Dolo-Padova Est stretch, other forms of customer discounts, etc.

All transactions are facilitated by the presence of and the personal and direct contact with our operators.

Overall, in 2016, activities in favour of customers were confirmed by around 47,972 transactions at the Padova Est Service Centre (-1% compared to 2015) and 78,258 transactions at the Venezia-Mestre Service Centre (-4% compared to 2015).

The most significant transactions at our two Service Centres were: 10,967 missed toll payments collected (+8%); 18,820 Telepass transactions (deliveries, returns, replacements) (-30%); 42,879 licence plate transactions (-9%) and 9,219 prepaid cards sold, for an overall total of roughly EUR 473,300 (-4%).

Service areas and hotels

In 2016, the service areas located along the motorway (Arino Est and Arino Ovest on the A4, on the closed system near the junction with the Passante di Mestre) and the Tangenziale di Mestre (Marghera Est and Marghera Ovest on the A57 near the roundabout in the open system) distributed 4,607,000 litres of petrol (-4.08%), 21,427,000 litres of diesel (-4.02%), 2,924,000 litres of LPG (+5.79%); 5,506 kg of lubricants (-5.27%); collateral activities (autoemporio) at the same Service Areas totalled EUR 197,000 (+8.24%).

Bars and restaurants recorded total revenue, net of VAT, of EUR 6,740,000 (+3.18%). The add-on businesses (markets) at these bars and restaurants generated EUR 3,518,000 (+4.61%) and the complementary business activities EUR 5,235,000 (+1.93%).

The hotel at Marghera recorded total revenue for restaurant services, sundry services, board and lodging of EUR 3,410,000 (+4.28%).

On the above activities and various sales, the oil companies, restaurant service providers and the hotel companies paid rental fees confirmed in the related agreements which in 2016 resulted in net revenue of EUR 4,288,979 (+1.47%).

Operations Centre

The Operations Centre, active 24/7, is in constant contact with the traffic wardens in service along the motorway, the Tangenziale and the airport ring road, and makes use of cameras and systems to monitor and record data to control the various stretches managed by CAV.

According to the situations, Centre operators use established procedures to activate the various managers of internal and external services to manage any emergencies or other problems found.

The Operations Centre coordinates the Roadside Assistance Service. It provides the "CCISS - VIAGGIARE INFORMATI" information centres with traffic and road system details to be made available to users via national radio channels. A service that is particularly appreciated by users is real-time information about emergencies provided through a local radio station with a broad listener base.

The centre also updates traffic information in the Company's web site.

Traffic wardens

The support service for users in difficulty on the network under management is based on action taken by the traffic wardens, specially trained employees of the Company who perform surveillance duties on the stretches managed, user support, and the reporting of accidents, traffic jams and all other forms of traffic disturbance.

The wardens also intervene in terms of accident reporting where there are no physical injuries (if any individual is injured the police must intervene) and also take action to ensure traffic safety and smooth traffic flow.

In 2016, the number of actions taken by the Traffic wardens due to accidents or events increased and control activities were intensified to ensure safety in roadside assistance interventions. The percentage of controls of the Wardens on roadside assistance activities more than doubled compared to 2015.

The current business organisation envisages that, along the stretches of motorway managed (around 74 km), there is a constant presence of at least 4 wardens, both day and night, each with his own fully equipped van. On days when heavy traffic flows are expected the warden service is enhanced by additional staff and vehicles of external companies.

The wardens are in constant contact with the company Operations Centre which acts as coordinator to optimise their action.

RELATIONS WITH ANAS

With reference to Italian Legislative Decree 173/2008, implementing Directive 2006/46/EC, and the resulting statutory effects, details are provided below of transactions with related parties (art. 2427, paragraph 22-bis, Italian Civil Code).

For the purpose of this report the related party is ANAS S.p.A., with which significant transactions have been performed at arm's length values.

The administrative and accounting position between CAV and ANAS

The administrative and accounting position with ANAS as a result of obligations arising from the Recognition Agreement are specified below.

As the Passante di Mestre was constructed by ANAS, CAV is obliged to guarantee financial coverage of the costs of the Passante and - as already mentioned - to reimburse ANAS for this exposure to the extent of amounts indicated in the financial plan. These costs must be considered net of public grants.

Naturally, the Agreement also envisages the sources of funding needed by CAV to meet the above commitments: proceeds from tolls relating to the Passante; proceeds from tolls relating to stretches acquired from 1 December 2009 on management takeover from the outgoing operator; proceeds from tolls relating to additional km travelled as applied at the boundary-setting toll barriers between the closed and open motorway systems around the Mestre area; and proceeds deriving from sub-licensing of the service areas.

Illustrated below are the debit/credit positions with ANAS and the value of each item, first and foremost showing that the sum of debit and credit positions shows that CAV has a net debt to ANAS of EUR 46,549,510 as at 31 December 2016.

CAV's credit totalled EUR 80,743,630, of which EUR 23,512,500 for the public grant pursuant to art. 1, paragraph 78, letters c) and i), Italian Law 266/2005; and EUR 57,231,130 relating to the share of VAT of invoices issued for the public grant pursuant to art. 1, paragraph 1045, Italian Law 296/2006; the public grant pursuant to art. 1, paragraph 78, Italian Law 266/2005; grant pursuant to CIPE resolution no. 92 of 31 October 2002.

CAV's payables total EUR 127,293,140 and can be broken down as follows: EUR 101,860,386 for the subordinated shareholder loan; EUR 7,346,305 (relating to the reimbursement of costs actually incurred by ANAS for construction of the Passante and for auxiliary and completion works not yet invoiced); EUR 12,745,565 (relating to the reimbursement to ANAS of the costs it incurred for auxiliary and completion works on the Passante, already invoiced); EUR 5,340,884 (for interest accrued on the subordinated shareholder loan and not yet settled).

In addition to the situation reported above, it should be mentioned that, as at 31 December 2016, there is an amount payable to ANAS relating to the licence fee (pursuant to art. 10, Italian Law 537/1993 and art. 1, paragraph 1020, Italian Law 296/2006) for EUR 1,343,160, as well as the amount due as licence fee integration (pursuant to art. 19, paragraph 9-bis, Italian Law 102/2009 and to art. 15, paragraph 4, Italian Law 122/2010), which in 2016 totalled EUR 271,129.

RELATIONS WITH THE VENETO REGIONAL GOVERNMENT

The Veneto Regional Government is an investor in Concessioni Autostradali Venete S.p.A., with 50% of the share capital.

In addition to takeover of the motorway management and the costs of the Passante, the CAV financial plan envisages roughly EUR 240 million in investments to complete the Passante, consisting of works meant to integrate the new motorway structure into the local road system and into the environmental context.

CAV is not directly responsible for the investments as this task was assigned to ANAS. It does, however, cover the fundamental role of lender for the above-mentioned works. In past years and also in 2016, CAV has made resources available from its own cash flows which have allowed actual implementation of the investment plan for completion of the Passante and for enhancement of the Veneto region.

The aforementioned completion works were almost all concluded in 2016.

It is worth highlighting that, in compliance with the instructions provided by the Veneto Regional Government, the notes (in “*Other information*”) to the financial statements include the details of the receivable and payable positions with it at 31 December 2016.

Not lastly, it is necessary to note the agreement with the Veneto Regional Government named “Region Agreement” adopted as part of the transaction for the issue of the “Project Bond”. By means of this agreement, in relation to its role as Company shareholder, the Veneto Regional Government committed in favour of the “Secured Creditors” to guarantee, in particular, the inability to dispose of, transfer or encumber the Shares of the Company that it owns. Lastly, please note that there are currently no other economic relations or cooperation agreements in place with the Veneto Regional Government.

Application and compliance with directives pursuant to Veneto Regional Government Resolutions 3966/2007, 1075/2011, 2790/2012 and 2101/2014

The Management Report and explanatory notes already explain the activities conducted by CAV and evidently meet the requirements of Veneto Regional Government Resolution 2101/2014 regarding “Amendments and supplements to directives for investee companies with Veneto Regional Government Resolution 258/2013” as well as in consideration of the entry into force of Italian Legislative Decree 175/2016.

Ad abundantiam, please take note of the following:

- **Directives on the assignment of works, supplies and services**

CAV S.p.A. is a motorway management operator. In accordance with the Articles of Association and its contractual commitments and with regard to the procurement of works, supplies and services, in 2016 CAV applied the provisions of Italian Legislative Decree 163/2006, renewed during the year by Italian Legislative Decree no. 50 of 18 April 2016 (which it currently applies). It is confirmed that the Company made acquisitions of off-contract works, services and supplies in 2016, and that the Board of Directors of CAV, in the meeting held 28 November 2016, adopted regulations governing the functioning and management of the open list of parties to which works, supplies and services can be awarded and regulations on the functioning and management of the open list of parties to which engineering and architectural services can be awarded.

- **Directives relating to employees**

By Board of Directors resolution of 16 July 2010, CAV S.p.A. adopted guidelines that identify the criteria and methods for recruiting employees. With regard to the assignment of powers, at present there is no need to adopt a specific measure, though we can confirm that such a measure will be adopted if necessary. Details of the changes in the number of employees and the relative personnel costs are provided in Annex H.

- **Directives on reporting to the Regional Government**

Before the 31 March 2016 deadline (Memorandum 4464 of 31/3/2016), CAV submitted an update report on membership of the corporate bodies of directly and indirectly controlled companies with related remuneration, the report on the achievement of objectives indicated in the business plans for the previous year, the current year's budget, the preliminary figures for the previous year, the final approved figures with those for 2009, disclosures envisaged in Italian Legislative Decree 33/2013 required from the Veneto Regional Government to comply with transparency regulations, a report on activities performed in the second half of the previous year and a report stating the general outline of activities planned for the first half of the current year. By the 30 September deadline, CAV S.p.A. submitted a report on activities conducted in the first half of this year, and a report outlining activities to be undertaken in the second half (Memorandum 13200 of 30/9/2016).

CAV sent the regional government a copy of the shareholders' meeting minutes no later than 15 days from the date they were held (Memorandum 8885 of 29/6/2016).

However, there are no conventions or service agreements with the Veneto Regional Government on which to report.

- **Directives on limiting miscellaneous expenditure**

As CAV S.p.A. is not on the list of companies included in the consolidated income statement of the public administration, as identified by ISTAT pursuant to art. 1, paragraph 3, Italian Law no. 96 of 31 December 2009, it is not subject to application of the regulations contained in article 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010, even though it is responsible for the prudential management of financial resources in relation to commitments undertaken in the financial plan attached to the agreement signed with the contracting authority, the Ministry of Infrastructure and Transport.

- **Directives on membership and remuneration of corporate bodies**

The resolutions relating to remuneration payable to members of the Board of Directors and the supervisory bodies were carried in compliance with legal regulations.

- **Directives on indirect subsidiaries**

CAV S.p.A. has no subsidiaries.

- **Directives on requirements for the appointment of administrative bodies of companies with direct and indirect regional government investment**

Persons appointed as members of the administrative body in CAV S.p.A. investee companies meet the requirements of proven professional skills, experience and independence in relation to their duties, in addition to meeting the requirements envisaged by law and their respective Articles of Association.

- **Directives on limiting and rationalising regional public spending**

The "C" guidelines envisaged in Regional Government Resolutions 2101/2014 are not applicable to CAV S.p.A.

In any event, please note that all CAV S.p.A. vehicles are used for motorway service purposes as contractually required to perform control, monitoring, surveillance, assistance, etc., as needed to guarantee user safety as well as to conduct normal official duties.

Lastly, CAV S.p.A. publishes a summary table of company cars in service and the costs incurred as reimbursement of expenses, with separate indication of members of the corporate bodies and employees, on its web site. Nonetheless, on 30 January 2017, the CAV S.p.A. Board of Directors approved the “Company Vehicle Management” procedure (PR.GES.AUT – REV.00).

- Directives on transparency and advertising pursuant to Italian Legislative Decree 33/2013 and Italian Regional Law 39/2013 for updating models pursuant to art. 6 of Italian Legislative Decree no. 231/2001

CAV S.p.A. publishes all disclosures pursuant to art. 11, paragraph 1, Italian Regional Law 39/2013 on its web site, as well as the more general disclosures required by Italian Legislative Decree 33/2013. Furthermore, the CAV S.p.A. web site also contains the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 as amended.

INVESTEES

Concessioni Autostradali Venete – CAV Spa participates in a public consortium (società consortile) named “Servizi Utenza Stradale SCpA in liquidazione” and in a consortium (consorzio) named “Consorzio Autostrade Italiane Energia”.

According to instructions in Veneto Regional Government Resolution no. 1931 of 28 October 2013, CAV S.p.A. monitors the economic and financial position of the two investees to ensure that the financial statements of CAV are not compromised.

Servizi Utenza Stradale S.C.p.A. in liquidation

As of 2010, CAV SpA has held an investment in Servizi Utenza Stradale SCpA in liquidation.

The above-mentioned Investee is a public consortium (Società Consortile per Azioni) with the purpose of managing *“the rationalisation, enhancement and development of services for road users through an organisation common to the consortium member companies”*, and substantially carried out the information activities for motorway users and management of the billboards located along the stretches managed by the consortium members.

In this regard, considering the failure to pursue the corporate purpose, it is necessary to highlight that the status of liquidation of the above-mentioned consortium came into effect as of 14 May 2015.

And indeed, during the Extraordinary Shareholders' Meeting of 7 May 2015, the dissolution of the Company and the appointment of the Liquidator were approved.

As of 31 December 2015, Servizi Utenza Stradale SCpA in liquidation stopped operating and, as a result, the Income Statement has no ordinary revenues. In this regard, please note that the company's financial statements closed with a loss totalling EUR 79,251.

There are no ensuing issues to report concerning the discontinued operations aside from the need to deal with normal liquidation management costs. Furthermore, the Liquidator and the Shareholders have undertaken initiatives to reduce management costs for the year 2017 to a minimum.

In July 2016, the notification to corporate debtors and the optional netting of any accounting items were completed.

It is also necessary to note the issue relating to the consequences of any closure of the liquidation procedure of the consortium in question and the simultaneous striking off of that consortium from the Register of Companies.

This is because several disputes are pending (concerning objections to injunction orders on penalties by the various Prefecture Offices following the installation of advertising billboards along the stretches under the management of Autostrada Brescia Verona Vicenza e Padova SpA, as well as a judgement on appeal before the Council of State) with respect to which the striking off of the Company would have negative effects for the Shareholders.

Indeed, the effects of the striking off of SUS SCpA in liquidation would be those arising from the “interrupting event” pursuant to and in accordance with art. 299 - 110 of the Code of Civil Procedure, with the result that it would no longer have standing to appear before the court.

Consorzio Autostrade Italiane Energia

Consorzio Autostrade Italiane Energia was established on 29 February 2000 by eleven motorway management companies, with investment percentages proportionate to the energy needs of each consortium member, also for the purposes pursuant to Italian Legislative Decree no. 79 of 16 March 1999 (deregulation of the electricity market) and to coordinate the activities of the consortium members in order to improve their efficiency, development and rationalisation in the energy sector, acting as a service body.

In the following years, other motorway management companies, including ANAS S.p.A., participated in the above-mentioned Consortium which CAV SpA joined on 22 December 2010.

The consortium’s funds amount to EUR 113,949 and CAV S.p.A. has a 0.9% interest for a total of EUR 1,058. In this regard, please note that the company’s financial statements closed with a loss totalling EUR 77.

The Consortium is not for profit and cannot distribute profits, in any form whatsoever, to the Member Companies.

Nonetheless, it conducts private or public tenders for its consortium members, particularly public tenders, for which the consortium becomes the central contracting authority, signing framework agreements with the contractor awarded the tender that are then completed by each consortium member concerned in the procedure through the signing of a specific contract.

With procurements totalling 492 GWh/year, the consortium has guaranteed savings totalling approximately EUR 4 million, with an average discount of around 12% on the price of energy found on the open market.

CAV S.p.A. participates in the consortium with an average consumption of around 12,132 MWh, corresponding to an average annual cost of approximately EUR 1 million.

The Consortium duration is set until 31 December 2020.

