



**Concessioni Autostradali Venete
CAV S.p.A.**

**Financial Statements
at 31 December 2014
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

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Notice of call to the Shareholders' Meeting

Company Officers

BOARD OF DIRECTORS (1)

Chairman
BEMBO Tiziano

Chief Executive Officer
BUONCRISTIANO Piero

Directors
CADEL Fabio
MUCILLI Eutimio

BOARD OF STATUTORY AUDITORS (2)

Chairman
BARBIERO Massimo

Standing Auditors
CORSO Francesco
DE MARTINO Giulia

Alternate Auditors
BONIFACIO Francesco Mariano
SOLIMENE Silvia

SENIOR MANAGERS

Administration Manager
BORDIGNON Giovanni

Operations Manager
MATASSI Angelo

Human Resources Manager
BRAGATO Paolo

Technical Manager
FUSCO Sabato

INDEPENDENT AUDITORS

RIA GRANT THORNTON S.p.A.

1. The Board of Directors for the three-year period 2011-2012-2013 was appointed by the Shareholders' Meeting of 15 December 2011. The fifth director, Giampietro Marchese, resigned on 10 April 2013 and has not been replaced. The Board currently operates with an extended term of office.
2. The Board of Statutory Auditors for 2014, 2015 and 2016 was appointed by the Shareholders' Meeting of 29 January 2015.

Share capital structure

SHAREHOLDER	NOMINAL VALUE OF SHARES	PERCENTAGE %
<i>ANAS S.p.A.</i>	1,000,000.00	50
<i>Veneto Regional Government</i>	1,000,000.00	50
Total	2,000,000.00	100

MANAGEMENT REPORT

Introduction

Dear Shareholders,

To begin the report, we consider it important to present the 2014 profit for the year. This amounted to around EUR 13.2 million, well over the already good result of 2013 of close to EUR 10 million. A satisfactory result which seems to confirm the appreciation expressed by various parties involved in assessing CAV based on the project bond issue transaction.

Corporate purpose

The positive result for the year helps achieve the corporate purposes of CAV S.p.A. which can be summarised as follows: reimbursement to ANAS of the advances for construction of the Passante; financing of additional investments specifically defined in the current concession agreement, almost all of which relating to auxiliary and completion works on the Passante di Mestre; and management of the motorway stretches covered by the concession agreement.

Added to these purposes is that relating to the commitment of funds to be made available once the Company has achieved the other objectives: “to implement and manage additional investments in road infrastructures as indicated by the Veneto Regional Government in concert with the Ministry for Infrastructures”.

In the sequence indicated here, this report will take into consideration the implementation path adopted for the statutory objectives, at the end discussing the real possibility of generating resources to be dedicated to local infrastructures.

Passante di Mestre: reimbursement and loan

CAV's commitments in the past year have aimed to achieve all the purpose of the Articles of Association, but for overlapping circumstances and the intentions of the Directors, the Company has focused mainly on the search for sufficient funding to meet its financial obligation to ANAS as envisaged in the concession agreement, which states that CAV must reimburse ANAS for all sums advanced for construction of the Passante di Mestre.

The report to the 2013 financial statements summarised the development path adopted in previous years to obtain the funding required to reimburse ANAS and pointed out that CAV was only fully able to face the problem from February 2012, after registration with the Court of Auditors of the interministerial decree that approved the concession agreement signed on 23 March 2010 with the contracting authority at that time, ANAS S.p.A. Initial research activity made use of a loan from the European Investment Bank (EIB) for EUR 350 million brokered by Cassa Depositi e Prestiti (CDP), which made a direct disbursement of a further EUR 73.5 million to cover the VAT that CAV S.p.A. paid on the amount due to ANAS. The duration of the EUR 350 million loan is for 15 years and required significant CAV guarantees and commitments, but fully in line with those normally required for project financing transactions.

After the initial partial results, CAV sought other sources of funding by attempting to procure funds on the financial market by inviting a number of major Italian and European banks to discuss a potential loan to CAV. The only offer envisaged the disbursement of a credit facility of EUR 250 million, with an added second facility for VAT of EUR 55 million to reach the minimum investment required. Moreover, the economic terms were costly, not in line with the Company's expectations and much higher than budgeted for in the financial plan.

CAV therefore undertook a transaction new to the financial market: an infrastructural project bond issue. The initiative benefited from changes to the Code on Public Works Contracts, which allowed project financing companies to issue bonds. The project followed European Commission recommendations on introduction of the new financial instrument on the equity markets by stimulating international investor interest.

This transaction, without precedent in Italy and only three examples in Europe, is still in progress and has involved dozens of parties, all of the highest level in their sectors, highly qualified and with specific and diversified skills: a pool of five banks; three leading Italian foreign and international law offices specialising in Italian and British law; two rating agencies; a certification company for accounting and interim audit controls; four organisations specialised in performing due diligence and related due diligence validation relating to traffic, technical, legal and insurance aspects; the European Investment Bank as guarantor of 20% of the issues.

The terms of the transaction can be summarised as follows: issue of bonds for a total nominal amount of EUR 830 million, guaranteed and at a fixed rate. The bond maturity is established as 31 December 2030. The bond loan targets professional Italian and/or international investors pursuant to art. 100, paragraph 1.a), Italian Legislative Decree no. 58 of 24 February 1998. The interest rate will be determined on closing of the transaction, based on market conditions and payable half-yearly on 30 June and 31 December each year. The bond loan, which has obtained a satisfactory provisional rating from specialist agencies, will be governed by British law and will be admitted to trading on the Luxembourg Multilateral Trading System.

The transaction will be finalised once a subordinated loan is obtained to cover the VAT relating to reimbursement of the payable to ANAS and backed by a partial guarantee on the loan. The subordinated loan will be granted by ANAS, whilst a specific arrangement with the EIB will involve EIB's commitment to issuing a letter of credit in favour of bondholders for 20% of the total bond loan.

The financing transaction will require CAV to issue guarantees in favour of the bondholders and to the EIB in particular: general and special privileges on securities, the pledge or guaranteed transfer of receivables and a pledge on current accounts.

The transaction as a whole is of strategic importance to CAV as it will allow permanent settlement of the obligation, undertaken by the Company at the time of incorporation, to reimburse ANAS S.p.A. for all costs incurred in the construction of the Passante di Mestre. Specifically, on implementation of the transaction, the Company would be able to fully repay the loan brokered by Cassa Depositi e Prestiti S.p.A. and make full reimbursement of the residual debt owed to ANAS for costs incurred in constructing the Passante.

ANAS payable

The transaction would therefore have an immediate effect on the amount payable to ANAS.

At the beginning of 2013 the total debt to ANAS was over EUR 1.022 million. The debt included the cost of the Passante as established in the Agreement of EUR 986 million plus other payables in the form of accrued interest expense and other minor items. Vice versa, at the beginning of 2013 CAV had receivables due from ANAS amounting to around EUR 70 million, almost all of which referring to government grants deductible from the cost of the Passante. The net debt to ANAS at the start of the year was therefore more than EUR 950 million.

A year later, at the beginning of 2014, CAV's net debt to ANAS - as a result of the partial reimbursements made by CAV from the loan obtained through Cassa Depositi e Prestiti and the accrual of part of the grants envisaged for construction of the Passante - decreased by approximately EUR 414 million.

At the end of 2014 the net debt to ANAS was EUR 432 million. The increase was mainly due to interest expense on the previous amount payable.

The project bond issue transaction will, during 2015, eliminate the portion of the debt relating to Passante construction costs. It will not allow the elimination, however, of the total debt to ANAS since ANAS will be granting CAV a loan to cover the VAT on the reimbursement transaction.

It should be emphasised that the reduced debt to ANAS, achieved through the project bond financing, is counteracted by the increase of CAV's debt to the bondholders that provided the financial resources.

CAV financial plan

The reimbursement of costs of the Passante is the greater between contractual charges undertaken by CAV on signing the Concession Agreement of 23 March 2010 (still in force). This amount was quantified as EUR 986 million which, under the terms of the Agreement, was to be repaid by 31 December 2010. In addition to reimbursement, the concession agreement envisages that CAV pays compensation of EUR 75 million to Società delle Autostrade di Venezia e Padova S.p.A. for takeover of the concession.

Lastly, the Agreement envisages a further EUR 279 million in investments, most of which for improvement works on the Passante infrastructures.

Overall, the Agreement envisages a global financial commitment of around EUR 1,340 million.

Details have already been provided as to how CAV plans to reimburse the Passante costs.

It should be remembered that the compensation due to Società delle Autostrade di Venezia e Padova was paid in full by CAV on 25 March 2011 from available cash flow.

It remains now to illustrate the action taken by CAV to arrange funding of the additional investments for approximately EUR 279 million. This included: approximately EUR 15 million for works commenced by Società delle Autostrade di Venezia e Padova S.p.A. but not completed and later taken over by CAV; the more consistent sum of EUR 253 million for auxiliary and completion works on the Passante di Mestre; and lastly a residual sum of EUR 11 million for operating investments. Except for the latter action, strictly associated with operations, CAV does not make the planned investments directly but acts only as lender.

The works accepted by CAV on takeover from Società delle Autostrade di Venezia e Padova S.p.A. have been completed and paid in full. The auxiliary and completion works costs on the Passante and works necessary to satisfy motorway structural requirements are instead still in progress.

Auxiliary and completion works

It is important to remember that, since its inauguration in 2009, the Passante di Mestre has undertaken and fully performed the main tasks for which it was built. In fact, it rapidly absorbed the traffic that previously travelled on the Tangenziale di Mestre to non-local destinations and is firmly established as a permanent continuation of the Turin-Trieste motorway. But the Passante project had a much broader ambition, that of enhancing the local area in terms of environmental protection and a close link to the local road network. These were primary rather than secondary purposes which, translated into works, became interchanges, motorway stations or parkland of benefit to the local communities.

In recent years the auxiliary and completion works were implemented alongside or as ongoing with respect to construction of the Passante. These initially concentrated on the major Passante landscaping, then on the many links to be created to the high-traffic local roads in the Veneto region, such as: the ring road between SP 64 Zermanesa and the A27 in the municipality of Mogliano, the SP 65 bypass around the residential area of Campocroce, the Robegano slip road between Martellago and Salzano, the slip road to provincial routes again in Campocroce, the link road between Zermanesa and the A27 and the Robegano bypass.

Since 2013, construction works have focused on the final two major works: the Marcon ring road and the Martellago-Scorzè motorway station.

The Marcon ring road requires typical works to rationalise ordinary and local traffic flows by constructing suitable junction infrastructures on the primary network. The works involve the construction of a large viaduct and three service roundabouts to facilitate access to the A57 and ease the traffic congestion generated by the business park located in Marcon. The works were completed at the end of 2014 and the ring road opened to the public on 26 February 2015.

The other works accelerated strongly in 2014 were for the Martellago-Scorzè motorway station. The new motorway station, due to open during March 2015, has a “reverse diamond” format, with half-barriers at the collection points located one to the east and one to the west of the Passante. The most visible work among the station’s components is without doubt the viaduct over the Passante with a total length of 535 metres.

The motorway station is linked to the SR 245 via dedicated slip roads to be used by vehicles joining and exiting the motorway without crossing through the residential area of Martellago, with obvious benefits in terms of safety, traffic flow and reduction of pollution factors.

Construction of the Martellago-Scorzè Station represents a major step towards fully achieving the aim of the financing of auxiliary and completion works on the Passante which, as mentioned previously, call for a total expenditure commitment of EUR 253 million.

At the end of 2014, auxiliary and completion works for over EUR 201 million had been performed, and the remainder are due for completion by the end of 2015.

Operational works

The final series of works envisaged in the Agreement involves around EUR 11 million for works spread over its entire duration. These are single works performed directly by CAV since they are closely associated with the functional needs of the structure, such as enhancement of vertical road signs, improvement works for rainwater collection and drainage, the construction of chloride storage plants and upgrading of toll collection systems.

These are works scheduled from year to year. The main investments made in 2014 involved upgrading of the old automatic collection points and the transformation of a manual lane to an automatic lane. Major upgrading works have also begun on the iso-frequency radio system with coverage also inside the tunnels of the Passante.

At 31 December 2014 around EUR 4.3 million in these works had been completed, amounting to 35% of the total envisaged.

Management - Maintenance

The third important purpose of CAV S.p.A. is the management of stretches of motorway granted under licence. Motorway management can be divided into: works maintenance and motorway operations.

The aphorism that, far too often, prefers “inauguration” to “maintenance” is well known. In other words, maintenance doesn’t make the headlines. Nevertheless, it can never be considered secondary as it remains indispensable to the safety, efficiency, comfort, environmental protection and economic convenience of the enterprise. In addition, in complex structures such as motorways, maintenance costs represent a major economic commitment. They are so important to the economic and financial balance of the motorway operators and for customer satisfaction, that the SVCA pays special attention to maintenance scheduling and its execution. Every year, therefore, the Company submits its maintenance schedule to the SVCA which then accurately verifies the level of maintenance and efficiency of the structures licensed.

During the year, a study was conducted into the specific scheduling of maintenance for the numerous motorway elements distributed along the stretches under management: bridges, viaducts and overpasses that form an equal number of critical points in the infrastructure managed.

The aim of the project is to build a database containing identification and technical data for every element, details of their condition, inspections conducted and maintenance works performed. The data input will be objective and standardised to allow its processing with a view to defining sophisticated preventive maintenance scheduling that reduces the need for more costly maintenance works to remedy breakdowns and optimises the use of dedicated resources.

In 2014, the commitment to rationalising maintenance works was accompanied by the return of a traditional approach to the motorway constructions managed which, due to the variety and complexity of the situations that can arise, are often an area for research and the testing of new technologies and operating methods.

The project relates to a sector which, over time, has acquired growing importance: protection against noise pollution. The noise problem has grown exponentially as traffic has increased, becoming even more critical by the extent that urban development has seen phenomena spread unchecked, to the point that a residential area ends up “swallowing” these motorway structures and their related problems. A passive strategy is adopted against noise on the motorways: noise barriers and the use of soundproofing road surfaces. The initiatives have involved the study and implementation of a wide variety of blocking mechanisms: embankments, in wood, combination materials in metal with soundproofing, etc. The shapes of the barriers are particularly diverse, designed to match the different situations and location they are expected to protect. Materials, compounds and laying methods have also been tested on the road surfaces, reducing pollution but not producing satisfactory results.

