



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

**Financial Statements
at 31 December 2013
and related reports**

Concessioni Autostradali Venete CAV S.p.A.

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

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

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

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Notice of call to the Shareholders' Meeting

Pursuant to articles 2364 and 2365 of the Italian Civil Code, the shareholders of Concessioni Autostradali Venete - CAV S.p.A. are hereby called to the Extraordinary and Ordinary Shareholders' Meeting to be held at the registered office, Via Bottenigo, 64/A, Venezia-Marghera on 30 April 2014 at 11:30 on first call and, if necessary, on 23 May 2014 at 11:30 on second call, to discuss and resolve upon the following

AGENDA

Extraordinary Session

- Proposal to amend articles 11, 15, 21 and 23 of the current Articles of Association.

Ordinary Session

- 1) Approval of the financial statements at 31.12.2013 and the Report on Operations, Board of Statutory Auditors' Report and Independent Auditors' Report: contingent resolutions;
- 2) Appointment of the Board of Directors for the three-year period 2014/2016 pursuant to art. 15 of the Articles of Association;
- 3) Determination of Directors remuneration for the three-year period 2014/2016;
- 4) Appointment of the Board of Statutory Auditors for the three-year period 2014/2016 and determination of remuneration pursuant to art. 21 of the Articles of Association;
- 5) Investee Servizi Utenza Stradale S.c.p.a.: approval of the representative nomination to the Board of Directors.

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

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

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

Yours faithfully,

CHAIRMAN
(Tiziano BEMBO)

Venice, 1 April 2014

Company Officers

BOARD OF DIRECTORS ⁽¹⁾

Chairman
BEMBO Tiziano

Chief Executive Officer
BUONCRISTIANO Piero ⁽²⁾

Directors
CADEL Fabio
MUCILLI Eutimio ⁽³⁾

BOARD OF STATUTORY AUDITORS

Chairman
SALSONE Antonia

Standing Auditors
CELICO Gaetana
VENUTI Paolo

Alternate Auditors
ARDUINI Gianluca
SCIUTO Romana

SENIOR MANAGERS

Administration Manager
BORDIGNON Giovanni

Operations Manager
MATASSI Angelo⁽⁴⁾

Human Resources Manager
BRAGATO Paolo ⁽⁵⁾

Technical Manager
FUSCO Sabato ⁽⁶⁾

INDEPENDENT AUDITORS

RIA GRANT THORNTON S.p.A.

(1) The Shareholders' Meeting of 15 December 2011 appointed the Board of Directors with a membership of 5 directors. The director Giampietro Marchese resigned on 10 April 2013. The Shareholders' Meeting has not yet approved his replacement.

(2) At its meeting of 20 November 2013 the Board of Directors appointed director Piero Buoncristiano as Chief Executive Officer of CAV S.p.A.;

(3) On 20 November 2013 Eutimio Mucilli resigned from the office of Chief Executive Officer, retaining office as director;

(4) Angelo Matassi, former Technical and Operations Manager became the Operations Manager from 16 December 2013;

(5) Paolo Bragato, former Executive Manager of Human Resources, became the Human Resources Manager from 16 December 2013;

(6) Sabato Fusco became the Technical Manager from 16 December 2013.

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

REPORT ON OPERATIONS

Introduction

Dear Shareholders,

For CAV, 2013 can be summarised in three points: the motorway traffic trend still negative but moving towards positive; an interesting but still at discussions stage in the search for funding; profit for the year, despite the economic scenario, is reconfirmed as positive.

Traffic

For three years Italy, and not only Italy, has suffered a period of economic and financial crisis known to all. Like a thermometer, the motorway traffic trend reflects the trend of the general crisis, in 2012 seeing an all-time negative record in the history of evolution of motorway traffic with a decrease of 7.6%. Also negative were the figures both for light vehicles (-7.4%) and heavy vehicles (-8.3%). An overall crisis, therefore, with a negative result that finds no comparison in the few historic precedents of declines in traffic on the motorway between Mestre and Padua.

In 2013 the economic scenario remained difficult and the motorway traffic trend stayed in the negative zone. But the traffic situation seems to be developing and tends towards a zone that, if not yet positive, is at least neutral. This is confirmed by the gradual slowing in the rate of decline of traffic.

In the first three months of 2013 the drop in traffic compared to the same period in 2012 was -5.0%: a highly discouraging result, especially as it had already touched -7.6 in 2012. But then in the second quarter of 2013 traffic recorded a less problematic trend of -2.7%, and the decrease in the negative sign was even more evident in the third quarter with -0.9%, going on to reach -1.2% in the fourth quarter. Therefore the result is still negative but with these developments that invite a moderate, though cautious, optimism.

Finance and the debt position

The second point characterising 2013 concerns the efforts to find sufficient funding to reimburse ANAS S.p.A. the costs incurred to construct the Passante. This is CAV's priority and the weightiest commitment it assumed on signing the agreement for the motorway management operations.

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.

The first transaction implemented by CAV S.p.A. after entry into force of the concession agreement was to make use of a loan of EUR 350 million granted by the European Investment Bank (EIB) to CAV S.p.A. for the purpose of paying for the Passante di Mestre. The loan was brokered by Cassa Depositi e Prestiti (CDP), which was willing to make a direct disbursement of a further EUR 73.5 million to cover the VAT that CAV S.p.A. had to pay on the amount due to ANAS. In fact, the reimbursement of ANAS expense is a transaction subject to invoicing and VAT.

Definition of the loan called for a very lengthy procedure which, with far-sightedness, began long before approval of the Agreement. The actual disbursement of the loan by CDP took place on 30 April 2013. On that same date

the amount was transferred to ANAS, which in the meantime had issued the invoice for the corresponding amount.

The duration of the loan obtained is 15 years, and consequently the EUR 350 million credit facility expires on 31 December 2027, whilst the credit facility granted to cover the VAT will expire on 31 December 2015.

To obtain the loan, CAV provided guarantees and commitments.

The guarantees with most impact include: a pledge on current accounts used to collect Company cash flows, a transfer pledge as guarantee of receivables due to the Company in relation to the operator licence and, lastly, a direct arrangement to subordinate the debt to ANAS to amounts receivable by CAV from CDP for a total amount equal to the main credit facility of EUR 350 million.

The commitments required of the Company were no less restrictive. First and foremost that of not accepting any additional borrowings without prior consent from Cassa Depositi e Prestiti. Secondly, restricting cash flow management as, in particular, CAV has to set up and maintain a debt servicing reserve for an amount equal to the half-yearly repayment falling due. Lastly, CAV is committed to not distributing dividends to shareholders without prior consent from the lender.

The commitments and guarantees required are significant, but fully in line with those normally required for project financing transactions.

The payment made by CAV in April drastically reduced its debt to ANAS but is still a long way from fully satisfying the contractual commitment, and therefore CAV has sought other sources of funding by attempting to procure funds on the financial market through a number of banks.

By its nature, CAV is a public body and as such is subject to compliance with the Code on Public Works Contracts. Therefore for the award of the loan agreement it was decided it opted for an informal competitive comparison in compliance with the principles of economic convenience, effectiveness, impartiality, equal treatment, transparency and proportionality. CAV invited more than ten Italian and European banks to discuss the loan.

On reaching the deadline for submitting proposals only one offer had been received from a pool of banks. The offer envisaged the disbursement of a credit facility of EUR 250 million, with an added second facility for VAT of EUR 55 million. The due date of the loan was established as 31.12.2029 and that of the VAT cover facility as 31.12.2018.

It was seen that the proposal only satisfied the minimum expectations of the Company, which in the invitation letter had established a loan amount of between EUR 250 million and EUR 600 million. The offer also envisaged extremely stringent contractual obligations for CAV and, more importantly, the economic terms were costly, not in line with the Company's expectations and much higher than budgeted for in the financial plan. To conclude, the offer did not appear to be consistent with the underlying public interest of the activities performed by CAV.

The Board of Directors noted that the funding attempt had given an unsatisfactory result and decided not to go ahead with obtaining that loan.

In the search for an alternative solution, more convenient and - especially - in line with financial plan budgets it was decided to launch a project bond issue. This related to exploiting the provisions of art. 157, Italian Legislative

Decree 163/2006, as amended, which allows project financing companies to issue bonds. The process could have been facilitated by European Project Bond Initiatives that aid the introduction of the new financial instrument on the equity markets by stimulating international investor interest. In particular, the idea was also to have the EIB participate in the funding project through the issue of a partial guarantee on the amount of the issue. In fact, the guarantee would allow the achievement of an investment grade rating aligned to investor expectations. This is a very delicate step that implies the identification of a rating agency to assess CAV's soundness and solvency as an issuer of securities on the financial market. In fact, investors rely upon the opinions issued by rating agencies to decide what securities to buy and how many.

After identification of the path to take, action was taken immediately to verify possible intervention by the EIB and the Bank confirmed it was willing to issue a guarantee for a maximum 20% of the amount of the issue.

On learning of EIB's availability, all action was quickly taken for the assignment of financial services to obtain the funding required to meet CAV's needs and advice was obtained from the leading banks regarding the structuring and placement on the market of a bond loan to meet CAV's funding needs.

In compliance with procedures permitted by Italian Legislative Decree 163/2006 (the Code on Public Works Contracts), a selection procedure was launched to find a financial intermediary to provide suitable assistance, acting as Arranger/Bookrunner, for the structuring and placement with professional investors of a bond loan for a maximum EUR 900 million and a minimum of EUR 700 million, in the technical format of project bonds to be listed on a regulated market. The proceeds from the bond issue will be used for the early repayment of the loan provided by CDP for a total of EUR 423.5 million and part-repayment of the advances paid by ANAS S.p.A. to construct the Passante.

The financial intermediary to be selected must also perform the important task of providing assistance to CAV in obtaining the rating from one or more qualified rating agencies.

The procurement operation is therefore in full swing and CAV has imposed a strong acceleration, requesting that those invited as financial intermediary candidates achieve issue of the bond loan by 31 July 2014.

Any project bond issue by CAV will be the first issue in Europe, as part of the Project Bond Initiative, for the financing of road infrastructure. The success of the operation will allow CAV to achieve the most important of its statutory objectives: reimbursement of the costs incurred by ANAS for construction of the Passante.

At the beginning of 2013 the total debt to ANAS was over EUR 1022 million. The debt included the cost of the Passante as established in the Agreement of EUR 986.4 million plus other payables in the form of accrued interest expense and other minor items. Also 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. During the year the debt reduced considerably following CAV's receipt of the loan from Cassa Depositi e Prestiti for EUR 350 million, plus a further EUR 73 million for VAT, giving a total of EUR 423 million. Furthermore, ANAS received additional sums from the State by way of grants for construction of the Passante that were credited to CAV, thereby reducing its commitment to the costs of the Passante. At the end of 2013, taking into account the cost of the Passante, payments made and amounts received from CDP and the EIB, interest income and expense accrued in the meantime and minor payables and receivables, CAV's net debt to ANAS reduced by around EUR 414 million, for a total decrease of over EUR 535 million.

This strong decrease in the debt to ANAS is obviously counteracted by the increase of CAV's debt to the lending banks providing the loans that allowed part-payment of the debt to ANAS. However, albeit minimally, among the positive effects of the grant it will show that CAV has indirectly contributed to the Italy's overall economy. ANAS, in fact, is an entity whose debt forms part of the national public debt. Therefore paying the amount due to ANAS, exposed by the extent of the loan to construct the Passante, means helping to reduce public debt.

Profit

The third point characterising 2013 was the positive year-end result.

As already mentioned, the overall economic scenario that had an effect on the motorway traffic trend certainly did not guarantee a positive economic result. At the start of the year, however, the toll tariffs were adjusted. The increase was particularly consistent because it closed the tariff gap (that had lasted two years) caused by the delay in approving the concession agreement. As you are aware, in fact, the motorway tariffs are adjusted each year through the application of conventionally established parameters linked to traffic trends, planned investment performance and quality standards.

In March 2010 CAV had signed an initial recognition agreement. The recognition agreement included new CAV commitments to fund motorway-related works and also envisaged tariff adjustment parameters commensurate to the new financial commitments.

The approval procedure for the agreement was delayed but did not postpone the execution of new completion works on the Passante envisaged in that same recognition agreement. Nor did it block the payments since CAV, with the consent of the contracting authority at that time, accepted the financial charges for the works performed. The delay in approving the agreement, however, did affect the tariff adjustments, continuing to apply the criteria and parameters of the original agreement without taking into account that CAV had in effect accepted the obligations envisaged in the new agreement. Both in 2011 and 2012 the tariffs applied by CAV were even decreased because of the old base parameters used for updating. In 2011 the tariff was reduced by 1.18% on the Passante and by 1% on the Tangenziale di Mestre; in 2012 the tariff reduction was repeated by the same percentages.

In 2013 CAV was finally able to apply the new tariffs and recover the previously missing adjustments. The combined effect of the transactions led to a significant percentage increase in the tariffs: 13.55% more on the Passante and 13.19% more on the Tangenziale di Mestre.

The tariff increase in 2013 recovered the previous situations and led to increased proceeds from tolls, at least partially offsetting the decrease caused by the drop in traffic.

The positive performance of the proceeds is reflected in the financial statements, which closed with a positive result for almost EUR 10 million: more than double that achieved in 2012. The most satisfactory profit was, as usual, related to achieving the statutory objectives, first and foremost the repayment of the enormous debt that CAV owes to ANAS.

It is important to emphasise that the profit for the year cannot be considered an accurate, stand-alone result compared to the development over time of the company's overall economic situation. In fact, the profit as with all other items of the financial statements gradually aim to maintain the economic and financial balance of the company, as envisaged in the plan associated with the motorway management agreement. In turn, the economic

and financial balance is the element indispensable in allowing CAV to achieve the statutory objectives not of a speculative nature but, as established by the shareholders, refer totally to serving the major road network and the reference area of operations.