FINANCIAL STATEMENTS AT 31 DECEMBER 2016

**BALANCE SHEET
AND
INCOME STATEMENT**

BALANCE SHEET

ASSETS	31/12/2016	31/12/2015
A) SUBSCRIBED CAPITAL		
UNPAID	0	0
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licences, trademarks and similar rights	42,006	47,447
6) Intangible assets in progress and advances	452,649	1,115,199
7) Other intangible assets	<u>713,069,595</u>	<u>749,652,539</u>
	713,564,250	750,815,185
II. Tangible assets		
1) Land and buildings	15,677	19,161
2) Plant and machinery	74,089	115,203
3) Industrial and commercial equipment	21,845	29,333
4) Other tangible assets	<u>222,390</u>	<u>259,885</u>
	334,001	423,582
III. Financial assets		
Investments in:		
b) Associates	274,888	294,700
d bis) Other companies	<u>1,058</u>	<u>1,058</u>
	275,946	295,758
Total fixed assets	<u><u>714,174,197</u></u>	<u><u>751,534,525</u></u>
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials and consumables	1,051,267	1,113,530
II. Receivables		
1) Trade receivables:		
- due within 12 months	2,898,775	2,502,255
- due after 12 months	684,930	744,189
5-bis) Tax receivables		
- due within 12 months	21,856,221	21,845,739
- due after 12 months	77,921,285	24,680,619
5-ter) Deferred tax assets	253,941	918,835
5-quater) From others:		
- due within 12 months	119,436,427	190,066,180
- due after 12 months	<u>68,285,871</u>	<u>23,532,842</u>

	291,337,450	264,290,659
	31/12/2016	31/12/2015
<i>III. Financial assets not classified as</i>		
<i>Fixed assets</i>	0	0
<i>IV. Cash and cash equivalents</i>		
1) Bank and postal deposits	36,474,336	50,702,416
3) Cash on hand	<u>69,705</u>	<u>69,758</u>
	36,544,041	50,772,174
Total current assets	<u><u>328,932,758</u></u>	<u><u>316,176,363</u></u>
 <i>D) ACCRUED INCOME AND PREPAID EXPENSE</i>	 253,362	 21,539
 <i>TOTAL ASSETS</i>	 <u><u>1,043,360,317</u></u>	 <u><u>1,067,732,427</u></u>

LIABILITIES	31/12/2016	31/12/2015
A) EQUITY		
I. Share capital	2,000,000	2,000,000
IV. Legal reserve	400,000	400,000
VI. Other reserves:		
- Extraordinary reserve	70,006,527	59,196,021
- Non-distributable reserve, art. 2426 Civil Code	20,759	25,826
- Restricted reserve for road infrastructure	9,776,227	9,776,227
- Restricted reserve for sanctions and penalties	175,000	175,000
- Restricted reserve for maintenance works		
differences	3,696,908	2,571,608
IX. Profit (loss) for the year	14,141,968	11,930,739
	<u>100,217,389</u>	<u>86,075,421</u>
 B) PROVISIONS FOR RISKS AND CHARGES		
4) Other:		
a) for risks	150,000	150,000
b) social security contributions	0	482,006
c) for renewals	18,532,363	17,245,633
	<u>18,682,363</u>	<u>17,877,639</u>
 C) POST-EMPLOYMENT BENEFITS	298,428	403,195
 D) PAYABLES		
1) Bonds		
- within 12 months	50,727,244	0
- after 12 months	724,877,816	0
3) Payables to shareholders for loans		
- within 12 months	23,131,000	0
- after 12 months	78,729,386	0
4) Payables to banks		
- due within 12 months	0	332,150,000
7) Trade payables	5,990,406	5,369,578
12) Tax payables	1,183,638	508,772
13) Social security payables	1,401,033	1,020,960
14) Other payables	37,738,628	623,921,680
	<u>923,779,151</u>	<u>962,970,990</u>
 E) ACCRUED EXPENSE AND DEFERRED INCOME	382,986	405,182
 TOTAL LIABILITIES	<u><u>1,043,360,317</u></u>	<u><u>1,067,732,427</u></u>

INCOME STATEMENT

	31/12/2016	31/12/2015
A) PRODUCTION VALUE		
1) Revenue from sales and services	154,039,424	146,914,265
5) Other revenue and income:		
- Other revenue and income	1,268,037	1,017,817
- Operating grants	23,300	0
	<u>155,330,761</u>	<u>147,932,082</u>
B) PRODUCTION COSTS		
6) Raw materials and consumables	818,571	1,056,156
7) Service costs	19,933,133	20,162,862
8) Lease and rental expense	626,366	609,675
9) Personnel costs:		
a) salaries and wages	13,758,837	13,312,429
b) social security contributions	4,545,997	4,218,887
c) post-employment benefits	1,001,580	958,866
e) other costs	459,423	488,926
	<u>19,765,837</u>	<u>18,979,108</u>
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	45,922,430	48,561,399
b) depreciation of tangible assets	171,731	191,475
d) write-downs of receivables included in current assets and cash and cash equivalents	0	10,212
	<u>46,094,161</u>	<u>48,763,086</u>
11) Changes in inventories of raw materials and consumables	62,263	-36,405
13) Other provisions		
b) Allocation to provision for renewals	10,266,303	10,261,136
c) Utilisation of provision for renewals	-8,979,573	-9,552,790
14) Other operating costs	<u>17,953,063</u>	<u>17,936,863</u>
	<u>106,540,124</u>	<u>108,179,691</u>
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS	48,790,637	39,752,391

	31/12/2016	31/12/2015
<i>C) FINANCIAL INCOME AND CHARGES</i>		
16) Other financial income:		
d) other income	868,164	2,910,942
17) Interest and other financial charges	28,523,718	24,659,405
	<u>-27,655,554</u>	<u>-21,748,463</u>
 <i>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES</i>		
18) Revaluations:		
a) of investments	0	0
19) Write-downs:		
a) of investments	19,812	5,067
	<u>-19,812</u>	<u>-5,067</u>
 <i>INCOME BEFORE TAXES</i>	21,115,271	17,998,861
 20) Income taxes for the year		
a) current taxes	6,308,409	5,694,392
b) deferred tax liabilities	0	0
c) deferred tax assets	664,894	373,730
	<u>- 6,973,303</u>	<u>- 6,068,122</u>
 21) Profit (loss) for the year	14,141,968	11,930,739

EXPLANATORY NOTES

Structure and content of the financial statements

The financial statements as at 31 December 2016 were prepared in accordance with provisions of art. 2423 et seq. of the Italian Civil Code, interpreted and integrated by Italian GAAP.

Note that the balance sheet and income statement formats comply with the regulations contained in articles 2423-ter, 2424, 2424-bis, 2425 and 2425-bis of the Italian Civil Code, which envisage restrictive formats.

The financial statements are expressed in Euro, without decimal points, as envisaged in art. 2423, paragraph 6 of the Italian Civil Code.

The explanatory notes, prepared in accordance with the provisions of articles 2427 and 2427-bis of the Italian Civil Code, contain indications on the most important measurement criteria, followed by comments on the individual accounting items, illustrating their breakdown and the reasons for any significant changes compared to the comparison period.

The financial statements include the cash flow statement set forth in art. 2425 ter of the Italian Civil Code.

Accounting policies - Measurement criteria

As envisaged in art. 2427 of the Italian Civil Code, the criteria applied in the measurement of financial statement items are illustrated below, taking into account the new elements introduced in art. 2426 of the Italian Civil Code as a result of Italian Legislative Decree 139/2015 and the review of Italian GAAP in force as of December 2016:

Concessions, licences, trademarks and similar rights

Concessions, licences, trademarks and similar rights are measured at cost, less direct amortisation systematically calculated on a straight-line basis over a period not exceeding five years.

Intangible assets

Intangible assets, i.e. application software, are recognised at cost less direct amortisation systematically calculated on a straight-line basis over a period not exceeding two years.

Other intangible assets

Other intangible assets - referring to the construction costs for the Mestre motorway bypass (Passante di Mestre) to be reimbursed to ANAS, the compensation payable to Società delle Autostrade di Venezia e Padova S.p.A., other works completed on the stretch of motorway managed, auxiliary and completion works on the Mestre motorway bypass (Passante di Mestre), financial action implemented as a result of takeover of the management licence (safety guarantee works on the SP 81 and the San Giuliano interchange in Mestre), costs incurred for signing of the loan agreement with Cassa Depositi e Prestiti, renovation costs for the highway patrol station, costs for the junction roundabout on the Marco Polo-SS14 ring road and costs (feasibility study) relating to the service areas - are recognised at cost (plus capitalised financial charges but net of public grants and similar) less

direct amortisation calculated on a straight-line basis throughout the entire duration of the management licence which terminates on 31 December 2032, or, for costs incurred in relation to the loan contract with Cassa Depositi e Prestiti, until said loan matures on 12 April 2016.

Tangible assets

Tangible assets are made up of land and buildings, plant and machinery, industrial and commercial equipment and other assets (ordinary office furniture and equipment, electronic and electromechanical machines, computers and telephone systems, cars and other vehicles) and are recognised at cost, systematically depreciated each year according to their residual useful life.

Depreciation is calculated by applying the following annual rates, considered appropriate in relation to the residual useful life of the assets: plant and machinery 20%; industrial and commercial equipment 12%; ordinary office furniture and equipment 12%; electronic and electromechanical machines, computers and telephone systems 20%; cars 25%; other vehicles 20%.

Investments

Investments in associates are measured at equity, pursuant to art. 2426, paragraph 4 of the Italian Civil Code, attributing a value to each investment equal to the corresponding portion of equity of the investee as recorded in the latest available financial statements.

Investments in other companies are measured at cost. The original purchase cost increases following subscribed and paid-up share capital increases and due to new purchases of shares or investment units by third parties. The value at cost is written down in the event of impairment.

For the recognition of investments among financial assets rather than current assets, the criterion of long-term holding or otherwise applies.

Inventories

Inventories, made up of consumables and goods for use in maintenance works on the stretches of motorway, are measured at the lower between the purchase cost, assumed on the basis of the weighted average cost of purchases during the year, and the corresponding estimated realisable value according to period-end market prices.

Cash and cash equivalents

These include cash, bank deposits, post office current accounts and other cash equivalents. Cash and cash equivalents are recognised at the estimated realisable value, coinciding with the nominal value, and cash is measured at its face value. Restricted cash and cash equivalents are classified as receivables.

Receivables and payables

Receivables and payables are recognised in the financial statements in accordance with the amortised cost method, taking into account the time factor and, as regards receivables, the presumed realisable value. Restricted cash and cash equivalents are classified as receivables. The company relied on the right set forth in Italian Legislative Decree 139/2015 to not take into account the time factor for the transactions recognised before 1 January 2016.

Accruals and deferrals

Accruals and deferrals are calculated according to the accrual principle and include percentages of costs and income common to one or more periods, the extent of which varies over time.

Equity

Equity represents the difference between all items in assets and those in liabilities, calculated according to the standards described above, which expresses the amount of the Company's ownership equity. In fact, equity represents internal funding sources.

Post-employment benefits

Post-employment benefits are calculated according to art. 2120 of the Italian Civil Code and in compliance with employment contracts and current laws.

Provision for renewals

The provision for renewals is topped up each period through allocation against renewal costs relating to the constituent assets of the stretch of motorway managed. Renewal costs refer to restoration or replacement costs and to maintenance, repairs, modernisation and transformation costs. The amount allocated is estimated by the Company as sufficient to maintain the stretch of motorway managed in good, efficient condition. The provision is used to absorb the actual renewal costs incurred each period.

Provision for taxes

The provision for taxes includes probable tax payables for which the amount and/or contingency date is not yet known and deferred tax liabilities arising from temporary differences between the recognised result and the taxable income.

Provisions for risks

The provisions for risks allocated under liabilities in the balance sheet are to cover potential liabilities of the Company, based on realistic estimates of their becoming final. Provisions for risks are allocated solely to cover costs and charges of known type and of certain or probable existence, the amount and contingency date of which, however, were not known at period end. The risks for which it is likely that a liability will arise are described in the explanatory notes and allocations are made according to the principle of adequacy. Risks for which it is only possible that a liability will arise are described in the explanatory notes, without any allocation to the provisions for risks, in accordance with the accounting principles of reference.

Deferred tax assets and liabilities

Recognition of deferred tax assets and liabilities derives from temporary differences, to be reversed in future years, between the value assigned to an asset or liability according to statutory criteria and the value assigned to that asset or liability for tax purposes.

The rates used to calculate deferred tax assets and liabilities are 3.90% for IRAP and 24.00% for IRES.

Costs and revenue

Costs and revenue are recognised in the financial statements according to the principle of prudent accounting and the accrual principle.

Memorandum accounts

These include assets used by the Company on lease that are recognised at their current value.

Information on the balance sheet: assets

Intangible assets

A net decrease of EUR 37,250,935 was recorded. The changes during the year can be summarised as follows:

	Balance at 31/12/2015	Increase	Decrease	Fund transfer	Balance at 31/12/2016
Concessions, licences, trademarks and similar rights	47,447	84,012	89,453	0	42,006
Intangible assets in progress and advances	1,115,199	29,544,365	20,956,882	-9,250,033	452,649
Other intangible assets	749,652,539	0	45,832,977	9,250,033	713,069,595
Total	750,815,185	29,628,377	66,879,312	0	713,564,250

Concessions, licences, trademarks and similar rights refer to the residual value of costs incurred for purchase of the application software. Amortisation is applied on a straight-line basis over two years.

Intangible assets in progress and advances refer to: a) costs incurred for the auxiliary and completion works on the Mestre motorway bypass (Passante di Mestre); those becoming operative were transferred to other intangible assets; b) costs incurred for other works on the stretch of motorway managed that were not yet complete at the reporting date; c) feasibility study costs referring to the service areas.

With reference to the auxiliary and completion works, note the re-recognition from *intangible assets in progress and advances* to *other intangible assets* of EUR 8,268,351.

Costs relating to the issue of the project bond rose during the year by EUR 20,124,882, for a total of EUR 20,956,882, and were reclassified, following the closing of the issue transaction on 12 April 2016, as a deduction from the bond debt in compliance with the provisions of Italian Legislative Decree 139/2015, art. 2426, paragraph 8 of the Italian Civil Code and in compliance with OIC 19 revised in December 2016. The amount of EUR 20,956,882 includes: EUR 16,301,200 referring to the cost of the guarantee issued by the European Investment Bank; EUR 2,490,000 referring to the cost of bookrunners; EUR 791,000 for rating services; EUR 219,220 for due diligence; EUR 104,000 for model auditing; EUR 398,211 for legal services; EUR 355,110 for auditing; EUR 139,777 for financial advisory services; EUR 158,364 for other costs.

The changes in intangible assets in progress during the year can be summarised as follows:

	Balance at 31/12/2015	Increase	Decrease	Fund transfer	Balance at 31/12/2016
Auxiliary and completion works on the Mestre motorway bypass (Passante di Mestre)	0	8,268,351	0	-8,268,351	0
Other works completed on the stretch of motorway managed	255,199	1,151,132	0	-981,682	424,649

Service areas	28,000	0	0	0	28,000
Project bond costs	832,000	20,124,882	20,956,882	0	0
Total	1,115,199	29,544,365	20,956,882	-9,250,033	452,649

Other intangible assets refer to the residual value of costs for the Mestre motorway bypass (Passante di Mestre), for the auxiliary and completion works on the Passante di Mestre, the compensation payable to Società delle Autostrade di Venezia e Padova S.p.A., other works completed on the stretch of motorway managed, safety guarantee works on the stretch of the SP 81 between the Mira/Oriago motorway station and the roundabout in Malcontenta on the SS 319, works to remedy problems on the San Giuliano interchange in Mestre, renovation of the highway patrol station and the roundabout at Marco Polo ring road junction on the SS14. During the year, the costs relating to CDP loan agreement (originally entered into for EUR 423,500,000) were completely amortised.

Amortisation is applied on a straight-line basis over the entire duration of the management licence. Amortisation related to costs for the loan agreement with CDP (originally stipulated for EUR 423,500,000), equivalent to EUR 1,587,665, takes into account the closure of the project bond issue transaction on 12 April 2016, with the simultaneous early repayment of the full amount of the loan.

The changes in other intangible assets during the year can be summarised as follows:

Other intangible assets	Balance at 31/12/2015	Historical cost		Balance at 31/12/2016	Accumulated amortisation			Balance at 31/12/2016	Net intangible assets Balance at 31/12/2016
		Increases from acquisitions/and transfers	Decreases		Balance at 31/12/2015	Amortisation for the period	Decreases		
Mestre Motorway Bypass (Passante di Mestre)	705,199,639	0	0	705,199,639	216,860,660	28,725,822	0	245,586,482	459,613,157
Auxiliary and completion works	210,106,255	8,268,351	0	218,374,606	20,656,720	11,374,655	0	32,031,375	186,343,231
Compensation due to Soc. Ve/Pd	74,689,185	0	0	74,689,185	19,687,239	3,235,409	0	22,922,648	51,766,537
Other works completed on the stretch of motorway managed	4,916,582	981,682	0	5,898,264	883,365	248,179	0	1,131,544	4,766,720

SP81 safety works	5,384,004	0	0	5,384,004	1,135,316	249,923	0	1,385,239	3,998,765
San Giuliano interchange, Mestre	7,746,853	0	0	7,746,853	1,762,139	352,042	0	2,114,181	5,632,672
Renovation of highway patrol station	300,000	0	0	300,000	23,280	16,278	0	39,558	260,442
Roundabout at Marco Polo ring road junction - SS14	800,000	0	0	800,000	68,925	43,004	0	111,929	688,071
Costs relating to CDP loan agreement	9,705,726	0	0	9,705,726	8,118,061	1,587,665	0	9,705,726	0
Total	1,018,848,244	9,250,033	0	1,028,098,277	269,195,705	45,832,977	0	315,028,682	713,069,595

The principal figures related to historical cost in the preceding table are discussed below.

The construction costs of EUR 705,199,639 for the Mestre motorway bypass (Passante di Mestre), which the Company reimbursed to ANAS in compliance with art. 2, paragraph 290 of Italian Law 244/2007 and art. 6.2 of the concession agreement, include the actual costs incurred of EUR 986,400,000, financial charges capitalised as at the inauguration date of the Passante of EUR 20,828,985, less public grants (in accordance with CIPE Resolution no. 92 of 31 October 2002) of EUR 113,116,500 already collected by ANAS S.p.A., public grants (pursuant to art. 1, paragraph 78, sub-paragraphs c) and i) of Italian Law 266/2005) of EUR 70,537,502 recognised in 2011 as a direct deduction from the cost of the Passante di Mestre, public grants (pursuant to art. 1, paragraph 1045, Italian Law 296/2006) of EUR 100,000,000 recognised in 2013 as a direct deduction from the cost of the Passante di Mestre), as well as net revenue relating to the additional km travelled charged prior to the opening of the Passante, considered equivalent to public grants, of EUR 18,375,345. The construction costs for the Passante also include EUR 35,297,480 relating to the “high cost of steel” compensation and the related fund pursuant to art. 135, paragraph 4, Italian Legislative Decree 163/2006. This fund was already appropriated by ANAS as a ministerial grant, thereby resulting in the elimination of this item which therefore generates no economic or financial effect.