The effectiveness of the protective mechanisms adopted is different each time, and occasionally brings unexpected phenomena such as noise accumulation at particular points of the structure. Even the physical appearance and environmental impact of the measures adopted are not always perfect, and in any event have proved expensive at installation stage and costly at maintenance and replacement stage. CAV is experiencing this problem as the manager of stretches of motorway which - due to their location - were among the first to adopt soundproofing mechanisms that are now subject to maintenance and replacement.

The noise-related studies, however, are offering the chance to change the noise reduction strategy from essentially passive works to active monitoring. In other words, by beating noise at its own game. The new method aims to reduce unwanted noise by superimpose it with a second noise, specifically designed to cancel the first. So the concept exploits the very nature of noise, presented as sound waves oscillating between compression and release. To cancel out this wave, a second wave with the same frequency is created, but with the opposite compression/release oscillation. When they meet, the two waves cancel each other out. This method has already been tested and certain applications are already in place, but technologies able to operate in vast areas have not yet been developed.

Taking into consideration the stage reached in the experiments and the technologies developed thus far, CAV decided to launch an industrial research and functional testing development tender to design an active noise control (ANC) device for the selective abatement of sound pressure generated by traffic noise, through active control using opposing-frequency noise generated simultaneously with the noise it has to dampen. Given the particular type of service required, a special form of tender was adopted - a pre-sales tender as a means of promoting innovation to guarantee sustainable, high quality public services. A pre-sales tender, in fact, is a means of awarding research and development contracts that presuppose the sharing of risks and benefits between the contracting authority and the contractor.

The tender procedure was launched and, in view of the high level of specialisation involved, as expected, it generated little attention but from qualified bidders from among which the winner will now be selected.

The study to improve scheduling and for the testing of methods to reduce maintenance costs, has progressed in parallel with implementation of the maintenance schedule defined for 2014. The schedule was prepared by taking into account original forecasts made at financial plan preparation stage, comparing the real need for works compared to the long-term forecasts, verifying organisational options as the works become due and their convenience as regards possible disruption to traffic. Each year, the verification and updating of long-term forecasts involve postponement or bringing forward of works with respect to the plans, with resulting differences between the financial plan estimates and the actual costs for maintenance which, in addition, are also subject to changes in market costs. Specifically, the difference between the total maintenance costs envisaged in the plan at 31 December 2014 and those actually incurred proved to be lower than 6%.

The most expensive maintenance works performed in 2014 concerned, as often happens, road resurfacing on certain stretches under particular stress and the replacements of joints and supporting structures of the Marco Polo ring road viaduct that crosses over the SP40.

Overall, in 2014 CAV completed maintenance for EUR 7.5 million, lower than last year's figure of EUR 10.6 million. The differences in totals from one year to the next is normally due to the maintenance needs trend which often have cycles and planning that do not coincide with an annual frequency.

As for previous years, the provision for renewals was used to cover the maintenance costs. The provision is topped up each year by an amount adjusted for the estimated maintenance works and in a sufficient sum to maintain the stretch of motorway managed in good, efficient condition.

In 2015 there are plans to perform maintenance works with a total expense just a little over the costs incurred in this last year.

Management - operations

Operations are the other side of the coin in motorway management, and normally that with most impact on the customer.

In 2014, no particular problem situations arose and traffic flow remained steady even in periods when traffic was heaviest. The regular flow was also aided by the solution adopted at the end of 2013 to the “turnstile”. This term was used to define the improper use by many motorway users of the Mirano-Dolo station. As already explained in last year’s reports, the “turnstile” was the result of a change to the initial plans for the Passante. In fact, the Passante project originally envisaged demolition of the Venezia-Mestre barrier and physically moving it back to Dolo, consequently removing tolls on the Dolo-Mestre stretch. The initial project was changed and the Venezia-Mestre barrier was retained. Instead the stretch from the Mirano-Dolo station to Venezia-Mestre became toll-free. From the outset, the toll removal measure helped local users travelling from the Mirano-Dolo station to Mestre and vice versa. In addition, many other motorway users travelling on the A4 towards Trieste preferred exiting at the Mirano-Dolo toll gate, later rejoining it to travel without paying on the free stretch between Mirano-Dolo and the Mestre barrier. For this reason, the small toll gate of Mirano-Dolo had to handle an inordinate traffic flow with considerable consequences on the traffic flow within and outside the motorway system.

The “turnstile” solution consisted in virtually shifting the Venezia-Mestre barrier back to the Mirano-Dolo station. This move did not involve any physical change in the motorway structure, but rather a different calculation of the tolls and contractual km involved. As a result of these changes, the toll paid at the Mirano-Dolo station became the same as that paid at the Venezia Mestre toll barrier.

The change in contractual kilometres forming the basis of the new toll calculation made it difficult to compare 2013 and 2014 traffic flows.

In 2013 the total vehicles per km was 1.713 million. In 2014 the total was 1.672 million vehicles per km. Comparison of the figures shows a drop in the number of km travelled on the motorway. In effect, the decrease depends solely on the different calculation basis used in 2013 before the virtual relocation of the Venezia-Mestre barrier from that used in 2014 after the virtual relocation.

In order to allow a suitable comparison of the statistics, CAV asked a specialist company to recalculate the number of vehicles per km to “clean” them of the change caused by the virtual relocation of the Venezia-Mestre toll barrier. The recalculation shows that in 2014 the total traffic on the stretches of motorway under management increased slightly compared to 2013: around 1.4% more.

The overall growth in the traffic figure becomes more significant if broken down by class: light vehicles increased by 1.4% whilst heavy vehicles, the trend for which is generally associated with the economy, shows a more significant increase of 3.3%. The return to growth in traffic volumes seems to indirectly confirm the first signs of a

recovery in Italy's economy in general. It is obviously hoped that these positive trends for the economy and for traffic are both reconfirmed this year.

Tariff adjustment

The higher traffic volume has had a direct impact on the Company's toll revenue, benefiting also from the tariff increase. From 1 January 2014, CAV was granted a tariff increase of 6.26%. This consistent increase was calculated according to contractually established criteria and approved as required by a ministerial decree. The adjustment played a key role in the growth in revenue. In 2014, in fact, toll revenue (net of VAT and integration of the ANAS licence fee) came to EUR 119.8 million, recording an increase of 5% on the EUR 114.1 million recorded in 2013.

This result would have been stronger had it not been moderated by the decrease, envisaged in the agreement and the financial plan, in the additional km travelled charged at the toll barriers. The result was also downsized by the reduction in the contractual number of kilometres caused by the virtual relocation of the Venezia-Mestre barrier to the Mirano-Dolo station.

In October 2014 CAV submitted its application for the 2015 adjustment of tariffs in the terms envisaged in the current concession agreement. The adjustment requested involved a tariff increase of 2.8% for all stretches managed with effect from 1 January 2015. In the meantime, however, on 29 December 2014 a Ministry of Infrastructures and Transport Directive was issued, indicating that the primary objective in the public interest was the adoption of all suitable measures to overcome the current negative economic and financial situation. In view of this objective, among the measures to adopt was also that of limiting tariff adjustments for 2015 by setting a 1.5% cap on the increase.

The Minister's measure was addressed to all motorway management companies and was accepted by all of them via the signing of memoranda of understanding, between individual companies and the Ministry, regarding tariff adjustments to be applied for 2015. CAV also signed a memorandum which, as for the other companies, for 2015 envisages a provisional tariff increase of 1.5% and the recovery, at the time of updating the business and financial plan, of the different tariff increase.

Disputes

When a business conduct complex activities and deals with a wide range of parties, it is statistically likely that it will also be involved in disputes. CAV serves a very high number of customers, manages a potentially polluting structure that covers and affects a wide geographic area. CAV is also the contracting authority for works, services and supplies and organises a considerably large workforce. It is therefore probable that CAV will need to face a number of disputes. In effect, there are disputes in progress that involve CAV, but their number and value are absolutely marginal compared to CAV's business volume. Also in 2014, the number of disputes decreased after the conclusion of two CAV appeals before the Veneto Regional Administrative Court against the decision of the former contracting authority ANAS/IVCA and now MIT/SVCA, which took over the role of contracting party, to deny updates to the agreements on access to the service areas to the east and west of the Marghera roundabout and operative since the Tangenziale was constructed. The dispute was settled and CAV will be able to continue

to claim royalties on oil and non-oil products sold by the Marghera Est and Marghera Ovest service area operators - income which in 2014 brought in around EUR 0.5 million.

However, against the positive outcome mentioned above, which reduced the already modest volume of disputes still further, we have to report the commencement of other proceedings to ascertain liability of the various parties involved in a serious accident on the A4 on 29 July 2014, at the location 377+300 km westbound. The accident was caused by a heavy vehicle which, for reasons and circumstances still to be determined, crashed into vehicles and personnel working at a mobile site on the motorway. Two of the operators, employees of the contractor responsible on CAV's behalf for managing the mobile worksite, died. On conclusion of the preliminary investigations into the accident, included among the alleged offenders were also the technical manager and a technical officer of the Company, the former CEO and CAV S.p.A. itself, alleged to be administratively liable pursuant to art. 25-*septies*, paragraph 2 of Italian Legislative Decree 231/01 of the offence referred to in art. 589, paragraphs 1, 2 and 4 of the Italian Criminal Code committed in the company's interest or in any event to its benefit. The proceedings to ascertain liability is in the initial stages, and therefore it is not yet possible to give any indication of potential developments of the case. In any event, the Company considers that the relations with the contractor were conducted correctly, also in terms of operations coordination and safety management, and has appointed defence counsel to assist in the proceedings.

CAV prospects

Art. 11.2 of the current Recognition Agreement signed on 23 March 2010 envisages that, at the end of every 5-year regulatory period, the financial plan and regulatory business plan are updated. The validity of the last regulatory plan expired on 31 December 2014.

The deadline for updating the plan was established in CIPE Resolution no. 27 of 21 March 2013 as: "30 June in the first year of the new regulatory period", i.e. 30 June 2015. The Company will therefore need to arrange a review of its own financial plan, taking into account the situations that have arisen in the last five-year period and the business outlook.

30 June 2015 also coincides with the deadline for submission to the Ministry of Infrastructures and Transport of documentation on an opportunity offered to motorway operators by a recent legal measure. In fact, art. 5 of Italian Law Decree 133/2014 (the "Sblocca Italia" Decree), converted to Law 164/2014, without prejudice to compliance with the principles of the European Union, offers the option to motorway operators of proposing amendments to its own concession arrangements. The amendments have to be justified by the need to ensure the necessary investments for enhancement works, for the structural, technological and environmental upgrading of motorway structures and to guarantee that services provided are based on the most favourable tariffs and access terms for users.

CAV will assess the opportunities offered by the Sblocca Italia Decree with the aim of reinforcing its statutory objective of making and managing investments in the area.

Significant events after year end

From 1 January 2015 the tariffs on the stretches of motorway licensed to CAV were adjusted. The agreed tariff adjustment of 1.5% is slightly lower than the adjustment requested. In fact, CAV had requested an increase of 2.8%, as calculated under the terms of the agreement. In the meantime, however, on 29 December 2014 a Ministry of Infrastructures and Transport Directive was issued, indicating that the primary objective in the public interest was the adoption of all suitable measures to overcome the current negative economic and financial situation. In view of this objective, among the measures to adopt was also that of limiting tariff adjustments for 2015 by setting a 1.5% cap on the increase. Adapting its plans to the Directive, CAV - like all the other motorway companies - signed a memorandum of understanding with the Ministry which for 2015 establishes a provisional tariff increase of 1.5% and the recovery, at the time of updating the business and financial plan, of the different tariff increase.

On 14 January 2015 the Board of Directors organised the renewal of the Supervisory Board pursuant to art. 6, Italian Legislative Decree 231/01. The Board of Directors reconfirmed all previous members of the Supervisory Board, who are therefore: Antonio Matera - Chairman; Fabio Milocchi and Giorgio Zavadini - members. The term of office of the new Supervisory Board will end on 31 December 2017.

The Board of Statutory Auditors for 2014, 2015 and 2016 was appointed by the CAV S.p.A. Shareholders' Meeting of 29 January 2015. The members of the new Board of Statutory Auditors are: Massimo Barbiero - Chairman, nominated by the Ministry of the Economy and Finance; Francesco Corso - standing auditor, nominated by the Ministry of Infrastructures and Transport; Giulia De Martino - standing auditor; Francesco Mariano Bonifacio and Silvia Solimene - alternate auditors.

Business and financial performance

Business performance

2014 closed with a positive result, better than that of the previous year: net profit, in fact, was around EUR 13.2 million (EUR 9.8 million in 2013).

Production value stood at EUR 140.2 million (EUR 134.2 million in 2013), up EUR 6.0 million (+4.4%).

With regard to production value, toll revenue (net of VAT and integration of the ANAS licence fee) came to EUR 119.8 million, recording a considerable increase compared to the previous year (EUR 114.1 million in 2013; +5.0%). This figure is the result of three factors with different signs, i.e. one positive relating to the tariff increases and two negative relating to the decline in traffic and the reduction in additional km travelled applied at the related stations.

The integration reduced the ANAS licence fee from EUR 13.2 million to EUR 12.9 million (EUR 0.3 million less; -2.3%) as a result of the decrease in traffic.

As regards other motorway income, its total was EUR 6.3 million, (EUR 5.7 million in 2013), with breakdown as follows: EUR 3.9 million in royalties on service area business; EUR 1.7 million from other motorway companies' share of collection costs; EUR 0.7 million in recovered costs.

Production costs totalled EUR 96.4 million, up EUR 0.9 million (EUR 95.5 million in 2013; +0.9%) as broken down below.

Service costs amounted to EUR 17.7 million (EUR 20.9 million in 2013; -15.3%).

The most significant items were: CAV sharing of collection costs incurred by the associated motorway companies, as envisaged in the motorway interconnection agreement, for EUR 4.2 million (same as 2013); maintenance costs of EUR 7.5 million (EUR 10.6 million in 2013; -29.2%).

Personnel costs stood at EUR 17.9 million (EUR 17.1 million in 2013; +4.7%).

Amortisation and depreciation in 2014 totalled EUR 38.7 million (EUR 38.2 million in 2013; +1.3%). Most of this relates to amortisation of the costs of the Passante, which alone totalled EUR 28.7 million. 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 11.8 million (as in 2013). Related utilisation of the provision in 2014 totalled 7.7 million (EUR 11.1 million in 2013; -30.6%).

Another important item is that relating to other operating costs, amounting to EUR 16.4 million (EUR 16.6 million in 2013; -1.2%).