“Turnstile” problem solved

A motorway user, expected to pay the tolls, tends to judge tariff-related affairs as separate from the context of investments, operating costs, financial needs and firm objectives. Vice versa, the motorway companies have to be particularly careful about these elements that are decisive for the company’s equilibrium. However, there is the possibility of finding a fair balance of interests and, on this level, in 2013 CAV worked to solve an age-old problem, the “turnstile” effect caused by anomalous use of the Dolo motorway station.

Originally, the Passante project 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. Not only did residents in the Mirano-Dolo area benefit from this measure, but also all motorway users travelling on the A4 towards Trieste that exited at the Mirano-Dolo toll gate to use the free stretch between Mirano-Dolo and the Mestre barrier. For this reason, the small toll gate of Mirano-Dolo handled an inordinate traffic flow with considerable consequences on the traffic flow within and outside the motorway system.

To solve the problem, in agreement with the local authorities (the Regional and Municipal authorities affected), CAV presented a proposal to the Ministerial contracting authority suggesting two steps: virtually moving the toll barrier from Venezia-Mestre to Dolo and the application of a discount in favour of local users. The proposal was accepted and the virtual moving of the barrier from Venezia-Mestre to Dolo resulted in tolls paid at Mirano-Dolo, the interim station of Mira-Oriago and at the physical Venezia-Mestre barrier being of equal amounts. Therefore all users have automatic right to a reduction in the toll previously applied only to those exiting at Mirano-Dolo and rejoining the motorway to travel on the toll-free stretch between Dolo and Mestre. In fact, every one of these many users have seen the motorway toll drop by no less than 50 Eurocents.

The second effect on tolls was as a result of the virtual moving of the toll barrier from Mestre to Dolo, and particularly affected those using the Mirano-Dolo station most often. The virtual moving of the barrier, exactly as it would have happened through a physical shift, means that the Mirano-Dolo station applies the tolls of a normal toll barrier located at the end of an open stretch of motorway. CAV had envisaged not only the economic effect but also the psychological effect on local drivers not yet used to using boundary-setting barriers at the end of open motorway stretches. To mitigate the impact, CAV proposed and obtained the right to offer a special discount to users commuting between Padua and Dolo resident in the Municipalities of Mirano, Dolo, Mira, Spinea and Pianiga. The discount is solely for users transiting at least 20 times per month that have subscribed to a Telepass Family contract. In March 2014 the users applying for this commuter subsidy on the Padova-Dolo stretch numbered around 200, well below the provisional estimates.

Plans, tariffs and discounts

The solution to the “turnstile” was put forward by CAV to the Ministry for Infrastructures and Transport together with the request to update tariffs for 2014. The application was submitted by the 15 October 2013 deadline

established by Italian Law Decree 69/2013. The increase in tariffs required in application of provisions of the Agreement and related regulations was by 6.26%, whilst the additional km travelled as applied at the toll barriers was further reduced by 370 metres from 18.700 km to 18.330 km. The proposed tariff adjustment submitted by CAV was accepted in full by the Ministry, without changes.

As already mentioned, the request for adjustments was submitted to the Ministry for Infrastructures and Transport but, in effect, it should be remembered that for such matters in future the Company will also need to consult a new authority established pursuant to art. 37 of Law Decree no. 201 of 6 December 2011: the transport regulatory authority whose main duty is to “guarantee, in accordance with methods that encourage competition, the productive efficiency of operations and cost containment for users, businesses and consumers, fair and non-discriminatory conditions for access to rail, port and motorway network infrastructures, except for matters for which the road and motorways infrastructures agency is responsible”. In addition, “with particular reference to the motorway sector, for new concessions, (to arrange) the setup of toll tariff systems based on the price cap method, with determination of the productivity factor “X” every five years for each concession; to define optimal management areas of motorway stretches, aimed at promoting multi-management for the various stretches and enhancing competition”. The first Board of the authority was appointed by Italian Presidential Decree of 9 August 2013, and the authority took up residence at Palazzo Lingotto, Turin, only from 17 September 2013. The authority is still taking its first steps and is not yet fully responsible for the motorway sector but, as normally happens, in the near future it will play an active role in determining tariffs and financial plans.

Like every year, the motorway tariffs adjustment has caused a reaction from users. Adjustments are a delicate issue with very important implications for the economic and financial balance of companies and for their effects on the general economy.

In CAV's case, the adjustments applied from 1 January 2014 were the subject of close attention, especially since they were combined with the effects of solving the “turnstile” problem that, albeit to a limited extent, seemed to penalise a number of users. The complaints about CAV's tariff adjustment were no exception, because in effect they affect all motorways and all measures adopted. Obviously the economic scenario has made users particularly sensitive to tariff increases and has left public authorities particularly worried about their effects on the country's overall economy.

At the request of the Ministry for Transport, AISCAT, the trade association of motorway management operators, assessed the option of granting discounts to certain categories of users particularly affected.

After discussions, the motorway companies - CAV included - confirmed their willingness to grant a discount to commuters that travel on motorways of a maximum 50 kilometres in class “A” vehicles and have a Telepass subscription. The discount, of varying percentages, applies from the twenty-first monthly transit to the fortieth.

The agreement between the Ministry and the motorway companies was prepared very quickly and under extreme pressure from the media. The motorway companies then confirmed their willingness not only to verify the effects of the discounts but also, for a maximum four-month period, to bear the onus of loss of proceeds. During this period the motorway companies and the Ministry worked to find a fair and final definition to the initiative and to identify the methods for recovering reduced toll revenue. Also in this case it is important to remember that

motorway companies are obliged to comply with a financial plan that is a forecasting tool and also a guide to maintaining a balance that has to ensure fulfilment of commitments such as investments and maintenance works. To date a total of around 1,650 subscription applications have been received.

Works

The CAV financial plan also envisages construction and maintenance works.

The works covered in the financial plan can be divided into three groups: the compensation payable to Società delle Autostrade di Venezia e Padova S.p.A. for EUR 75 million; the Passante di Mestre that indicates a total of EUR 986.4 million; lastly, a further EUR 279 million in investments, most of which for efficiency improvement works on the Passante. Overall, the Agreement envisages a global financial commitment of around EUR 1,340 million.

The commitment to Società delle Autostrade di Venezia e Padova is the compensation due on takeover of the motorway management licence and, using available cash flow, on 25 March 2011 CAV arranged full payment of the takeover compensation.

With regard to the Passante: the reimbursement due from CAV to ANAS for construction costs is established in indicated in the concession agreement: EUR 986.4 million. ANAS S.p.A., in fact, was the entity that constructed the Passante di Mestre then handed it over to CAV S.p.A. to be managed. The Passante opened to traffic on 8 February 2009 and forms an integral part of the A4, the motorway that runs from Turin to Trieste. CAV S.p.A. made a partial repayment of the debt to ANAS on 30 April 2013 in the sum of EUR 350 million obtained through EIB intervention with intermediation by CDP - Cassa Depositi e Prestiti.

The final series of investments envisaged in the agreement totals EUR 279 million. This includes approximately EUR 15 million for works as part of CAV's contractual commitments accepted on takeover from Società delle Autostrade di Venezia e Padova S.p.A.; the more consistent sum of EUR 253 million for auxiliary and completion works on the Passante di Mestre, and 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 of the management licence concern commitments that Società delle Autostrade di Venezia e Padova S.p.A. had undertaken but were not yet completed at the time of takeover. The works were executed and paid in particular in 2010 and 2011. The remainder was disbursed in 2013 at the time of the final action envisaged: organisation of the junction between the Marco Polo Ring Road and traffic access to Venice Airport. Therefore at the end of 2013 CAV had satisfied all its takeover commitments, having paid around EUR 15 million from its own funds as envisaged in the agreement for works execution purposes.

The auxiliary and completion works costs on the Passante are instead still in progress. These are works of various natures such as environmental impact mitigation, but especially related to changes, integration and upgrading of the ordinary road system to facilitate the motorway junction.

In recent years the auxiliary and completion works focused on the major Passante landscaping and on the many links to be created between the Passante and local roads, 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.

In 2013, on the other hand, activity focused on two works in particular: the Martellago-Scorzè motorway station and the Marcon ring road.

The Marcon ring road requires typical works to rationalise ordinary and local traffic flows by constructing suitable junction infrastructures on the major network. Essentially, the works involve the construction of a large viaduct and three service roundabouts to facilitate access to the A57 that will ease the traffic congestion generated by the business park located in Marcon.

The other works calling for strong commitment in 2013 were on the Martellago-Scorzè motorway station: major works that will open the Passante to traffic flows from a vast area between the provinces of Venice and Treviso. The works continued throughout 2013 despite the difficulties created by the rather heavy rains in spring and autumn. The infrastructure for the station is now complete. The pylons, abutments, bridge support columns and, particularly in the area of the toll gate, between Martellago and Scorzè crossing the River Dese, the main infrastructure is ready, with an abutment and seven massive pylons in reinforced concrete on the eastern side of the Passante and an equal number to the west which, with between them foundations for two metal pylons which will support the 535-metre steel viaduct that will cross the motorway.

In 2014 the various steel bridges will be inaugurated, particularly the main viaduct for the station which will be assembled in stages and will require closure of the Passante for at least one night. The entire works are expected to be inaugurated by the end of 2014.

The cost of the works executed has been paid in full by CAV, again solely from its own available funds.

It is estimated that in 2014 around EUR 75 million's worth of auxiliary and complementary works will be completed, so bringing most of these works to an end and with the remainder due for completion in 2015.

As already mentioned, the auxiliary and complementary works are performed externally to the motorways managed and the works execution does not interfere, other than in exceptional circumstances, with the Passante infrastructure and even less so with traffic. However, it is expected that their completion will facilitate access to the Passante and result in greater use of the structure by traffic flows to and from the area.

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. They are works scheduled from year to year and at 31 December 2013 around EUR 4 million in these works had been completed, amounting to 33% of the total envisaged.

To summarise: as already mentioned, the global amount of works and commitments envisaged in the Agreement of 23 March 2010 totals around EUR 1,340 million. Of all these works, at the end of 2013 approximately EUR 100

million remained necessary to finish the completion works or works relating to operations. Of the latter: EUR 75 million will be completed in 2014 and the remainder, with particular reference to functional works, will be performed in later years.

Maintenance

In addition to the financial commitments to complete the works, CAV's financial plan - approved at the time of signing of the motorway management agreement - calls for a conspicuous expense for maintenance. This commitment is justified by the works schedule involving all the structural and infrastructural elements that make up the stretch of motorway managed. The planning of adequate resources to be dedicated to maintenance ensures not only correct budgeting with a view to maintaining the economic and financial balance of the management company but also reassures the contracting authority that, based on the maintenance schedules, it confirms the operator's ability to offer a motorway service that is satisfactory to the customer. The contracting authority's attention is not limited to analysing the original financial plan but continues through prompt monitoring and verification. Every year, in fact, the maintenance schedule prepared by CAV is verified together with the SVCA, and at least twice a year the SVCA performs field audits to verify the level of maintenance and efficiency of the structures.

Taking into account the budgets originally estimated at the time of preparation of the financial plan, CAV also prepared a maintenance schedule of works to be implemented during 2013. The schedule was prepared by verifying 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 necessary 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, in 2013 this difference amounted to approximately EUR 1.6 million. In fact, the amount budgeted in the Plan for 2013 was EUR 9.7 million whereas the actual cost was EUR 11.3 million. If, however, we expand our view to the entire regulatory period of the CAV Plan for the period 2009 to 2013, we will see that the difference reduces to less than EUR 0.7 million. In fact, the overall cost of maintenance works budgeted in the plan for this period amounts to EUR 35.9 million, against actual costs incurred for maintenance of EUR 36.6 million. This difference appears to be physiological and equal to a percentage of less than 2% of the total costs incurred.

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.

The works completed, among the many planned, there are two worthy of mention for their importance and complexity.

The first refers to the bridge over the River Brenta, the most important bridge infrastructure on the A57. The bridge structure has expanded over time with the central sections dating back to the 1960s and the end sections to the 1990s. The maintenance works involved the demolition of parts in deteriorated concrete, repairs to bare metal parts, renovation with rheoplastic mortar and protective treatment of surfaces in concrete. The major worry in executing these works concerned the management of traffic disruptions. In fact, the bridge is only a short

distance from the Padova Est station and the junction to the A13 Padova-Bologna, at a point particularly subject to congestion. A works plan was studied, therefore, that allowed most of the works to be carried out on the lower section of the bridge, limiting traffic problems as much as possible.

The second works to mention concerned replacement of lamps on the long, winding series of yellow lights that have characterised night vision on the Tangenziale di Mestre since 1973. The works involved painting the 116 support columns between the two carriageways on the urban stretch of the Tangenziale di Mestre and replacing the 501 low-pressure sodium lamps with LED lighting devices that have an average life at least double that of the old lamps and more efficient to the extent that it was possible to reduce the number of lights from 501 to 346, a saving 155 lamps. The new lighting system is remote controlled with intensity adjustable in the range of 10% to 100%, which will reduce the need for maintenance and will consume 50% less energy. The system also received a positive opinion from ARPAV (the Veneto regional environmental protection agency), which took lighting measurements and confirmed that the new system helps to optimise the night lighting systems necessary to safety yet limiting energy consumption as much as possible and reducing the light pollution that makes the Po Valley plains one of the locations with the highest vertical light emissions in Europe.

In 2014 there are plans to perform maintenance works with a total expense just a little over the costs incurred in this last year. At the end of 2013 the provision for renewals was essentially proportionate to the estimated outlay for completion of the planned renovation, replacement, maintenance, repairs, modernisation and transformation works.