The auxiliary and completion works now operative include the following: “Passante Verde” landscaping, environmental mitigation works, feed lanes to the Passante (Campocroce bypass, A4-SP64 slip road in the Municipality of Mogliano Veneto, SP27 Via Dante in the Municipality of Mirano and the Marcon ring road), auxiliary works on the main barrier (Robegano bypass, removal of the Roncade motorway barrier in the Municipality of Mogliano Veneto), the Martellago-Scorzè toll gate, and the Mogliano Veneto north bypass.

The takeover compensation, which the Company is required to pay pursuant to art. 6.3 of the concession agreement, refers to investment costs not yet amortised by Società delle Autostrade di Venezia e Padova S.p.A. at the date of transfer of operations of the stretches of motorway on 1 December 2009. The amount of the

compensation was determined by ANAS S.p.A. and officially notified the Company of the amount on 8 March 2010.

Other works completed on the stretch of motorway managed refer to new road signs for EUR 185,756; storm drain grids on the Passante for EUR 223,170; chloride storage plants for EUR 169,153; automation of toll collection systems for EUR 2,071,854; enhancement of traffic management systems for EUR 443,073; remote access to the Preganziol and Spinea stations for EUR 39,491 and other works for EUR 2,765,767.

The costs incurred for safety works on the stretch of the SP 81 (operational in 2011) between the new Mira-Oriago motorway station and the roundabout in Malcontenta on the SS 319, those incurred for reorganisation of the San Giuliano interchange in Mestre (operational in 2011) and for the roundabout at the Marco Polo ring road junction on the SS14 (operational in 2015) form part of the contractual commitments of Società delle Autostrade di Venezia e Padova S.p.A. accepted by CAV on takeover of the management licence. These financial projects refer to the completion of works for which ownership and maintenance responsibility remains with third parties. Costs for renovating the highway patrol station were operational from 2015.

The costs associated with the loan agreement (completely amortised on 12/04/2016 following the full repayment of the loan at the time of the issue of the Project Bond) included fees payable to CDP for EUR 8,470,000 and to the EIB for EUR 1,050,000, legal advisory fees for EUR 120,432 and notary costs for EUR 65,294.

The stretch of motorway managed includes the network under licence which comprises: Mestre motorway bypass (Passante di Mestre, on the A4 - closed system) with a conventional length of 32.326 km; the Padova-Venezia stretch of motorway (part A4 and part A57 - closed system) of 23.310 km; the open system stretch of motorway (A57) relating to the Tangenziale Ovest di Mestre (9.100 km) and the ring road for the "Marco Polo" Venezia/Tessera Airport (9.400 km). The total length is 74.126 km. Seven stations are managed, specifically: Venezia/Mestre, Mira/Oriago, Mirano/Dolo and Padova Est (on the old stretch); Spinea, Martellago/Scorzè and Preganziol (on the Passante).

Tangible assets

Tangible assets are recognised in the financial statements net of accumulated depreciation.

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
Land and buildings	19,161	0	3,484	15,677
Plant and machinery	115,203	0	41,114	74,089
Industrial and commercial equipment	29,333	129	7,617	21,845
Other tangible assets	259,885	82,188	119,683	222,390
Total tangible assets	423,582	82,317	171,898	334,001

The changes during the year can be summarised as follows:

Tangible assets	Historical cost			Accumulated depreciation			Net tangible assets		
	Balance at 31/12/2015	Increases from acquisitions	Decreases from sales	Balance at 31/12/2016	Balance at 31/12/2015	Depreciation for the period	Decreases from sales	Balance at 31/12/2016	Balance at 31/12/2016
Land and buildings	34,838	0.00	0	34,838	15,677	3,484	0	19,161	15,677
Plant and machinery	700,831	0	0	700,831	585,628	41,114	0	626,742	74,089
Industrial and commercial equipment	63,418	129	0	63,547	34,085	7,617	0	41,702	21,845
Other tangible assets	954,931	82,188	10,030	1,027,089	695,046	119,516	9,863	804,699	222,390
Total	1,754,018	82,317	10,030	1,826,305	1,330,436	171,731	9,863	1,492,304	334,001

Land and buildings refer to light constructions.

Plant and machinery refer to snow clearance and gritting plants for EUR 649,967 and to other plant and machinery for EUR 50,864.

Industrial and commercial equipment refer to miscellaneous and minor equipment.

Other assets include ordinary office furniture and equipment, electronic machines, electromechanical machines, computers, telephone systems, cars and other vehicles.

The EUR 82,317 increase in tangible assets refers to EUR 52,966 for fixed telephony systems, EUR 29,223 for computers and IT equipment and EUR 128 for industrial equipment.

The decrease refers to depreciation for the year and to the sale of certain assets. The depreciation is calculated according to the rates indicated previously and which are considered to represent the estimated residual useful life of the assets.

Financial assets

The *financial assets* consist of investments.

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
Associates:				
• Servizi Utenza Stradale S.C.p.A. in liquidation	294,700	0	19,812	274,888
Other companies:				
• Consorzio Autostrade Italiane Energia	1,058	0	0	1,058
Total	295,758	0	19,812	275,946

The investments are measured at equity on the basis of the financial statements at 31 December 2016. In compliance with the provisions of art. 19, paragraph 5, Italian Law 136/99, figures are provided in relation to transactions with the associate Servizi Utenza Stradale S.c.p.A. (in liquidation): a) revenues of EUR 3,600 deriving from the administrative service. On 7 May 2015, the Shareholders' Meeting of Servizi Utenza Stradale S.C.p.A. resolved to wind up the company and placed it in liquidation (with effect from 14 May 2015, after filing and registration with the Register of Companies on 13 May 2015).

Summary data for the investees is provided below:

	Registered office	Share capital	Equity	Profit for the year	% owned
Associates:					
• Servizi Utenza Stradale S.C.p.A. in liquidation (*)	Cessalto (TV)	516,460	1,099,551	-79,251	25.00
Other companies:					
• Consorzio Autostrade Italiane Energia (**)	Rome	113,949	113,872	-77	0.93

(*) The figures refer to the draft Financial Statements at 31 December 2016, approved by the liquidator on 24 March 2017.

(**) The figures refer to the financial statements at 31 December 2016, approved by the Shareholders' Meeting on 27 February 2017.

Inventories

This item decreased by EUR 62,263 and breaks down as follows:

	31/12/2016	31/12/2015
Consumer goods	97,833	122,898
Maintenance-related goods	953,434	990,632
Total	1,051,267	1,113,530

Receivables

These totalled EUR 291,337,450 and recorded an increase of EUR 27,046,791 compared to the previous year.

There are no receivables maturing in more than 5 years.

This item breaks down as follows:

	31/12/2016	31/12/2015
Trade receivables:		
• due within 12 months	2,898,775	2,502,255
• due after 12 months	684,930	744,189
Tax receivables		
• due within 12 months	21,856,221	21,845,739
• due after 12 months	77,921,285	24,680,619
Deferred tax assets	253,941	918,835
Receivables from others:		
• due within 12 months	119,436,427	190,066,180
• due after 12 months	68,285,817	23,532,842
Total	291,337,450	264,290,659

Trade receivables increased by EUR 337,261 with breakdown as follows:

	31/12/2016	31/12/2015
From customers	100,811	75,830
From customers for invoices to be issued	3,482,894	3,170,614
Total	3,583,705	3,246,444

Receivables for invoices to be issued include EUR 764,201 in bridge fees (of which EUR 684,930 is expected to be collected after 12 months), EUR 2,230,898 in royalties relating to the service areas and EUR 487,795 in other revenue.

Trade receivables due after 12 months refer to bridge fees, with recoverability deemed certain on the basis of negotiations in progress. These receivables arose before 1 January 2016 and do not accrue interest. However, they are not discounted since, as set forth in art. 2423, par. 4 of the Italian Civil Code, "it is not necessary to comply with the obligations on recognition, measurement, presentation and disclosure when their observance has irrelevant effects in order to provide a true and fair view".

Tax receivables increased by EUR 53,251,148 compared to the previous year:

	31/12/2016	31/12/2015
VAT receivable		
• due within 12 months	21,535,002	19,965,688
• due after 12 months	77,921,285	24,680,619
Tax receivable, art. 2, para. 1-quater, Law Decree 201/2011	321,219	321,219
IRES tax receivable	0	849,871
IRAP tax receivable	0	708,961
Total	99,777,506	46,526,358

The VAT receivable was calculated on invoices received from ANAS S.p.A. as chargeback of costs for the Passante di Mestre and for auxiliary and completion works. This amount reduced due to offsetting, pursuant to art. 19, Italian Presidential Decree 633/1972, against VAT payable as accrued during the period. The amount due within 12 months was estimated taking into consideration the amount of the VAT credit, which the Company assumes will be used as an offset in 2017 against the VAT payable, calculated as the difference between forecasted credit and debit transactions. The amount due after 12 months represents the VAT credit that is expected to be used as an offset in years subsequent to 2016.

The portion beyond 12 months of the VAT receivable is non-interest bearing. With respect to the application of the time factor criterion, OIC 15 makes explicit reference to trade receivables and financial receivables, therefore without mentioning the accounting to be applied to tax receivables; therefore, it is not possible to identify precise references in the accounting standard for the accounting of receivables from the tax authorities for VAT. Moreover, please note that international accounting standards specifically do not allow for the discounting of tax assets and liabilities. In addition, the nature of the receivable in question would result in concluding that it is not possible to apply the time factor criterion as the cash flows to be discounted cannot be determined. Lastly, there

is no market interest rate to which to make reference for comparison to carry out any discounting. Therefore, it was decided not to discount this receivable.

The receivable pursuant to art. 2, paragraph 1-quater, Italian Law Decree 201/2011 refers to the claim for IRES tax reimbursement due to the non-deduction of IRAP on personnel costs and similar.

Deferred tax assets decreased by EUR 664,894 compared to the previous year and refer to:

	31/12/2016		31/12/2015	
	Total temporary differences	Tax effect	Total temporary differences	Tax effect
Maintenance on tangible assets	22,550	5,412	45,100	11,613
Allocation to provision for renewals	518,604	124,465	2,234,982	596,469
Write-down of receivables	10,213	2,451	10,212	2,808
Personnel	-	0	482,007	132,552
Taxes	18,146	4,355	106,946	29,410
Legal disputes	488,575	117,258	530,847	145,983
Total	1,058,088	253,941	3,410,094	918,835

The rate applied for 2016 is 24.00%.

Other receivables decreased by EUR 25,876,724 with breakdown as follows:

	31/12/2016	31/12/2015
Interconnected motorway companies	36,391,686	33,310,108
Receivables from ANAS		
• Receivable for public grant, art. 1, para. 1045, Italian Law 296/2006	0	100,000,000
• Receivable for public grant, art. 1, para. 78, Italian Law 266/2005:		
• due within 12 months	4,702,500	47,025,000
• due after 12 months	18,810,000	23,512,500
• Receivable for the share of VAT relating to the invoicing of public grants	57,231,130	0
• Interest income receivable	0	7,967,542
• Receivable for collection costs	0	806,112
Restricted cash and cash equivalents		
• due within 12 months	20,091,870	0
• due after 12 months	49,455,529	0

Miscellaneous		
• due within 12 months	1,019,241	957,418
• due after 12 months	20,342	20,342
Total	187,722,298	213,599,022

Receivables due from interconnected motorway companies refer to the settlement of positions deriving from the interconnection.

The receivable from ANAS S.p.A. totalling EUR 80,743,630 comprises: EUR 23,512,500 for the share of the public grant of EUR 70,537,502 pursuant to art. 1, paragraph 78, Italian Law 266/2005 (to be collected by ANAS according to the methods and timing envisaged in Interministerial Decree no. 2428 of 5 March 2008, registered with the Court of Auditors on 7 May 2008, and which will be transferred to CAV pursuant to art. 7 of the concession agreement), including an instalment of EUR 4,702,500 recognised in receivables due within 12 months (year 2017) and four instalments totalling EUR 18,810,000 recognised in receivables due in more than 12 months (years 2018-2021). The receivable was recognised for the first time in 2009 and is non-interest bearing. The amount due in more than 12 months was not discounted as the company relied on the right set forth in Italian Legislative Decree 139/2015 to not take into account the time factor for the transactions recognised before 1 January 2016. For the share of EUR 57,231,130, the receivable from ANAS consists of the VAT relating to invoices issued for the public grant pursuant to art. 1, paragraph 1045, Italian Law 296/2006; the public grant pursuant to art. 1, paragraph 78, Italian Law 266/2005; grant pursuant to CIPE resolution no. 92 of 31 October 2002. These invoices were issued following the receipt of the response to a request for opinion on 14 March 2017. For more details, please refer to the *Significant events after year end* section of the notes.

Restricted cash and cash equivalents consist of deposits the availability of which is governed by the contractual obligations assumed following the issue of the project bond. Indeed, OIC 14, point 9 establishes that “*restricted cash and cash equivalents are recognised as current receivables or fixed assets depending on the characteristics of the restriction*”. They refer to: a) *capex reserve account* of EUR 28,687,521 (of which EUR 8,595,651 more than 12 months); b) *maintenance reserve account* of EUR 4,594,845 (all more than 12 months); c) *debt service reserve account* of EUR 36,265,033 (all more than 12 months). The portion over 12 months is not discounted as the rate at which cash and cash equivalents accrues interest is not different from the market rate. The cash and cash equivalents remain restricted until 31 December 2030, coinciding with the duration of the project bond, with the exception of the capex reserve account, the amount of which declines based on the investments made.

Other receivables are recognised net of the allowance for doubtful payables of EUR 190,865. The allowance was set up for EUR 180,653 in 2013, which refers to 100% of the receivable due from a company that declared bankruptcy in that year, and increased during the year 2015 by EUR 10,212 for a receivable the recovery of which was considered doubtful.

Cash and cash equivalents

This item decreased by EUR 14,228,133 and breaks down as follows:

	31/12/2016	31/12/2015
Bank and postal deposits	36,474,336	50,702,416
Cash on hand	69,705	69,758

Total	36,544,041	50,772,174
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Bank and postal deposits refer to: a) postal deposits for EUR 67,137; b) bank deposits for EUR 35,400,367; and c) toll payments not yet credited to the current account for EUR 1,006,832.

Accrued income and prepaid expense

An increase of EUR 231,823 was recorded compared to the previous year.

	31/12/2016	31/12/2015
Prepaid expense	253,362	21,539

Prepaid expense consists of long-term services invoiced in advance (EUR 154,346 for insurance services maturing in 2021; EUR 52,386 for rating services maturing in 2018; EUR 46,630 for other services).

Information on the balance sheet: liabilities

Equity

Equity increased by EUR 14,141,968 compared to the previous year and breaks down as follows:

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
I. Share capital	2,000,000	0	0	2,000,000
IV. Legal reserve	400,000	0	0	400,000
VII. Other reserves:				
- Extraordinary reserve	59,196,021	10,810,506	0	70,006,527
- Restricted reserve for road infrastructure	9,776,227	0	0	9,776,227
- Non-distributable reserve, art. 2426 Civil Code	25,826	0	5,067	20,759
- Restricted reserve for sanctions and penalties	175,000	0	0	175,000
- Restricted reserve for maintenance works differences	2,571,608	1,125,300	0	3,696,908
IX. Profit (loss) for the year	11,930,739	14,141,968	11,930,739	14,141,968
Total	86,075,421	26,077,774	11,935,806	100,217,389

The *share capital* consists of 2,000,000 ordinary shares with a nominal value of EUR 1.00 each.

On 16 June 2016 the Shareholders' Meeting approved the allocation of 2015 profit for the year of EUR 11,930,739 as follows: EUR 10,805,439 to the extraordinary reserve and EUR 1,125,300 to the restricted reserve for maintenance works differences, and the use of the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code for the surplus portion of EUR 5,067, allocating it to the extraordinary reserve.

The *restricted reserve for road infrastructure* was set up in 2014 pursuant to art. 2.1 of the Articles of Association to cover additional investments in road infrastructure in compliance with the CIPE Resolution of 26 January 2007. The *restricted reserve for sanctions and penalties* was set up as a result of two sanctions inflicted by the contracting authority: the first for EUR 150,000 notified on 9 April 2010 and the second for EUR 25,000 notified on 5 March 2012.

The *restricted reserve for maintenance works differences* was set up at the specific request of the contracting authority. The amount of the reserve is equal to the difference between maintenance actually completed and the maintenance envisaged in the Economic and Financial Plan annexed to the concession agreement.

The following tables indicate the equity items, with specification for the last two years of the source, utilisation and distribution options and any utilisation actually made.