Other operating costs include the licence fee pursuant to art. 1, paragraph 1020 of Italian Law 296/2006 for EUR 2.9 million (EUR 2.7 million in 2013), corresponding to 2.4% of net toll revenue. Of this fee, 42% (EUR 1.2 million) is paid directly to ANAS and 58% (EUR 1.7 million) to the State.

Also included is the integration to the ANAS licence fee which decreased from EUR 13.2 million in 2013 to EUR 12.9 million in 2014 (-2.3%). This amount is a balancing entry to that recorded under revenue in that it is simply an amount collected on behalf of a third party, i.e. ANAS.

In brief, note that the increase in production costs (of EUR 0.9 million) was caused by a series of factors, of which some have an increasing effect and others a decreasing effect. The more significant differences were as follows.

The main items recording an increase refer to amortisation (around EUR 0.5 million higher), personnel costs (around EUR 0.8 million more) and costs relating to allocation and utilisation of the provision for renewals (increasing by approximately EUR 3.4 million).

The main items recording a decrease were service costs, more precisely maintenance costs (around EUR 3.2 million less).

The difference between production value and cost was EUR 43.8 million (EUR 38.8 million in 2013). The EUR 5.0 million change (+12.9%) is due on the one hand to the increase in revenue (by approx. EUR 6.0 million) and on the other to the increase in costs (by around EUR 0.9 million).

Financial charges totalled EUR 25.9 million, higher than the previous year (EUR 24.1 million in 2013; +7.5%) and refer to: EUR 12.8 million in interest expense associated with the debt to ANAS for reimbursement of the construction costs for the Passante and EUR 13.1 million in interest expense on the loan from CDP.

Interest income (around EUR 2.8 million) refers mainly to interest on the portion of public grants collected by ANAS and not yet paid to CAV.

Based on the economic situation described above, income before taxes amounted to EUR 20.8 million (EUR 15.8 million in 2013; +31.6%), recording an increase of EUR 5.0 million, whilst income taxes (IRES and IRAP) totalled EUR 7.3 million (EUR 5.0 million in 2013). As mentioned previously, the profit for the year was EUR 13.2 million.

		2013		2014	
ROE	NET INCOME	9,782	16.05%	13,208	17.81%
	EQUITY	60,936		74,145	
ROI	EBIT	38,790	3.91%	43,808	4.47%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	992,944		980,083	
ROS	EBIT	38,790	32.04%	43,808	34.42%
	NET SALES REVENUE	121,054		127,292	
ROA	EBIT + INTEREST INCOME	39,935	3.61%	46,672	4.11%
	TOTAL ASSETS	1,105,576		1,135,846	
FIXED ASSETS/TOTAL ASSETS RATIO	FIXED ASSET PORTION OF INVESTED CAPITAL	947,715	85.72%	1,012,570	89.15%
	INVESTED CAPITAL	1,105,576		1,135,846	
LEVERAGE RATIO	PAYABLES	1,031,139	1692.15%	1,044,174	1408.29%
	EQUITY	60,936		74,145	
DEBT/EQUITY RATIO	LIABILITIES - EQUITY	1,044,640	1714.31%	1,061,701	1431.93%
	EQUITY	60,936		74,145	
ASSET/EQUITY RATIO	EQUITY	60,936	6.14%	74,145	7.57%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	992,944		980,083	
CURRENT RATIO	CURRENT ASSETS	308,262	29.52%	316,128	29.79%
	CURRENT LIABILITIES	1,044,082		1,061,277	

INCOME ANALYSIS (THOUSANDS OF EUR)

	31/12/2013	% impact on revenue	31/12/2014	% impact on revenue
REVENUE				
Net toll revenue	114,072	94.23%	119,847	94.15%
Other revenue from sales and services	5,710	4.72%	6,347	4.99%
Other income and revenue	1,272	1.05%	1,098	0.86%
TOTAL REVENUE	121,054	100.00%	127,292	100.00%
Production overheads	-22,663	-18.72%	-19,261	-15.13%
Other costs and plus/minus balance	-3,360	-2.78%	-3,523	-2.77%
VALUE ADDED	95,030	78.50%	104,507	82.10%
Net labour costs	-17,149	-14.17%	-17,925	-14.08%
EBITDA	77,881	64.34%	86,582	68.02%
Accumulated amortisation/depreciation	-38,379	-31.70%	-38,686	-30.39%
Allocations to provisions for risks and charges	-711	-0.59%	-4,087	-3.21%
EBIT	38,790	32.04%	43,808	34.42%
Financial income and charges	-22,981	-18.98%	-23,034	-18.10%
Asset adjustments/sale of investments	5	0.00%	0	0.00%
RESULT BEFORE EXTRAORDINARY COMPONENTS AND TAXES	15,815	13.06%	20,774	16.32%
Extraordinary income and charges	0	0.00%	0	0.00%
INCOME BEFORE TAXES	15,815	13.06%	20,774	16.32%
Income taxes for the year	-6,033	-4.98%	-7,565	-5.94%
PROFIT FOR THE PERIOD	9,782	8.08%	13,208	10.38%

A number of summary forecasts for next year

As regards toll revenue, a variety of factors will affect the determination of their value.

First and foremost, traffic: the latest forecasts for 2015 indicate a slight recovery. Secondly, a further decrease (-730 metres) in the additional km travelled. Thirdly, the tariffs: in 2015 the increases (+1.50%) authorised by the Ministry for Infrastructures and Transport and applied from 1 January, will have a positive effect.

With a general outlook characterised by the contingent recession, taking into account the above elements we can in any event prudentially forecast a slight increase in revenue in 2015.

Production costs are expected to consolidate figures very similar to those recorded in 2014.

Lastly, with regard to interest expense, an increase may be recorded if the financing transaction by means of the project bond issue is concluded during the year.

We believe, however, that we can again predict a positive outcome for the 2015 financial statements.

Financial performance

At 31 December 2014 cash and cash equivalents totalled around EUR 67.0 million (EUR 52.8 million in 2013), up EUR 14.2 million.

During the year, as a result of use of pre-existing cash and the cash flows generated, the Company was able to meet important financial commitments. In particular it was able to continue making payments on account to the company responsible for the auxiliary and completion works on the Passante.

A brief indication of 2015 financial aspects.

The financial requirements are extremely important: on the one hand - as contractually envisaged - ANAS has to be reimbursed all the amounts it has advanced for construction of the Passante, including costs and financial charges to the extent of amounts indicated in the business and financial plan; on the other hand CAV will need to continue payments for the auxiliary and completion works on the Passante that are still in progress.

The funding required to meet CAV's needs and commitments will be obtained as detailed below.

The first funding source was the abundant existing cash flow, and the second was the cash flow generated from ordinary motorway operations and from typical motorway revenue (tolls).

These two sources of funding should allow payment for the auxiliary and completion works on the Passante that are still in progress.

The third source of funding involves a loan transaction through the issue of project bonds, partly guaranteed by the EIB, the acquisition of which will allow closing of the loan transaction agreed in 2013 with Cassa Depositi e Prestiti and the repayment of another portion of the debt to ANAS.

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 the total kilometres travelled; “virtual vehicle count” refers to the number of vehicles that have virtually travelled the entire stretch of the motorway subject to tolls.

In 2014 there were no changes to the infrastructural organisation.

However, tolls were fully removed from the Mirano/Dolo-Venezia/Mestre stretch, details of which are provided later in this report.

For certain aspects, this fact means that the 2014 figures and those of the previous year are not perfectly comparable. Nevertheless, a suitable and meaningful assessment of traffic performance is still possible.

Also for easier reading of subsequent paragraphs, we again mention the names of the motorway stretches under the Company’s management: the old stretch from Padova Est as far as the interconnection with the Passante and the Passante itself are part of the A4; the stretch from the interconnection with the Passante as far as the Venezia/Mestre toll barrier (closed system), together with the Tangenziale di Mestre, is the A57. The entire stretch of the A57 (part closed and part open) is known as the Tangenziale di Mestre.

Then there is 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 2014 totalled 1,671,753,585 (1,713,095,338 in 2013), recording a decrease of -2.41%. In addition to the general economic trend, this was obviously also affected by the full removal of tolls on the Mirano/Dolo-Venezia/Mestre stretch on which traffic is no longer subject to tolls and is therefore not considered in the statistics covered in this note.

Closed system

In 2014, in the entire closed system (part on the A4 and part on the A57) the actual vehicle count was 37,872,183 (37,994,213 in 2013, with a decrease of 122,030 vehicles and -0.32% in percentage terms). The related vehicles per km totalled 971,068,331 (1,077,030,216 in 2013; -9.84%), corresponding to a virtual vehicle count of 21,052,516 (19,361,993 in 2013; +8.73%).

It is again important to emphasise that this last figure was particularly affected by the “toll removals” and “virtual barrier” at the Mirano/Dolo station, travel beyond which is no longer considered for the purpose of these statistics.

These numbers when translated to daily figures show the following results: 103,759 daily average actual vehicle count (VEMG) versus 104,094 in 2013 (-0.32%); 2,660,461 daily average vehicles per km (VKmMG) versus 2,950,768 in 2013 (-9.84%); 57,678 daily average virtual vehicle count (VTMG) versus 53,046 in 2013 (+8.73%).

To complete the information, note that the traffic trend at national level also saw a slight increase, estimated at around +0.90% (preliminary; source: AISCAT).

Open system

As in 2013, open system traffic refers to that recorded on entry and exist to the Venezia/Mestre station (in Marghera) and the Mira/Oriago station on the A57 managed by CAV, 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.

From 2014, in addition to the four stations mentioned above are the Mirano/Dolo station (on the A57 managed by CAV), following the removal of tolls and of the virtual barrier at that station.

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

In 2014, 28,564,421 transits were recorded (25,544,784 in 2013, an increase of +11.82%) which generated a total of 700,685,254 vehicles per km (636,065,122 in 2013; +10.16%) broken down into 523,585,844 vehicles per km relating to additional km travelled (in 2014 equal to 18,330 km) applied at each transit through the stations named above (vehicles per km 477,687,461 in 2013, with an increase of +9.61% caused not only by the higher number of transits recorded at the five stations (four stations in 2013) but also by the 370 metres decrease in additional km travelled, which in the previous year had been 18,700 km); 177,099,410 vehicles per km (158,377,661 in 2013; +11.82%) relating to the flat mileage rate (6 km +200) on the Tangenziale di Mestre, recorded and applied in 2014 also by the Mirano/Dolo station.

We repeat - as already mentioned - that the number of transits indicated above does not include entry and exit transactions at the Venezia/Mestre and Mira/Oriago stations with journeys starting/ending between them, and from/to the Mirano/Dolo station, 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 orbiting 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 same-time application of a subscription system on the Padova Est-Mirano/Dolo route.

Last year's report fully illustrated the issues and problems regarding complete toll removal for traffic between the Venezia/Mestre, Mira/Oriago and Mirano/Dolo stations which - as is known - was finally completed in 2014.

In fact, on 30 December 2013 the Ministry for Infrastructures and Transport/SVCA accepted and approved CAV's request for the virtual moving back of the Venezia/Mestre toll barrier to the Mirano/Dolo station (the "virtual barrier") and for the application at the same time (as a pilot project for 2014 and 2015) of a subscription system on the Mirano/Dolo-Padova Est route.

The main effects of toll removal and the "virtual barrier" can be summarised as follows:

- The complete removal of tolls on the Mirano/Dolo-Venezia/Mestre stretch, and therefore not only for internal traffic between the stations of Mirano/Dolo, Mira/Oriago and Venezia/Mestre (already in effect since 8 February 2009, the inaugural date of the Passante) but also for all other traffic originating from any other station on the Italian interconnected motorway network (e.g., A4/Padova-Milano, A4/Passante, A13/Bologna).
- A lower toll corresponding for eastbound traffic exiting at the Mira/Oriago and Venezia/Mestre stations, corresponding to the Mirano/Dolo-Venezia/Mestre and Mirano/Dolo-Mira/Oriago stretch which is no longer subject to tolls following their complete removal, resulting in motorway cost savings for the user.
- A higher toll for eastbound traffic exiting at Mirano/Dolo that also corresponds to the application of additional km travelled at this station (which in any event have always been charged at the Venezia/Mestre and Mira/Oriago stations).
- In relation to the above, traffic exiting at Mirano/Dolo, Venezia/Mestre and Mira/Oriago pay an equal toll, regardless of which of the three stations is used: there is no difference, in fact, between entering or exiting at Venezia/Mestre, Mirano/Dolo or Mira/Oriago in terms of tolls (without prejudice - as already mentioned - to the fact that traffic within the area of the three stations is toll-free).
- The traffic situation at the Mirano/Dolo station has improved greatly now that there are no longer tailbacks and the "turnstile" phenomenon, i.e. deliberately interrupting transit, exiting at that station, then immediately rejoining the motorway to exploit the exemption of tolls on the Mirano/Dolo-Venezia/Mestre stretch which in previous years and until 2013 caused congestion at the station and on the slip roads, especially during rush hours.
- With regard to the toll increase for the Padova Est-Mirano/Dolo stretch, action was taken - again as authorised by the SVCA - to implement a subscriptions system (under certain conditions, e.g. for commuters, residence, Telepass use, Class A vehicles) to provide local users with toll discounts (40%) to overcome the toll increase on that stretch.

In 2014 the number of commuters resident in the municipalities of Mirano, Dolo, Mira, Spinea and Pianiga (all in the province of Venice) submitting subscription applications was 227, resulting in lower toll revenues for CAV of approximately EUR 41,000 (gross of VAT).

Traffic classification and payment types

Traffic classification (divided into five classes) is identified 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); classes 3, 4 and 5 (three-, four- and five-axled). Classes B to 5 cover the heavy vehicles.

The traffic composition remained essentially the same. The conventionally classified light vehicles generated 75.43% of the total vehicles per km (paying traffic on both closed and open systems) whilst heavy vehicles accounted for 24.57%.

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.

Specifically, the Spinea and Preganziol stations - and likewise the new Martellago/Scorzè station due to be opened - on the Passante, as well as Padova Est, Mira/Oriago, Mirano/Dolo and the Venezia/Mestre toll barriers were constructed and gradually enhanced with a view to a high degree of automation or with unmanned collection lanes. Any user assistance needed is guaranteed through central monitoring and by just one operator in charge of all the station's needs.

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 the EETS (the European Electronic Toll Service) which will allow transit and toll payment to all European toll system operators which - as service providers for their customers - will request access to the motorway network.