Disputes

2013 saw the favourable outcome for CAV S.p.A. of all the disputes instigated and carried forward by AISCAT, the trade association for motorway operators, and by one motorway operator: SIAS. These proceedings were concluded with sentences from the three different judicial authorities approached by the appellants: the EU General Court, the Lazio Regional Administrative Court and the Civil Court of Rome.

On 15 January 2013 the EU General Court pronounced in favour of CAV, rejecting AISCAT's appeal against the European Commission's ruling that had confirmed the absence of state aid and of any violation of EU regulations in relation to the motorway toll tariffs applied by CAV.

On 15 May 2013 the Lazio Regional Administrative Court decision rejected the appeal filed by AISCAT and SIAS against the CIPE, the Cabinet Office, the Veneto Regional Government, ANAS and CAV, requesting cancellation of CIPE Resolution no. 24 of 27 March 2008 which assigned management of the Passante to CAV.

Lastly, on 24 June 2013 the Civil Court of Rome issued its sentence, also rejecting the appeal by AISCAT and SIAS against the CIPE, the Italian State Government and CAV for alleged violation of rights under EU and Italian laws on competition.

After the sentences, all in favour of CAV, AISCAT and SIAS decided not to appeal and consequently a delicate dispute situation has closed with a happy ending. Having been instigated against CAV S.p.A. and its assigned activities, the conclusion of this dispute even strengthened the company's image.

Despite the dispute, CAV had maintained cooperation with AISCAT and with the individual motorway operators. That good relations had been maintained became clear as soon as the dispute ended, as on 23 October 2013 the Executive Council of the trade association decided to allow CAV to become a full member of AISCAT.

The successful outcomes to the above cases has downsized the disputes brought against CAV, reducing them to a “physiological” volume if considered in relation to the Company's activities. There are just a few, modest proceedings associated mostly with contract tenders for works, services or supplies brought by participants that were made more sensitive as a result of the particular economic scenario.

CAV, on the other hand, is involved in proceedings as the appellant in the case 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 agreements allow CAV to continue to claim royalties on oil and non-oil products sold by the service area operators. In 2013 the royalties on the Marghera Est and Marghera Ovest service areas totalled approximately EUR 0.5 million. Two sub-licensees of the service areas also appealed against the MIT/SVCA decisions, and the judge decided to combine all the appeals on the same issue of access to the service areas and discuss them jointly in a public hearing on 16/04/2014. Regardless of the Regional Administrative Court decisions, CAV will ask the service area sub-licensees to pay royalties accrued on business activities actually conducted thus far. It is hoped, however that the dispute will have a favourable outcome, and likewise a conclusion is hoped for to two other proceedings instigated by CAV S.p.A. against two different penalties inflicted upon CAV by ANAS S.p.A. and by the Italian Antitrust Authority as a result of the traffic disruption on the Passante di Mestre on 1 August 2009. The CAV appeals have thus far achieved different effects: the Lazio Regional Administrative Court pronouncement accepted the appeal against the Antitrust Authority, whilst it reject the appeal against the ANAS ruling. Appeals were filed against both decisions and proceedings are currently pending.

The organisation and management systems

On 16 December 2013 the Chief Executive Officer issued an internal communication to staff regarding the adoption of a new company organisation. The communication came at the end of a long study, comparison and preparation process that in various ways involved senior management, external consultants, staff and staff representatives.

The new organisation envisages four departments: Administration, Technical, Human Resources and a department dedicated to motorway Operations. Previously there were two departments: Administration and Technical & Operations. The Human Resources Department had instead been assigned an Executive Director on the Chief Executive Officer's staff.

The new organisation chart rationalises the commitment of resources, involving a rebalancing among the various segments to take into account changing operational needs and company business prospects. In particular, the technical and operating departments were enhanced, dedicating a specific manager to each. In addition, the Technical Department's services were toned up with the injection of qualified staff, whilst the Operations

Department was made more efficient with reinforcement of the infrastructures responsible for customer service and emergency vehicle management.

The review of the company organisation developed alongside the research and implementation of management systems to govern certain specific processes.

In 2011 and 2012 the personal data processing system and the organisation, management and control model pursuant to Italian Legislative Decree 231 were implemented to manage corporate administrative liability.

In 2013 the quality management system was implemented to UNI EN ISO 9001:2008 standard. This was a fundamental step in the growth of the organisation, which adopted criteria to systematically verify its performances, posing improvement objectives that will become more and more ambitious.

The start-up of the Quality System affected all CAV's operating segments and the analysis, verification and re-processing of the procedures and processes involved all staff, who responded satisfactorily to company guidelines that had been summarised into quality policy objectives: motorway customer satisfaction, staff motivation and community focus.

Certification of the Quality Management System was assigned to Milan-based SGS Italia S.p.A., which was awarded the tender procedure negotiated among the leading certification agencies. The aim of the certification was defined as: "The provision of motorway services for the motorways under management. Planning, works management, ordinary and extraordinary maintenance of road infrastructures".

The system verification was divided into two steps conducted on 9, 23, 24, 25 and 28 October 2013, during which the auditor met with staff, and visited offices, structures and plants, verifying the established procedures and their application.

The results of the audit were satisfactory and on 30 October 2013 SGS Italia S.p.A. issued the certificate of compliance with UNI EN ISO 9001:2008 standard of CAV's Quality Management System.

After implementing the quality management system, CAV immediately set a new target for the management systems by planning the adoption of an occupational health and safety management system in accordance with requirements defined in the international standard BS OHSAS 18001:2001. This is a particularly important objective concerning a matter calling for a strong degree of responsibility for each link in the chain of the company's organisation. Its importance was emphasised by the inclusion in Italian Legislative Decree 231/2001 of crimes relating to occupational health and safety. And the Supervisory Board did not fail in reminding CAV of the need to adopt a management system that not only governs the performance of necessary and appropriate activities envisaged in the safety regulations, but also that documents and monitors the actual application of the measures adopted.

Significant events after year end

From 1 January 2014 the tariffs on the stretches of motorway licensed to CAV were adjusted. Measurement of the agreed tariff changes is identical to that proposed by CAV S.p.A. The adjustment led to a tariff increase on the A4 (the Passante) and on the A57 of +6.26%. On the same date, the additional km travelled as applied at the toll barriers were further reduced by 370 metres from 18.700 km to 18.330 km.

From 1 January 2014 the implementation of the “virtual barrier” positioned at the Dolo station was authorised. Establishment of this toll barrier standardised the tolls at the Mirano-Dolo, Mira-Oriago and Venezia-Mestre stations.

Also authorised from 1 January 2014 was the issue of subscriptions which if certain conditions are met (on the route Mirano/Dolo-Padova Est and vice versa, residence in the Municipality of Mirano, Dolo, Mira, Spinea or Pianiga; commuter travel with at least 20 transits per month; use of the Telepass Family device) envisages a discount on the toll equal to 40% over all transits in a given month.

On 6 February 2014 the AISCAT Executive Council approved a draft memorandum of understanding with the Ministry for Infrastructures and Transport that grants discounts reserved to special categories of users if certain conditions are met. Based on the memorandum, the discount will be reserved for class “A” vehicles owned by individuals and equipped with Telepass devices, for journeys of a maximum 50 kilometres with a fixed starting point and destination. The discounts were implemented, by the deadlines set at national level, also on stretches managed by CAV S.p.A. The companies agreed on a period of four months to correctly define the initiative and verify the methods for recovering the reduced toll revenue.

On 7 March 2014 the Board of Directors of CAV decided not to award the tender for the procurement of funds to finance the Passante di Mestre, in which just one pool of banks had submitted a bid. On the same date, the Board decided to begin action for the assignment of financial services (pursuant to art. 19 (*Excluded service agreements*) and art. 27 (*Principles relating to excluded contracts*) of Italian Legislative Decree 163/2006) to obtain the resources necessary to cover CAV financial needs, obtaining advice from the leading banks regarding the structuring and placement on the market of a bond loan to meet CAV’s funding needs, which envisage the involvement of the EIB and indicate the remuneration due for rating advisor activities.

Business and financial performance

Business performance

2013 closed with a positive result, more than double that of the previous year: net profit for the year, in fact, was around EUR 9.8 million (EUR 4.3 million in 2012).

Production value stood at EUR 134.2 million (EUR 126.2 million in 2012), up EUR 8.0 million (+6.3%).

With regard to production value, toll revenue (net of VAT and integration of the ANAS licence fee) came to EUR 114.1 million, recording a considerable increase (EUR 105.3 million in 2012; +8.4%). 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 toll barriers.

The integration reduced the ANAS licence fee from EUR 13.5 million to EUR 13.2 million (EUR 0.3 million less; -2.2%) as a result of the decrease in traffic.

As regards other motorway income, its total was EUR 5.7 million, equal to the 2012 figure, with breakdown as follows: EUR 3.5 million in royalties on service area business; EUR 1.5 million from other motorway companies' share of collection costs; EUR 0.7 million in recovered costs.

Production costs totalled EUR 95.5 million, down EUR 4.1 million (EUR 99.6 million in 2012; -4.1%) as broken down below.

Service costs amounted to EUR 20.9 million (EUR 20.3 million in 2012; +3.0%).

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 2012); maintenance costs of EUR 10.6 million (EUR 10.0 million in 2012; +6.0%).

Personnel costs stood at EUR 17.1 million (EUR 16.3 million in 2012; +4.9%).

Amortisation and depreciation in 2013 totalled EUR 38.2 million (EUR 40.3 million in 2012; -5.2%). Most of this relates to amortisation of the costs of the Passante, which alone totalled EUR 28.7 million (EUR 33.7 million in 2012). 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 (EUR 11.7 million in 2012). Utilisation of the provision in 2013 was EUR 11.1 million (EUR 7.2 million in 2012; +54.2%).

Another important item is that relating to other operating costs, amounting to EUR 16.6 million (EUR 16.4 million in 2012; +1.2%).

Other operating costs include the licence fee pursuant to art. 1, paragraph 1020 of Italian Law 296/2006 for EUR 2.7 million (EUR 2.5 million in 2012), corresponding to 2.4% of net toll revenue. Of this fee, 42% (EUR 1.1 million) is paid directly to ANAS and 58% (EUR 1.6 million) to the State.

Also included is the integration to the ANAS licence fee which decreased from EUR 13.5 million in 2012 to EUR 13.2 million in 2013 (-2.2%). 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 decrease in production costs (of EUR 4.1 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 service costs, more specifically maintenance costs (around EUR 0.6 million higher), personnel costs (around EUR 0.8 million more) and other operating costs (increasing by approximately EUR 0.1 million).

The main items recording a decrease were amortisation and depreciation (around EUR 2.1 million less) and the costs associated with allocation to and utilisation of the provision for renewals (around EUR 3.8 million less).

The difference between production value and cost was EUR 38.8 million (EUR 26.6 million in 2012). The EUR 12.2 million change (+45.9%) is due on the one hand to the increase in revenue (by approx. EUR 8.0 million) and on the other to the decrease in costs (by around EUR 4.1 million).

Financial charges totalled EUR 24.1 million, considerably higher than the previous year (EUR 19.6 million in 2012; +23.0%) and refer to: EUR 15.3 million in interest expense associated with the debt to ANAS for reimbursement of the construction costs for the Passante and EUR 8.7 million in interest expense on the EUR 423.5 million loan from CDP.

Interest income (around EUR 1.1 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 15.8 million (EUR 8.0 million in 2012; +97.5%), recording an increase of EUR 7.8 million, whilst income taxes (IRES and IRAP) totalled EUR 5.0 million (EUR 4.3 million in 2012). As mentioned previously, the profit for the year was EUR 9.8 million.

		2012		2013	
ROE	NET INCOME EQUITY	4,312 51,155	8.43%	9,782 60,936	16.05%
ROI	EBIT AVERAGE FIXED ASSET PORTION OF CAPITAL	26,645 1,022,214	2.61%	38,790 992,944	3.91%
ROS	EBIT NET SALES REVENUE	26,645 112,761	23.63%	38,790 121,054	32.04%
ROA	EBIT + INTEREST INCOME TOTAL ASSETS	27,227 1,104,973	2.46%	39,935 1,105,576	3.61%
FIXED ASSETS/TOTAL ASSETS RATIO	FIXED ASSET PORTION OF INVESTED CAPITAL INVESTED CAPITAL	1,038,173 1,104,973	93.95%	947,715 1,105,576	85.72%
LEVERAGE RATIO	PAYABLES EQUITY	1,041,138 51,155	2035.27%	1,031,139 60,936	1692.15%
DEBT/EQUITY RATIO	LIABILITIES - EQUITY EQUITY	1,053,818 51,155	2060.05%	1,044,640 60,936	1714.31%
ASSET/EQUITY RATIO	EQUITY AVERAGE FIXED ASSET PORTION OF CAPITAL	51,155 1,022,214	5.00%	60,936 992,944	6.14%
CURRENT RATIO	CURRENT ASSETS CURRENT LIABILITIES	174,307 1,053,286	16.55%	308,262 1,044,082	29.52%

INCOME ANALYSIS (THOUSANDS OF EUR)

	2011	% impact on revenue	2012	% impact on revenue	2013	% impact on revenue
REVENUE						
Net toll revenue	113,450	93.33%	105,269	93.36%	114,072	94.23%
Other revenue from sales and services	6,752	5.55%	5,708	5.06%	5,710	4.72%
Other income and revenue	1,361	1.12%	1,784	1.58%	1,272	1.05%
TOTAL REVENUE	121,564	100.00%	112,761	100.00%	121,054	100.00%
Production overheads	-19,593	-16.12%	-22,012	-19.52%	-22,663	-18.72%
Other costs and plus/minus balance	-3,279	-2.70%	-2,956	-2.62%	-3,360	-2.78%
VALUE ADDED	98,691	81.18%	87,792	77.86%	95,030	78.50%
Net labour costs	-15,566	-12.81%	-16,319	-14.47%	-17,149	-14.17%
EBITDA	83,125	68.38%	71,473	63.38%	77,881	64.34%
Amortisation, depreciation and write-downs	-37,787	-31.08%	-40,275	-35.72%	-38,379	-31.70%
Allocations to provisions for risks and charges	-4,937	-4.06%	-4,552	-4.04%	-711	-0.59%
EBIT	40,401	33.23%	26,645	23.63%	38,790	32.04%
Financial income and charges	-19,100	-15.71%	-19,013	-16.86%	-22,981	-18.98%
Asset adjustments/sale of investments	3	0.00%	17	0.02%	5	0.00%
RESULT BEFORE EXTRAORDINARY COMPONENTS AND TAXES	21,305	17.53%	7,649	6.78%	15,815	13.06%
Extraordinary income and charges	5,596	4.60%	321	0.28%	0	0.00%
INCOME BEFORE TAXES	26,901	22.13%	7,971	7.07%	15,815	13.06%
Income taxes for the year	-9,851	-8.10%	-3,659	-3.24%	-6,033	-4.98%
PROFIT FOR THE PERIOD	17,050	14.03%	4,312	3.82%	9,782	8.08%

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 predict that 2014 will see a slight recovery.