Nature/Description	Amount	Utilisation options	Distributable portion	Summary of utilisation in the last three years	
				To cover losses	Other reasons
Capital					
Share capital	2,000,000				
Profit reserves					
Legal reserve	400,000	B	0	-	-
Extraordinary reserve	70,006,527	A, B, C	70,006,527		
Non-distrib. reserve, art. 2426	20,759	A, B	20,759		
Restricted reserve	9,776,227	B, C	0		
Restricted reserve	175,000	B	0		
Restricted reserve	3,696,908	B	0		
Total	86,075,421		70,027,286		
Non-distributable portion			20,759		
Residual distributable portion			70,006,527		

Key

A: for share capital increase

B: to cover losses

C: for distribution to shareholders in compliance with the CIPE Resolution dated January 26, 2007

	Share capital	Legal reserve	Extraordinary reserve	Restricted reserve for road infrastructure	Restricted reserve - penalties	Restricted reserve – maint.	Non-distrib. reserve, art. 2426	Profit for the year	Total
Opening balance 2015	2,000,000	400,000	47,641,383	9,776,227	175,000	918,054	25,826	13,208,192	74,144,682
Extraordinary reserve			11,554,638						11,554,638
Restricted reserve						1,653,554			1,653,554
Non-distributable reserve, art. 2426									0
Utilisation of 2014 profit for the year								-13,208,192	-13,208,192
2015 profit for the year								11,930,739	11,930,739
Closing balance 2015	2,000,000	400,000	59,196,021	9,776,227	175,000	2,571,608	25,826	11,930,739	86,075,421
Restricted reserve						1,125,300			1,125,300
Extraordinary reserve			10,810,506				-5,067		10,805,439
Utilisation of 2015 profit for the year								-11,930,739	-11,930,739
Profit at 31/12/2016								14,141,968	14,141,968
Balance at 31/12/2016	2,000,000	400,000	70,006,527	9,776,227	175,000	3,696,908	20,759	14,141,968	100,217,389

Provisions for risks and charges

A net increase of EUR 804,724 was recorded. The changes during the year were as follows:

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
Provision for risks	150,000	0	0	150,000
Provision for charges	482,006		482,006	0
Provision for renewals	17,245,633	10,266,303	8,979,573	18,532,363
Total	17,877,639	10,266,303	9,461,579	18,682,363

The *provision for risks* refers to the sanction of EUR 150,000 notified by the Ministry of Infrastructures and Transport - SVCA. The Company filed an appeal with the State Council against this measure.

The *provision for charges* referred to the estimated costs assumed for 2015 as the balance for the performance bonus, and related charges, for which the trade union agreement was not yet reached as at the date the financial statements were prepared. In 2016 it was used in full.

The change in the *provision for renewals* refers to allocations and utilisation for the year. Reference should be made to the paragraph on measurement criteria for a description of the nature of this item.

Post-employment benefits

A net decrease of EUR 104,767 was recorded. The changes during the period were as follows:

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
Post-employment benefits	403,195	1,001,580	1,106,347	298,428

The increase relates to the allocation for the year, while the decrease includes EUR 328,809 for advances and termination settlements and EUR 758,494 for transfer of sums to INPS, the post-employment benefits guarantee fund (TFR), the Astri fund and other forms of supplementary pensions, as well as other items for EUR 19,044.

Payables

These totalled EUR 923,779,151 and recorded a decrease of EUR 39,191,839. Payables due in more than 5 years amount to EUR 499,160,691 and include the share of residual debt, calculated with the amortised cost method, of the project bond at 31 December 2021.

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This item breaks down as follows:

A) Bonds

The item amounts to EUR 775,605,060. The changes during the period were as follows:

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
Bonds	0	830,000,000	54,394,940	775,605,060
Total	0	830,000,000	54,394,940	775,605,060

On 12 April 2016, project bonds were issued for a nominal value of EUR 830,000,000. During the year EUR 35,324,880 was repaid (of which EUR 12,408,500 repaid on 30 June 2016 and EUR 22,916,300 to be repaid on 31 December 2016). In addition, the amortised cost method for bond issue accessory costs - as set forth in art. 2426, paragraph 1 no. 8, updated by Italian Legislative Decree 139/2015, art. 6, paragraph 8, letter g) and incorporated by the updated OIC 19 - requires the presentation of the payable net of such costs (EUR 20,956,882) and in addition an increase in the value of the payable by the share of such accessory costs attributable to the year (EUR 1,886,742 for 2016).

The nominal interest rate of the project bond is 2.115%, while the effective rate (calculated with the amortised cost method) is equal to 2.504%.

On the other hand, as regards the assessment of the contractual interest rate with respect to market interest rates, please note that a leading international consulting firm expressed its opinion on the matter on 23 February 2016, in a study provided to CAV containing a comparison between the bank loans and other types of comparable corporate bond issues in terms of amounts and type, concluding that *“the results shown highlight that the interest rate at which the bond issue will take place is aligned with the market interest rates of other Project Bond issues linked to transactions deemed comparable”*.

As the project bond interest rate is aligned with the market rates, based on what is set forth in OIC 19, discounting is not necessary.

The amount of EUR 775,605,060 consists of EUR 50,727,244 maturing within 12 months and EUR 724,877,816 maturing in more than 12 months (and of which EUR 499,160,691 in more than 5 years).

The Company granted the following guarantees in favour of subscribers of the project bond and the EIB: a) special preferential right on all present and future moveable property; b) general preferential right on all present and future moveable property; c) pledge or transfer by way of guarantee of receivables deriving, *inter alia*, from project contracts and insurance policies; d) pledge on current accounts; e) pledge or transfer by way of guarantee of receivables deriving from the concession held by the Company; f) pledge on receivables due from ANAS pursuant to the VAT loan.

Subscribers of the project bond are also guaranteed by the EIB by means of a letter of credit (“PBCE Agreement”) for 20% of the amount of the loan.

The securities relating to the project bond are listed on the unregulated market managed by the *Bourse de Luxembourg* in Luxembourg (“euro MTF” platform).

B) Payables to shareholders for loans

The item amounts to EUR 101,860,386. The changes during the period were as follows:

	Balance at 31/12/2015	Increase	Decrease	Balance at 31/12/2016
Shareholder loan	0	136,534,955	34,674,569	101,860,386
Total	0	136,534,955	34,674,569	101,860,386

The amount due to shareholders for loans consists of a subordinated loan from the shareholder ANAS entered into for EUR 136,534,955 on 12 April 2016, EUR 34,674,569 of which was repaid on 29 September 2016.

The amount of EUR 101,860,386 consists of EUR 23,131,000 maturing within 12 months and EUR 78,729,386 maturing in more than 12 months.

The contract has no repayment due date, as it is subordinated to the project bond and therefore connected to the amount of cash flows that CAV will generate in the future. On the basis of the 2016-2032 financial plan prepared by the Company, however, the loan is expected to be repaid by 2019-2020. The loan envisages the payment to ANAS SpA of interest at a rate of 8.75%, the consistency of which was commented on by a leading international consulting firm, which issued an opinion on 23 February 2016 certifying that, “there are no elements leading us to believe that the 8.75% interest rate on the Subordinated Loan is not financially appropriate for CAV S.p.A.”. The payable in question did not generate transaction costs. Therefore, as laid out in OIC 19, it is not necessary to apply the amortised cost criterion to value it; while as regards the application of the time factor

criterion, the above-mentioned opinion confirms that the interest rate laid out in the contract is aligned with those applied in the market, taking into account the nature of the loan and the debt capacity of the issuing company, and as a result the payable may be accounted for at its nominal value.

C) Payables to banks

This item decreased by EUR 332,150,000 compared to the previous period. This item breaks down as follows:

	31/12/2016	31/12/2015
EIB/CDP senior loan:	0	332,150,000
Total	0	332,150,000

The loan was paid off on 12 April 2016 following the issue of the project bond.

D) Trade payables

This item increased by EUR 620,828 compared to the previous year. This item breaks down as follows:

	31/12/2016	31/12/2015
Suppliers	1,533,815	1,278,622
Suppliers for invoices to be received	4,363,883	4,007,726
Contract guarantee deposits	92,708	83,230
Total	5,990,406	5,369,578

E) Tax payables

This item increased by EUR 674,866 and breaks down as follows:

	31/12/2016	31/12/2015
IRPEF tax payable on employee and freelance contracts	559,688	508,772
IRES tax payable	415,257	0
IRAP tax payable	208,693	0
Total	1,183,638	508,772

F) Social security payables

This item increased by EUR 380,073 compared to the previous year.

	31/12/2016	31/12/2015
Social security payables	1,401,033	1,020,960

G) Other payables

This item decreased by EUR 586,183,052 compared to the previous year and breaks down as follows:

	31/12/2016	31/12/2015
Interconnected motorway companies	6,911,531	7,805,714
Government revenue		
• Licence fee (MEF)	1,854,840	1,765,652
• Licence fee (ANAS)	1,343,160	1,278,575
• Licence integration fee, Law 102/2009 (ANAS)	271,129	321,050
• Sub-licence fee (MIT-DGVCA)	11,930	14,582
Personnel	1,099,594	566,831
ANAS payables		
• Construction costs reimbursement - Mestre Motorway Bypass (Passante di Mestre) - and related auxiliary and completion works	20,091,869	487,608,174
• Capitalised interest expense	0	20,828,985
• Accrued interest expense	0	96,913,528
• Interest on subordinated shareholder loan	5,340,884	0
• Additional km travelled	0	5,952,676
• Other payables	0	46,245
Payable for legal disputes	488,405	532,583
Miscellaneous	325,286	287,085
Total	37,738,628	623,921,680

The payables due to the interconnected motorway companies refer to the settlement of financial positions deriving from the interconnection.

The amount due to "Government revenue" totalling EUR 3,481,059 refers to the licence fee pursuant to art. 1, paragraph 1020, Italian Law 296/2006 payable to the State (58%) and to ANAS (42%), and to the sub-licence fee pursuant to art. 13 of the Agreement payable to the Ministry of Infrastructures and Transport - SVCA.

Payables due to personnel include amounts relating to the Christmas salary bonus and to leave not taken.

The amount payable to ANAS totalling EUR 25,432,753 includes: a) the reimbursement of construction costs for the Mestre motorway bypass (Passante di Mestre) and for the auxiliary and completion works already invoiced for EUR 12,745,564 and not yet invoiced for EUR 7,346,305; b) the payable for interest on the subordinated shareholder loan accrued but not yet paid. Payables to ANAS, including Passante di Mestre motorway bypass construction costs, capitalised interest expense, interest expense accrued at 12 April 2016, the additional km travelled and other payables, were eliminated when the project bond was issued.

The payable for a legal dispute totalling EUR 488,405 refers to a judgement on first instance, in which the company was ordered to pay damages in the amount of EUR 488,405. The company filed an appeal with the Council of State. Please refer to the Management Report for further information.

Accrued expense and deferred income

A decrease of EUR 22,196 was recorded compared to the previous year.

	31/12/2016	31/12/2015
Deferred income	382,986	405,182

Deferred income is related to the current year's portion of future bridge fee income that had already been invoiced as at the balance sheet date.

Memorandum accounts

The memorandum accounts consist of:

	31/12/2016	31/12/2015
Leased assets	104,425	97,725

Leased assets refer to the Viacards sold at the Service Centre on behalf of Autostrade per l'Italia S.p.A.

As regards the guarantees in favour of Project Bond subscribers, please refer to the comment on the relative item in the explanatory notes.

Information on the income statement

Production value

This totalled EUR 155,330,761 and increased by EUR 7,398,679 (5.00%) compared to the previous year.

This item breaks down as follows:

A) Revenue from sales and services

Revenue from sales and services can be broken down as follows:

	31/12/2016	31/12/2015
Toll income:		
• toll income	133,250,009	126,842,801
• Licence fee integration, Law 102/09 and Law 122/2010	13,981,543	13,364,970
Other motorway income:		
• service areas	4,288,979	4,226,888
• sharing of collection costs with interconnected motorway companies	1,821,341	1,789,631
• recovery of costs for exceptional transits and non-payments	697,552	689,975
Total	154,039,424	146,914,265

Toll income refers to the proceeds from traffic on the various motorway stretches under Company management. More precisely: traffic on the Passante di Mestre (A4) and traffic on the Padova-Mirano/Dolo stretch (in the A4 closed system; traffic on the Mirano/Dolo-Venezia/Mestre stretch of the A57 is in the open system and toll-free), as well as traffic transiting the toll stations of Venezia/Mestre, Mira/Oriago and Mirano/Dolo (on the A57 managed by CAV), Venezia (on the A27 managed by Autostrade per l'Italia) and Venezia Est (on the A4 managed by Autovie Venete), where a toll is applied for 6.200 km (relating to the Tangenziale di Mestre) and 17.600 km (18.330 km in 2015) as additional km travelled to finance the Passante.

In 2016, income from tolls (net of the ANAS fee integration) increased in absolute terms by EUR 6,407,208 (+5.05%). With regard to tariffs, there were no changes with respect to 2015 on the Passante and on all other stretches managed.

As regards traffic, note the total increase of vehicles per paying km of +4.25%. The effect of rounding tariffs came to around 0.80%.

The licence fee integration in favour of ANAS was calculated according to art. 15, paragraph 4, Italian Law Decree 78/2010, converted to Law 122/2010. In 2016 (as in previous years), for every kilometre travelled, 6 thousandths was applied for classes A and B, and 18 thousandths for classes 3, 4 and 5. As a result of the increase in traffic and the class breakdown of traffic, the ANAS fee integration rose by EUR 616,573 (+4.61%).

Income from the service areas refers to royalties payable by the oil companies and by the hotels, food and beverage companies on sales and activities conducted in those service areas.

There are four service areas: two on the closed system, Arino Ovest and Arino Est (located near the junction of the Passante di Mestre) and two on the open system, Marghera Ovest and Marghera Est (located at the Marghera roundabout). At the Marghera Est service area there is also a hotel.

This income increased by EUR 62,091 in absolute terms (+1.47%), impacted positively by traffic trends.

Income from the sharing of collection costs with interconnected motorway companies increased by 1.77%. It should be remembered that this revenue item originates from the provisions of art. 17 of the interconnection agreement among all the Italian motorway management companies and from a specific bilateral agreement with Società Brescia-Verona-Vicenza-Padova S.p.A. in relation to managing the Padova Est station.

All revenues were generated by activities located on the managed stretch.

For further information on traffic and tariffs, reference should be made to the "Motorway Management" section in the Management Report.

B) Other revenue and income

	31/12/2016	31/12/2015
Other revenue and income	1,291,337	1,017,817

Other revenue and income includes income for sub-licences of EUR 104,019, compensation for damages caused to motorway equipment by users of EUR 227,555, contract work of EUR 529,323, reimbursement of A57/A27 lighting costs of EUR 87,650, indemnities for failure to duly implement public works contracts and recovery of contract stamp duty of EUR 59,380, administrative service revenue of EUR 3,600, capital gains and contingent assets of EUR 134,821, operating grants for training activities of EUR 23,300 and other revenue of EUR 121,689.

Production costs

These totalled EUR 106,540,123 and decreased by EUR 1,639,568 (-1.52%) compared to the previous year.

This item breaks down as follows:

A) Costs for raw materials and consumables

This item recorded a decrease of EUR 237,585 (-22.50%) compared to the previous year and breaks down as follows:

	31/12/2016	31/12/2015
Purchase of maintenance-related goods	381,512	526,471
Purchase of other goods	437,059	529,685
Total	818,571	1,056,156

B) Service costs

This item comprises:

	31/12/2016	31/12/2015
Maintenance and renewals:		
• annual	7,098,847	6,387,419
• periodic	1,807,147	2,920,810
Contract work	529,323	307,796
Operating services:		
• sharing of collection costs	4,552,488	4,359,825
• processing of traffic and proceeds data	612,905	843,331
• electricity	1,904,972	1,876,448
• other	859,641	1,170,883
Administrative services:		
• professional administrative services	770,952	530,538
• professional technical services	279,279	350,578
• insurance	538,513	506,896
• telephone costs	83,048	65,864
• meal vouchers	258,295	230,730
• tender commissioners	200,796	123,220
• other	118,797	190,953
Directors remuneration	174,460	152,875
Statutory Auditors remuneration	85,353	88,556
Supervisory Board remuneration	58,317	56,140
Total	19,933,133	20,162,862

Service costs decreased by EUR 229,729 (-1.14%) compared to the previous year.

Maintenance amounted to EUR 8,905,994 (EUR 9,308,229 in the previous year), recording a decrease of EUR 402,235 (-4.32%).

Operating services amounted to EUR 7,930,006 (EUR 8,250,487 in the previous year), recording a decrease of EUR 320,481 (-3.88%).

Administrative services amounted to EUR 2,249,680 (EUR 1,998,779 in the previous year), an increase of EUR 250,901 (+12.55%).

Directors remuneration includes fees (EUR 115,200), social security payables (EUR 21,457), and reimbursement of expenses (EUR 37,803).

The Board of Statutory Auditors remuneration includes fees (EUR 69,871), social security payables (EUR 8,871) and reimbursement of expenses (EUR 6,611).

Supervisory Board remuneration includes fees (EUR 50,000), social security payables (EUR 3,262) and reimbursement of expenses (EUR 5,055).

C) Lease and rental expenses

	31/12/2016	31/12/2015
Lease and rental expenses	626,366	609,675

Lease and rental expenses increased compared to the previous year by EUR 16,691, and refer to car rental (EUR 621,845) and other rentals (EUR 4,521).

D) Personnel costs

This item breaks down as follows:

	31/12/2016	31/12/2015
Salaries and wages	13,758,837	13,312,429
Social security contributions	4,545,997	4,218,887
Post-employment benefits	1,001,580	958,866
Other costs	459,423	488,926
Total	19,765,837	18,979,108

Personnel costs increased by a total of EUR 786,729 (+4.15%) compared to the previous year.

During the year, the average workforce numbered 257.19 (248.99 in the previous year), and therefore the average cost per member of staff was EUR 76,853 (EUR 76,224 the previous year).

Detailed below are the changes recorded during the year in the average workforce, with breakdown by category.

	31/12/2016	31/12/2015	Average workforce for the period
Senior Managers	4	4	4
Middle Managers	6	7	6.92
Admin. staff:	143	141	142.08
• full time	121	121	
• part time	22	20	
• short-term contract	0	0	
Toll collection staff:	91	95	94.52 (*)
• full time	54	55	
• part time	21	21	
• short-term contract	16	19	
Manual workers	8	7	9.67
Total	252	254	257.19

(*) The average number of collection agents was calculated by also taking into account short-term contract staff, for which 76 contracts were stipulated.

E) Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs decreased by EUR 2,668,925 compared to the previous year and breaks down as follows:

	31/12/2016	31/12/2015
Amortisation of intangible assets	45,922,430	48,561,399
Depreciation of tangible assets	171,731	191,475
Write-downs of current receivables	0	10,212
Total	46,094,161	48,763,086

Amortisation of intangible assets refers to: a) software amortisation for EUR 89,453; and b) amortisation of *other intangible assets* for EUR 45,832,977, the breakdown and changes for which are detailed in the explanatory notes section on *intangible assets*. A detailed breakdown of the *depreciation of tangible assets* is provided in the explanatory notes section on *tangible assets*.

F) Changes in inventories

	31/12/2016	31/12/2015
Changes in inventories	62,263	-36,405

Changes in inventories represent the difference between the opening balance of inventories at 1 January 2016 of EUR 1,113,530 and the closing balance at 31 December 2016 of EUR 1,051,267.

G) Other provisions

	31/12/2016	31/12/2015
Allocation to provision for renewals	10,266,303	10,261,136
Utilisation of provision for renewals	-8,979,573	-9,552,790
Total	1,286,730	708,346

Allocations to provision for renewals are performed by taking into account future schedules for periodic maintenance works and renewals.

H) Other operating costs

This item increased by EUR 16,200 compared to the previous year (+0.09%) and breaks down as follows:

	31/12/2016	31/12/2015
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Taxes	259,030	292,791
Licence fee integration, art. 19, para. 9-bis, Italian Law 102/09 and Italian Law 122/2010	13,981,543	13,364,970
Licence fee, art. 10 Italian Law 537/93 and art. 1 para. 1020 Italian Law 296/2006	3,198,000	3,044,227
Sub-licence fee, art. 13 of the Agreement	87,860	86,746
Other costs	426,630	1,148,129
Total	17,953,063	17,936,863

The licence fee integration, as most recently established in art. 15, paragraph 4 of Italian Law 122/2010, is payable to ANAS. This integration, applied to each kilometre travelled, is 6 thousandths of a Euro for classes A and B, and 18 thousandths of a Euro for classes 3, 4 and 5.

The licence fee, pursuant to art. 1, paragraph 1020, Italian Law 296/2006, is also envisaged in art. 12 of the Agreement as 2.4% of net income from tolls: 42% of this is paid to ANAS and the remaining 58% to the State.

The sub-licence fee payable to the Ministry of Infrastructure and Transport-SVCA is envisaged in art. 13 of the Agreement as 2% of income deriving from add-on activities.

Financial income and charges

This item breaks down as follows:

	31/12/2016	31/12/2015
Financial income:		
• other income	868,164	2,910,942
Interest and other financial charges	28,523,718	24,659,405
Total	-27,655,554	-21,748,463

The *financial income* includes: EUR 15,346 in interest income on bank and post office current accounts, EUR 848,705 in interest on receivables from ANAS for public grants (for the period 01/01/2016 – 12/04/2016, interest rate 2.00%) and EUR 4,113 in other interest income.

Interest and other financial charges include: a) interest expense for payables to ANAS of EUR 3,730,385 (period 01/01/2016 – 12/04/2016, interest rate 2.00%); b) interest expense relating to the payable to shareholders for loans with respect to ANAS of EUR 7,959,363 (period 12/04/2016 – 31/12/2016, interest rate 8.75%); c) interest expense calculated with the amortised cost method - as prescribed by art. 2426, paragraph 1, no. 8, updated by Italian Legislative Decree 139/2015, art. 6, paragraph 8, letter g), and adopted by the updated OIC 19 - on the project bond of EUR 14,345,042 (period 12/04/2016 – 31/12/2016, of which EUR 12,458,300 disbursed at the interest rate of 2.115%, and EUR 1,886,742 consisting of the portion of project bond issue accessory costs for the year); d) interest expense of EUR 2,397,901 accrued on the senior bank loan (period 01/01/2016 –

12/04/2016, interest rate 2.865%); e) interest expense of EUR 90,059 due to banks; f) other interest expense of EUR 968.

Value adjustments to financial assets

This item breaks down as follows:

	31/12/2016	31/12/2015
Revaluation		
• of investments	0	0
Write-down		
• of investments	19,812	5,067
Total	-19,812	-5,067

Write-down of investments refers to the decreased value of the investee Servizi Utenza Stradale S.C.p.A. (in liquidation), measured at equity.

Income taxes

This item breaks down as follows:

	31/12/2016	31/12/2015
Income taxes:		
• IRES	4,231,923	3,826,599
• IRAP	2,076,486	1,867,793
• deferred tax liabilities	0	0
• deferred tax assets	664,894	373,730
Total	6,973,303	6,068,122

Other information

Corporate body remuneration

In accordance with point 16 of art. 2427 of the Italian Civil Code, the remuneration due to members of corporate bodies for activities performed for the year is described below.

Directors remuneration includes fees (EUR 115,200), social security payables (EUR 21,457), and reimbursement of expenses (EUR 37,803).

The Board of Statutory Auditors remuneration includes fees (EUR 69,871), social security payables (EUR 8,871) and reimbursement of expenses (EUR 6,611).

Supervisory Board remuneration includes fees (EUR 50,000), social security payables (EUR 3,262), and reimbursement of expenses (EUR 5,055).

Independent Auditors remuneration

In accordance with point 16-bis of art. 2427 of the Italian Civil Code, note that the Shareholders' Meeting of 8 May 2015 recognised fees to the Independent Auditors for the three-year period of 2015-2017 totalling EUR 59,405 (EUR 19,802 per year) to certify the financial statements and fees of EUR 230,020 for activities performed and invoiced during the current year in relation to the certifications necessary for the project bond transaction.

Transactions with mandatory repurchase agreement

The Company did not recognise any transactions with a mandatory repurchase agreement during the year

Bonus shares, convertible bonds, other securities

The Company did not issue any bonus shares or convertible bonds.

The Company did not issue any security or similar instrument that would fall under art. 2427, no. 18 of the Italian Civil Code.

Other financial instruments issued

The Company did not issue any other financial instruments pursuant to art. 2427, no. 19, para. I of the Italian Civil Code.

Equity and loans for a specific business purpose

The Company did not have any equity or loans for a specific business purpose at the balance sheet date pursuant to art. 2427, nos. 20 and 21, para. I of the Italian Civil Code.

Monetary revaluations

Pursuant to art. 10 of Italian Law 72 of 19 March 1983, and subsequent legislation, note that no monetary revaluation has been performed on the tangible and intangible assets that are currently on the balance sheet.

Finance leasing transactions

The Italian legislature requires that finance lease contracts are recognised according to the equity method, with lease instalments reported among the costs of the year under lease and rental expenses. Note that at 31 December 2016, there were no outstanding finance lease contracts.

Disclosure of transactions with related parties

In accordance with the provisions of art. 2427, no. 22-bis of the Italian Civil Code, the Company did not carry out any significant transactions with related parties during the year that were not at market conditions. For more details on transactions with Shareholders, please refer to the Management Report.

Management and coordination activities

Pursuant to the provisions of art. 2497-bis of the Italian Civil Code, the Company is not subject to management and coordination by another company.

Off-balance sheet agreements

There were no off-balance sheet agreements recognised during the year.

Disclosure of fair value of financial instruments

The Company does not hold any financial instruments.

Relations with the Veneto Regional Government

Payable / receivable situation with the Veneto Regional Government

In compliance with the instructions provided by the Veneto Regional Government with letter 49883 of 7 February 2017, details of the receivable and payable positions with the Veneto Regional Government at 31 December 2016 are provided below.

Cash flows:

With respect to Company receivables from the Veneto Regional Government, at 31 December 2016 there were deposits totalling EUR 1,146 (of which EUR 566 for the hydraulic concession security deposit, case no. W08_001281, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 31 December 2032; and EUR 580 for the hydraulic concession security deposit, case no. DD133 no. 1367/C, referring to the Padua Civil Engineering Organisational Unit, with payment due date of 31 December 2032). On the other hand, on the same date, there were payables for water concessions in the amount of EUR 3,216 (of which EUR 211 for the hydraulic concession case DD137 no. W02_000617, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 28 February 2017; EUR 280 for the hydraulic concession W03_000683, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 28 February 2017; EUR 728 for the hydraulic concession case DD160 no. W_002394, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 28 February 2017; EUR 622 for the hydraulic concession case no. W08_001281, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 28 February 2017; EUR 622 for the hydraulic concession case DD161 no. W32_002274, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 28 February 2017; EUR 623 for the hydraulic concession case DD133 no. 1367/C referring to the Padua Civil Engineering Organisational Unit, with payment due date of 28 February 2017; EUR 68 deed to contest the violation case no.

VE4/2016/TSA, referring to the Environmental Department Regional Protection and Development Area, with expiry on 12 February 2017; EUR 62 deed to contest the violation case no. VE6/2016/TSA, referring to the Environmental Department Regional Protection and Development Area, with expiry on 12 February 2017.

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At 31 December 2016, the Company had no other payables to the Veneto Regional Government (not even by way of credit advances disbursed to the Company by the Veneto Regional Government), or bonds subscribed by the Veneto Regional Government.

Guarantees given:

At the date of 31 December 2016, there were no sureties of the Regional Government to the Company or “strong” letters of patronage in favour of the Company, or other forms of guarantee of the Regional Government to the Company. In this regard, it is in any event worth mentioning the agreement with the Veneto Regional Government named “Region Agreement” adopted as part of the transaction for the issue of the “Project Bond”. Although it is clarified that this Agreement did not constitute any form of guarantee, even secondary, or letter of patronage, by means of this agreement the Veneto Regional Government committed in favour of the “Secured Creditors” to guarantee, in particular, the inability to dispose of, transfer or encumber the Shares of the Company that it owns.

Annexes to the financial statements

The disclosure schedule of expenditures for investments on revertible assets required by the Motorway Concession Inspectorate (now Directorate General for Motorway Concession Supervision), in Protocol Letter no. 14986 of 3 February 2009, is annexed to the financial statement.

In addition, the schedule required by the Veneto Regional Government in attachment A, letter H of Resolution no. 2101 of 10 November 2015 is annexed.

Significant events after year end

On 30 December 2016, the Minister of Infrastructure and Transport, along with the Minister of Economics and Finance, issued an Inter-Ministerial Decree that recognised a tariff increase of 0.45% as of 1 January 2017 to the Company.

On 14 March 2017, the Company received a response from the Italian Revenue Agency - Rome Central Directorate for Legislation to a request for opinion regarding the tax treatment of public grants received by ANAS for the construction of the Passante and then subject to transfer from ANAS to CAV, totalling EUR 283.9 million: the Italian Revenue Agency - deviating from the assumptions submitted by CAV - that such grants were subject to VAT.

On 27 March 2017, as there were “particular requirements” as set forth in art. 2364 of the Italian Civil Code and art. 10.2 of the Articles of Association, the Company’s Board of Directors decided to defer the deadline for calling the Shareholders' Meeting for the approval of the 2016 financial statements to 29 June 2017, in relation to the above-mentioned opinion of the Italian Revenue Agency.

The Company then accessed the Central Directorate for Legislation - VAT Office of Rome a number of times without however receiving a positive reply.

Then, on 24 May 2017, the Company submitted a supplementary VAT declaration in accordance with the opinion of the Italian Revenue Agency and issued invoices relating to the public grants transferred from ANS to CAV.

In any event, the Company reserves the right to take all possible measures to have the opinion issued by the Italian Revenue Agency reviewed.

Proposals to the Shareholders' Meeting for allocation of profit for the year

Dear Shareholders,

We would like to thank the Shareholders for their trust and support of the Company, and at the same time express heartfelt appreciation for the management and every member of staff who, working with professionalism and commitment, have helped us to achieve the objectives illustrated to you.

The Financial Statements as presented, and illustrated to you in terms of individual items, were prepared in compliance with current legal regulations.

The Board of Directors therefore invites you to:

- discuss and approve the Management Report and the Financial Statements at 31 December 2016, which comprise the balance sheet, income statement, the explanatory notes and the cash flow statement;
- allocate the 2016 profit for the year of EUR 14,141,968 as follows:
 - EUR 3,081,092 to the restricted reserve for maintenance works differences;
 - EUR 11,060,876 to the extraordinary reserve;
- transfer the surplus of the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code, equivalent to EUR 19,812, to the extraordinary reserve.

Venice, 25 May 2017

For the Board of Directors

CHAIRMAN

Luisa Serato

CASH FLOW STATEMENT

31/12/2016

31/12/2015

A. Cash flow generated by operating activities (indirect method)		
Net profit for the year	14,141,968	11,930,739
Income taxes	6,973,303	6,068,122
Interest expense/(interest income)	27,655,554	21,748,463
1. Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposals	48,770,825	39,747,324
<i>Adjustments for non-monetary elements with no matching entry in net working capital</i>		
Allocations to provisions for risks and charges	10,266,303	10,261,136
Use of provisions for risks and charges	-8,979,573	-9,552,790
Provisions for post-employment benefits	1,001,580	958,866
Amortisation of intangible assets	45,922,430	48,561,399
Technical depreciation of tangible assets	171,731	191,475
Value adjustments to financial assets and liabilities	19,813	5,067
<i>Total non-monetary adjustments</i>	<i>48,402,284</i>	<i>50,425,153</i>
2. Cash flow before changes in nwc	97,173,109	90,172,477
<i>Changes in net working capital</i>		
(Increase) Decrease in inventories	62,263	-36,405
(Increase) Decrease in trade receivables	-337,261	2,588,959
(Increase) Decrease in VAT receivable	-54,809,980	18,116,801
(Increase) Decrease in other receivables	25,876,724	-8,365,662
(Increase) Decrease in accrued income and prepaid expense	-231,823	-16,281
(Decrease) Increase in trade payables	620,828	-105,395
(Decrease) Increase in social security payables	380,073	-174,236
(Decrease) Increase in other payables (excluding amounts already included in other items)	-591,523,936	2,071,410
(Decrease) Increase in accrued expense and deferred income	-22,196	-10,027
<i>Total changes in net working capital</i>	<i>-619,985,308</i>	<i>14,069,164</i>
3. Cash flow after changes in nwc	-522,812,199	104,241,641
<i>Other adjustments</i>		
Interest received/(paid)	-20,427,928	-21,748,463
(Income taxes paid)	-4,074,711	-5,694,392
(Utilisation of provisions)	-1,588,353	-979,761
<i>Total other adjustments</i>	<i>-26,090,992</i>	<i>-28,422,616</i>
Cash flow from operating activities (A.)	-548,903,191	75,819,025
B. Cash flow generated by investing activities		
<i>Investing activities</i>		
(Increase) in intangible assets	-29,628,377	-9,570,911
Decrease in intangible assets	20,956,882	0
(Increase) in tangible assets	-82,151	-55,841
Cash flow from investing activities (B.)	-8,753,646	-9,626,752
C. Cash flow generated by financing activities		
Bond issue	830,000,000	0
Bond repayment instalment	-35,324,800	0
Project bond issue accessory costs	-20,956,882	0
New payable to shareholders for loans	136,534,955	0

Repayment instalment of payable to shareholders for loans	-34,674,569	0
Loans repaid	-332,150,000	-82,513,164
Cash flow from financing activities (C.)	543,428,704	-82,513,164
Increase (decrease) in cash and cash equivalents	-14,228,133	-16,320,891
Opening cash and cash equivalents	50,772,174	67,093,065
Closing cash and cash equivalents	36,544,041	50,772,174

ANNEXES

MIT Table: investments status

SUMMARY OF REVERTIBLE ASSET INVESTMENTS (Table 1)												Amounts in thousands of EUR				
Reference Art. 2 of Agreement	Reference Annex H	Reference Annex D Annex E	Planning figures - contracts			Accrued expense at 31/12/2015				2016 expense				Total at 31/12/2016		
			Accrued gross amount approved	Accrued contractual net amount	Works	Available funds	Financial charges	Total	Work s	Available funds	Financial charges	Total	Works	Available funds	Financial charges	Notes
21.a	-	-						988 026								988 026 1)
21.a	-	-						-283 654								-283 654 1)
21.a	-	-						20 829							20 829	20 829 1)
21.b	-	-						74 689								74 689 2)
21.c	H.1	e			136			196					136			196 3)
21.c	H.1	b			223			223					223			223 3)
21.c	H.1	c			170			170					7	170	7	177 3)
21.c	H.1	d			1 998			1 998	304			341	2 302	37		2 339 3)
21.c	H.1	e			443			443					443			443 3)
21.c	H.1	f			39			39					39			39 3)
21.c	H.1	g			2 102			2 102	740			803	2 842	83		2 925 3)
21.c	H.3	b						300								300 4)
21.c	H.3	j						5 364								5 364 4)
21.c	H.3	k						7 747								7 747 4)
21.c	H.3	k						800								800 4)
21.c	H.2	l			40 425	19 870		60 295	467	8 133		7 686	38 988	26 003		67 981 5)
21.c	H.2	m			12 401	7 946		20 347					0	12 401	7 946	20 347 5)
21.c	H.2	n			-	-		28					-	28		28
21.c	H.2	o			5 604	37		5 641		386		386	5 757	423		6 180 5)
21.c	H.2	p			42 680	42 813		90 073		215		215	215	42 690	43 029	90 689 5), 6)
21.c	H.2	q			11 722	21 465		33 187					0	11 722	21 465	33 187 5)
					118 146	92 159	20 829	1 008 026	577	8 842	0	9 419	118 723	101 001	20 829	1 016 844

The above table summarises the investments in revertible assets, in its capacity as sole management licensee, in effect CAV has not made (nor will it make) any direct investments, but in compliance with conventional arrangements operates after reimbursing costs incurred by the actual builder or as the disburser of grants to third parties. The table is presented in any event.