For operators that have submitted or plan to submit requests for access to the Italian system, preliminary investigations to verify that acceptance requirements are met are performed by AISCAT Servizi Srl (the company appointed by all Italian motorway management operators).

Together with certain motorway operators, AISCAT also participates in the European REETS project (Regional European Electronic Tolling Service), for the implementation of electronic tolling interoperability in the European region among the seven countries (Italy, France, Germany, Spain, Austria, Denmark, Poland and Switzerland) involved in this project co-financed by the European Union.

At the same time - given the standardisation of the systems - action is also in progress to make the ETS service for heavy goods vehicles (ETS-HGV) operative at national level.

Every CAV motorway station today already has at least one entry lane and one exit lane that accepts the two new systems referred to above.

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

Transit with tolls paid in cash represent 24.16% and breaks down as follows: 10.47% manually in cash and 13.69% in cash via the automatic cash points.

The total for the various automatic payment systems represents 75.84% of paying transits, with breakdown as follows: users of a standard Viacard with deferred payments 1.39%; users of a Telepass device combined with a deferred payment Viacard code 36.64%; users of a Telepass Family device combined with a banking code 30.06%; users of prepaid Viacards 0.86%; Europass users of a credit card combined with Telepass 0.13%; users of a Bancomat/FastPay card 3.16%; users paying by credit card 3.60%.

Despite considerable changes with respect to the previous year, 2014 again confirmed the constant 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. These last systems (Telepass) alone represented 66.83% in 2014, compared with 66.46% in 2013.

Proceeds from tolls

In 2014 proceeds from tolls (net of VAT and the ANAS licence fee integration) totalled EUR 119.8 million, compared to EUR 114.1 million in 2013.

The end result - recording an increase of around EUR 5.8 million; +5.06% - was determined by various factors, some negative (contingent economic scenario, reduced additional km travelled, effects of full removal of tolls from the Mirano/Dolo-Venezia/Mestre stretch) and one positive. In fact, there were the tariff increases applied from 1 January 2014, which will be discussed in greater detail in the next paragraph.

Moreover, it is important to specify that: the percentage increases authorised 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 pursuant to art. 19, paragraph 9-bis of Italian Law Decree 78/2009, converted to Law 102/2009, and art. 15, paragraph 4 of Italian Law Decree 78/2010, converted to Law 122/2010 (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.

The rounding effect in 2014 - sometimes positive, sometimes negative - was positive overall.

The above revenue figure is made up of toll-related proceeds paid by traffic transiting the various stretches of motorway. Specifically: traffic on the Passante (A4) and traffic on the Padova-Venezia/Mestre stretch (part A4 and part A57) in the closed system, as well as open system traffic (at the stations of Venezia/Mestre, Mira/Oriago on the A57 managed by CAV; Venezia Nord 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) and 18.330 km (in 2014) as additional km travelled to finance the Passante.

In statistical terms it can be estimated that the breakdown of toll revenue is as follows: 49.43% of revenue from the Passante itself; 19.01% of revenue from the closed stretch Padova-Venezia; 23.58% of revenue from station transits for 18.330 km; 7.98% of revenue from station transits for 6.200 km.

The licence fee integration in favour of ANAS totalled EUR 12,924,327.75 (EUR 13,193,767.56 in 2013; - 2.04%). This decrease is mostly associated with the traffic trend (negative in 2014) and to traffic distribution across the five tariff classes.

In fact, it should be remembered that for every kilometre travelled by classes A and B, 6 thousandths of a Euro is applied (from 1/01/2011), whilst for classes 3, 4 and 5 it is 18 thousands 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.

Also note that at the time of the 2014 tariff increases, in consideration of the particular economic situation, the Government asked motorway management companies to identify solutions to help motorway users to reach their workplaces. The Company therefore decided to launch a pilot project, starting 1 February 2014 and ending 31 December 2015, for a tariff regulating system for the aforementioned user categories 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. For CAV, from February to December 2014, this resulted in lower toll revenue of around EUR 138,000 (gross of VAT) with an average of approximately 2,500 users making use of these subsidies each month.

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 taxes (VAT increased to 22% from 1 October 2013) as envisaged by current regulations.

As regards the additional km travelled charged at the stations of Venezia/Mestre, Mirano/Dolo, Mira/Oriago, Venezia Nord and Venezia Est, calculated to finance the cost of the Passante, in 2014 these were defined as 18.330 km. These additional km have reduced compared to 2013 (370 metres less) due to application of the criteria established in the current agreement and its attached regulatory financial plan. The virtual additional km reduced further in 2015 as explained in a later paragraph.

In 2014 CAV proposed an increase to the Ministry for Infrastructures and Transport of +6.26% for all tariffs (on the Passante, the Padova-Venezia stretch and the Tangenziale di Mestre).

The request was based on the updating formula parameters included in the Recognition Agreement of 23 March 2010.

In detail, the formula factors are: real inflation (at 70%), the "X" factor (as determined by CIPE Resolution 39/2007 as indicated in the regulatory financial plan) and the "K" factor (as indicated in the regulatory financial plan after the inclusion of all updated figures relating to investments, operating costs, financial amortisation of revertible assets, etc.).

By Decree no. 482 of 31/12/2013, in concert with the Minister of Economy and Finance, the Minister for Infrastructures and Transport confirmed the tariff update values as requested by the Company and approved their application from 1 January 2014.

In parallel, the additional km travelled for which CAV is responsible, as applied at the stations mentioned above were - on the orders of MIT/SVCA - further reduced by 370 metres from 18.700 km to 18.330 km as also envisaged in the regulatory financial plan.

A brief note on tariff aspects for 2015

On 15 October 2014, based on the provisions of articles 15, 16 and 17 of the Recognition Agreement and of legal provisions, the Company submitted a proposal to the Ministry for an update of tariffs according to the formula parameters stated in the Agreement. The resulting percentage change was +2.80% across the board for all the Company's unit tariffs per km.

On 30 December 2014 a Memorandum of Understanding was received from the Ministry of Infrastructures and Transport which - amongst other things - agreed to limit tariff adjustments for 2015 to a maximum of 1.50%, as a measure necessary to achieve the priority objective of overcoming the current negative economic situation. The memorandum also envisages the option of recovering (with financial effects remaining unchanged) the different tariff increase (the difference between that due and that agreed) at the time of updating of the business and financial plan for the five-year regulatory period 2015-2019, in compliance with CIPE Resolutions 39/2007 and 27/2013, thereby guaranteeing the continuation of investments for 2015.

The Company agreed to adopt the MIT proposal and signed the aforementioned Memorandum of Understanding.

On 31 December 2014 the competent ministries (Infrastructures and Transport, Economy and Finance) then issued the Interministerial Decree authorising application of the new tariffs - increased by 1.5% - with effect from 1 January 2015.

On the same date, the additional km travelled as applied at the toll barriers were - on the orders of MIT/SVCA - further reduced by 730 metres from 18.330 km to 17.600 km.

Other management information

Accidents and Roadside Assistance Service

In 2014, accidents on the closed system stretches of motorway totalled 132 (163 in 2013; -19.02%), of which 77 involving light vehicles (87 in 2013; -11.49%) and 55 involving heavy vehicles (76 in 2013; -27.63%).

For a correct assessment and placing in context of the accident trend, 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 journeys performed by vehicles involved (i.e. vehicles per km) in the reporting period. It is conventionally expressed as 100/million km travelled.

A comparison between 2013 and 2014 shows that the accident rate (per 100 million kilometres travelled) of light vehicles decreased from 10.99 to 10.90 (-0.87%), whereas for heavy vehicles the rate decreased from 26.64 to 20.81 (-21.89%) and the overall rate decreased from 15.14 to 13.59 (-10.19%).

The above figures show the absolute number of accidents. However it should be specified that in national ISTAT statistics (and defined as "accidents") only those resulting in any degree of severity of trauma to individuals (injuries and/or deaths) are recorded.

In compliance with the ISTAT's statistical criterion described above, we provide certain additional figures regarding the motorway under our responsibility (closed system).

Between 2013 and 2014 the accidents resulting in trauma to individuals reduced from 55 to 40 (-27.27%). The rate per 100/million km travelled fell from 5.11 to 4.12 (-19.37%). At national level - preliminary AISCAT data - the rate was 8.09.

The number of individuals injured dropped from 80 to 70 (-12.50%), with the rate falling from 7.43 to 7.21 (-2.96%). At national level - preliminary AISCAT data - the rate was 13.59%.

The number of deaths was 3, as in the previous year. The rate changed from 0.28 to 0.31 (+10.71%). The national rate - preliminary AISCAT data - was 0.27.

A brief mention of accidents recorded on the open system: there were 54 accidents on the Tangenziale di Mestre (with 33 individuals injured and 1 death) and 15 on the airport ring road (with 17 injured).

We should specify that these numbers cannot be translated into an accident rate as the open system does not record a volume of vehicles per km.

We should remember that for accidents and callouts on the Tangenziale, given the specific maximum safety requirements associated with the third lane, a protocol for the "management of accidents along the Tangenziale di Mestre" is applied.

It should also be remembered that, if serious disturbance to traffic circulation should occur, the motorway management companies operating in the area (Autostrade per l'Italia, Autovie Venete, Autostrada BS/PD and CAV), in agreement and in partnership with the Veneto Department of the Polizia Stradale, will adopt procedures to optimise the traffic regulation action envisaged in a Plan of Action signed by all Magistrates Courts and the entities involved in managing traffic emergencies on stretches of the A4, A57 and A27 in the provinces of Padua, Treviso and Venice.

The procedures regulated by the Plan, which include the option of using alternative interconnected stretches of motorway, have already been applied for some time by the motorway operators involved and have already been tested successfully.

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 2014 the balance of safe travel on the motorways under our management can be seen as positive - given the figures described above - both in absolute terms and in statistical terms.

It should be emphasised that the aforementioned accident rates are lower than the national accident rates recorded for the motorway management sector.

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 statistical effects can change significantly, either positively or negatively, in relation to the reduced extent of absolute values in question. Even slight changes, in effect, can have a remarkable impact on the accident rates referred to, with many variables that, even by chance, could affect the accident trend.

We should also confirm that the Company constantly pursued quality standard improvement objectives, the most important of which are: information for users (multi-content message boards, dedicated phone numbers, web sites with special information pages and live-camera traffic displays, constant traffic updates via local and national radio); service centres and operating centre activities; constant monitoring of critical

points by the Company; maintenance works completed with a particular focus on problems associated with work sites and safety (works scheduling, night-time working, etc.); careful management of the dynamic use of the three lanes of the Tangenziale, etc.

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 developed 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 our Company's management is governed by a special agreement signed on 21 June 2010.

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.

As regards the Roadside Assistance Service, this was performed by four organisations - all national level - that operate in the motorways environment on the basis of contractually predefined callout procedures.

In 2014 the closed system stretches recorded a total of 3,954 callouts (4,049 in 2013; -2.35%).

The callout rate expressed per 1/million km travelled was 4.07 (3.76 in 2013; +8.29%).

Service areas and hotels

In 2014 the service areas located along the motorway (Arino Est and Arino Ovest on the A4, on the closed system close to the junction with the Passante di Mestre) and the Tangenziale di Mestre (Marghera Est and Marghera Ovest on the A57 near the roundabout - open system) distributed 4,614,000 litres of petrol (-7.94%), 21,810,000 litres of diesel (-3.69%), 1,242,000 litres of LPG (+68.98%); 5,031 kg of lubricants (+7.52%). The add-on businesses (automotive accessory stores) located at these service areas produced EUR 148,000 (+1.37%).

The bars and restaurants recorded total revenue, net of VAT, of EUR 6,058,000 (+18.60%). The add-on businesses (markets) at these bars and restaurants generated EUR 2,895,000 (+34.90%) and the complementary business activities EUR 4,509,000 (+3.51%).

The hotel at Marghera recorded total revenue for restaurant services, sundry services, board and lodge of EUR 3,433,000 (-1.69%).

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 2014 resulted in net revenue of EUR 3,864,000 (+9.87%).

Note that 2014 saw the successful conclusion of the agreement with the oil company that manages the Marghera Est service area, with signing of the related new Agreement.

Service Centre

Our Service Centres represent a direct point of contact with the Company for users, where they can obtain answers and information on all their needs.

There are two Service Centres in operation: one at the Venezia/Mestre station and one at the Padova Est station, both also accessible from local roads.

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.), the definition of missed toll payments, information on motorway tolls, the 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 qualified, expert operators.

Overall, in 2014, activities in favour of customers were confirmed by around 40,000 transactions at the Padova Est Service Centre and a further 73,000 transactions at the Venezia-Mestre Service Centre.

In particular, note the positive results achieved in collections on non-payment positions (+4%) and the sale of prepaid cards (almost 30% more than in the previous year).

Lastly, significant benefits are achieved on dematerialisation of the contractual documents, which allowed their online consultation and a considerable saving in paper consumption and related inventories.

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" and "VIAGGIANDO" information centres with traffic and road system details to be made available to users via local and national radio channels, and ensures that road system information on the corporate web site is kept up to date.

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 is no injury (if any individual is injured the police authorities must intervene) and also take action to ensure traffic safety and smooth traffic flow.

The current company organisation envisages that, along the stretches of motorway managed (around 74 km), there is a constant presence of at least 4 wardens (night and day), 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.

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.

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 previously managed by Società delle Autostrade di Venezia e Padova S.p.A. and acquired under concession from 1 December 2009; proceeds from tolls relating to additional km travelled as applied at the boundary-setting stations between the closed and open motorway systems around the Mestre area; 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 432,839,127.

Amounts receivable by CAV total EUR 176,414,223 with breakdown as follows: EUR 70,537,502 (for the public grant referred to in art. 1, paragraph 78, sub-paragraphs c) and i), Italian Law 266/2005), EUR 100,000,000 (for the public grant pursuant to art. 1, paragraph 1045, Italian Law 296/2006), EUR 806,112 (for costs incurred by CAV for collection charges on the interconnected motorway network in relation to the additional km travelled for the period prior to opening of the Passante) and EUR 5,070,611 (total interest income accrued on the portion of public grants collected by ANAS but not yet paid to CAV).