Account also has to be taken of the further decrease (-400 metres) of the additional km travelled, the effects of the full removal of tolls on the Mirano/Dolo-Venezia/Mestre stretch and the effects of the toll discounting initiatives for commuters adopted at local level (Mirano/Dolo-Padova Est stretch) and at national level.

Then the tariffs: in 2014 the tariff increases (+6.26%) 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 2014.

Production costs are expected to consolidate figures very similar to those recorded in 2013.

Lastly, with regard to interest expense, a consistent increase will certainly be recorded due to the effect of the loan transaction with the European Investment Bank (EIB).

We believe, however, that we can again predict a positive outcome for the 2014 financial statements.

Financial performance

At 31 December 2013 cash and cash equivalents totalled around EUR 52.8 million (EUR 8.8 million in 2012), up EUR 44.0 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.

On 30 April 2013 a loan was obtained for EUR 423.5 million. This includes EUR 350 million in funds from the European Investment Bank (EIB) as intermediated by Cassa Depositi e Prestiti (CDP) and a further EUR 73.5 million (to cover the VAT on the loan) from CDP funds.

This loan allowed a first major payment on account to ANAS as part-reimbursement of the construction costs for the Passante di Mestre.

A brief indication of 2014 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 - initiated in March 2014 - through the issue of Project Bonds, partly guaranteed by the EIB, the acquisition of which will allow closing of the loan transaction for EUR 423.5 million mentioned above 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.

In 2013 there were no changes to the infrastructural organisation. The comparison with the previous year is therefore on a like-for-like basis and the related figures offer a suitable and significant assessment of the traffic trend.

A mention should also be made of the names of the motorway stretches operated under licence by the Company: 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 (old section under the closed system) is part of the A57; the Tangenziale di Mestre. The entire A57 stretch (part open system, part closed system) is known as the Tangenziale di Mestre.

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

It is worth remembering that the previous year was a leap year and all related figures for 2012 are stated with the annual total. A comparison between 2012 and 2013 is obviously affected by this fact, whose negative statistical effect can be assessed at a quarter of a percentage point (0.25%).

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.

Total traffic figures

An initial overall figure. The vehicles per km (open + closed systems) in 2013 totalled 1,713,095,338 (in 2012: 1,754,598,306), recording a decrease of 2.37%.

Closed system

In 2013, in the entire closed system (part on the A4 and part on the A57) the actual vehicle count was 37,994,213 (38,593,182 in 2012, with a decrease of 598,969 vehicles and -1.55% in percentage terms). The related vehicles per km figure was 1,077,030,216, which corresponds to a virtual vehicle count of 19,361,993

(the comparison figures for 2012 were 1,093,575,619 vehicles per km and a virtual vehicle count of 19,659,433, with a decrease in percentage terms of -1.51%).

These numbers when translated to daily figures show the following results: 104,094 daily average actual vehicle count (VEMG) versus 105,454 in 2012 (-1.29%); 2,950,768 daily average vehicles per km (VKmMG) versus 2,987,912 in 2012; 53,047 daily average virtual vehicle count (VTMG) versus 53,714 in 2012. The decrease in percentage terms of these last figures was -1.24%.

The traffic trend at national level also saw a decrease, estimated at around -1.70% (preliminary; source: AISCAT).

Open system

Open system traffic refers only to that recorded on entry and exit to the Venezia/Mestre station (in Marghera) and the Mira/Oriago station on the A57 managed by CAV, Venezia station (in Mogliano) on the A27 managed by Autostrade per l'Italia and Venezia Est (in Quarto d'Altino) on the A4 managed by Autostrade Venete. These stations represent the four boundary-setting toll barriers between the open and closed systems.

In 2013, 25,544,784 transits were recorded (26,127,380 in 2012, a decrease of -2.23%) which generated a total of 636,065,122 vehicles per km (661,022,688 in 2012; -3.78%) broken down into 477,687,461 vehicles per km relating to additional km travelled (in 2013 equal to 18 km + 700) applied at each transit through the four barriers named above (vehicles per km 499,032,939 in 2012, with a decrease of -4.28% caused not only by the traffic trend but also by the 400 metres decrease in additional km travelled, which in the previous year had been 19 km + 100); 158,377,661 vehicles per km (161,989,749 in 2012; -2.23%) relating to the flat mileage rate (6 km +200) on the Tangenziale di Mestre.

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 to be discussed in the next paragraph.

We should also point out that the above figures do not take into account city traffic orbiting on the Tangenziale di Mestre via the various local junctions but which do not then access the closed motorway system (A57, A4, A27) through one of the toll barriers 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.

Past years' reports fully illustrated the issues and problems regarding complete toll removal for traffic between the Venezia/Mestre, Mira/Oriago and Mirano/Dolo stations.

This issue was firmly re-proposed also in 2013 and then was finally solved - in the terms specified below - with effect from 1 January 2014.

In March 2013 the Company again submitted a formal request for authorisation successfully approved by the Ministry for Infrastructures and Transport/SVCA which, in agreeing with the proposal, postponed its implementation to the tariff update at the beginning of the year.

On 15 October 2013, together with the standard request for a tariff update (to be discussed later in a specific paragraph), CAV again requested authorisation 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 specified at the end of this chapter - of a subscription system on the Mirano/Dolo-Padova Est route.

The Supervisory Authority accepted the CAV project which was then implemented from 1 January 2014 at the same time as the tariff change.

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

- the first effect leads to the full, complete removal of tolls on the Mirano/Dolo-Venezia/Mestre stretch of motorway. In effect, already since 8/02/2009 (the date of inauguration of the Passante) the only traffic with journeys starting/ending between the three motorway stations on the A57-Tangenziale di Mestre (i.e., entering or exiting at Mirano/Dolo, Mira/Oriago and Venezia/Mestre) used the motorway free of charge, with no payment of tolls. This (partial) removal of tolls was obviously reconfirmed. Now we are looking at the further removal of tolls for all other traffic originating from any other station on the Italian interconnected motorway network (e.g., A4/Padova-Milano, A4/Passante, A13/Bologna). The same also applies in the opposite direction;
- a second effect (directly associated with full removal of tolls on the Mirano/Dolo-Venezia/Mestre stretch) concerns the toll payable on exiting at the Mira/Oriago and Venezia/Mestre stations for traffic coming from the west. In fact, the user has to pay a lower toll corresponding to the aforementioned stretch Mirano/Dolo-Venezia/Mestre and Mirano/Dolo-Mira/Oriago which, despite actually being travelled, is no longer subject to tolls as these tolls have now been fully removed, resulting in motorway cost savings for the user;
- a third effect concerns the Mirano/Dolo station where the situation is more complex. After confirming (as already mentioned) the removal of tolls from/to Venezia/Mestre and Mira/Oriago, a user exiting at Mirano/Dolo (from the west) finds he has to pay a higher toll 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 situation described above it should be emphasised that for all three stations the toll (the part relating to the closed system) is therefore calculated only as far as Mirano/Dolo (and not beyond), added to which (for all three stations) is part of the toll relating to additional km travelled. Now, traffic exiting at Mirano/Dolo, Venezia/Mestre and Mira/Oriago all pay an equal toll, regardless of which of the three stations is used: there is no difference between entering or exiting at Venezia/Mestre, Mirano/Dolo or Mira/Oriago (without prejudice - as already mentioned - to the fact that traffic within the area of the three stations is toll-free);
- a fourth effect concerns the traffic situation at the Mirano/Dolo station, which has improved greatly now that there are no longer tailbacks and the “turnstile” phenomenon, i.e. deliberately interrupting transit, exiting at that station, then immediate rejoining the motorway to exploit the exemption of tolls on the

Mirano/Dolo-Venezia/Mestre stretch which caused congestion at the station and on the slip roads, especially during rush hours;

- a fifth effect concerns the increase in tolls for the Padova Est-Mirano/Dolo stretch. In this respect, action was taken - as authorised by the SVCA - to implement a subscriptions system (under certain conditions) to help local users overcome the toll increase on that stretch.

The criteria applied were:

- 1) Motorway stretch affected: only Mirano/Dolo-Padova Est and vice versa.
- 2) Users affected:
 - a) Residence criterion: the subscription is only available to users resident in the following 5 municipalities (all in the province of Venice): Mirano, Dolo, Mira, Spinea and Pianiga;
 - b) Commuter criterion: the subscription is only available to commuters. The commuters are users making at least 20 (twenty) transits from/to Mirano/Dolo-Padova Est in a calendar month (1st to 31st of each month).
- 3) Type of vehicles affected: only light vehicles in class A (with max front axle height of 1.30 metres) and motorcycles.
- 4) Type of payment: only dynamic payment types are involved, i.e. those using a Telepass Family device and excluding all other devices or payment systems.
- 5) Discount calculation: on reaching the minimum number of transits (20 per month) a discount of 40% is envisaged for all transits (from the first) in that month. If the minimum number of transits is not reached, no discount will be applied. No option is envisaged for the recovery or accumulation of transits over more than one month.

The economic valuation of the discount received will be indicated in the invoice, normally issued on a quarterly basis.

To date the number of users that have submitted a subscription application is just over 200.

To conclude, a few figures: in 2013 the transits relating to toll-free traffic as described above totalled 10,894,040 (10,732,694 in 2012; +1.50%), of which 5,018,049 exiting at Venezia/Mestre (4,951,793 in 2012; +1.34%); 3,411,670 exiting at Mirano/Dolo (3,319,537 in 2012; +2.78%) and 2,464,321 exiting at Mira/Oriago (2,464,321 in 2012; +0.12%).

The daily average for this type of toll-free usage was 29,847. The vehicles per km generated correspond to 74,154,098 in the closed system and 271,261,596 in the open system for a total of 345,415,694.

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.

As regards traffic composition, the conventionally classified light vehicles generated 75.51% of the total vehicles per km (paying traffic on both closed and open systems) whilst heavy vehicles accounted for 24.49%.

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 new Spinea and Preganziol stations on the Passante, as well as Padova Est, Mira/Oriago, Mirano/Dolo and the Venezia/Mestre toll barrier 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 requesting access to the motorway network as service providers for their customers.

At present there are two operators (one French, one German) that have submitted a request for access to the Italian system and preliminary investigations are in progress by AISCAT Servizi Srl (the company appointed by all the Italian motorway operators) to verify that requirements are met by both in order to accept the applications.

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 25.90% and breaks down as follows: 11.25% manually in cash and 14.65% in cash via the automatic cash points.

The total for the various automatic payment systems represents 74.10% of paying transits, with breakdown as follows: users of a standard Viacard with deferred payments 0.89%; users of a Telepass device combined with a deferred payment Viacard code 36.42%; users of a Telepass Family device combined with a banking code 29.91%; users of prepaid Viacards 0.86%; Europass users of a credit card combined with Telepass 0.13%; users of a Bancomat/FastPay card 2.77%; users paying by credit card 3.12%.

Despite considerable changes with respect to the previous year, 2013 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 transit systems (Telepass). In 2013 Telepass alone accounted for 66.46% compared to 66.37% in 2012.

Proceeds from tolls

In 2013 proceeds from tolls (net of VAT and the ANAS licence fee integration) totalled EUR 114.1 million, compared to EUR 105.3 million in 2012.

The end result - recording an increase of around EUR 8.8 million; +8.36% - was determined by three factors (two negative and one positive). On the one hand, in fact, there was the decline in traffic illustrated in previous paragraphs and the decrease in additional km travelled at the toll barriers, whilst on the other hand there was the tariff increase applied from 1 January 2013, which will be discussed in greater detail in the next paragraph.

One more point should be emphasised: 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 integration (not increased), and is affected by final rounding, up or down, established in 0.10 Eurocents.

The rounding effect in 2013 - sometimes positive, sometimes negative - was negative 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 toll barriers of Venezia/Mestre, Mira/Oriago (on the A57 managed by CAV), Venezia (on the A27 managed by Autostrade per l'Italia) and Venezia Est (on the A4 managed by Autovie Venete), where a toll is applied for 6.200 km (relating to the Tangenziale) and 18.700 km (as additional km travelled to finance the Passante).

In statistical terms it can be estimated that the breakdown of toll revenue is as follows: 47.82% of revenue from the Passante itself; 23.86% of revenue from the closed stretch Padova-Venezia; 21.27% of revenue from toll barrier transits for 18.700 km; 7.05% of revenue from toll barrier transits for 6.200 km.