1) = The algebraic sum of these amounts constitutes the cost of the Passante di Mestre that CAV is expected to reimburse to ANAS. As these costs qualify as **reimbursement** of investments made by ANAS, no breakdown of works, available funds and financial charges is provided, except for the amount relating to capitalised financial charges.

2) = This refers to the compensation payable to the previous operator for the stretch of road indicated. For this reason no breakdown of works, available funds and financial charges is provided.

3) = These investments are covered in full in the Explanatory Notes under "Other works on the stretch managed", partly in "Intangible assets under development" and partly in "Other intangible assets".

4) = This refers to conventional commitments qualifying as grants to third parties. For this reason no breakdown of works, available funds and financial charges is provided.

5) = These investments are covered in full in the Explanatory Notes under "Auxiliary and completion works on the Passante", partly in "Intangible assets under development" and partly in "Other intangible assets".

6) = The "Total" differs from the algebraic sum of "Works" + "Available funds" due to inclusion of the construction grant for the Mogliano Veneto north bypass for € 5,000k which does not qualify as either works or as available funds.

Veneto Regional Government table

Compliance with Regional Directives

Form to be completed and attached to the report pursuant to letter H of annex A to Regional Government Resolution no. 2101 of 10 November 2014

COMPANY:		Concessioni Autostradali Venete - CAV S.p.A.		
A - I	In 2016 did the company procure works, supplies and services from outside the company?	In 2016, did the Company apply the regulations stated in Italian Legislative Decree 163/2006, renewed during the year by Italian Legislative Decree 50/2016, as envisaged in the directive?		Notes
	YES	YES		CAV S.p.A. is a motorway management operator. In accordance with the Articles of Association and its contractual commitments and with regard to the procurement of labour, supplies and services, CAV applies the provisions of Italian Legislative Decree no. 50 of 18 April 2016.
A - II	Did the company procure off-contract works, services and supplies in 2016?	Did the company adopt the regulation for off-contract works, services and supplies as envisaged in the directive?		Regulation approval date
	YES	YES		28/11/2016
C - I	In 2016, did the company hire permanent personnel?	Did the company obtain the authorisation from the Regional Government as envisaged in art. 8 of Italian Regional Law 39/2013?		Indicate any authorisation measures from the Regional Government, the hiring dates, and the number of recruits.
				The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 25/2013 and now 2101/2014 are not applicable to CAV S.p.A.
C - I	No. permanent employees at 1 January 2015	No. permanent employees at 1 January 2016	No. permanent employees at 31 December 2016	Notes
				The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 25/2013

				and now 2101/2014 are not applicable to CAV S.p.A.	
C - I	Permanent personnel costs in 2015	Permanent personnel costs - contracts terminated in 2015	Permanent personnel costs in 2016	Permanent personnel costs - 2016 recruits	Notes
					The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 25/2013 and now 2101/2014 are not applicable to CAV S.p.A.
C - I	In 2016, did the company hire short-term, temporary and project-based personnel?		Did the company obtain the authorisation from the Regional Government as envisaged in art. 8 of Italian Regional Law 39/2013?		Indicate any authorisation measures from the Regional Government, the hiring dates, and the number of recruits.
					The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 25/2013 and now 2101/2014 are not applicable to CAV S.p.A.
C - I	Short-term, temporary and project-based personnel costs in 2009		Short-term, temporary and project-based personnel costs in 2016	Notes	
				The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 25/2013 and now 2101/2014 are not applicable to CAV S.p.A.	
C - II	Has the Company adopted a regulation for staff recruitment and assigning executive powers that complies with the principles established in art. 35, paragraph 3, Italian Legislative Decree 165/2001?	Regulation approval date: 16/7/2010	Has the Company adopted a regulation for assigning various executive powers that has the characteristics envisaged in the directive?	Regulation approval date	Notes

	YES		NO	//	On 16 July 2010, CAV S.p.A. adopted its own guidelines that identify the criteria and methods for staff recruitment. With regard to the assignment of powers, at present there is no need to adopt a specific measure, though we can confirm that such a measure will be adopted if necessary.
C-III	Does the company have excess personnel?		Number and categories of excess personnel		Notes
	NO				
E - I	In 2013, did the Company comply with the limits envisaged in the directive pursuant to Veneto Regional Government Resolution 258/2013 for costs associated with advisory studies and assignments (50% similar costs with 2009)?		In 2013, did the Company comply with the limits envisaged in the directive pursuant to Veneto Regional Government Resolution 258/2013 for costs associated with public relations, conferences, exhibitions, advertising and entertainment (20% similar costs with 2009)?		Notes
					CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.
E - I	Cost for advisory studies and assignments in 2009	Cost for advisory studies and assignments in 2016	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2009	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2016	Notes
					CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.
E - I	Any reasons for non-compliance with the limits envisaged for costs for advisory studies and assignments in 2016	Any reasons for non-compliance with the limits envisaged for costs for public relations, conferences, exhibitions, advertising and entertainment in 2016	Forecasted costs for advisory studies and assignments in 2017 (cost efficiency proposal)	Forecast costs for public relations, conferences, exhibitions, advertising and entertainment in 2017 (cost efficiency proposal)	Notes

					CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.
E - I	Were costs incurred for sponsorships in 2016?	Total of any costs incurred for sponsorships in 2016	Notes		
			CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.		
E - III	Did the Company distribute dividends in accordance with the directive?		Notes		
	NO		Art. 24 of the Articles of Association envisages that, "Net profit resulting from the approved financial statements shall be used, unless otherwise envisaged by law, in compliance with the provisions of the CIPE Resolution of 26 January 2007".		
F - II	Did the Company comply with limits on remuneration to corporate bodies envisaged in art. 7 of Italian Regional Law 39/2013?			Notes	
	YES				
F-III	Is the company the beneficiary of a direct loan from the Veneto Regional Government for an amount greater than 80% of the production value?	Has the company posted a loss for the three previous years?		If the above statements are true, indicate if the company has already reduced the remuneration of the administrative body by 30%	
	NO	NO			
F - IV	Is the process to reimburse expenses for members of the corporate bodies compliant with the directive's provisions?			Notes	
	YES				

G - I	Were the directives sent to the company's subsidiaries?	Has the company implemented a system of controls on compliance with the directives by its subsidiaries?	Any reports of non-compliance with directives by subsidiaries	Notes	
				CAV S.p.A. has no subsidiaries	
L	Indicate the companies for which powers of appointment were exercised in 2016	Was Directive L-III relating to dual office complied with for appointments made in 2016?	Was Directive L-IV relating to requirements complied with for appointments made in 2016?	Notes	
	None				
M - I	Are there employees whose economic compensation exceeds that owed to the chief president of the Court of Cassation?	Any appointment and related amount exceeding the limit	Are there employees whose 2016 economic compensation exceeds that of 2013?	Any appointment and related amount exceeding the limit	Notes
					The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 25/2013 and now 2101/2014 are not applicable to CAV S.p.A.
M - III	Did the company comply with the spending limits for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers?		Indicate any exceptions covered by existing multi-year agreements		Notes
					CAV S.p.A. is not part of the application scope of point M III) of Annex A of Veneto Regional Government Resolution 2101/2014. Note that maintenance and rental expenses for automobiles refers to vehicles used for purposes of motorway service.
M - III	Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2016.		Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2011.		Notes

			CAV S.p.A. is not part of the application scope of point M III) of Annex A of Veneto Regional Government Resolution 2101/2014. Note that maintenance and rental expenses for automobiles refers to vehicles used for purposes of motorway service.
M-IV	Was information on the service automobiles used in 2016 sent to the Regional Government no later than 31 March 2017?	Was the information on the use of service automobiles and the duties carried out with private cars published on the company's internet site?	Notes
	YES	YES	
M-V	Did the company monitor the application of paragraphs 471-475 of art. 1 of Italian Law 147/2013?	Were there cases in which the limits indicated in paragraphs 471 et. seq. of art. 1 of Italian Law 147/2013 were exceeded?	Notes
	YES	NO	
N	The information required by Italian Legislative Decree 33/2013 is published on the internet site	Were the organisation models pursuant to art. 6 of Italian Legislative Decree 231/2001 updated for the changes introduced in Italian Law 190/2012?	Notes
	YES	YES	
	Name of company legal representative or appointed delegate	Signature	Place and date
	CHIEF EXECUTIVE OFFICER (Michele ADILETTA)		Venice, 31 March 2017
	Board of Statutory Auditors	Signature	Place and date

Board of Statutory Auditors' Report

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AS AT 31 DECEMBER 2016, DRAFTED IN ACCORDANCE WITH ART. 2429, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE

To the Shareholders' Meeting of CAV SpA

In the year ended as at 31 December 2016, the Board of Statutory Auditors fulfilled the functions set out in articles 2403 et seq., while the functions envisaged in art. 2409-bis of the Italian Civil Code were performed by the independent auditors RIA Grant Thornton SpA.

Following the resignations of some members, the Board of Statutory Auditors was supplemented at the Shareholders' meeting on 16 June 2016, establishing the end of the mandate as coinciding with approval of the 2016 financial statements, the term of expiry of the members already in office.

Monitoring activity pursuant to art. 2403 et seq. of the Italian Civil Code

As regards information acquired by the Board of Statutory Auditors on the company, please note the following:

- the typical business conducted by the company did not change over the year in question, and is consistent with the company purpose;
- the company's organisational structure saw a restructuring of offices in 2016 and subsequent definition of responsibilities;
- the human resources making up the workforce remained essentially unchanged.

Therefore, this report summarises the activity concerning the disclosure required by art. 2429, paragraph 2 of the Italian Civil Code and, more specifically:

- on the results of the financial year;
- on the work carried out in fulfilling legally-required duties;
- on the observations and recommendations regarding the financial statements, with specific reference to the possible use by the management body of the exception set out in art. 2423, paragraph 4 of the Italian Civil Code;
- on the possible receipt of claims by shareholders pursuant to art. 2408 of the Italian Civil Code.

During the year, starting from the meeting in which the Board was installed, meetings were regularly held pursuant to art. 2404 of the Italian Civil Code, and specific minutes were drawn up for these meetings, duly signed by way of unanimous approval.

Business conducted

During the periodic checks, the Board was informed of the evolution of the business conducted by the company, placing particular focus on contingent and/or extraordinary problems in order to identify their economic and financial impact on the profit (loss) for the year and the equity structure, as well as any risks.

Thus, the Board periodically assessed the adequacy of the organisational and functional structure of the company and any changes thereto in relation to the minimum requirements resulting from the performance of operations.

Relations with the persons operating in said structure - directors, employees and external consultants - are based on reciprocal cooperation in respect of the roles assigned to each person.

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As far as it was possible to verify during the activity carried out in the year, the Board of Statutory Auditors believes that:

- the decisions taken by shareholders and the management body complied with the law and the articles of association and were not manifestly imprudent or as such to definitively compromise the integrity of the company assets;
- sufficient information was acquired relating to the general performance of operations and the business outlook, as well as on the most relevant transactions, in terms of size and characteristics, carried out by the company;
- the operations implemented also complied with the law and the articles of association and were not in potential conflict with the resolutions passed by the Shareholders' Meeting or such that would compromise the integrity of the company assets;
- no specific observations are made regarding the adequacy of the company's organisational structure or regarding the adequacy of the administrative and accounting system, or on the reliability of the latter in correctly representing operational events;
- in relation to the adequacy of the company's organisational structure, also following meetings with the Supervisory Body, the need to establish an internal audit department emerged, targeted at constantly monitoring the observance of procedures and the preparation of reports for said Supervisory Body;
- no action needed to be taken owing to omissions by the management body pursuant to art. 2406 of the Italian Civil Code;
- no claims were received pursuant to art. 2408 of the Italian Civil Code;
- no claims were made pursuant to art. 2409, paragraph 7 of the Italian Civil Code;

- during the year, the Board of Statutory Auditors did not issue any judgments required by law.

The Board points out that 2016 saw the completion of the loan transaction through the issuing of a Project Bond for a nominal value of Euro 830 million, in order to comply with the obligation to repay ANAS the costs incurred for the construction of the Mestre Bypass. In this regard, the company - in addition to the various information and reporting aspects - paid the first two instalments (with half-yearly expiry), one expiring on 30 June (Euro 12,408,500) and the other on 31 December 2016 (Euro 22,916,300), incorporating both principal and interest.

After the principal repayments were made, as at 31 December 2016, there was a residual debt (calculated using the amortised cost method) of Euro 775.6 million.

In relation to ANAS' subordinated loan to CAV (Project Bond collateral) targeted at financing VAT on the invoices issued by ANAS to CAV for the costs of building the Bypass, the company met the contractual obligations undertaken and, in October 2016, repaid the first instalment (both principal and interest), paying ANAS more than Euro 34 million, a higher figure than expected. As at 31 December 2016, the residual debt of said loan was Euro 101.9 million.

Observations regarding the financial statements

The Board would first like to point out that the independent audit is assigned to the company RIA Grant Thornton SpA, and that the latter did not flag any irregularities or requests for information regarding the financial statements under review, and issued the prescribed report in accordance with art. 14 of Legislative Decree no. 39 of 27 January 2010, in which it certifies that the 2016 financial statements present a true and fair view of the financial position, cash flows and economic result of the company.

As a result of the judgment of the Italian Revenue Agency received by the company on 14 March 2017, in which said Agency, in response to a request for a ruling and contrary to the arguments put forward by CAV, ruled that the state grants received by ANAS for the construction of the Mestre Bypass were liable to VAT, on 27 March 2017, the company's Board of Directors, given that the "special requirements" set out in art. 2364 of the Italian Civil Code and art. 10.2 of the Articles of Association were met, resolved to postpone the deadline for calling the shareholders' meeting for the approval of the 2016 financial statements until 29 June 2017.

In this regard, the Board identified that, owing to the absence of positive feedback to the various visits made by the company to the Central Regulatory Department - Rome VAT Office, on 24 May 2017, said company, in acceptance of the judgment of the Italian Revenue Agency, presented a supplementary

VAT return and issued invoices relating to the state grants transferred from ANAS to CAV, with CAV reserving the right to file any possible action for the purposes of a review of the judgment issued by the Italian Revenue Agency.

It should also be pointed out that the judgment of the Italian Revenue Agency had no impact on the 2016 Income Statement, but just one change to the Balance Sheet regarding receivables due from the Tax Authorities for VAT totalling Euro 156,687,417, which fell to Euro 99,456,287; the remainder of Euro 57,231,130 took the form of a receivable due from ANAS in relation to the VAT amount stated in the invoices issued by CAV to ANAS for the grants received.

The draft financial statements for the year ended as at 31 December 2016 were approved by the management body, and are composed of the balance sheet, income statement, explanatory notes and cash flow statement.

Furthermore:

- the management body already drew up the report on operations pursuant to art. 2428 of the Italian Civil Code;
- those documents were delivered to the Board of Statutory Auditors in time for them to be filed at the company's registered office along with this report, and, that is, irrespective of the term set out in art. 2429, paragraph 1 of the Italian Civil Code.

Therefore, the draft financial statements were examined, in regards to which the following additional information is provided:

- the criteria for the measurement of asset and liability items were adjusted into line with the regulation set forth in Legislative Decree 139/2015;-
- we focused our attention on the layout of the draft financial statements, their general compliance with the law in terms of formation and structure, and in that regard we have no specific observations that must be made herein;
- compliance with the rules of law pertaining to drafting the report on operations was verified, and in that regard we have no observations that must be made herein;
- in drawing up the financial statements, the management body did not deviate from the legal regulations pursuant to art. 2423, paragraph 4 of the Italian Civil Code;
- we verified that the financial statements correspond to the circumstances and information we became aware of in carrying out the typical duties of the Board of Statutory Auditors and, in that regard, we have no additional observations to make;

- no costs were recognised in the financial statements pursuant to art. 2426, paragraph 5 of the Italian Civil Code, nor any goodwill value in accordance with art. 2426, paragraph 6 of the Italian Civil Code;
- we acquired information and examined the annual report of the supervisory body which, in addition to the aspects highlighted above with respect to the organisational structure, brought to light some irregularities, currently in the process of being rectified by the company;
- with regard to the management body's proposal to allocate the net profit for the year shown at the end of the explanatory notes, the Board has no observations to make, also noting that this decision rests with the shareholders' meeting.

Company profit (loss)

The net profit verified by the management body for the year ended as at 31 December 2016, as also shown in the financial statements, came to Euro 14,141,968.

Observations and proposals regarding the approval of the financial statements

Based on the information outlined above, and as far as the Board of Statutory Auditors is aware and based on the findings of the periodic controls conducted, considering that the independent auditors issued its report without any observations, we unanimously decided that there are no reasons preventing your approval of the draft financial statements for the year ended as at 31 December 2016, as drawn up and submitted to you by the management body.

Mestre, 9 June 2017

The Board of Statutory Auditors

Mr. Claudio Amici - Chairman

Ms. Barbara Solin - Standing auditor

Ms. Francesco Corso - Standing auditor

Independent Auditor's report

Independent auditor's report in accordance with

art. 14 of Legislative Decree No. 39 of January 27, 2010

(This is an English translation of the original Italian document)

To the Shareholders of

Concessioni Autostradali Venete C.A.V. S.p.A.

Report of the financial statements

We have audited the accompanying financial statements of Concessioni Autostradali Venete C.A.V. S.p.A., which comprise the balance sheet as of December 31, 2016, the income statement and cash flow statement for the year then ended and the explanatory notes.