Amounts payable by CAV totalled EUR 609,253,350 with breakdown as follows: EUR 488,341,862 (as reimbursement of costs incurred by ANAS for construction of the Passante and for auxiliary and completion works not yet invoiced); EUR 20,828,985 (financial charges capitalised up to the date of inauguration of the Passante); EUR 10,218,194 (as reimbursement to ANAS of the costs it incurred for auxiliary and completion works on the Passante, already invoiced); EUR 83,865,388 (interest accrued after opening of the Passante and calculated up to 31/12/2014 on the financial advances disbursed by ANAS to cover the construction costs of the Passante); EUR 5,952,676 (toll revenue referring to the additional km travelled pertaining to ANAS but collected by CAV for the period prior to opening of the Passante); EUR 46,244 other payables.

In addition to the situation reported above it should be mentioned that 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 1,208,055 in 2014, and 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 2014 totalled EUR 119,231.

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 EUR 253 million in investments to complete the Passante. These investments refer to works targeting integration of 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 indispensable role of lender for the works. In past years and also in 2014, 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 2014.

The role as lender for the road infrastructure works will come to the fore when CAV learns, through sound management, how to generate profit to be made available to the Veneto Regional Government for improvements to the regional road system, in compliance with the Articles of Association.

In 2014 the Veneto Regional Government paid EUR 1,244,336.82 as the balance of a debt relating to safety guarantee works on the SP 81. These works were agreed by the Veneto Regional Government, the Provincial Government of Venice, the Municipal Authority of Venice and Società delle Autostrade di Venezia e Padova S.p.A. CAV accepted this works completion commitment on takeover of the management licence from Società delle Autostrade di Venezia e Padova S.p.A. The works were completed on 8 March 2011.

Following the conclusion of this financial commitment, 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 report on activities conducted by CAV and therefore meet the requirements of Veneto Regional Government Resolution 2101/2014, as amended, on “Amendments and additions addressed to the subsidiary companies with DGR n. 258/2013”. Information is, however, provided below that is supplementary to or refers to the notes already provided in other parts of the financial reporting package.

In particular, note that on 4 April 2012 the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 was adopted and, for the first time, a Supervisory Board was appointed. The Board was renewed on 14 January 2015. The Supervisory Board has verified the actual implementation of the organisational model and its updating, and reported to the Board of Directors.

It should also be remembered that:

A) 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, with regard to the procurement of works, supplies and services CAV applies the provisions of Italian Legislative Decree 163/2006, as amended.

At its meeting of 13 September 2012, the CAV Board of Directors adopted a regulation governing the off-contract procurement of goods and services.

B) Directives on companies instrumental to public services

CAV S.p.A. is not a company incorporated by or invested in by the Veneto Regional Government for the production of goods or services instrumental to its business activities.

C) 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.

In a letter dated 16 February 2011 the Veneto Regional Government was informed that, due to its nature, activities and the fact that it is not included in the list of companies entered in the consolidated income statement of the Public Administration, the regulations containing restrictions on the hiring and use of flexible staffing do not apply to CAV S.p.A.

D) Directives on reporting to the Regional Government

Before the 31 March deadline, CAV submits 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, the final versions of shareholders' meeting minutes, 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.

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

E) 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 31/12/2009, 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, ANAS S.p.A.

F) 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.

G) Directives on indirect subsidiaries

CAV S.p.A. has no subsidiaries.

L) 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.

M) Directives on limiting and rationalising regional public spending

CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.

In addition, all CAV S.p.A. vehicles are used for motorway service purposes as contractually required to perform the control, monitoring, surveillance, assistance, etc. as needed to guarantee user safety and 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.

N) Directives on transparency, advertising and updating of models pursuant to art. 6, Italian Legislative Decree 231/2001

CAV S.p.A. publishes all disclosures pursuant to art. 11, paragraph 1, Regional Law 39/2013 on its web site.

In addition, it is currently updating its Organisation, Management and Control Model required under Italian Legislative Decree 231/2001, in accordance with regulatory amendments introduced by Italian Law 190/2012.

Investees

CAV S.p.A. is an investor in one public consortium (società consortile) and one consortium (consorzio). The public consortium rationalises and develops services for motorway users. The consortium coordinates consortium members in the development of efficiency improvement activities in the electrical energy and heating sector. In both cases, these are activities instrumental and auxiliary to motorway services which both the public consortium and the consortium develop solely for motorway management companies.

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.

CAV S.p.A. has been an investor in Servizi Utenza Stradale S.C.p.A. since 2010.

Servizi Utenza Stradale is a public consortium (Società Consortile per Azioni) with the purpose of “the rationalisation, enhancement and development of services for road users through an organisation common to the consortium member companies”.

SUS share capital totals EUR 516,460.00 divided equally among four motorway management companies: Autostrade Centro Padane, Autostrada Brescia-Padova, Autovie Venete and CAV S.p.A. The consortium members hold motorway management licences with different expiries. SUS shareholders have envisaged in the Articles of Association the following scenario in the event of expiry of the licences, establishing that: “If as a result of the natural expiry of the road and/or motorway management licence the title of road/motorway operator of one of the consortium members should lapse, that member’s interest can be taken over by the new incoming operator”.

SUS mainly performs two types of activity: information for motorway users and management of the advertising systems located along the stretches managed by the consortium members.

In 2014 the information service to customers of the motorway operator members also continued as normal through multiple channels: phone, radio and the web site, offering maximum networked coverage and constant updates.

With regard to advertising activities, SUS has launched a tender for the management of advertising systems along all stretches managed by the motorway operators. It was not possible to complete the tender due to lack of participants, and suitable measures are now under consideration for the most convenient method of managing the advertising systems.

CAV S.p.A. provides direct support to SUS S.C.p.A. by performing an administrative service in accordance with a special agreement governing provision of the services and related remuneration.

SUS S.C.p.A. closed 2013 with over EUR 21 thousand in profit which, in accordance with the Articles of Association, will be allocated to reserves.

Consorzio Autostrade Italiane Energia

Consorzio Autostrade Italiane Energia was incorporated on 29/02/2000 by 11 motorway companies, with investment percentages proportionate to the energy needs of each consortium member. CAV has been an investor in Consorzio Autostrade Italiane Energia since 22 December 2010. The consortium's funds amount to EUR 107,112.35 and Concessioni Autostradali Venete - CAV S.p.A. has a 0.9% interest for a total of EUR 1,058.00.

Almost all the Italian motorway management companies, ANAS and Autogrill are members of the consortium.

The consortium is non-profit, cannot distribute profits to its member companies, its stated business activities are conducted in accordance with Italian Legislative Decree no. 79 of 16 March 1999 (deregulation of the electrical energy market) and the coordination of consortium member activities with a view to limiting energy consumption, efficiency improvement and rationalisation of the energy sector (electrical energy and heat).

The consortium 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 ready for finalisation by each consortium member through the signing of a member-specific contract.

The consortium's activities have guaranteed - procuring a total of around 600 GWh per year - savings totalling approximately EUR 4.5 million per year, with an average discount of around 10% on the price of energy found on the open market.

CAV S.p.A. participates in the consortium with an average consumption of around 10,600 MWh, corresponding to an average annual cost of approximately EUR 2,100,000.00.

The duration of the Consortium expires on 31 December 2015.

FINANCIAL STATEMENTS AT 31.12.2014

BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET**31/12/2013****31/12/2014****ASSETS**A) *SUBSCRIBED CAPITAL UNPAID*

0

0

B. FIXED ASSETS*I. Intangible assets*

3) Industrial patent and intellectual property rights

37,897

7,830

6) Intangible assets in progress and advances

47,171,228

110,591,220

7) Other intangible assets

716,153,794

679,206,623

763,362,919789,805,673*II. Tangible assets*

1) Land and buildings

26,128

22,644

2) Plant and machinery

219,739

165,005

3) Industrial and commercial equipment

43,010

35,557

4) Other tangible assets

424,603

336,010

713,480559,216*III. Financial assets**Investments in:*

b) associates

299,767

299,767

d) other companies

1,058

1,058

300,825300,825

Total fixed assets

764,377,224790,665,714**C) CURRENT ASSETS***I. Inventories*

1) Raw materials and consumables

1,056,770

1,077,125

II. Receivables

1) Trade receivables

- due within 12 months

4,883,978

5,000,883

- due after 12 months

0

834,520

4 bis) Tax receivables

79,169,515

64,643,159

4 ter) Deferred tax assets

1,593,793

1,292,565

5) Other receivables:

- due within 12 months

168,734,481

177,011,475

- due after 12 months

32,936,367

28,221,885

287,318,134277,004,487

	31/12/2013	31/12/2014
<i>III. Financial assets not classified as fixed assets</i>	0	0
<i>IV. Cash and cash equivalents</i>		
1) Bank and postal deposits	52,752,932	67,024,702
3) Cash on hand	67,347	68,363
	<u>52,820,279</u>	<u>67,093,065</u>
Total current assets	<u>341,195,183</u>	<u>345,174,677</u>
<i>D) ACCRUED INCOME AND PREPAID EXPENSE</i>	3,645	5,258
	<u>1,105,576,052</u>	<u>1,135,845,649</u>
<i>TOTAL ASSETS</i>	<u>1,105,576,052</u>	<u>1,135,845,649</u>

LIABILITIES	31/12/2013	31/12/2014
<i>A) EQUITY</i>		
I. Share capital	2,000,000	2,000,000
IV. Legal reserve	400,000	400,000
VII. Other reserves:		
- Extraordinary reserve	47,641,383	47,641,383
- Non-distributable reserve, art. 2426 Civil Code	20,410	25,826
- Restricted reserve for road infrastructures	0	9,776,227
- Restricted reserve for sanctions and penalties	175,000	175,000
- Restricted reserve for maintenance works		
differences	918,054	918,054
IX. Profit (loss) for the year	9,781,643	13,208,192
	<u>60,936,490</u>	<u>74,144,682</u>
 <i>B) PROVISIONS FOR RISKS AND CHARGES</i>		
3) Other:		
a) for risks	150,000	150,000
c) for renewals	12,450,309	16,537,288
	<u>12,600,309</u>	<u>16,687,288</u>
 <i>C) POST-EMPLOYMENT BENEFITS</i>		
	557,067	424,090
 <i>D) PAYABLES</i>		
4) Payables to banks	423,500,000	414,663,164
7) Trade payables	6,300,094	5,474,973
12) Tax payables	736,891	2,613,669
13) Social security payables	1,118,140	1,195,196
14) Other payables	599,483,689	620,227,378
	<u>1,031,138,814</u>	<u>1,044,174,380</u>
 <i>E) ACCRUED EXPENSE AND DEFERRED INCOME</i>		
	343,372	415,209
 <i>TOTAL LIABILITIES</i>	 <u><u>1,105,576,052</u></u>	 <u><u>1,135,845,649</u></u>
 MEMORANDUM ACCOUNTS		
Leased assets	<u>100,350</u>	<u>68,450</u>

TOTAL MEMORANDUM ACCOUNTS	<u>100,350</u>	<u>68,450</u>
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INCOME STATEMENT

A) PRODUCTION VALUE

	31/12/2013	31/12/2014
1) Revenue from sales and services	132,976,422	139,117,637
5) Other revenue and income:	<u>1,271,576</u>	<u>1,098,432</u>
	134,247,998	140,216,069

B) PRODUCTION COSTS

6) Raw materials and consumables	1,224,575	969,249
7) Service costs	20,889,250	17,730,785
8) Lease and rental expense	642,289	581,664
9) Personnel costs		
a) salaries and wages	12,037,171	12,595,648
b) social security contributions	3,824,309	4,000,745
c) post-employment benefits	859,523	911,567
e) other costs	<u>428,353</u>	<u>417,483</u>
	17,149,356	17,925,443
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	37,921,480	38,432,369
b) depreciation of tangible assets	277,220	254,053
d) write-down of receivables included in current assets and cash and cash equivalents	180,653	0
	<u>38,379,353</u>	<u>38,686,422</u>
11) Changes in inventories of raw materials and consumables	-92,822	-20,355
13) Other provisions		
b) Allocation to provision for renewals	11,776,505	11,779,822
c) Utilisation of provision for renewals	-11,065,047	-7,692,843
14) Other operating costs	<u>16,554,246</u>	<u>16,447,716</u>
	95,457,705	96,407,903
DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS	38,790,293	43,808,166

	31/12/2013	31/12/2014
<i>C) FINANCIAL INCOME AND CHARGES</i>		
16) Other financial income:		
d) other income	1,144,671	2,863,824
17) Interest and other financial charges	-24,125,860	-25,898,313
	<u>-22,981,189</u>	<u>-23,034,489</u>
 <i>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</i>		
18) Revaluation:		
a) of investments	5,416	0
 <i>E) EXTRAORDINARY INCOME AND CHARGES</i>		
20) Income	0	0
21) Charges	0	0
	<u>0</u>	<u>0</u>
 <i>INCOME BEFORE TAXES</i>	 15,814,520	 20,773,677
 22) Income taxes for the year		
a) current taxes	5,054,788	7,264,257
b) deferred tax liabilities	0	0
c) deferred tax assets	978,089	301,228
	<u>- 6,032,877</u>	<u>- 7,565,485</u>
 23) Profit (loss) for the year	 9,781,643	 13,208,192

EXPLANATORY NOTES

Structure and content of the financial statements

The financial statements 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 5 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 more important measurement criteria, followed by comments on the individual accounting items, illustrating their breakdown and the reasons for any significant changes compared to the previous year.

With the aim of providing more detailed information on the equity, financial and economic position of the Company and to complete the explanatory notes, it was considered appropriate to prepare a cash flow statement.

The contractually-agreed remuneration payable to the independent auditors for statutory audit of the financial statements totals EUR 22,000, without prejudice to ISTAT-defined increases, added to which is the reimbursement of expenses up to a maximum EUR 1,800. The total due for other services provided was EUR 2,700.

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. The criteria have remained unchanged since last year.

Multi-year charges

Multi-year charges are measured at cost, less direct amortisation calculated on a straight-line basis over a period not exceeding five years.

Intangible assets

Intangible assets, i.e. the application software, are recognised at cost less direct amortisation 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) and 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, i.e. over the period of validity of the loans for costs incurred to sign the loan agreement with Cassa Depositi e Prestiti.

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 rates, considered fair 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 year-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.

Receivables and payables

Receivables and payables are recognised at their nominal value. Receivables are in any event recognised at a value that does not exceed their estimated recoverable amount.

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 financial years, the extent of which varies over time.

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 year 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 year.