The licence fee integration in favour of ANAS totalled EUR 13,193,767.56 (EUR 13,476,530.95 in 2012; -2.10%). This decrease is associated with the traffic trend and to its 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 all subsidies granted for various reasons in the past were cancelled in 2013.

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.

For a journey transiting the entire Passante di Mestre the tariff kilometres considered for toll purposes total 32.326.

The same criterion is obviously used for every other possible journey involving entry or exit at the two existing stations on the Passante (Spinea and Preganziol).

On the old stretches, acquired on takeover of the management licence from 1 December 2009, the conventional kilometres travelled considered for toll purposes have remained those in force and already recognised and approved by the Contracting Authority (at that time ANAS) to the outgoing operator both on the closed system (Venezia/Padova - A4 and A57) and the open system (Tangenziale di Mestre - A57).

As regards the additional km travelled charged at the toll barriers, calculated to finance the cost of the Passante, in 2013 these were defined as 18.700 km. This virtual extension has reduced compared to 2012 (400 metres less) due to application of the criteria established in the current agreement and its attached regulatory financial plan. The figure reduced further in 2014 as explained in a later paragraph.

In 2013 CAV proposed an increase to the Ministry for Infrastructures and Transport of 13.55% for Passante tariffs and 13.19% for other tariffs.

The request was based on the updating formula parameters included in the Agreement.

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.).

CAV also took into account the tariff recovery on the downward adjustments applied in 2011 and 2012 caused by the impossibility in those years of applying the new formula (pending issue of the Interministerial Decree approving the Recognition Agreement of 23/03/2010, which entered into force only from 23/02/2012 after registration with the Court of Auditors of the aforementioned Decree no. 408 of 22/11/2011) as briefly illustrated above for updating of the tariffs. In particular, the value of the "K" factor was determined for 2013 on the basis of investments actually made in the previous three-year period 2010-2011-2012.

By decree issued on 31/12/2012, in concert with the Minister of Economy and Finance, the Minister for Infrastructures and Transport confirmed these tariff update values to be applied from 1 January 2013.

In parallel, the additional km travelled for which CAV is responsible, as applied at the toll barriers were - on the orders of MIT/SVCA - further reduced by 400 metres from 19.100 km to 18.700 km as also envisaged in the regulatory financial plan.

At the same time, in accepting a request from CAV - this, too, already envisaged in the regulatory financial plan - MIT/SVCA established that the tariffs applicable on the aforementioned additional km travelled under CAV's responsibility should only be those of CAV (referring to the open system) and no longer those of other motorway operators that manage the toll barriers of Venezia Nord (ASPI) and Venezia Est (Autovie Venete) as was the case until 31/12/2012.

A brief note on tariff aspects for 2014

On 15 October 2013, based on the provisions of articles 15, 16 and 17 of the Recognition Agreement, 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 +6.26% across the board for all the Company's unit tariffs per km.

The interministerial decree approving the increase was issued on 31 December 2013, with the tariff increase applicable from 1 January 2014.

On the same date, the additional km travelled as applied at the toll barriers were - on the orders of MIT/SVCA - further reduced by 370 metres from 18.700 km to 18.330 km.

As regards full removal of the tolls on the Mirano/Dolo-Venezia/Mestre stretch and the subscriptions system on the Mirano/Dolo-Padova Est stretch, reference should be made to the previous paragraph.

Other management information

Accidents and Roadside Assistance Service

In 2013, accidents on the closed system stretches of motorway totalled 163 (190 in 2012; -14.21%), of which 87 involving light vehicles (95 in 2012; -8.42%) and 76 involving heavy vehicles (95 in 2012; -20.00%).

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. The accident rate is conventionally expressed per 100/million vehicles per km).

A comparison between 2012 and 2013 shows that the accident rate (per 100 million vehicles per km) of light vehicles decreased from 11.82 to 10.99 (-7.02%), whereas for heavy vehicles the rate decreased from 32.78 to 26.64 (-18.73%) and the overall rate decreased from 17.37 to 15.13 (-12.90%).

The above figures show the absolute number of accidents. However it should be specified that in national ISTAT statistics (and defined as "accidents") only accidents 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 2012 and 2013 the accidents resulting in trauma to individuals reduced from 65 to 55 (-15.38%). The rate per 100/million km travelled fell from 5.94 to 5.11 (-13.97%). At national level - preliminary AISCAT data - the rate was 8.35.

The number of individuals injured dropped from 105 to 80 (-23.81%), with the rate falling from 9.60 to 7.43 (-22.60%). At national level - preliminary AISCAT data - the rate was 14.07%.

The number of deaths was 3, as in the previous year. The rate changed from 0.27 to 0.28 (3.70%). The national rate - preliminary AISCAT data - was 0.30.

A brief mention of accidents recorded on the open system: there were 52 accidents on the Tangenziale di Mestre (with 25 individuals injured) and 18 on the airport ring road (with 18 injured). No deaths were recorded on these stretches.

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.

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 2013 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 not be overlooked 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 also consider it important to confirm that the Company is constantly pursuing improvement objectives, the more important of which include: information for users (multi-content message boards, dedicated phone numbers, web sites with special information pages and live-camera traffic displays, traffic reports 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 third lane 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, whether open or closed system.

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

In 2013 the closed system stretches recorded a total of 4,049 callouts (3,758 in 2012; +7.74%).

The callout rate expressed per 1/million km travelled was 3.76 (3.44 in 2012; +9.30%).

Service areas and hotels

In 2013 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 5,012,000 litres of petrol (-12.01%), 22,645,000 litres of diesel (-14.02%), 735,000 litres of LPG (in 2012 these pumps were closed as a result of construction works for the two new service areas) and 5,726 kg of lubricants (-19.77%). The add-on businesses (automotive accessory stores) located at these service areas produced EUR 146,000 (+274.36%).

The bars and restaurants recorded total revenue, net of VAT, of EUR 5,108,000 (+11.58%). The add-on businesses (markets) at these bars and restaurants generated EUR 2,146,000 (+29.82%) and the complementary business activities EUR 4,356,000 (-9.57%).

The hotel at Marghera (Holiday Inn) recorded total revenue for restaurant services, sundry services, board and lodge of EUR 3,492,000 (-5.11%).

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 2013 resulted in net revenue of EUR 3,517,000 (+0.98%).

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 (in Marghera) 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, etc., all transactions for which are facilitated by the presence of and personal direct contact with skilled, qualified operators.

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 provide constant traffic status updates for the 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 and emergency healthcare services, and provides the "CCISS - VIAGGIARE INFORMATI" and "VIAGGIANDO" information centres with traffic and road system details to be made available to users via radio.

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 daytime presence of at least 4 wardens (6 am to 10 pm) and 3 wardens at night (10

pm to 6 am), 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 coordinates 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 acquired from 1 December 2009 on management takeover from the outgoing operator; proceeds from tolls relating to additional km travelled as applied at the boundary-setting toll barriers between the closed and open motorway systems around the Mestre area; 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 414,399,582.

Amounts receivable by CAV total EUR 173,617,527 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 2,273,913 (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 588,017,110 with breakdown as follows: EUR 482,910,942 (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 7,203,280 (as reimbursement to ANAS of the costs it incurred for auxiliary and completion works on the Passante, already invoiced); EUR 71,074,982 (interest accrued after opening of the Passante and calculated up to 31/12/2013 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), which in 2013 totalled EUR 1,149,849.

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, despite the objective difficulties associated with the postponed approval of the motorway management Agreement and with obtaining loans, CAV has made available resources 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 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 - in compliance with its Articles of Association - to the Veneto Regional Government for improvements to the regional road system.

At present, business relations with the Veneto Regional Government are still limited and at 31 December 2013 concern a receivable of EUR 1,244,336.82, which remains outstanding from the Veneto Regional Government as its share of the financing of 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.

Application and compliance with directives pursuant to Veneto Regional Government Resolutions 3966/2007 and 2951/2010, 1075/2011, 2790/2012 and 258/2013

The Report on Operations and explanatory notes already report on activities conducted by CAV and therefore meet the requirements of Veneto Regional Government Resolution 2951/2010, as amended, on "Directives for investees of the Veneto Regional Government for the rationalisation of resources and operating costs containment, and for the adjustment of ownership structures". 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 Supervisory Board was appointed, as required in the already adopted Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001. The Supervisory Board has verified the actual implementation of the organisational model and its updating, and has submitted a report 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. has not incorporated any company to perform activities instrumental to its own.

C) Directives relating to employees

By Board of Directors resolution of 10 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, and on the achievement of objectives indicated in the business plans for the previous year.

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

E) Directives on limiting public spending

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 company officer remuneration

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.

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, and Centro Padane is the operator whose licence is closest to expiry or extension. 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”.

In 2011 SUS managed the public tender for the award of the large signs. Then in 2012 it established and agreed with consortium members on the procedures and standards for managing the small signs. In 2013 cooperation continued for management of the large advertising systems and a study began into the possibility of using certain large systems excluded to date because they did not comply with instructions in the Code. Any recovery could benefit the members and SUS alike. Rationalisation and verification of the small advertising systems also continued.

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.

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 16/3/1999 (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 31.12.2013

BALANCE SHEET AND INCOME STATEMENT

BALANCE SHEET

31/12/2012

31/12/2013

ASSETSA) *SUBSCRIBED CAPITAL UNPAID*

0

0

B) *FIXED ASSETS**I. Intangible assets*

4) Concessions, licences, trademarks and similar rights

4,841

37,897

6) Intangible assets in progress and advances

60,546,815

47,171,228

7) Other intangible assets

831,365,083

716,153,794

891,916,739

763,362,919*II. Tangible assets*

1) Land and buildings

29,612

26,128

2) Plant and machinery

216,059

219,739

3) Industrial and commercial equipment

34,991

43,010

4) Other tangible assets

539,684

424,603

820,346

713,480*III. Financial assets**Investments in:*

b) associates

294,351

299,767

d) other companies

1,058

1,058

295,409

300,825

Total fixed assets

893,032,494

764,377,224C) *CURRENT ASSETS**I. Inventories*

1) Raw materials and consumables

963,948

1,056,770

II. Receivables

1) Trade receivables

5,964,997

4,883,978

4 bis) Tax receivables

95,684,623

79,169,515

4 ter) Deferred tax assets

2,571,882

1,593,793

5) Other receivables:

- due within 12 months

60,339,668

168,734,481

- due after 12 months

37,632,767

32,936,367

202,193,937

287,318,134

	31/12/2012	31/12/2013
<i>III. Financial assets not classified as fixed assets</i>	0	0
<i>IV. Cash and cash equivalents</i>		
1) Bank and postal deposits	8,156,643	52,752,932
3) Cash on hand	<u>624,115</u>	<u>67,347</u>
	8,780,758	52,820,279
	<u>211,938,643</u>	<u>341,195,183</u>
Total current assets	<u>211,938,643</u>	<u>341,195,183</u>
<i>D) ACCRUED INCOME AND PREPAID EXPENSE</i>	1,471	3,645
	<u>1,104,972,608</u>	<u>1,105,576,052</u>
<i>TOTAL ASSETS</i>	<u>1,104,972,608</u>	<u>1,105,576,052</u>

LIABILITIES	31/12/2012	31/12/2013
<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	44,265,173	47,641,383
- Non-distributable reserve, art. 2426 Civil Code	3,068	20,410
- Restricted reserve for sanctions and penalties	175,000	175,000
- Restricted reserve for maintenance works differences	0	918,054
IX. Profit (loss) for the year	<u>4,311,606</u>	<u>9,781,643</u>
	51,154,847	60,936,490
 <i>B) PROVISIONS FOR RISKS AND CHARGES</i>		
3) Other:		
a) for risks	150,000	150,000
c) for renewals	<u>11,738,851</u>	<u>12,450,309</u>
	11,888,851	12,600,309
 <i>C) POST-EMPLOYMENT BENEFITS</i>		
	531,303	557,067
 <i>D) PAYABLES</i>		
4) Payables to banks	0	423,500,000
7) Trade payables	7,302,961	6,300,094
10) Payables to associates	8,709	0
12) Tax payables	467,265	736,891
13) Social security payables	1,047,097	1,118,140
14) Other payables	<u>1,032,311,719</u>	<u>599,483,689</u>
	1,041,137,751	1,031,138,814
 <i>E) ACCRUED EXPENSE AND DEFERRED INCOME</i>		
	259,856	343,372
 <i>TOTAL LIABILITIES</i>		
	<u><u>1,104,972,608</u></u>	<u><u>1,105,576,052</u></u>
 MEMORANDUM ACCOUNTS		
Leased assets	<u>105,375</u>	<u>100,350</u>
TOTAL MEMORANDUM ACCOUNTS	<u><u>105,375</u></u>	<u><u>100,350</u></u>

INCOME STATEMENT**31/12/2012****31/12/2013****A) PRODUCTION VALUE**

1) Revenue from sales and services	124,453,659	132,976,422
5) Other revenue and income:	<u>1,783,867</u>	<u>1,271,576</u>
	126,237,526	134,247,998

B) PRODUCTION COSTS

6) Raw materials and consumables	1,132,055	1,224,575
7) Service costs	20,265,700	20,889,250
8) Lease and rental expense	604,442	642,289
9) Personnel costs		
a) salaries and wages	11,444,652	12,037,171
b) social security contributions	3,645,104	3,824,309
c) post-employment benefits	826,831	859,523
e) other costs	<u>402,885</u>	<u>428,353</u>
	16,319,472	17,149,356
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	40,033,621	37,921,480
b) depreciation of tangible assets	241,759	277,220
d) write-down of receivables included in current assets and cash and cash equivalents	0	180,653
	<u>40,275,380</u>	<u>38,379,353</u>
11) Changes in inventories of raw materials and consumables	10,005	- 92,822
13) Other provisions		
b) Allocation to provision for renewals	11,738,851	11,776,505
c) Utilisation of provision for renewals	-7,186,624	- 11,065,047
14) Other operating costs	<u>16,432,936</u>	<u>16,554,246</u>
	99,592,217	95,457,705

DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS

26,645,309

38,790,293

	31/12/2012	31/12/2013
<i>C) FINANCIAL INCOME AND CHARGES</i>		
16) Other financial income:		
d) other income	581,343	1,144,671
17) Interest and other financial charges	19,594,565	24,125,860
	<u>-19,013,222</u>	<u>- 22,981,189</u>
 <i>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS</i>		
18) Revaluation:		
a) of investments	17,343	5,416
 <i>E) EXTRAORDINARY INCOME AND CHARGES</i>		
20) Income	321,219	0
21) Charges	0	0
	<u>321,219</u>	<u>0</u>
 <i>INCOME BEFORE TAXES</i>	 7,970,649	 15,814,520
22) Income taxes for the year		
a) current taxes	4,276,506	5,054,788
b) deferred tax liabilities	0	0
c) deferred tax assets	-617,463	978,089
	<u>-3,659,043</u>	<u>-6,032,877</u>
23) Profit (loss) for the year	4,311,606	9,781,643

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, 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 128,553,820 was recorded. The changes during the year can be summarised as follows:

	Balance at 31.12.2012	Increase	Decrease	Fund transfer	Balance at 31.12.2013
Concessions, licences, trademarks and similar rights	4,841	75,794	42,738	0	37,897
Intangible assets in progress and advances	60,546,815	9,264,303	0	-22,639,890	47,171,228
Other intangible assets	831,365,083	27,563	137,878,742	22,639,890	716,153,794
Total	891,916,739	9,367,660	137,921,480	0	763,362,919

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

Intangible assets in progress and advances refer to: a) costs incurred for the auxiliary and completion works on the Passante di Mestre; those becoming operative were rerecognised 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) renovation costs for the highway patrol station; d) costs to build the junction roundabout on the Marco Polo-SS14 ring road; e) feasibility study costs relating to the service areas.

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

	Balance at 31.12.2012	Increase	Decrease	Fund transfer	Balance at 31.12.2013
Auxiliary and completion works on the Mestre motorway bypass (Passante di Mestre)	51,499,110	6,729,197	0	-12,252,877	45,975,430
Other works completed on the stretch of motorway managed	441,379	307,706	0	-681,287	67,798
Costs relating to the loan agreement with CDP	8,606,326	1,099,400	0	-9,705,726	0
Renovation of highway patrol station	0	300,000	0	0	300,000

Roundabout at Marco Polo ring road junction - SS14	0	800,000	0	0	800,000
Service areas	0	28,000	0	0	28,000
Total	60,546,815	9,264,303	0	-22,639,890	47,171,228

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 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	Historical cost			Accumulated amortisation				Net intangible assets	
	Balance at 31.12.2012	Increases from acquisitions	Decreases	Balance at 31.12.2013	Balance at 31.12.2012	Amortisation for the year	Decreases	Balance at 31.12.2013	Balance at 31.12.2013
Mestre motorway bypass (Passante di Mestre)	805,199,639	0	100,000,000	705,199,639	130,683,192	28,725,822	0	159,409,014	545,790,625
Auxiliary and completion works	79,701,391	12,252,877	0	91,954,268	2,335,625	4,405,210	0	6,740,835	85,213,433
Compensation due to Soc. Ve/Pd	74,689,185	0	0	74,689,185	9,981,015	3,235,409	0	13,216,424	61,472,761
Other works completed on the stretch of motorway managed	3,096,752	681,287	0	3,778,039	332,434	157,597	0	490,031	3,288,008
SP81 safety guarantee works	5,354,818	27,563	0	5,382,381	385,276	249,855	0	635,131	4,747,250

San Giuliano interchange, Mestre	7,746,853	0	0	7,746,853	706,013	352,042	0	1,058,055	6,688,798
Costs relating to the loan agreement with CDP	0	9,705,726	0	9,705,726	0	752,807	0	752,807	8,952,919
Total	975,788,638	22,667,453	100,000,000	898,456,091	144,423,555	37,878,742	0	182,302,297	716,153,794

The construction costs of EUR 805,199,639 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 70,537,502 recognised in 2011 as a direct deduction from the cost of the Passante di Mestre, as well as net revenue relating to the additional km travelled charged prior to the opening of the Passante, considered equivalent to public grants, of EUR 18,375,345. The construction costs for the Passante also include EUR 35,297,480 relating to the “high cost of steel” compensation and the related fund pursuant to art. 135, paragraph 4, Italian Legislative Decree 163/2006. This fund was already appropriated by ANAS as a ministerial grant, thereby resulting in the elimination of this item which therefore generates no economic or financial effect.

The auxiliary and completion works now operative include the following: “Passante Verde” landscaping, environmental mitigation works, feed lanes to the Passante (Campocroce bypass, A4-SP64 slip road in the Municipality of Mogliano Veneto, SP27 Via Dante in the Municipality of Mirano) and 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 185,756; works on the chloride storage system for EUR 175,769; automation of the toll collection systems for EUR 1,437,625; enhancement of the electronic traffic management systems for EUR 443,073; remotization of access to the Preganziol and Spinea stations for EUR 39,491; storm drain grids on the Passante for EUR

223,170; optical fibre infrastructures for EUR 215,053; the Cronos collection system for EUR 211,000 and other works for EUR 847,102.

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 and those incurred for reorganisation of the San Giuliano interchange in Mestre 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 remains 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 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 31.12.2012	Increase	Decrease	Balance at 31.12.2013
Land and buildings	29,612	0	3,484	26,128
Plant and machinery	216,059	118,005	114,325	219,739
Industrial and commercial equipment	34,991	14,597	6,578	43,010
Other tangible assets	539,684	39,070	154,151	424,603
Total tangible assets	820,346	171,672	278,538	713,480

Land and buildings refer to light constructions.

Plant and machinery refer to snow clearance and gritting plants for EUR 579,763 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 171,672 increase in tangible assets, EUR 118,005 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 depreciation					Net tangible assets
	Balance at 31.12.2012	Increases from acquisitions	Decreases from sales	Balance at 31.12.2013	Balance at 31.12.2012	Depreciation for the year	Decreases from sales	Balance at 31.12.2013	Balance at 31.12.2013
Land and buildings	34,838	0	0	34,838	5,226	3,484	0	8,710	26,128
Plant and machinery	512,622	118,005	0	630,627	296,563	114,325	0	410,888	219,739
Industrial and commercial equipment	47,513	14,597	0	62,110	12,522	6,578	0	19,100	43,010
Other tangible assets	903,278	39,070	2,497	939,851	363,594	152,833	1,179	515,248	424,603
Total	1,498,251	171,672	2,497	1,667,426	677,605	277,220	1,179	953,946	713,480

Financial assets

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

	Balance at 31.12.2012	Increase	Decrease	Balance at 31.12.2013
Associates:				
• Servizi Utenza Stradale S.C.p.A.	294,351	5,416	0	299,767
Other companies:				
• Consorzio Autostrade Italiane Energia	1,058	0	0	1,058
Total	295,409	5,416	0	300,825

The increase relates to revaluation of the investment measured at equity on the basis of the 2013 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 Utenza Stradale S.C.p.A.: a) revenue of EUR 52,989

deriving from the administrative service (EUR 42,820) and from advertising management (EUR 10,169); b) costs of EUR 206,768 deriving from the sharing of “Viaggiando ti informiamo” call center 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 draft Financial Statements at 31 December 2013

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

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

Inventories

This item increased by EUR 92,822 and breaks down as follows:

	2012	2013
Consumer goods	120,431	110,544
Maintenance-related goods	843,517	946,226
Total	963,948	1,056,770

Receivables

These totalled EUR 287,318,134 and recorded an increase of EUR 85,124,197 compared to the previous year.

The receivables due beyond 5 years total EUR 14,107,500 and refer to receivables from ANAS for grants to be collected.

This item breaks down as follows:

	2012	2013
Trade receivables	5,964,997	4,883,978
Tax receivables	95,684,623	79,169,515
Deferred tax assets	2,571,882	1,593,793
Receivables from others:		
• due within 12 months	60,339,668	168,734,481
• due after 12 months	37,632,767	32,936,367
Total	202,193,937	287,318,134

Trade receivables decreased by EUR 1,081,019 with breakdown as follows:

	2012	2013
From customers	2,263,463	128,354
From customers for invoices to be issued	3,701,534	4,755,624
Total	5,964,997	4,883,978

Receivables for invoices to be issued include EUR 3,800,935 in royalties relating to the service areas.

Tax receivables decreased by EUR 16,515,108 compared to the previous year:

	2012	2013
IRES tax receivable	5,780,590	2,562,463
IRAP tax receivable	713,041	0
VAT receivable	88,869,773	76,284,083
Tax receivable, art. 2, para. 1-quater, Law Decree 201/2011	321,219	321,219
Employee withholdings receivable, art. 11, Law Decree 47	0	1,750
Total	95,684,623	79,169,515

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 978,089 compared to the previous year and refer to:

	2012		2013	
	Total temporary differences	Tax effect	Total temporary differences	Tax effect
Directors remuneration	4,680	1,287	4,680	1,287
Maintenance on tangible assets	112,751	31,006	90,200	24,805

Allocation to provision for renewals	7,384,112	2,030,631	5,667,738	1,558,628
Taxes	0	0	32,993	9,073
Interest expense	1,854,507	508,958	0	0
Total	9,356,050	2,571,882	5,795,611	1,593,793

Other receivables increased by EUR 103,698,413 with breakdown as follows:

	2012	2013
Interconnected motorway companies	24,379,107	26,247,156
Receivables from ANAS		
• Receivable for public grant, art. 1, para. 1045, Italian Law 296/2006	0	100,000,000
• Receivable for public grant, art. 1, para. 78, Italian Law 266/2005:		
• due within 12 months	32,917,502	37,620,002
• due after 12 months	37,620,000	32,917,500
• Interest income receivable	1,165,189	2,273,913
• Receivable for collection costs	806,112	806,112
Miscellaneous		
• due within 12 months	1,071,758	1,787,298
• due after 12 months	12,767	18,867
Total	97,972,435	201,670,848

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 173,617,527 comprises: a) the public grant of EUR 100,000,000 (pursuant to art. 1, paragraph 1045, Italian Law 296/2006) for which the conditions are confirmed for recognition in the financial statements); 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 eight instalments of EUR 4,702,500 each for the years 2007-2014; receivables due after 12 months include the annual amounts to be collected in the years 2015-2021); c) interest income of EUR 2,273,913 accrued on the aforementioned grants; and d) collection costs 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 include: a) amounts due from the Veneto Regional Government (EUR 1,244,337) for the portion of the funding associated with safety guarantee works on the SP 81; b) other receivables for EUR 542,961. Miscellaneous receivables due after 12 months totalling EUR 18,867 refer to guarantee deposits.

Other receivables are recognised net of the allowance for doubtful debts 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 44,039,521 and breaks down as follows:

	2012	2013
Bank and postal deposits	8,156,643	52,752,932
Cash on hand	624,115	67,347
Total	8,780,758	52,820,279

Bank and postal deposits refer to: a) postal deposits for EUR 263,828; b) bank deposits for EUR 51,409,452; c) toll payments not yet credited to the current account for EUR 1,079,652.

Accrued income and prepaid expense

An increase of EUR 2,174 was recorded compared to the previous year.

	2012	2013
Prepaid expense	1,471	3,645

Information on the balance sheet: liabilities

Equity

Equity increased by EUR 9,781,643 compared to the previous year and breaks down as follows:

	Balance at 31.12.2012	Increase	Decrease	Balance at 31.12.2013
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	44,265,173	3,376,210	0	47,641,383
- Non-distributable reserve, art. 2426 Civil Code	3,068	17,342	0	20,410
- Restricted reserve for sanctions and penalties	175,000	0	0	175,000
- Restricted reserve for maintenance works differences	0	918,054	0	918,054
IX. Profit (loss) for the year	4,311,606	9,781,643	4,311,606	9,781,643
Total	51,154,847	14,093,249	4,311,606	60,936,490

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

On 22 April 2013 the Shareholders' Meeting approved the allocation of 2012 profit for the year of EUR 4,311,606 as follows: EUR 3,376,210 to the extraordinary reserve; EUR 17,342 to the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code; and EUR 918,054 to the restricted reserve for maintenance works differences.

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	20,410	A, B	20,410		
Restricted reserve	175,000	B	0		
Restricted reserve	918,054	B	0		
Total	51,154,847		47,661,793		
Non-distributable portion			20,410		
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 - penalties	Restricted reserve - maintenance	Non-distributable reserve, art. 2426	Profit for the year	Total
Opening balance 2012	2,000,000	400,000	27,243,118	150,000	0	251	17,049,872	46,843,241
Extraordinary reserve			17,022,055					17,022,055
Restricted reserve				25,000				25,000
Non-distributable reserve, art. 2426						2,817		2,817
Utilisation of 2011 profit for the year							-17,049,872	-17,049,872
2012 profit for the year							4,311,606	4,311,606
Closing balance 2012	2,000,000	400,000	44,265,173	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 current year	2,000,000	400,000	47,641,383	175,000	918,054	20,410	9,781,643	60,936,490

Provisions for risks and charges

A net increase of EUR 711,458 was recorded. The changes during the year were as follows:

	Balance at 31.12.2012	Increase	Decrease	Balance at 31.12.2013
Provision for risks	150,000	0	0	150,000
Provision for renewals	11,738,851	11,776,505	11,065,047	12,450,309
Total	11,888,851	11,776,505	11,065,047	12,600,309

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 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 increase of EUR 25,764 was recorded. The changes during the year were as follows:

	Balance at 31.12.2012	Increase	Decrease	Balance at 31.12.2013
Post-employment benefits	531,303	859,523	833,759	557,067

The increase refers to the allocation for the year. Amongst other things the decrease includes EUR 49,589 for advances and termination settlements and EUR 760,179 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 1,031,138,814 and recorded a decrease of EUR 9,998,937. Payables due beyond 5 years total EUR 271,285,000 and refer to repayment of the EIB/CDP loan of EUR 350,000,000. There are no collateralised debts. This item breaks down as follows:

A) Bank debt

This item increased by EUR 423,500,000 compared to the previous year. This item breaks down as follows:

	2012	2013
EIB/CDP senior loan	0	350,000,000
CDP loan - VAT	0	73,500,000
Total	0	423,500,000

The bank debt refers to the loan agreement signed by the Company with Cassa Depositi e Prestiti for a total of EUR 423,500,000. 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.