Directors' responsibility for the financial statements

Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with statutory requirements.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted an audit in accordance with International Reporting Standards (ISA Italia) processed in accordance with art. 11 of the Legislative Decree no. 39/10.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making of those risk assessments, the audit considers internal control relevant of the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of financial position of Concessioni Autostradali Venete C.A.V. S.p.A. as of December 31, 2016 and of the result of its operations and cash flow for the year then ended in compliance with Italian laws.

Report on compliance with other laws and regulations

Opinion on the consistency of the financial statements with the report on operations.

We have performed the procedures required by auditing standard (SA Italia) No. 720B in order to express an opinion, as required by law, on the consistency of the report on operations, which is the responsibility of the directors of Concessioni Autostradali Venete C.A.V. S.p.A., with the financial statements of Concessioni Autostradali Venete C.A.V. S.p.A. as of December 31, 2016. In our opinion the report on operations is consistent with the financial statements of Concessioni Autostradali Venete C.A.V. S.p.A. as of December 31, 2016.

Padua, June 9, 2017

Ria Grant Thornton S.p.A.

Signed by

Maurizio Finicelli

Partner

This report has been translated into the English language solely for the convenience of international readers. We have not examined the translation of the financial statements referred to this report.

STATISTICAL DATA

VEHICLES - PAYING KILOMETRES 2014 - 2015 - 2016

(art. 19, paragraph 9-bis, Italian Law Decree 78/2009 converted into Italian Law 102/2009 and art. 15, paragraph Decree 78/2010 converted into Italian Law 122/2010)

Year 2014

Months	Class					Total
	A	B	3	4	5	
January	88.593.929	11.383.391	1.739.928	1.577.906	14.972.550	118.267.704
February	81.644.190	11.540.057	1.740.988	1.607.746	15.278.721	111.811.702
March	97.177.761	13.751.848	2.014.813	1.724.586	16.798.805	131.467.813
April	104.002.987	14.974.132	2.198.615	1.760.983	16.517.213	139.453.930
May	107.217.847	15.729.171	2.309.512	1.830.210	17.146.205	144.232.945
June	112.441.277	15.319.003	2.533.166	1.764.190	16.563.592	148.621.228
July	128.193.912	16.679.111	2.967.645	1.983.680	18.862.910	168.687.258
August	132.556.662	14.237.919	2.521.927	1.318.559	11.712.986	162.348.053
September	112.291.541	15.669.256	2.458.112	1.793.427	17.475.795	149.688.131
October	105.883.835	15.218.782	2.247.457	1.889.212	18.124.061	143.363.347
November	93.474.243	12.796.389	1.883.496	1.713.135	16.000.827	125.868.090
December	97.484.005	12.341.810	1.892.718	1.633.696	14.591.155	127.943.384
Total	1.260.962.189	169.640.869	26.508.377	20.597.330	194.044.820	1.671.753.585

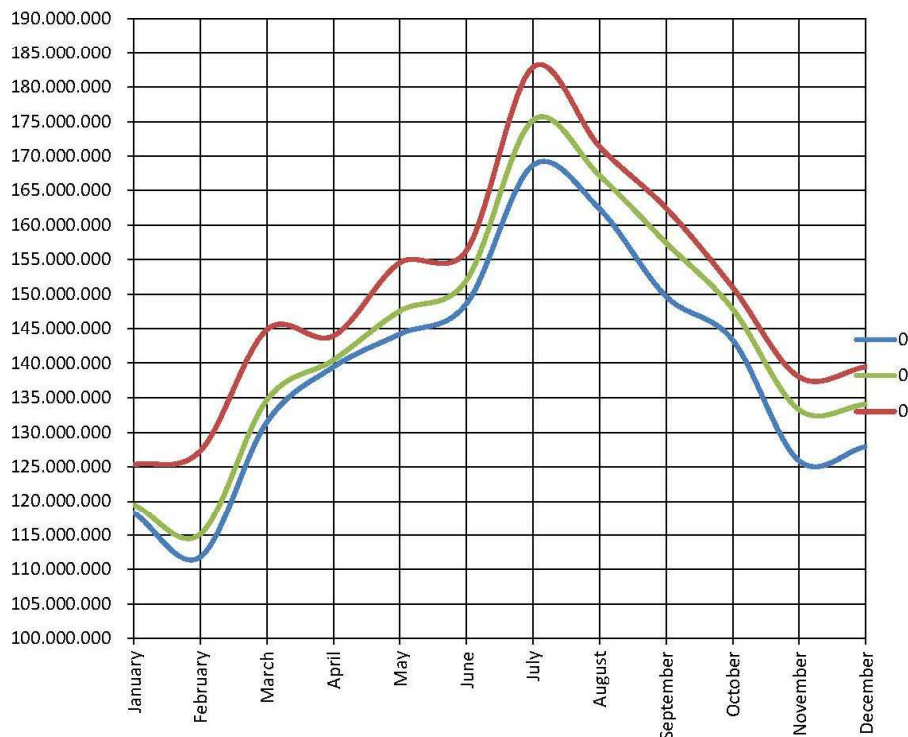
Year 2015

Months	Class					Total
	A	B	3	4	5	
January	90.397.903	11.066.291	1.677.566	1.471.402	14.854.844	119.468.006
February	84.349.814	11.727.066	1.722.409	1.621.282	15.708.545	115.129.116
March	98.867.015	13.984.519	2.087.682	1.907.077	17.817.857	134.664.150
April	104.836.227	14.747.003	2.183.862	1.793.968	16.903.689	140.464.749
May	110.818.098	15.555.600	2.360.028	1.814.710	17.018.037	147.566.473
June	114.416.215	15.527.627	2.573.280	1.796.006	17.695.014	152.008.142
July	133.676.921	17.130.437	3.139.346	1.976.380	19.267.912	175.190.996
August	136.461.113	14.287.757	2.624.125	1.310.169	12.492.315	167.175.479
September	118.561.156	15.902.186	2.678.428	1.810.700	18.494.610	157.447.080
October	109.326.316	15.322.384	2.400.373	1.880.341	18.952.012	147.881.426
November	97.953.430	13.431.547	2.159.886	1.695.256	18.010.717	133.250.836
December	101.532.242	12.828.878	2.054.340	1.646.108	15.995.486	134.057.054
Total	1.301.196.450	171.511.295	27.661.325	20.723.399	203.211.038	1.724.303.507

Year 2016

Months	Class					Total
	A	B	3	4	5	
January	95.277.057	11.330.777	1.800.277	1.461.110	15.439.967	125.309.189
February	93.139.849	12.538.892	2.004.797	1.746.588	17.878.799	127.308.926
March	107.133.139	14.542.193	2.285.414	1.863.746	19.023.948	144.848.439
April	106.577.707	14.826.031	2.389.574	1.834.427	18.330.014	143.957.753
May	114.601.181	16.125.508	2.653.569	1.914.753	19.275.954	154.570.966
June	117.070.723	15.948.818	2.640.623	1.847.396	18.808.549	156.316.109
July	141.759.493	17.207.534	3.179.266	1.859.972	18.859.397	182.865.662
August	137.932.497	14.987.074	2.725.000	1.398.490	14.337.144	171.380.206
September	122.446.856	16.315.958	2.736.373	1.851.565	19.109.394	162.460.146
October	112.764.225	15.248.852	2.363.599	1.831.948	18.788.214	150.996.838
November	100.646.109	13.979.016	2.191.341	1.819.276	19.374.143	138.009.884
December	105.309.571	13.412.379	2.126.428	1.669.076	16.958.438	139.475.892
Total	1.354.658.407	176.463.033	29.096.262	21.098.346	216.183.960	1.797.500.010

VEHICLE PAYING KILOMETRES - MONTHLY TREND OF MONTHLY TOTALS



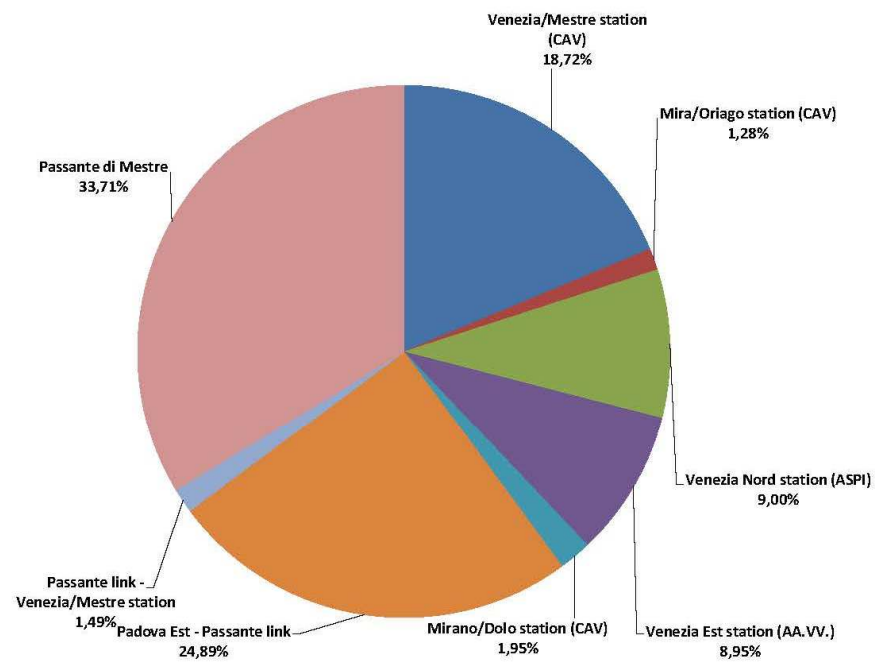
**VEHICLE PAYING KILOMETRES BROKEN DOWN IN INDIVIDUAL STRETCHES OF THE
CLOSED SYSTEM AND BY STATIONS IN THE OPEN SYSTEM
YEAR 2016**

Closed system	Vehicle kilometres
A) Padova Est - A4/A57 connection (Passante link)	447.362.553
B) A4/A57 connection (Passante link) - Venezia/Mestre station	26.794.718
A + B	474.157.271
C) Passante di Mestre	605.952.119
Total (A + B + C)	1.080.109.390

Open system	Station transits	Vehicle kilometres x Km. 6.200	Vehicle kilometres x Km. 17.600	Total vehicle kilometres
A) Venezia/Mestre station (A57 - CAV)	14.141.421	87.676.810	248.889.010	336.565.820
B) Mira/Oriago station (A57 - CAV)	970.003	6.014.019	17.072.053	23.086.072
C) Mirano/Dolo station (A57 - CAV)	1.473.496	9.135.675	25.933.530	35.069.205
D) Venezia Nord station (A27 - ASPI)	6.795.682	42.133.228	119.604.003	161.737.231
E) Venezia Est station (A4 - AA.VV.)	6.761.861	41.923.538	119.008.754	160.932.292
Total (A + B + C + D)	30.142.463	186.883.270	530.507.350	717.390.620

	YEAR 2014	YEAR 2015	YEAR 2016	% Change 2015 - 2016
Total V/Km (open system + closed system):	1.671.753.585	1.724.303.507	1.797.500.010	4,24

VEHICLE KILOMETRES BROKEN DOWN BY INDIVIDUAL STRETCHES



TRAFFIC BREAKDOWN BY TARIFF CLASS

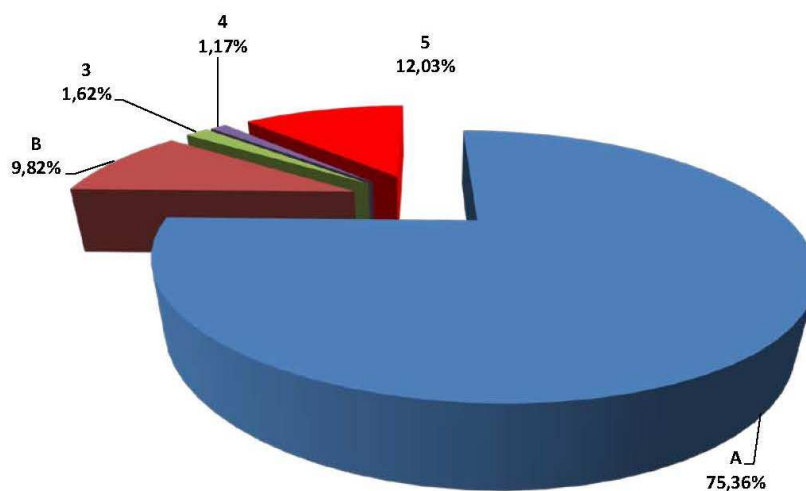
(Total vehicle paying kilometres)

Closed system + open system

YEAR 2016

	Class	Vehicle/Km	%
Light vehicles	A	1.354.658.407	75,36
	B	176.463.033	9,82
Heavy vehicles	3	29.096.262	1,62
	4	21.098.346	1,17
	5	216.183.960	12,03
Total		1.797.500.010	100

Percentage breakdown of tariff classes



**EFFECTIVE VEHICLES - VEHICLE/KM - THEORETICAL VEHICLES
PAYING TRAFFIC
2015 AND 2016**

CLOSED SYSTEM	Year 2015	Year 2016	% Change
Effective annual vehicles	39.573.070	41.517.325	4,91
Effective average daily vehicles	108.419	113.435	4,63
Annual vehicle kilometres	1.024.444.293	1.080.109.390	5,43
Average daily vehicle kilometres	2.806.697	2.951.119	5,15
Theoretical vehicles	22.209.693	23.416.498	5,43
Average daily theoretical vehicles	60.848	63.980	5,15

OPEN SYSTEM	Year 2015	Year 2016	% Change
Venezia/Mestre, Mira/Oriago, Mirano/Dolo, Venezia Nord and Venezia Est stations			
Annual vehicles	29.405.850	30.142.463	2,50
Average daily vehicles	80.564	82.356	2,22
Annual vehicle kilometres: for 6.200 km	182.316.270	186.883.270	2,50
for 17.600 km in 2015 and 17.600 km in 2016	517.542.960	530.507.350	2,50
Total vehicle/kilometre	699.859.230	717.390.620	2,50
Average daily vehicle kilometres	1.917.423	1.960.084	2,22

CLOSED SYSTEM + OPEN SYSTEM	Year 2015	Year 2016	% Change
Annual vehicle kilometres	1.724.303.523	1.797.500.010	4,24

TRAFFIC AT OUR STATIONS BROKEN DOWN BY ORIGIN AND DESTINATION

YEAR 2016

ENTRANCES	EXITS							TOTAL
	PREGANZIOL	MARTELLAGO - SCORZE'	SPINEA	VENEZIA MESTRE	MIRANO DOLO	MIRA ORIAGO	PADOVA EST	
PREGANZIOL	-	39.874	44.720	1.661	3.027	277	115.327	204.886
MARTELLAGO-SCOR.	42.709	-	29.859	7.787	4.475	2.114	109.391	196.335
SPINEA	44.587	25.772	-	29.325	6.016	1.295	344.425	451.420
VENEZIA MESTRE	930	7.313	10.461	-	2.978.524	2.495.408	2.156.522	7.649.158
MIRANO DOLO	5.801	7.132	4.387	2.842.515	-	162.671	214.676	3.237.182
MIRA ORIAGO	296	2.169	1.277	2.325.365	141.650	-	137.169	2.607.926
PADOVA EST	144.839	122.014	355.220	2.221.066	234.921	159.926	-	3.237.986
ASPI (A23/A27 STRETCHES)	432.222	144.307	140.978	3.608	11.280	1.352	622.298	1.356.045
AUTOVIE VENETE	245.608	256.194	128.609	5.961	11.494	1.697	579.992	1.229.555
BRENNERO	21.205	18.395	21.763	344.108	22.327	24.387	179.355	631.540
MILANO SERRAVALLE	6.189	3.475	4.363	62.561	4.207	2.609	33.874	117.278
BRESCIA PADOVA	176.217	158.965	224.616	2.437.815	247.776	192.521	2.133.195	5.571.105
CENTRO PADANE	5.130	5.764	4.031	59.319	4.252	4.636	39.048	122.180
ASPI (MI/BS STRETCH)	44.806	32.690	34.457	504.674	31.963	24.837	248.263	921.690
BREBEMI	212	117	133	1.932	142	120	1.139	3.795
T.E.E.M.	286	264	231	3.276	294	189	2.608	7.148
ASPI (OTHER STRETCHES)	123.071	129.049	180.036	1.395.763	161.222	113.178	478.298	2.580.617
OTHER STRETCHES	8.320	5.763	6.724	98.047	6.264	4.467	34.450	164.035
TOTAL	1.302.428	959.257	1.191.865	12.344.783	3.869.834	3.191.684	7.430.030	30.289.881

EXITS	ENTRANCES							TOTAL
	PREGANZIOL	MARTELLAGO - SCORZE'	SPINEA	VENEZIA MESTRE	MIRANO DOLO	MIRA ORIAGO	PADOVA EST	
PREGANZIOL	-	42.709	44.587	930	5.801	296	144.839	239.162
MARTELLAGO-SCOR.	39.874	-	25.772	7.313	7.132	2.169	122.014	204.274
SPINEA	44.720	29.859	-	10.461	4.387	1.277	355.220	445.924
VENEZIA MESTRE	1.661	7.787	29.325	-	2.842.515	2.325.365	2.221.066	7.427.719
MIRANO DOLO	3.027	4.475	6.016	2.978.524	-	141.650	234.921	3.368.613
MIRA ORIAGO	277	2.114	1.295	2.495.408	162.671	-	159.926	2.821.691
PADOVA EST	115.327	109.391	344.425	2.156.522	214.676	137.169	-	3.077.510
ASPI (A23/A27 STRETCHES)	311.994	137.225	119.774	2.073	13.954	624	647.906	1.233.550
AUTOVIE VENETE	229.256	236.252	117.423	2.329	23.113	687	663.117	1.272.177
BRENNERO	16.940	16.650	19.664	343.503	22.877	23.216	160.426	603.276
MILANO SERRAVALLE	4.645	3.496	3.729	61.060	4.365	2.013	27.901	107.209
BRESCIA PADOVA	140.748	143.886	221.778	2.418.935	246.297	156.937	1.829.020	5.157.601
CENTRO PADANE	4.659	5.897	4.279	84.289	4.564	4.393	36.750	144.831
ASPI (MI/BS STRETCH)	33.503	33.674	26.776	473.863	28.743	22.000	190.704	809.263
BREBEMI	272	185	194	3.090	192	102	1.466	5.501
T.E.E.M.	395	533	314	5.458	304	239	3.209	10.452
ASPI (OTHER STRETCHES)	103.377	127.388	184.171	1.528.924	165.722	95.281	528.542	2.733.405
OTHER STRETCHES	6.184	5.969	4.780	105.391	5.538	4.252	28.008	160.122
TOTAL	1.056.859	907.490	1.154.302	12.678.073	3.752.851	2.917.670	7.355.035	29.822.280