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 allocated 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, was not known at year 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 27.50% 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 26,442,754 was recorded. The changes during the year can be summarised as follows:

	Balance at 31.12.2013	Increase	Decrease	Fund transfer	Balance at 31.12.2014
Industrial patent and intellectual property rights	37,897	15,660	45,727	0	7,830
Assets in progress and advances	47,171,228	64,852,489	0	-1,432,497	110,591,220
Other intangible assets	716,153,794	7,744	38,387,412	1,432,497	679,206,623
Total	763,362,919	64,875,893	38,433,139	0	789,805,673

Industrial patent and intellectual property rights refer to the residual value of costs incurred for the purchase of application software. Amortisation is applied on a straight-line basis over two years.

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 re-recognised 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 relating to the service areas; d) costs (legal, rating agency, etc.) related to issue of the project bonds.

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

	Balance at 31.12.2013	Increase	Decrease	Fund transfer	Balance at 31.12.2014
Auxiliary and completion works on the Mestre motorway bypass (Passante di Mestre)	45,975,430	63,629,208	0	-39,634	109,565,004
Other works completed on the stretch of motorway managed	67,798	533,292	0	-292,863	308,227
Renovation of highway patrol station	300,000	0	0	-300,000	0
Roundabout at Marco Polo ring road junction - SS14	800,000	0	0	-800,000	0

Service areas	28,000	0	0	0	28,000
Costs relating to the issue of project bonds	0	689,989	0	0	689,989
Total	47,171,228	64,852,489	0	-1,432,497	110,591,220

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 new Mira/Oriago motorway station and the roundabout in Malcontenta on the SS 309, works to remedy problems on the San Giuliano interchange in Mestre, renovation of the highway patrol station, the roundabout at Marco Polo ring road junction on the SS14 and costs associated with the loan agreement with CDP for EUR 423,500,000.

Amortisation is applied on a straight-line basis over the entire duration of the management licence.

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

Other intangible assets	Balance at 31.12.2013	Historical cost		Balance at 31.12.2014	Balance at 31.12.2013	Accumulated amortisation		Balance at 31.12.2014	Net intangible assets
		Increases from acquisitions	Decreases			Depreciation for the year	Decreases		Balance at 31.12.2014
Mestre Motorway Bypass (Passante di Mestre)	705,199,639	0	0	705,199,639	159,409,014	28,725,823	0	188,134,837	517,064,802
Auxiliary and completion works	91,954,268	39,634	0	91,993,902	6,740,835	4,485,130	0	11,225,965	80,767,937
Compensation due to Soc. Ve/Pd	74,689,185	0	0	74,689,185	13,216,424	3,235,407	0	16,451,831	58,237,354
Other works completed on the stretch of motorway managed	3,778,039	292,863	770	4,070,132	490,031	183,525	0	673,556	3,396,576
SP81 safety guarantee works	5,382,381	7,744	0	5,390,125	635,131	250,263	0	885,394	4,504,731
San Giuliano interchange, Mestre	7,746,853	0	0	7,746,853	1,058,055	352,042	0	1,410,097	6,336,756

Renovation of highway patrol station	0	300,000	0	300,000	0	7,002	0	7,002	292,998
Roundabout at Marco Polo ring road junction - SS14	0	800,000	0	800,000	0	25,920	0	25,920	774,080
Costs relating to the loan agreement with CDP	9,705,726	0	0	9,705,726	752,807	1,121,530	0	1,874,337	7,831,389
Total	898,456,091	1,440,241	770	899,895,562	182,302,297	38,386,642	0	220,688,939	679,206,623

The construction costs of EUR 705,199,639 for the Mestre motorway bypass (Passante di Mestre), which the Company is obliged to reimburse 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 70,537,501 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 and 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 auxiliary works on the main barrier (Robegano bypass, removal of the Roncade motorway barrier in the Municipality of Mogliano Veneto).

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 185,755; storm drain grids on the Passante for EUR 223,170; chloride storage plants for EUR 169,154; automation of toll collection systems for EUR 1,856,444; enhancement of traffic management systems for EUR 443,073; remotization of access to the Preganziol and Spinea stations for EUR 39,490 and other works for EUR 1,153,046.

The costs incurred for safety guarantee works on the stretch of the SP 81 between the new Mira-Oriago motorway station and the roundabout in Malcontenta on the SS 309, those incurred for reorganisation of the San Giuliano interchange in Mestre and for the roundabout at the Marco Polo ring road junction on the SS14 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. Such financial action refers to the completion of works for which ownership and maintenance responsibility lies with third parties. The cost incurred to renovate the highway patrol station also qualifies as financial action for the completion of works for which ownership and maintenance responsibility lies with third parties.

The costs associated with the loan agreement include 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: the 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 23.300 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. Six stations are managed, i.e.: Venezia/Mestre, Mira/Oriago, Mirano/Dolo and Padova Est (on the old stretch); Spinea and Preganziol (on the Passante).

Tangible assets

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

	Balance at 31.12.2013	Increase	Decrease	Balance at 31.12.2014
Land and buildings	26,128	0	3,484	22,644
Plant and machinery	219,739	53,103	107,837	165,005
Industrial and commercial equipment	43,010	0	7,453	35,557
Other tangible assets	424,603	46,686	135,279	336,010
Total tangible assets	713,480	99,789	254,053	559,216

Land and buildings refer to light constructions.

Plant and machinery refer to snow clearance and gritting plants for EUR 632,866 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.

Of the EUR 99,789 increase in tangible assets, EUR 53,103 refers to snow clearance plants.

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.

The changes during the year can be summarised as follows:

Tangible assets	Historical cost			Accumulated amortisation				Net tangible assets	
	Balance at 31.12.2013	Increases from acquisitions	Decreases from sales	Balance at 31.12.2014	Balance at 31.12.2013	Depreciation for the year	Decreases from sales	Balance at 31.12.2014	Balance at 31.12.2014
Land and buildings	34,838	0,00	0	34,838	8,710	3,484	0	12,194	22,644
Plant and machinery	630,627	53,103	0	683,730	410,888	107,837	0	518,725	165,005
Industrial and commercial equipment	62,110	0	0	62,110	19,100	7,453	0	26,553	35,557
Other tangible assets	939,851	46,686	0	986,537	515,248	135,279	0	650,527	336,010
Total	1,667,426	99,789	0	1,767,215	953,946	254,053	0	1,207,999	559,216

Financial assets

The *financial assets* consist of investments. The changes during the year can be summarised as follows:

	Balance at 31.12.2013	Increase	Decrease	Balance at 31.12.2014
Associates:				
• Servizi Utanza Stradale S.C.p.A.	299,767	0	0	299,767
Other companies:				
• Consorzio Autostrade Italiane Energia	1,058	0	0	1,058
Total	300,825	0	0	300,825

The investments are measured at equity on the basis of the latest available financial statements, i.e. the 2014 draft financial statements prepared by the Board of Directors.

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 Utanza Stradale S.c.p.A.: a) revenue of EUR 50,747 deriving from the administrative service (EUR 38,000) and from advertising management (EUR 12,747); b) costs of EUR 202,160 deriving from the sharing of “Viaggiando ti informiamo” call centre costs.

Summary data for the investees is provided below:

	Registered office	Share capital	Equity	Profit for the year	% owned
Associates:					
• Servizi Utanza Stradale S.C.p.A. (*)	Cessalto (TV)	516,460	1,199,069	21,665	25.00
Other companies:					
• Consorzio Autostrade Italiane Energia (**)	Rome	107,112	107,112	0	0.90

(*) The figures refer to the Financial Statements at 31 December 2013.

(**) The figures refer to the draft Financial Statements at 31 December 2014.

For further information, reference should be made to the paragraph “Investees” in the Management Report.

Inventories

This item increased by EUR 20,355 and breaks down as follows:

	2013	2014
Consumer goods	110,544	113,364
Maintenance-related goods	946,226	963,761
Total	1,056,770	1,077,125

Receivables

These totalled EUR 277,004,487 and recorded a decrease of EUR 10,313,647 compared to the previous year.

The receivables due beyond 5 years total EUR 9,405,000 and refer to receivables from ANAS for public grants.

This item breaks down as follows:

	2013	2014
Trade receivables:		
• due within 12 months	4,883,978	5,000,883
• due after 12 months	0	834,520
Tax receivables	79,169,515	64,643,159
Deferred tax assets	1,593,793	1,292,565
Receivables from others:		
• due within 12 months	168,734,481	177,011,475
• due after 12 months	32,936,367	28,221,885
Total	287,318,134	277,004,487

Trade receivables increased by EUR 951,425 with breakdown as follows:

	2013	2014
From customers	128,354	201,144
From customers for invoices to be issued	4,755,624	5,634,259
Total	4,883,978	5,835,403

Receivables from invoices to be issued include EUR 4,549,133 in royalties relating to the service areas, of which EUR 2,218,174 relating to a service area for years prior to 2014 collected in February 2015.

Trade receivables due after 12 months refer to bridge fees on which collection is expected to begin in 2016, with recoverability deemed certain on the basis of negotiations in progress.

Tax receivables decreased by EUR 14,526,356 compared to the previous year:

	2013	2014
IRES tax receivable	2,562,463	0
VAT receivable	76,284,083	64,321,141
Tax receivable, art. 2, para. 1-quater, Law Decree 201/2011	321,219	321,219
Employee withholdings receivable, art. 11, Law Decree 47	1,750	0
Tax receivable, Law Decree 66/2014	0	799
Total	79,169,515	64,643,159

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.

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 301,228 compared to the previous year and refer to:

	2013		2014	
	Total temporary differences	Tax effect	Total temporary differences	Tax effect
Directors remuneration	4,680	1,287	7,785	2,141
Maintenance on tangible assets	90,200	24,805	67,651	18,604
Provision for renewals	5,667,738	1,558,628	3,951,360	1,086,624
Personnel	0	0	665,109	182,905
Taxes	32,993	9,073	8,247	2,268
Default interest	0	0	84	23
Total	5,795,611	1,593,793	4,700,236	1,292,565

Other receivables increased by EUR 3,562,512 with breakdown as follows:

	2013	2014
Interconnected motorway companies	26,247,156	27,930,722
Receivables from ANAS		
• Receivable for public grant, art. 1, para. 1045, Italian Law 296/2006	100,000,000	100,000,000
• Receivable for public grant, art. 1, para. 78, Italian Law 266/2005:		
• due within 12 months	37,620,002	42,322,500
• due after 12 months	32,917,500	28,215,000
• Interest income receivable	2,273,913	5,070,611
• Receivable for collection costs	806,112	806,112
Miscellaneous		
• due within 12 months	1,787,298	881,530
• due after 12 months	18,867	6,885
Total	201,670,848	205,233,360

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

The receivable from ANAS S.p.A. totalling EUR 176,414,223 comprises: a) the public grant of EUR 100,000,000 (pursuant to art. 1, paragraph 1045, Italian Law 296/2006); b) the public grant of EUR 70,537,500 (pursuant to art. 1, paragraph 78, sub-paragraphs c) and i), 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 (receivables due within 12 months include the first nine instalments of EUR 4,702,500 each for the years 2007-2015; receivables due after 12 months include the annual amounts to be collected in the years 2016-2021); c) interest income of EUR 5,070,611 accrued on the aforementioned grants; and d) collection costs of EUR 806,112 relating to the additional km travelled for the period prior to opening of the Mestre motorway bypass (Passante di Mestre), charged to CAV but payable by ANAS.

Miscellaneous receivables due within 12 months decreased by EUR 905,768 (essentially due to the collection of a receivable due from the Veneto Regional Government for EUR 1,244,337) and include: a) amounts held on deposit by the company appointed to perform cash accounting, for EUR 792,130; b) other receivables for EUR 90,200. Miscellaneous receivables due after 12 months totalling EUR 6,885 refer to guarantee deposits.

Other receivables are recognised net of the allowance for doubtful payables and amount to EUR 180,653, which corresponds to 100% of the receivable due from a company declared bankrupt in 2013.

Cash and cash equivalents

This item increased by EUR 14,272,786 and breaks down as follows:

	2013	2014
Bank and postal deposits	52,752,932	67,024,702
Cash on hand	67,347	68,363
Total	52,820,279	67,093,065

Bank and postal deposits refer to: a) postal deposits for EUR 260,604; b) bank deposits for EUR 65,094,467; c) toll payments not yet credited to the current account for EUR 1,669,631.

Accrued income and prepaid expense

An increase of EUR 1,613 was recorded compared to the previous year.

	2013	2014
Prepaid expense	3,645	5,258

Information on the balance sheet: Liabilities

Equity

Equity increased by EUR 13,208,192 compared to the previous year and breaks down as follows:

	Balance at 31.12.2013	Increase	Decrease	Balance at 31.12.2014
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	47,641,383	0	0	47,641,383
- Restricted reserve for road infrastructures	0	9,776,227	0	9,776,227
- Non-distributable reserve, art. 2426 Civil Code	20,410	5,416	0	25,826
- Restricted reserve for sanctions and penalties	175,000	0	0	175,000
- Restricted reserve for maintenance works differences	918,054	0	0	918,054
IX. Profit (loss) for the year	9,781,643	13,208,192	9,781,643	13,208,192
Total	60,936,490	22,989,835	9,781,643	74,144,682

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

On 23 May 2014 the Shareholders' Meeting approved the allocation of 2013 profit for the year amounting to EUR 9,781,643 as follows: EUR 9,776,227 to the restricted road infrastructures reserve and EUR 5,416 to the non-distributable reserve, pursuant to art. 2426 of the Italian Civil Code.

The *restricted reserve for sanctions and penalties* originates from two sanctions inflicted by the Ministry for Infrastructures and Transport – SVCA (of which EUR 150,000 notified on 9 April 2010 and EUR 25,000 notified on 5 March 2012) which did not demand payment of the penalty but ordered allocation of the corresponding amounts to a special restricted reserve.

The restricted reserve for maintenance works differences originates from a specific request by the Ministry for Infrastructures and Transport – SVCA which takes into account the difference between maintenance works completed in the period 2010-2012 and the amount envisaged in the financial plan.