B) Trade payables

This item decreased by EUR 1,002,867 compared to the previous year. It breaks down as follows:

	2012	2013
Suppliers	1,719,668	1,628,398
Suppliers for invoices to be received	5,507,413	4,623,689
Contract guarantee deposits	75,880	48,007
Total	7,302,961	6,300,094

C) Payables to associates

This item decreased by EUR 8,709 compared to the previous year.

	2012	2013
Payables to associates	8,709	0

D) Tax payables

This item increased by EUR 269,626 and breaks down as follows:

	2012	2013
IRPEF tax payable on employee and freelance contracts	467,265	450,477
IRAP tax payable	0	286,414
Total	467,265	736,891

E) Social security payables

This item increased by EUR 71,043 compared to the previous year.

	2012	2013
Social security payables	1,047,097	1,118,140

F) Other payables

This item increased by EUR 432,828,030 compared to the previous year and breaks down as follows:

	2012	2013
Interconnected motorway companies	6,124,878	7,544,322
Government revenue		
• Licence fee (MEF)	1,465,351	1,587,887
• Licence fee (ANAS)	1,061,117	1,149,849
• Sub-licence fee (ANAS)	59,843	0
• Sub-licence fee (MIT-SVCA)	15,956	3,428
Personnel	881,989	983,522
ANAS payables		
• Construction costs reimbursement - Mestre Motorway Bypass (Passante di Mestre) and related auxiliary and completion works (invoices to be received)	937,836,724	490,114,222
• Capitalised interest expense	20,828,985	20,828,985
• Accrued interest expense	57,912,811	71,074,982
• Additional km travelled	5,952,676	5,952,676
• Other payables	0	46,245
Miscellaneous	171,389	197,571
Total	1,032,311,719	599,483,689

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 2,741,164 refers to the licence fee pursuant to art. 1, paragraph 1020, Italian Law 296/2006 payable to the State (58%) and to ANAS (42%), and to the sub-licence fee pursuant to art. 13 of the Agreement payable to the Ministry 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 588,017,110 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 7,203,280 and not yet invoiced for EUR 482,910,942; 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 71,074,982; d) the amount relating to additional km travelled for the period prior to opening

of the Mestre motorway bypass (Passante di Mestre) 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 83,516 was recorded compared to the previous year.

	2012	2013
Deferred income	259,856	343,372

Memorandum accounts

The memorandum accounts consist of:

	2012	2013
Leased assets	105,375	100,350

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 134,247,998 and increased by EUR 8,010,472 (6.35%) 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:

	2012	2013
Toll income:		
• toll income	105,269,496	114,072,362
• Licence fee integration (Law 102/09 and Law 122/2010)	13,476,531	13,193,768
Other motorway income:		
• service areas	3,483,134	3,516,883
• sharing of collection costs with interconnected motorway companies	1,449,401	1,456,124
• recovery of costs for exceptional transits and non-payments	775,097	737,285
Total	124,453,659	132,976,422

Toll revenue refers to the proceeds from travel on the various stretches of motorway operated by the Company. Specifically: traffic on the Passante di Mestre (A4) and traffic on the Padova-Venezia/Mestre stretch (part A4 and part A57) in the closed system, as well as open system traffic transiting the toll barriers of Venezia/Mestre, Mira/Oriago (on the A57 managed by CAV), Venezia (on the A27 managed by Autostrade per l'Italia) and Venezia Est (on the A4 managed by Autovie Venete), where a toll is applied for 6.200 km (relating to the Tangenziale di Mestre) and 18.700 km (as additional km travelled to finance the Passante).

In 2013 income from tolls (net of the ANAS fee integration) increased in absolute terms by EUR 8,802,866 (+8.36%). This situation arose due to three factors: two negative (relating to traffic) and one positive (relating to tariffs).

As regards traffic, we recorded an overall decline of 2.37% in paying vehicles per kilometre, contributing to which - in addition to the general negative trend - was the decrease (400 metres) in additional km travelled charged at the toll barriers (from 19.100 km to 18.700 km).

With regard to tariffs, note that these increases (13.55% on the Passante and 13.19% on all other stretches managed). On these issues reference should be made to the specific chapter in 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 2013 (as in 2012) 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 282,763 (-2.10%).

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 33,749 (+0.97%) in 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 slightly by 0.46%. 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 Report on Operations.

B) Other revenue and income

	2012	2013
Other revenue and income	1,783,867	1,271,576

Other revenue and income includes income for sub-licences of EUR 315,481, compensation for damages caused to motorway equipment by users of EUR 261,835, administrative service EUR 42,820, contract work EUR 21,086, reimbursement of A57/A27 lighting costs of EUR 113,425, contingent assets of EUR 393,477 and other revenue of EUR 123,452.

Production costs

These totalled EUR 95,457,705 and decreased by EUR 4,134,512 (4.15%) compared to the previous year.

This item breaks down as follows:

A) Costs for raw materials and consumables

This item recorded an increase of EUR 92,520 (8.17%) compared to the previous year and breaks down as follows:

	2012	2013
Purchase of maintenance-related goods	556,391	662,728
Purchase of other goods	575,664	561,847
Total	1,132,055	1,224,575

B) Service costs

This item comprises:

	2012	2013
Maintenance and renewals:		
• annual	6,905,265	6,909,462
• periodic	3,147,599	3,736,049
Contract work	39,472	21,086
Operating services:		
• sharing of collection costs	4,228,755	4,209,029
• processing of traffic and proceeds data	914,379	811,044
• electricity	2,241,641	2,086,542
• other	904,361	948,917
Administrative services:		
• professional administrative services	471,954	608,751
• professional technical services	140,679	256,816
• insurance	394,893	388,343
• telephone costs	52,595	56,048
• meal vouchers	214,900	206,203
• tender commissioners	125,028	215,567
• other	159,988	152,604
Directors remuneration	173,673	159,789
Statutory Auditors remuneration	106,875	64,864
Supervisory Board remuneration	43,643	58,136
Total	20,265,700	20,889,250

Service costs increased by EUR 623,550 (3.08%) compared to the previous year.

Maintenance amounted to EUR 10,645,511 (EUR 10,052,864 in the previous year), recording an increase of EUR 592,647 (5.90%).

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

Directors remuneration includes fees (EUR 148,932) and social security payables (EUR 10,857).

The Board of Statutory Auditors remuneration includes fees (EUR 37,962), fees for attendance of corporate body meetings (EUR 16,128), social security payables (EUR 4,288) and reimbursement of expenses (EUR 6,486).

C) Lease and rental expenses

	2012	2013
Lease and rental expenses	604,442	642,289

Lease and rental expenses increased compared to the previous year by EUR 37,847, and refer to car rental (EUR 624,861) and other rentals (EUR 17,428).

D) Personnel costs

This item breaks down as follows:

	2012	2013
Salaries and wages	11,444,652	12,037,171
Social security contributions	3,645,104	3,824,309
Post-employment benefits	826,831	859,523
Other costs	402,885	428,353
Total	16,319,472	17,149,356

Personnel costs increased by a total of EUR 829,884 (4.09%) compared to the previous year.

During the year the average workforce numbered 238.61 (236.36 in the previous year), and therefore the average cost per member of staff was EUR 71,872 (EUR 69,045 the previous year).

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

	31.12.2012	31.12.2013	Average workforce 2013
Senior managers	3	4	3.06
Middle Managers	8	8	8
Admin. staff:	133	133	131.68
• full time	112	114	
• part time	19	18	
• short-term contract	2	1	
Toll collection staff:	87	88	87.84 (*)
• full time	66	65	
• part time	21	19	
• short-term contract	0	4	
Manual workers	7	8	8.03
Total	238	241	238.61

(*) The average number of collection agents was calculated by also taking into account short-term contract staff (13 in 2013).

E) Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs decreased by EUR 1,896,027 compared to the previous year and breaks down as follows:

	2012	2013
Amortisation of intangible assets	40,033,621	37,921,480
Depreciation of tangible assets	241,759	277,220
Write-down of receivables classified as current assets	0	180,653
Total	40,275,380	38,379,353

Amortisation of intangible assets refers to: a) software amortisation for EUR 42,738; b) amortisation of *other intangible assets* for EUR 37,878,742, 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 changes in *tangible assets*.

The *write-down of receivables classified as current assets* refers to 100% of the receivable due from a company declared bankrupt in 2013.

F) Changes in inventories

	2012	2013
Changes in inventories	10,005	-92,822

Changes in inventories represent the difference between the opening balance of inventories of EUR 963,948 and the closing balance of EUR 1,056,770.

G) Other provisions

	2012	2013
Allocation to provision for renewals	11,738,851	11,776,505
Utilisation of provision for renewals	-7,186,624	-11,065,047
Total	4,552,227	711,458

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

H) Other operating costs

This item increased by EUR 121,310 compared to the previous year (0.74%) and breaks down as follows:

	2012	2013
Taxes	226,909	226,135
Licence fee integration, art. 19, para. 9-bis, Italian Law 102/09	13,476,531	13,193,768
Licence fee, art. 10 Italian Law 537/93 and art. 1 para. 1020 Italian Law 296/2006	2,526,468	2,737,737
Sub-licence fee, art. 13 of the Agreement	75,799	76,647
Other costs	127,229	319,959
Total	16,432,936	16,554,246

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:

	2012	2013
Financial income:		
• other income	581,343	1,144,671
Interest and other financial charges	19,594,565	24,125,860
Total	- 19,013,222	-22,981,189

The *financial income* includes: EUR 26,182 interest income on bank and post office current accounts, EUR 1,108,724 interest on receivables from ANAS for public grants and EUR 9,765 other interest income.

Interest and other financial charges include: a) interest expense of EUR 15,315,905 accrued on amounts payable to ANAS; b) interest expense of EUR 8,697,801 accrued on the bank loan (of which EUR 6,799,674 on the senior loan and EUR 1,898,127 on the VAT loan; c) other interest expense of EUR 112,154.

Value adjustments to financial assets

This item breaks down as follows:

	2012	2013
Revaluation		
• of investments	17,343	5,416
Write-down		
• of investments	0	0
Total	17,343	5,416

Revaluation of investments refers to the increased value of the investee Servizi Utenza Stradale S.C.p.A., measured at equity.

Extraordinary income and charges

This item breaks down as follows:

	2012	2013
Extraordinary income	321,219	0
Extraordinary charges	0	0
Total	321,219	0

Income taxes

This item breaks down as follows:

	2012	2013
Income taxes		
• IRES	2,428,770	2,874,445
• IRAP	1,847,736	2,180,343
• deferred tax liabilities	0	0
• deferred tax assets	- 617,463	978,089
Total	3,659,043	6,032,877

Cash flow statement

	31/12/2012	31/12/2013	
A	Opening cash and cash equivalents	4,937,760	8,780,758
B	Cash flow generated by operating activities		
	<i>Operating activities</i>		
	Net profit for the year	4,311,606	9,781,643
	Amortisation of intangible assets	40,033,621	37,921,480
	Technical depreciation of tangible assets	241,752	277,220
	Provisions for post-employment benefits	826,831	859,523
	Allocations to provisions for risks and charges	11,738,851	11,776,505
	Use of provisions for risks and charges	-7,186,624	-11,065,047
	(Increase) Decrease in inventories	10,005	-92,822
	(Increase) Decrease in receivables	-91,067,807	-85,124,197
	(Increase) Decrease in accrued income and prepaid expense	1,876	-2,174
	(Decrease) Increase in post-employment benefits, net of provisions	-793,510	-833,759
	(Decrease) Increase in trade payables	1,615,970	-1,002,867
	(Decrease) Increase in payables to associates	-18,139	-8,709
	(Decrease) Increase in tax payables	-503,646	269,626
	(Decrease) Increase in social security payables	114,237	71,043
	(Decrease) Increase in other payables	76,258,256	-432,828,030
	(Decrease) Increase in accrued expense and deferred income	190,308	83,516
	TOTAL	35,773,587	-469,917,049
C	Cash flow generated by investing activities		
	<i>Investing activities</i>		
	Increase in intangible assets (net of grants and adjustments to depreciation reserve)	-31,718,114	90,632,340
	Increase in tangible assets	-195,132	-170,354
	Increase in financial assets	-17,343	-5,416
	TOTAL	-31,930,589	90,456,570
D	Cash flow generated from financing activities		
	<i>Financing activities</i>		
	Loans obtained	0	423,500,000
	Capital contributions	0	0
	TOTAL	0	423,500,000
E	Increase (decrease) in cash and cash equivalents	3,842,998	44,039,521
F	Closing cash and cash equivalents	8,780,758	52,820,279

Proposals to the Shareholders' Meeting

Dear Shareholders,

We have illustrated the main difficulties faced by the Board of Directors in 2013 and the significant events occurring during the year and after year end in the first six months of 2014.