INTERNAL TRAFFIC BETWEEN THE VENEZIA/MESTRE, MIRA/ORIAGO AND MIRANO/DOLO STATIONS

(not subject to tolls)

YEAR 2016

Route		Transits	% Change 2015 Δ 2016	Vehicle kilometres in closed system		Vehicle kilometres in open system	
Entrance	Exit			Km 9,800	Km 2,000	Km 6,200	Km 17,600
Venezia/Mestre Mira/Oriago	Mira/Oriago	2.495.408	2,28%				
	Venezia/Mestre	2.325.365	5,21%				
	Total	4.820.773	3,67%		9.641.546	29.888.793	84.845.605
Venezia/Mestre Mirano/Dolo	Mirano/Dolo	2.978.524	6,21%				
	Venezia/Mestre	2.842.515	6,45%				
	Total	5.821.039	6,33%	57.046.182		36.090.442	102.450.286
Mirano/Dolo Mira/Oriago	Mira/Oriago	162.671	0,38%				
	Mirano/Dolo	141.650	2,70%				
	Total	304.321	1,44%	2.982.346		1.886.790	5.356.050
General total		10.946.133	5,00	60.028.528	9.641.546	67.866.025	192.651.941

69.670.074	260.517.966
Total V/Km in closed system	Total V/Km in open system
Total V/Km	330.188.040

Total traffic exiting with origin/destination among the Venezia/Mestre - Mira/Oriago - Mirano/Dolo stations

Station	2014	2015	2016	% Change 2015 Δ 2016
Venezia/Mestre	4.566.254	4.880.548	5.473.932	12,16
Mira/Oriago	2.459.876	2.601.820	2.467.015	-5,18
Mirano/Dolo	2.798.927	2.942.294	3.005.186	2,14
Total	9.825.057	10.424.662	10.946.133	5,00

PROCEEDS FROM TOLLS
RELATIONSHIPS BETWEEN INTERCONNECTED COMPANIES

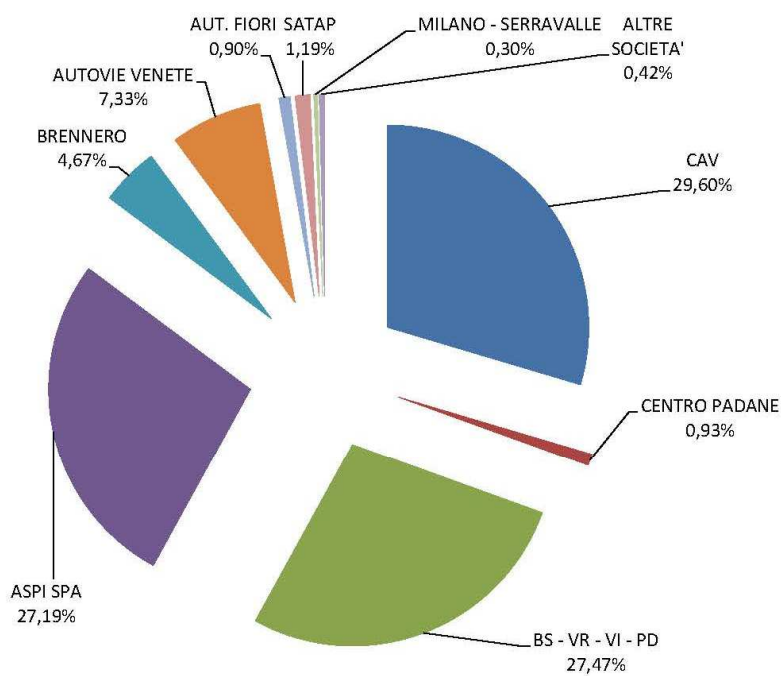
YEAR 2016

(Gross amounts in thousands of euro)

Company	Concurrent tolls with CAV due to CAV	Concurrent tolls with CAV due to interconnected companies	Concurrent tolls with interconnected company due to CAV	Deferred tolls due to CAV invoiced by ASPI Spa
CAV	12.146			
ASPI SPA (deferred)				125.648
ASPI SPA (concurrent)		11.160	17.828	
BS - VR - VI - PD		11.274	5.795	
BRENNERO		1.915	1.328	
AUTOVIE VENETE		3.009	14.508	
CENTRO PADANE		381	386	
AUT. FIORI		368	440	
SATAP		489	348	
MILANO - SERRAVALLE		125	344	
OTHER COMPANIES		172	207	
TOTAL	12.146	28.893	41.184	125.648

**CONCURRENT TOLLS COLLECTED AT CAV STATIONS BROKEN DOWN BY
ATTRIBUTED PARTY
YEAR 2015**

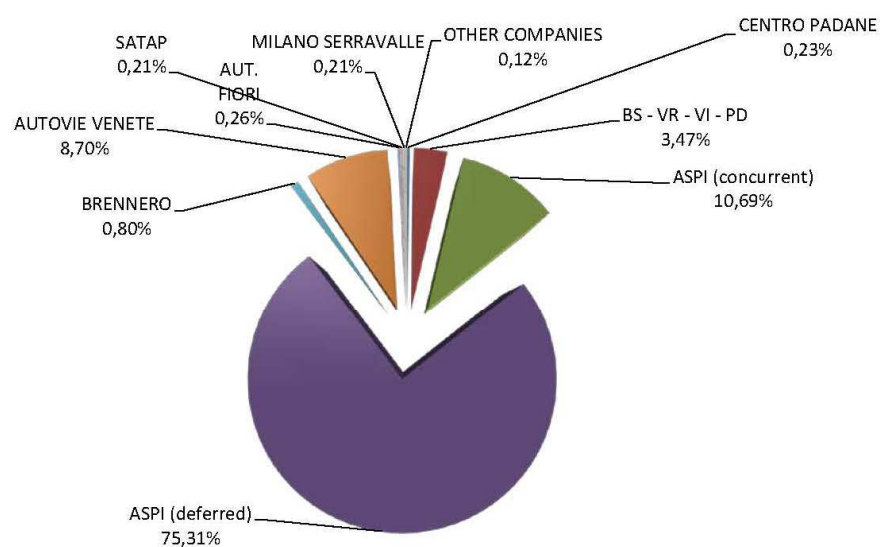
Company	Amounts in thousands	% of total
CAV	12.146	29,6
CENTRO PADANE	381	0,93
BS - VR - VI - PD	11.274	27,47
ASPI SPA	11.160	27,19
BRENNERO	1.915	4,67
AUTOVIE VENETE	3.009	7,33
AUT. FIORI	368	0,9
SATAP	489	1,19
MILANO - SERRAVALLE	125	0,3
OTHER COMPANIES	172	0,42
TOTAL	41.039	100



TOLLS ATTRIBUTED TO CAV BY INTERCONNECTED COMPANIES

YEAR 2016

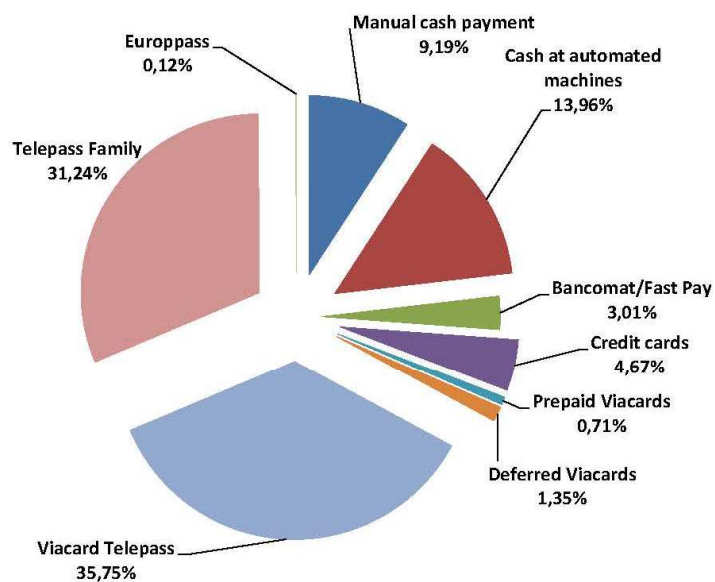
Company	Amounts in thousands	% of total
CENTRO PADANE	386	0,23
BS - VR - VI - PD	5.795	3,47
ASPI SPA (concurrent)	17.828	10,69
ASPI. SPA (deferred)	125.648	75,31
BRENNERO	1.328	0,80
AUTOVIE VENETE	14.508	8,7
AUT. FIORI	440	0,26
SATAP	348	0,21
MILANO - SERRAVALLE	344	0,21
OTHER COMPANIES	207	0,12
TOTAL	166.832	100,00



EXIT PAYMENT TYPE AT CAV STATIONS
(expressed in terms of percent of total)

Payment type	2013	2014	2015	2016
Manual cash payment	11,25	10,47	10,22	9,19
Cash at automated machines	14,65	13,69	13,45	13,96
Total cash	25,90	24,16	23,67	23,15
Bancomat - Fast Pay	2,77	3,16	3,26	3,01
Credit cards	3,12	3,60	4,06	4,67
Prepaid Viacards	0,86	0,86	0,78	0,71
Deferred Viacards	0,89	1,39	1,32	1,35
Total automated payments with non-dynamic transit	7,64	9,01	9,42	9,74
Viacard Telepass	36,42	36,64	36,05	35,75
Telepass Family	29,91	30,06	30,73	31,24
Europass	0,13	0,13	0,13	0,12
Total automated payments with dynamic transit	66,46	66,83	66,91	67,11
Total	100	100	100	100

TYPE OF PAYMENT
YEAR 2016



ACCIDENTS 2015 AND 2016

ENTIRE MOTORWAY SYSTEM A4 + A57 (CLOSED AND OPEN)

	Incidents with injury to individuals		Rate per 100 million V/Km		% Change of rate	2016 national rate
	2015	2016	2015	2016		
Light vehi	56	66	4,30	4,87	13,26	
Heavy vel	26	32	6,15	7,23	17,56	
Total	82	98	4,76	5,45	14,50	7,58
no. of inju	129	156	7,48	8,68	16,04	13,48
no. of dea	3	4	0,17	0,22	27,90	0,26%

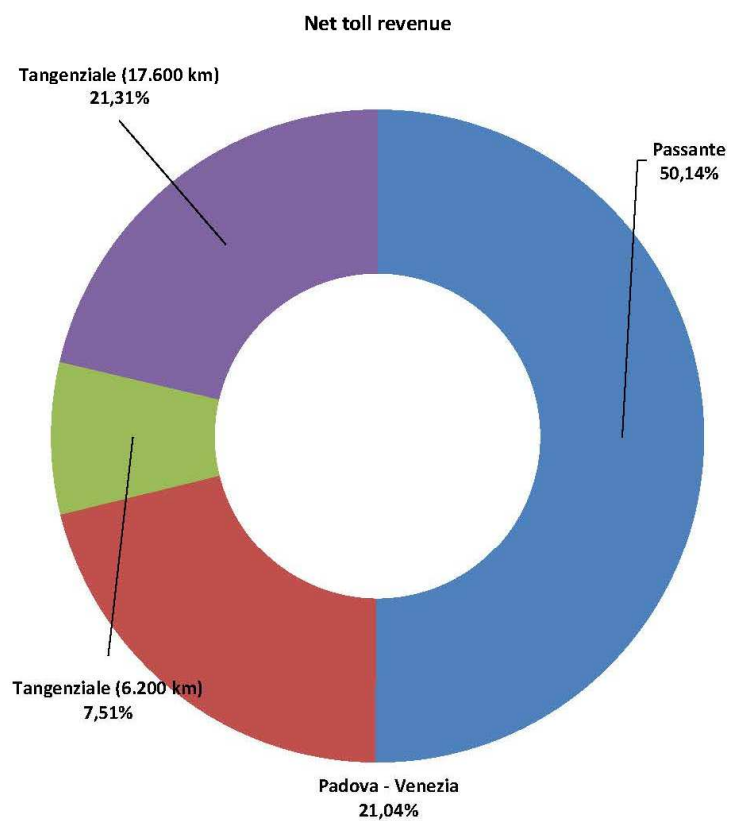
	Incidents without injury to individuals		Rate per 100 million V/Km		% Change of rate
	2015	2016	2015	2016	
Light vehi	82	65	6,3	4,8	-23,81
Heavy vel	70	59	16,54	13,32	-19,47
Total	152	124	8,82	6,9	-21,77

	Total accidents		Rate per 100 million V/Km		% Change of rate
	2015	2016	2015	2016	
Light vehi	138	131	10,61	9,67	-8,86
Heavy vel	96	91	22,69	20,55	-9,43
Total	234	222	13,57	12,35	-8,99

TOLL REVENUE
(net of VAT and ANAS licence fee integration)
BROKEN DOWN BY MOTORWAY STRETCH

YEAR 2015

Stretch	Proceeds (€/million)	%
A4/A57 closed system		
Passante	66,8	50,14
Padova - Venezia	28,0	21,04
Total	94,9	71,18
A57 Tangenziale di Mestre open		
for 6.200 km	10,0	7,51
for 17.600 km	28,4	21,31
Total	38,4	28,82
Total	133,3	100,00



SERVICE AREAS - SALES OF FUEL AND LUBRICANTS

SERVICE STATIONS	Petrol (litres sold)		
	2015	2016	% Change
Marghera Ovest	1.473.000	1.379.000	-6,38
Marghera Est	441.000	367.000	-16,78
Arino Ovest	1.731.000	1.714.000	-0,98
Arino Est	1.158.000	1.147.000	-0,95
Total	4.803.000	4.607.000	-4,08

	Diesel (litres sold)		
	2015	2016	% Change
	5.680.000	5.299.000	-6,71
	3.107.000	2.803.000	-9,78
	7.564.000	7.422.000	-1,88
	5.974.000	5.903.000	-1,19
Total	22.325.000	21.427.000	-4,02

SERVICE STATIONS	LPG (litres sold)		
	2015	2016	% Change
Marghera Ovest	-	-	-
Marghera Est	-	-	-
Arino Ovest	1.441.000	1.706.000	18,39
Arino Est	1.323.000	1.218.000	-7,94
Total	2.764.000	2.924.000	5,79

	Lubricants (Kg sold)		
	2015	2016	% Change
	927	1.114	20,17
	473	414	-12,49
	2.727	2.209	-19,00
	1.685	1.769	4,99
Total	5.812	5.506	-5,27

SERVICE AREAS - COLLATERAL COMMERCIAL ACTIVITIES

(Autoemporio - Shop - Market in the service areas)
(invoiced sales net of VAT - in thousands)

SERVICE STATIONS	2015	2016	% Change
Marghera Ovest	19	13	-31,58
Marghera Est	3	2	-33,33
Arino Ovest	91	101	10,99
Arino Est	69	81	17,39
Total	182	197	8,24

SERVICE AREAS - REFRESHMENT ACTIVITIES - AUTOBARS AND RESTAURANTS

(invoiced sales net of VAT - in thousands)

SERVICE STATIONS	2015	2016	% Change
Marghera Ovest	376	357	-5,05
Marghera Est	283	276	-2,47
Arino Ovest	3.618	3.795	4,89
Arino Est	2.255	2.312	2,53
Total	6.532	6.740	3,18

SERVICE AREAS - COLLATERAL COMMERCIAL ACTIVITIES

(Market - at autobars and restaurants)
(invoiced sales net of VAT - in thousands)

SERVICE STATIONS	2015	2016	% Change
Marghera Ovest	104	105	0,96
Marghera Est	77	79	2,60
Arino Ovest	1.839	1.904	3,53
Arino Est	1.343	1.430	6,48
Total	3.363	3.518	4,61

SERVICE AREAS - COMPLEMENTARY COMMERCIAL ACTIVITIES

(at autobars and restaurants)
(invoiced sales net of VAT - in thousands)

SERVICE STATIONS	2015	2016	% Change
Marghera Ovest	1.351	1.282	-5,11
Marghera Est	1.408	1.270	-9,80
Arino Ovest	1.327	1.552	16,96
Arino Est	1.050	1.131	7,71
Total	5.136	5.235	1,93

HOTEL - MARGHERA

(invoiced sales net of VAT - in thousands)

Business activity	2015	2016	% Change
Bar, Services and Lodging	3.270	3.410	4,28

ROYALTIES RECOGNISED TO CAV

(net of VAT - in thousands)

Business activity	2015	2016	% Change
Fuel	1.688	1.662	-1,54
Lubricants	1	1	0,00
Collateral activities (autoemporio)	26	28	7,69
Refreshments	1.517	1.580	4,15
Collateral activities (market)	493	509	3,25
Complementary activities	49	53	8,16
Hotel (bar - services - lodging)	39	43	10,26
Land concession	414	413	-0,24
Total	4.227	4.289	1,47