The following tables indicate the equity items, with specification for the last three 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	47,641,383	A, B, C	47,641,383		
Non-distributable reserve, art. 2426	25,826	A, B	25,826		
Restricted reserve	9,776,227	B	0		
Restricted reserve	175,000	B	0		
Restricted reserve	918,054	B	0		
Total	60,936,490		47,667,209		
Non-distributable portion			25,826		
Residual distributable portion			47,641,383		

Key

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

	Share capital	Legal reserve	Extraordinary reserve	Restricted reserve for road infrastructures	Restricted reserve - penalties	Restricted reserve - maintenance	Non-distributable reserve, art. 2426	Profit for the year	Total
Opening balance 2013	2,000,000	400,000	44,265,173	0	175,000	0	3,068	4,311,606	51,154,847
Extraordinary reserve			3,376,210						3,376,210
Restricted reserve						918,054			918,054
Non-distributable reserve, art. 2426							17,342		17,342
Utilisation of 2012 profit for the year								-4,311,606	-4,311,606
2013 profit for the year								9,781,643	9,781,643
Closing balance 2013	2,000,000	400,000	47,641,383	0	175,000	918,054	20,410	9,781,643	60,936,490
Restricted reserve				9,776,227					9,776,227
Non-distributable reserve, art. 2426							5,416		5,416
Utilisation of 2013 profit for the year								-9,781,643	-9,781,643
2014 profit for the year								13,208,192	13,208,192
Balance at 31.12.2014	2,000,000	400,000	47,641,383	9,776,227	175,000	918,054	25,826	13,208,192	74,144,682

Provisions for risks and charges

A net increase of EUR 4,086,979 was recorded. The changes during the year were as follows:

	Balance at 31.12.2013	Increase	Decrease	Balance at 31.12.2014
Provision for risks	150,000	0	0	150,000

Provision for renewals	12,450,309	11,779,822	7,692,843	16,537,288
Total	12,600,309	11,779,822	7,692,843	16,687,288

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

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 132,977 was recorded. The changes during the year were as follows:

	Balance at 31.12.2013	Increase	Decrease	Balance at 31.12.2014
Post-employment benefits	557,067	911,567	1,044,544	424,090

Amongst other things the decrease includes EUR 293,251 for advances and termination settlements and EUR 741,833 for transfer of sums to INPS, the post-employment benefits guarantee fund (TFR), the Astri fund and other forms of supplementary pensions.

Payables

These totalled EUR 1,044,174,380 and recorded an increase of EUR 13,035,566. Payables due beyond 5 years total EUR 259,945,000 and refer to repayment of the EIB/CDP loan of EUR 350,000,000. There are no collateralised payables. This item breaks down as follows:

A) Payables to banks

This item decreased by EUR 8,836,836 compared to the previous year. This item breaks down as follows:

	2013	2014
EIB/CDP senior loan	350,000,000	350,000,000
CDP loan - VAT	73,500,000	64,663,164
Total	423,500,000	414,663,164

The payables due to banks totalling EUR 414,663,164 refer to the loan agreement with Cassa Depositi e Prestiti. The loan was disbursed on 30 April 2013 and on the same day the amount was transferred to ANAS as a EUR 350,000,000 part-reimbursement of the costs incurred for construction of the Mestre

motorway bypass (Passante di Mestre) and EUR 73,500,000 VAT resulting from the invoicing of these costs. Cassa Depositi e Prestiti intermediated the funds made available by the European Investment Bank (EIB) for EUR 350,000,000 (senior loan) and disbursed EUR 73,500,000 from CDP's own funds (VAT loan). The duration of the senior loan is 15 years, expiring on 31 December 2027, whilst the VAT credit facility will expire on 31 December 2015. EUR 8,836,836 of the VAT facility was repaid in 2014.

B) Trade payables

This item decreased by EUR 825,121 compared to the previous year. This item breaks down as follows:

	2013	2014
Suppliers	1,628,398	984,001
Suppliers for invoices to be received	4,623,689	4,426,455
Contract guarantee deposits	48,007	64,517
Total	6,300,094	5,474,973

C) Tax payables

This item increased by EUR 1,876,778 and breaks down as follows:

	2013	2014
IRPEF tax payable on employee and freelance contracts	450,477	488,037
IRES tax payable	0	1,761,926
IRAP tax payable	286,414	363,706
Total	736,891	2,613,669

D) Social security payables

This item increased by EUR 77,056 compared to the previous year.

	2013	2014
Social security payables	1,118,140	1,195,196

E) Other payables

This item increased by EUR 20,743,689 compared to the previous year and breaks down as follows:

	2013	2014
Interconnected motorway companies	7,544,322	6,693,821
Government revenue		
• Licence fee (MEF)	1,587,887	1,668,267
• Licence fee (ANAS)	1,149,849	1,208,055
• Licence integration fee, Law 102/2009 (ANAS)	0	119,231
• Sub-licence fee (MIT-SVCA)	3,428	13,037
Personnel	983,522	1,087,357
ANAS payables		
• Construction costs reimbursement - Mestre Motorway Bypass (Passante di Mestre) and related auxiliary and completion works (invoices to be received)	490,114,222	498,560,056
• Capitalised interest expense	20,828,985	20,828,985
• Accrued interest expense	71,074,982	83,865,388
• Additional km travelled	5,952,676	5,952,676
• Other payables	46,245	46,245
Miscellaneous	197,571	184,260
Total	599,483,689	620,227,378

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 3,008,590 refers to: the licence fee pursuant to art. 1, paragraph 1020, Italian Law 296/2006 payable to the State (58%) and to ANAS (42%); the integration fee pursuant to Italian Law 102/2009 due for the ANAS loan; the sub-licence fee pursuant to art. 13 of the Agreement payable to the Ministry for 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 609,253,350 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 10,218,194 and not yet invoiced for EUR 488,341,862; b) capitalised interest expense referring to interest accrued prior to the inauguration date of the Passante for EUR 20,828,985; c) interest expense accrued since the Passante opened, on 8 February 2009, on amounts advanced by ANAS for EUR 83,865,388; d) the amount relating to additional km travelled for the period prior to opening of the Mestre motorway bypass for EUR 5,952,676; e) other payables for EUR 46,245. For a general

overview of receivables and payables between ANAS and CAV, reference should be made to the paragraph "The administrative and accounting position between CAV and ANAS" under "Relations with ANAS S.p.A."

Accrued expense and deferred income

An increase of EUR 71,837 was recorded compared to the previous year.

	2013	2014
Deferred income	343,372	415,209

Memorandum accounts

The memorandum accounts consist of:

	2013	2014
Leased assets	100,350	68,450

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

Information on the income statement

Production value

This totalled EUR 140,216,069 and increased by EUR 5,968,071 (4.45%) 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:

	2013	2014
Toll income:		
• toll income	114,072,362	119,846,772
• Licence fee integration, Law 102/09 and Law 122/2010	13,193,768	12,924,328
Other motorway income:		
• service areas	3,516,883	3,863,806
• sharing of collection costs with interconnected motorway companies	1,456,124	1,738,679
• recovery of costs for exceptional transits and non-payments	737,285	744,052
Total	132,976,422	139,117,637

Toll income refers to the proceeds from traffic on the various motorways stretches under Company management. More precisely: traffic on the Passante di Mestre (A4) and traffic on the Padova-Mirano/Dolo stretch (A4) in the closed system, as well as toll-free/open system traffic transiting the stations of Venezia/Mestre, Mira/Oriago and Mirano/Dolo (on the A57 managed by CAV), Venezia Nord (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 18.330 km (as additional km travelled to finance the Passante).

In 2014 income from tolls (net of the ANAS fee integration) increased in absolute terms by EUR 5,774,410 (+5.06%). This position is determined by various factors: some negative (relating to the contingent economic scenario and to traffic) and one positive (relating to tariffs).

As regards traffic, we recorded an overall decline of -2.41% in paying vehicles per kilometre, contributing to which - in addition to the general negative trend in the national economy - was the decrease (370 metres) in additional km travelled charged at the above stations (from 18.700 km to 18.330 km).

With regard to tariffs, note that these increased (+6.26% from 1/1/2014 on all stretches managed). For these topics, reference should be made to the specific section of the report.

The licence fee integration in favour of ANAS was calculated according to art. 15, paragraph 4, Italian Law Decree 78/2010, converted to Law 102/2010. In 2014 (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 decrease in traffic the ANAS fee integration reduced by EUR 269,440 (-2.04%).

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 in absolute terms by EUR 346,923 (+9.86%), affected negatively on the one hand by the general and contingent decline in sales revenue and consumption, and positively on the other hand in relation to the overcoming of previous operating and management difficulties associated with modernisation works at the Arino Est and Ovest service areas on opening of the new fuel distribution and restaurant areas.

Income from the sharing of collection costs with interconnected motorway companies also increased (+19.40%). It has to 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 the Padova Est station.

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

B) Other revenue and income

	2013	2014
Other revenue and income	1,271,576	1,098,432

Other revenue and income includes income for sub-licences of EUR 115,202, compensation for damages caused to motorway equipment by users of EUR 210,156, administrative service EUR 38,000, contract work EUR 183,903, reimbursement of A57/A27 lighting costs of EUR 105,325, contingent assets of EUR 270,282 and other revenue of EUR 175,564.

Production costs

These totalled EUR 96,407,903 and increased by EUR 950,198 (+1.00%) 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 255,326 (-20.85%) compared to the previous year and breaks down as follows:

	2013	2014
Purchase of maintenance-related goods	662,728	443,974
Purchase of other goods	561,847	525,275
Total	1,224,575	969,249

B) Service costs

This item comprises:

	2013	2014
Maintenance and renewals:		
• annual	6,909,462	5,975,943
• periodic	3,736,049	1,568,290
Contract work	21,086	183,903
Operating services:		
• sharing of collection costs	4,209,029	4,188,272
• processing of traffic and proceeds data	811,044	785,291
• electricity	2,086,542	1,930,000
• other	948,917	1,068,893
Administrative services:		
• professional administrative services	608,751	533,844
• professional technical services	256,816	169,511
• insurance	388,343	463,554
• telephone costs	56,048	64,974
• meal vouchers	206,203	

		222,074
• tender commissioners	215,567	75,360
• other	152,604	194,994
Directors remuneration	159,789	161,197
Statutory Auditors remuneration	64,864	87,641
Supervisory Board remuneration	58,136	57,044
<hr/>		
Total	20,889,250	17,730,785
<hr/>		

Service costs decreased by EUR 3,158,465 (-15.12%) compared to the previous year.

Maintenance amounted to EUR 7,544,233 (EUR 10,645,511 in the previous year), recording a decrease of EUR 3,101,278 (29.13%).

For further information on maintenance works, reference should be made to the paragraph "Maintenance" in the Management Report.

Directors remuneration includes fees (EUR 144,000) and social security payables (EUR 17,197).

The Board of Statutory Auditors remuneration includes fees (EUR 57,398), fees for attendance of corporate body meetings (EUR 18,906), social security payables (EUR 6,344) and reimbursement of expenses (EUR 4,993).

C) Lease and rental expenses

	2013	2014
Lease and rental expenses	642,289	581,664

Lease and rental expenses increased compared to the previous year by EUR 60,625, and refer to car rental (EUR 566,155) and other rentals (EUR 15,509).

D) Personnel costs

This item breaks down as follows:

	2013	2014
Salaries and wages	12,037,171	12,595,648

Social security contributions	3,824,309	4,000,745
Post-employment benefits	859,523	911,567
Other costs	428,353	417,483
Total	17,149,356	17,925,443

Personnel costs increased by a total of EUR 776,087 (4.53%) compared to the previous year.

During the year the average workforce numbered 240.79 (238.61 in the previous year), and therefore the average cost per member of staff was EUR 74,444 (EUR 71,872 the previous year).

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

	31.12.2013	31.12.2014	Average workforce 2014
Senior managers	4	4	4
Middle Managers	8	7	7.25
Admin. staff:	133	136	135.38
• full time	114	116	
• part time	18	19	
• short-term contract	1	1	
Toll collection staff:	88	83	86.12 (*)
• full time	65	61	
• part time	19	18	
• short-term contract	4	4	
Manual workers	8	9	8.04
Total	241	239	240.79

(*) The average number of collection agents was calculated by also taking into account short-term contract staff (24 in 2014).

E) Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs increased by EUR 307,069 compared to the previous year and breaks down as follows:

	2013	2014
Amortisation of intangible assets	37,921,480	38,432,369
Depreciation of tangible assets	277,220	254,053
Write-down of receivables classified as current assets	180,653	0
Total	38,379,353	38,686,422

Amortisation of intangible assets refers to: a) software amortisation for EUR 45,727; b) amortisation of *other intangible assets* for EUR 38,386,642, 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

	2013	2014
Changes in inventories	-92,822	-20,355

Changes in inventories represent the difference between the opening balance of inventories of EUR 1,056,770 and the closing balance of EUR 1,077,125.

G) Other provisions

	2013	2014
Allocation to provision for renewals	11,776,505	11,779,822
Utilisation of provision for renewals	-11,065,047	-7,692,843
Total	711,458	4,086,979

Allocations to the provision for renewals are performed by taking into account future schedules for periodic maintenance works and renewals. Utilisation refers to: a) purchases for maintenance, EUR 443,974; b) change in inventories of maintenance materials, EUR -17,535; c) maintenance performed on revertible assets, EUR 7,266,404.

H) Other operating costs

This item decreased by EUR 106,530 compared to the previous year (-0.64%) and breaks down as follows:

	2013	2014
Taxes	226,135	246,537

Licence fee integration, art. 19, para. 9-bis, Italian Law 102/09	13,193,768	12,924,328
Licence fee, art. 10 Italian Law 537/93 and art. 1 para. 1020 Italian Law 296/2006	2,737,737	2,876,323
Sub-licence fee, art. 13 of the Agreement	76,647	79,580
Other costs	319,959	320,948
Total	16,554,246	16,447,716

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 for Infrastructures 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:

	2013	2014
Financial income:		
• other income	1,144,671	2,863,824
Interest and other financial charges	24,125,860	25,898,313
Total	-22,981,189	-23,034,489

The *financial income* includes: EUR 63,999 interest income on bank and post office current accounts, EUR 2,796,704 interest on receivables from ANAS for public grants and EUR 3,121 other interest income.

Interest and other financial charges include: a) interest expense of EUR 12,790,412 accrued on amounts payable to ANAS; b) interest expense of EUR 13,107,118 accrued on the bank loan (of which EUR 10,319,867 on the senior loan and EUR 2,787,251 on the VAT loan); c) other interest expense of EUR 783.

Value adjustments to financial assets

This item breaks down as follows:

	2013	2014
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Revaluation		
• of investments	5,416	0
Write-down		
• of investments	0	0
<hr/>		
Total	5,416	0
<hr/>		

Income taxes

This item breaks down as follows:

	2013	2014
Income taxes		
• IRES	2,874,445	4,687,503
• IRAP	2,180,343	2,576,754
• deferred tax liabilities	0	0
• deferred tax assets	978,089	301,228
<hr/>		
Total	6,032,877	7,565,485
<hr/>		

Cash flow statement

	31/12/2013	31/12/2014	
A	Opening cash and cash equivalents	8,780,758	52,820,279
B	Cash flow generated by operating activities		
	<i>Operating activities</i>		
	Net profit for the year	9,781,643	13,208,192
	Amortisation of intangible assets	37,921,480	38,432,369
	Technical depreciation of tangible assets	277,220	254,053
	Provisions for post-employment benefits	859,523	911,567
	Allocations to provisions for risks and charges	11,776,505	11,779,822
	Use of provisions for risks and charges	-11,065,047	-7,692,843
	(Increase) Decrease in inventories	-92,822	-20,355
	(Increase) Decrease in receivables	-85,124,197	10,313,647
	(Increase) Decrease in accrued income and prepaid expense	-2,174	-1,613
	(Decrease) Increase in post-employment benefits, net of provisions	-833,759	-1,044,544
	(Decrease) Increase in trade payables	-1,002,867	-825,121
	(Decrease) Increase in payables to associates	-8,709	0
	(Decrease) Increase in tax payables	269,626	1,876,778
	(Decrease) Increase in social security payables	71,043	77,056
		-	
	(Decrease) Increase in other payables	432,828,030	20,743,689
	(Decrease) Increase in accrued expense and deferred income	83,516	71,837
	TOTAL	469,917,049	88,084,534
C	Cash flow generated by investing activities		
	<i>Investing activities</i>		
	Increase in intangible assets	90,632,340	64,875,123
	Increase in tangible assets	-170,354	-99,789
	Increase in financial assets	-5,416	0
	TOTAL	90,456,570	64,974,912
D	Cash flow generated from financing activities		
	<i>Financing activities</i>		
	Loans obtained	423,500,000	0
	Loans repaid	0	-8,836,836
	TOTAL	423,500,000	-8,836,836
E	Increase (decrease) in cash and cash equivalents	44,039,521	14,272,786

F	Closing cash and cash equivalents	52,820,279	67,093,065
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Proposals to the Shareholders' Meeting

Dear Shareholders,

We have illustrated the main difficulties faced by the Board of Directors in 2014 and the significant events occurring during the year and after year end in the first few months of 2015.

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 2014, which comprise the balance sheet, income statement and the explanatory notes;
- allocate the 2014 profit for the year of EUR 13,208,192 as follows:
 - EUR 1,653,554 to the restricted reserve for maintenance works differences;
 - EUR 11,554,638 to the extraordinary reserve.

Venice, 27 February 2015

For the Board of Directors
CHAIRMAN
Tiziano Bembo

ANNEXES

– MIT Table: Investments status

TABELLA RIEPILOGATIVA INVESTIMENTI BENI REVERSIBILI (Tabella 1)

Importi in migliaia di €

Riferimento Art. 2 Convenzione	Riferimento allegato H	Riferimento allegato D		Dati progettuali e contrattuali		Dati progettuali contratti		Spesa progressiva al 31/12/2013				Spesa dell'anno 2014				Complessivo al 31/12/2014				Note	
				Importo complessivo lordo approvato	Importo complessivo netto da contratto	Importo progressivo lordo approvato	Importo progressivo netto da contratto	Lavori	Somme a Disposizione	Oneri Finanziari	Totale	Lavori	Somme a Disposizione	Oneri Finanziari	Totale	Lavori	Somme a Disposizione	Oneri Finanziari	Totale		
2.1.a	-	-	Passante Autostradale di Mestre															968.025	968.025	1)	
2.1.a	-	-	Contributi pubblici															-283.654	-283.654	1)	
2.1.a	-	-	Oneri finanziari capitalizzati															20.829	20.829	1)	
2.1.b	-	-	Indennizzo per subentro															74.689	74.689	2)	
2.1.c	H.1	a.	Nuovi impianti di segnaletica					186										186	186	3)	
2.1.c	H.1	b.	Fornitura e posa griglie per caditoie Passante					223										223	223	3)	
2.1.c	H.1	c.	Impianti stoccaggio eloruri					169										169	169	3)	
2.1.c	H.1	d.	Automatizzazione impianti di esazione pedaggio					1.717				140					140	1.857	1.857	3)	
2.1.c	H.1	e.	Potenziamento sistemi telematici di gestione del traffico					443										443	443	3)	
2.1.c	H.1	f.	Remotizzazione accessi staz. Preganziol e Spinea					39										39	39	3)	
2.1.c	H.1	g.	Varie					1.069				393					393	1.462	1.462	3)	
2.1.c	H.3	h.	Ristrutturazione caserma Polizia Stradale di Mestre															300	300	4)	
2.1.c	H.3	i.	Connessioni varie: Messa in sicurezza SP81 nel tratto SS309- Stazione di Mira-Oriago															5.382	5.390	4)	
2.1.c	H.3	j.	Nodo S.Giuliano SR14															7.747	7.747	4)	
2.1.c	H.3	k.	Rotatoria innesto raccordo Marco Polo su SS14															800	800	4)	
2.1.c	H.2	l.	Caselli di Pianiga e di Martellago e viabilità di raccordo					3.657	2.555			35.928	12.819				48.747	39.585	15.374	54.959	5)
2.1.c	H.2	m.	Passante verde					12.401	7.883				40				40	12.401	7.923	20.324	5)
2.1.c	H.2	n.	Aree di servizio																	28	5)
2.1.c	H.2	o.	Interventi di mitigazione ambientale					3.291	22			2.476	1				2.477	5.767	23	5.790	5)
2.1.c	H.2	p.	Connessione viaria di adduzione al Passante autostradale							82		35.791	38.155				10.554	42.628	39.672	87.300	5), 6)
2.1.c	H.2	q.	Opere complementari asta principale ed aggiornamento costi					11.722	19.654				1.810				1.810	11.722	21.464	33.186	5)
				0	0			70.708	68.269	0		935.922	45.774	16.187	0		64.170	116.482	84.456	0	1.000.092

N.B: 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 either by reimbursing costs incurred by the actual builder or as the disburser of grants to third parties. The table is presented in any event.

Notes: 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

COMPANY: *Concessioni Autostradali Venete - CAV S.p.A.*

A - I	In 2014 did the company procure works, supplies and services from outside the company?	In 2014 did the company apply the regulations stated in Italian Legislative Decree 163/2006, 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, with regard to the procurement of works, supplies and services CAV applies the provisions of Italian Legislative Decree 163/2006, as amended.	
A - II	Did the company procure off-contract works, services and supplies in 2014?	Did the company adopt the regulation for off-contract works, services and supplies as envisaged in the directive?	Regulation approval date	Notes
	YES	YES	13/09/2012	///
B - I	(For companies instrumental to public services) Did the Company comply with Directive B-I in 2014?	Notes		
		CAV S.p.A. is a company set up in compliance with art. 2, paragraph 290 of Italian Law 244/2007 which states: "Management activities, including routine and non-routine maintenance works auxiliary to, the motorway ring road linking the A4 motorway with the Venezia-Trieste spur, as well as the Venezia-Padova stretch of motorway, are transferred, after completion of the construction works, following expiry of the licence granted to Società delle Autostrade di Venezia e Padova S.p.A. to a public limited company established under the joint and equal ownership of ANAS S.p.A. and the Veneto Regional Government or one of its 100% subsidiaries". CAV S.p.A. provides a service placed on the market without backing from any public grant.		
C - I	In 2014 did the company comply with the limits envisaged in the directive for permanent personnel?	Did the company obtain authorisation from the Regional Government granting different limits to those envisaged for the recruitment of permanent personnel?	Indicate any Regional Government measures that authorised the exception and the number of personnel recruited as a result of that exception.	

	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.		-----	-----	
C - I	No. permanent employees at 1 January 2013	No. permanent employees at 1 January 2014	No. permanent employees at 31 December 2014	Notes	
	235	236	234	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.	
C - I	Permanent personnel costs 2013	Permanent personnel costs - contracts terminated in 2013	Permanent personnel costs 2014	Permanent personnel costs - 2014 recruits	Notes
	17,032,087.43	117,095.27	17,668,514.21	78,744.67	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.
C - I	In 2014 did the company comply with the limits envisaged in the directive for short-term, temporary and project-based personnel?		Did the company obtain authorisation from the Regional Government granting different limits to those envisaged for the recruitment of short-term, temporary and project-based personnel?		Indicate any Regional Government measures that authorised the exception and the number of personnel recruited as a result of that exception.
	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.		-----		-----
C - I	Short-term, temporary and project-based personnel costs 2009		Short-term, temporary and project-based personnel costs 2014	Notes	

	329,078.00	398,607.37	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.		
C - II	Has the Company adopted a regulation for staff recruitment that complies with the principles established in art. 35, paragraph 3, Italian Legislative Decree 165/2001?	Regulation approval date	Has the Company adopted a regulation for the granting of assignments with the characteristics envisaged in the directive?	Regulation approval date	Notes
	YES	16/07/2010	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 granting of assignments, at present there is no need to adopt a specific measure, though we can confirm that such a measure will be adopted if necessary.
D	In 2014 did the company comply with the deadlines for the submission of reports on the remuneration payable to offices indicated in paragraph D-I of the directive?	Date and reference number of the submission notification	Notes		
	YES	27/03/2014 Prot. No. 4412			

D	In 2014 did the company comply with the deadlines for the submission of reports on the corporate bodies of investees pursuant to paragraph D-II of the directive?	Date and reference number of the submission notification	Notes
	YES	13/03/2014 Prot. No. 3754	
D	In 2014 did the company comply with the deadlines for the submission of reports on objectives pursuant to paragraph D-III of the directive?	Date and reference number of the submission notification	Notes
	YES	28/03/2014 Prot. no. 4631	
D	In 2014 did the company comply with the deadlines for the submission of reports on the monitoring of activities pursuant to paragraph D-IV of the directive?	Date and reference number of the submission notification	Notes
			No reports were produced as no conventions or service agreements have been signed with the Veneto Regional Government
D	In 2014 did the company comply with the deadlines for the submission of reports on the budget pursuant to paragraph D-V of the directive?	Date and reference number of the submission notification	Notes

	YES	28/03/2014 Prot. no. 4631	
D	In 2014 did the company comply with the deadlines for submission of Shareholders' Meeting minutes pursuant to paragraph D-VI of the directive?	Date and reference number of the submission notifications	Notes
	YES	05/06/2014 Prot no. 7919, 09/12/2014 Prot. no. 17201, 23/12/2014 Prot. no. 18039	
D	In 2014 did the company comply with the deadlines for the submission of reports on investee system mapping pursuant to paragraph D-VII of the directive?	Date and reference number of the submission notification	Notes
	YES	13/03/2014 Prot. no. 3754	
E - I	In 2014 did the company comply with the limits envisaged in the directive for costs associated with advisory studies and assignments?	In 2014 did the company comply with the limits envisaged in the directive for costs associated with public relations, conferences, exhibitions, advertising and entertainment?	Notes
	YES	NO	

E - I	Cost for advisory studies and assignments in 2009	Cost for advisory studies and assignments in 2014	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2009	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2014	Notes
	166,677.00	0.00	118,013.00	53,471.00	CAV 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 2014?	Total of any costs incurred for sponsorships in 2014	Notes		
	NO	0.00	CAV 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		As stated in the CAV S.p.A. Articles of Association: "Net profit as emerging 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 - I	Are the limits of Directive F - I complied with for the company's management body?		Notes		
	YES				
F - II	Have the reductions referred to in Directive F - II been applied to the management body?	Date of the Shareholders' Meeting that approved the reduction	Remuneration established for the management body prior to the reduction	Remuneration established for the management body after the reduction	Notes
	YES	15/12/2011	180,000.00	162,000.00	

F - II	Have the reductions referred to in Directive F - II been applied to the control body?	Date of the Shareholders' Meeting that approved the reduction	Remuneration established for the control body prior to the reduction	Remuneration established for the control body after the reduction	Notes
	YES	15/12/2011	84,782.00	76,603.00	
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 has no subsidiaries	
L	Indicate the companies for which powers of appointment were exercised in 2014	Was Directive L-III relating to dual office complied with for appointments made in 2014?	Was Directive L-IV relating to requirements complied with for appointments made in 2014?	Notes	
	Servizi Utenza Stradale SCpA				
M - I	Was the limit imposed by Directive M-I on staff pay complied with in 2014?	Any appointment and related amount exceeding the limit	Notes		
	YES		CAV does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2101/2014.		

M - IV	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
	YES		All CAV S.p.A. vehicles are used for motorway service purposes as contractually required to perform the control, monitoring, surveillance, assistance, etc. as needed to guarantee user safety and to conduct normal official duties.
M - IV	Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2014.	Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2011.	Notes
	634,669.00	357,998.27	
	Name of company legal representative or appointed delegate	Signature	Place and date

**Auditors' Report in accordance with article 14 of the
Legislative Decree nr. 39 dated January 27, 2010**

(Translated from original in Italian)

**To the Shareholders of
Concessioni Autostradali Venete C.A.V. S.p.A.**

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1. We have audited the financial statements of Concessioni Autostradali Venete C.A.V. S.p.A. as of December 31, 2014. The preparation of these financial statements, in accordance with the applicable laws, is the responsibility of the Company Concessioni Autostradali Venete C.A.V. S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob (the Italian Stock Exchange Regulatory Agency). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

For the opinion on the financial statements of the prior year, which are presented for comparative purposes as required by law, reference should be made to our auditors' report issued on April 11, 2014.
3. In our opinion, the Financial Statements of Concessioni Autostradali Venete C.A.V. S.p.A. at December 31, 2014 have been prepared in accordance with applicable law and generally accepted accounting principles in Italy; accordingly, they present clearly and give a true and fair view of the financial position and the results of operations of the Company.



Società di revisione ed organizzazione contabile
Sede Legale: Corso Vercelli n.40 - 20145 Milano - Iscrizione al registro delle imprese e di Milano Codice Fiscale e P.IVA n.02342440369 - R.E.A. 1965420
Registro dei revisori legali n.157902, già iscritta all'Albo Speciale delle società di revisione tenuto dalla CONSOB al n. 49
Capitale Sociale: € 1.932.610,00 interamente versato
Uffici Ancona-Bari-Bologna-Firenze-Milano-Napoli-Padova-Palermo-Perugia-Pescara-Pordenone-Rimini-Roma-Torino-Trento

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4. The directors of Concessioni Autostradali Venete C.A.V. S.p.A are responsible for the preparation of the Report on Operations in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by Consob. 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, 2014.

Padua, March 6, 2015

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*