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 Report on Operations and the Financial Statements at 31 December 2013, which comprise the balance sheet, income statement and the explanatory notes;
- allocate the 2013 profit for the year of EUR 9,781,643 as follows:
 - EUR 5,416 to the non-distributable reserve, pursuant to art. 2426 of the Italian Civil Code;
 - EUR 9,776,227 to the extraordinary reserve.

Venice, 31 March 2014

For the Board of Directors
CHAIRMAN
Tiziano Bembo

ANNEXES

- MIT Table: investments status

SUMMARY OF REVERTIBLE ASSET INVESTMENTS (Table 1)

Amounts in thousands of EUR

Reference Art. 2 of Agreement	Reference Annex H	Reference Annex D		Total planning and contractual figures		Accrued expense at 31/12/2012				Total at 31/12/2013				Notes
				Total gross amount approved	Total contractual net amount	Works	Available funds	Financial charges	Total	Works	Available funds	Financial charges	Total	
2.1.a	-	-	Mestre motorway bypass (Passante di Mestre)						968,025				968,025	1)
2.1.a	-	-	Public grants						-183,654				-283,654	1)
2.1.a	-	-	Capitalised financial charges					20,829	20,829				20,829	1)
2.1.b	-	-	Takeover indemnity						74,689				74,689	2)
2.1.c	H.1	a.	New road sign systems			186			186	186			186	3)
2.1.c	H.1	b.	Supply and laying of grids for Passante storm drains			223			223	223			223	3)
2.1.c	H.1	c.	Chloride storage plants			169			169	169			169	3)
2.1.c	H.1	d.	Automation of toll collection systems			1,637			1,637	1,717			1,717	3)
2.1.c	H.1	e.	Enhancement of electronic traffic management systems			443			443	443			443	3)
2.1.c	H.1	f.	Remotization of access to Preganziol and Spinea stations			39			39	39			39	3)
2.1.c	H.1	g.	Miscellaneous			841			841	1,069			1,069	3)
2.1.c	H.3	h.	Renovation of Mestre highway patrol station										300	4)
2.1.c	H.3	i.	Misc. road links: SP81 safety guarantee works on the SS309-Mira-Oriago station stretch						5,355				5,382	4)
2.1.c	H.3	j.	S. Giuliano SR14 interchange						7,747				7,747	4)
2.1.c	H.3	k.	Roundabout at Marco Polo ring road junction on SS14										800	4)
2.1.c	H.2	l.	Pianiga and Martellago toll gates and ring road serviceability			3,657	2,555	0	6,212	3,657	2,555		6,212	5)
2.1.c	H.2	m.	Bypass landscaping (Passante Verde)			10,894	7,836	0	18,730	12,401	7,883		20,284	5)
2.1.c	H.2	n.	Service areas										28	
2.1.c	H.2	o.	Environmental mitigation measures			3,291	22	0	3,313	3,291	22		3,313	5)
2.1.c	H.2	p.	Feed lane to motorway bypass			34,502	36,153	0	73,455	35,791	38,155		76,746	5), 6)
2.1.c	H.2	q.	Works auxiliary to main tender and updating of costs			11,690	17,801	0	29,491	11,722	19,654		31,376	5)
				0	0	67,571	64,367	20,829	1,027,730	70,708	68,269	0	935,922	

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 in progress" 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 in progress" 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 € 2,800k 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 2013 did the Company procure works, supplies and services from outside the company?	In 2013 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 2013?	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 2013?	Notes			
		CAV S.p.A. is a company established pursuant to art. 2, paragraph 290 of Italian Law 244/2007 which envisages: "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 2013 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 2951/2010 and 258/2013.	-----		-----	
C - I	No. permanent employees at 1 January 2012	No. permanent employees at 1 January 2013	No. permanent employees at 31 December 2013	Notes	
	232	236	236	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2951/2010 and 25/2013.	
C - I	Permanent personnel costs 2012	Permanent personnel costs - contracts terminated in 2012	Permanent personnel costs 2013	Permanent personnel costs - 2013 recruits	Notes

	16,254,721.84	99,924.28	17,032,087.43	8,995.59	CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2951/2010 and 25/2013.
C - I	In 2013 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 2951/2010 and 258/2013.		-----		-----
C - I	Short-term, temporary and project-based personnel costs 2009		Short-term, temporary and project-based personnel costs 2013		Notes
	329,078.00		117,269.12		CAV S.p.A. does not qualify as one of the addressees of the "C" guidelines envisaged in Regional Government Resolutions 2951/2010 and 25/2013.
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 2013 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		15/01/2013 Prot. 643		

D	In 2013 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	28/01/2013 Prot. 1256	
D	In 2013 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	28/03/2013 Prot. 4210	
D	In 2013 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 2013 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	28/03/2013 Prot. 4210	

D	In 2013 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	23/04/2013 Prot. 5359			
D	In 2013 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	20/12/2013 Prot. 175			
E - I	In 2013 did the Company comply with the limits envisaged in the directive for costs associated with advisory studies and assignments?	In 2013 did the Company comply with the limits envisaged in the directive for costs associated with public relations, conferences, exhibitions, advertising and entertainment?		Notes	
	YES	YES			
E - I	Cost for advisory studies and assignments in 2009	Cost for advisory studies and assignments in 2013	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2009	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2013	Notes
	166,677.00	0.00	118,013.00	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 - I	Were costs incurred for sponsorships in 2013?	Total of any costs incurred for sponsorships in 2013	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 2013	Was Directive L-III relating to dual office complied with for appointments made in 2013?	Was Directive L-IV relating to requirements complied with for appointments made in 2013?	Notes	
	Servizi Utenza Stradale S.C.p.A.	YES	YES		

M - I	Was the limit imposed by Directive M-I on staff pay complied with in 2013?	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 2951/2010 and 258/2013.	
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 2013.	Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2011.	Notes	
	280,548.34	357,998.27		
	Name of company legal representative or appointed delegate	Signature	Place and date	
	Piero BUONCRISTIANO			

BOARD OF STATUTORY AUDITORS' REPORT

FINANCIAL STATEMENTS AT 31 DECEMBER 2013
BOARD OF STATUTORY AUDITORS' REPORT
PURSUANT TO ART. 2429, ITALIAN CIVIL CODE

Dear Shareholders,

In the year ending 31 December 2013 we performed the supervisory duties envisaged by law, adopting inter alia the Code of Conduct recommended by the Italian accounting profession.

In particular, we report the following:

- we monitored compliance with the law, sector regulations, the Articles of Association and the principles of sound administration;
- we attended Board of Directors' meetings and Shareholders' Meetings held in 2013, conducted in accordance with statutory, legal and regulatory provisions governing their operations and consequently we can reasonably confirm that the resolutions carried complied with the aforementioned provisions and the action taken was not evidently imprudent and/or in potential conflict of interest such as to compromise the integrity of the share capital;
- we obtained information from the Chief Executive Officer and the Board of Directors on general operating performance, on business outlook and on significant transactions performed by the Company.
- we obtained information on and supervised the adequacy of the organisational, administrative and accounting structure of the company by gathering information from the department managers and through meetings with the independent auditors, with a view to mutual exchange of data and significant information, and in this respect we have nothing to report;
- we verified that no reports were submitted pursuant to art. 2408 of the Italian Civil Code, and that no complaints of any kind had been received.

We also report that:

- the accounts were audited as envisaged in legal regulations by the independent auditors Ria Grant Thornton S.p.A. The periodic meetings held with this company produced no adverse findings;
- with regard to the debt position with ANAS, in relation to the construction costs for the Passante di Mestre, reference should be made to the Report on Operations prepared by the Board of Directors;
- the Board of Statutory Auditors did not issue any opinions during the year;
- no atypical or unusual transactions were implemented during the year;
- the Board of Statutory Auditors met with the Supervisory Board for the usual exchange of information and for presentation of its draft annual report.

Lastly, we have examined the financial statements at 31 December 2013, in reference to which we report that:

- as we are not required to analytically audit the content of the financial statements, we supervised the general format and overall compliance with legal provisions on their format and structure, and in this respect we have nothing to report.
- we verified compliance with the law in relation to preparation of the Report on Operations, and in this respect we have nothing to report.

- ❑ we confirmed compliance with the preparation principles pursuant to art. 2423-*bis* of the Italian Civil Code and with the measurement criteria indicated in art. 2426 of the Italian Civil Code;
- ❑ the explanatory notes contain the information required by art. 2427 of the Italian Civil Code with regard to related party transactions.
- ❑ as far as we are aware, in preparing the financial statements the Directors did not deviate from regulations pursuant to Art. 2423, paragraph 4 of the Italian Civil Code.
- ❑ we verified that the financial statements correspond with the facts and information of which we became aware through the performance of our duties and in this respect have nothing to report;
- ❑ during the course of the supervisory activities performed and on the basis of information obtained from the Independent Auditors, no omissions, censurable facts or irregularities or in any event significant events were found that would need to be reported to the supervisory authorities or in this report;
- ❑ the supervisory activities described above were performed in 7 meetings of the Board of Statutory Auditors and attendance at 6 meetings of the Board of Directors.

Given all of the above, and also considering the results of activities performed by the Independent Auditors, the results of which are contained in the special report issued on 11 April 2014, we propose that the Shareholders' Meeting approves the financial statements at 31 December 2013 as prepared by the Board of Directors, together with the related proposal for allocation of profit for the year.

Venice, 11 April 2014

The Board of Statutory Auditors

Antonia Salsone - Chairman ----- signed Antonia Salsone

Gaetana Celico - Standing Auditor ----- signed Gaetana Celico

Paolo Venuti - Standing Auditor ----- signed Paolo Venuti

INDEPENDENT AUDITORS' REPORT

**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.**

1. We have audited the financial statements of Concessioni Autostradali Venete C.A.V. S.p.A. as of December 31, 2013. 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.' 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 5, 2013.

3. In our opinion, the Financial Statements of Concessioni Autostradali Venete C.A.V. S.p.A. at December 31, 2013 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.

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, 2013.

Padua, April 11, 2014

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*

SHAREHOLDERS' MEETING RESOLUTIONS

On 23 May 2014 the Shareholders of Concessioni Autostradali Venete - CAV S.p.A. held the ordinary Shareholders' Meeting, on second call, at the registered office in Marghera, Venice.

The Shareholders' Meeting was chaired by the Chairman of the Board of Directors, Tiziano Bembo.

The representatives of both the Shareholders that together hold the entire share capital of CAV S.p.A. were present: Vincenzo Acquafredda for ANAS S.p.A. and Renato Chisso for the Veneto Regional Government.

In addition to the Chairman, the Chief Executive Officer Piero Buoncristiano and the director Fabio Cadel were also present.

The standing auditor Gaetana Celico attended on behalf of the Board of Statutory Auditors.

*

The Chairman illustrated the financial statements at 31 December 2013, comprising the balance sheet, income statement and the explanatory notes, as prepared by the Board of Directors.

The Chairman emphasised the positive result in the financial statements, which recorded net profit of EUR 9.8 million: more than double that of 2012. The result was mainly due to the increase in toll revenue determined not so much by the traffic but by the tariff adjustment applied from 1 December 2013, after the previous two years had actually seen the tariffs decrease as a result of the bureaucratic delays in approving the Agreement signed in 2010 with ANAS, the contracting authority at that time.

After explaining the overall reduction in production costs, the Chairman pointed out that financial charges had increased considerably in relation to the financial transactions undertaken. In this respect, the Chairman reminded the meeting that in 2013 CAV obtained loans for a total of EUR 423.5 million, which allowed the transfer to ANAS of an initial consistent payment on account for reimbursement of the construction costs for the Passante di Mestre. CAV continued its search for other funding required to cover the debt to ANAS and in the first few months of 2014 had launched a funding transaction through the issue of Project Bonds, partly backed by the EIB, the acquisition of which will allow settlement of the aforementioned loan of EUR 423.5 million and the payment of a further amount against the debt to ANAS.

The Chairman then reported on certain issues that are extensively illustrated in the Report on Operations and in the explanatory notes. In particular, he emphasised that the "turnstile" problem had been solved with the virtual moving back of the Venezia-Mestre toll barrier to Mirano-Dolo, and that CAV had taken action to request and obtain the exceptional application of a tariff discount to certain local users that had suffered from the virtual move of the toll barrier.

The Chairman concluded by presenting the Board of Directors' proposals for approval of the financial statements at 31 December 2013 and to allocate the profit to the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code and to the extraordinary reserve.

After discussions were opened, the Veneto Regional Government representative, Renato Chisso, invited the Board of Directors to request a fair extension of the Agreement from the contracting authority, so as to make it easier for the Company to meet the investment costs.

The ANAS S.p.A. representative, Vincenzo Acquafredda, agreed with the Regional Government's representative.

The Chairman, Tiziano Bembo, responded by assuring the Shareholders that the matter was already under discussion by the Board of Directors which, in the near future, will arrange a formal request for extension.

Moving on to the vote, the Shareholders unanimously approved the Report on Operations and the financial statements at 31 December 2013, as prepared and approved by the Board of Directors. In addition, partly changing the recommendations of the Board of Directors regarding the allocation of profit, the Shareholders unanimously resolved to allocate the 2013 profit for the year of EUR 9,781,643 as follows:

- EUR 5,416 to the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code;

- EUR 9,776,227 to the special restricted reserve pursuant to art. 2.1 of the Articles of Association to cover additional investments in road infrastructures in compliance with the CIPE Resolution of 26 January 2007, to be indicated in a specific separate accounting item.

*

The Shareholders' Meeting then moved on to discuss points 2, 3 and 4 of the agenda regarding the appointment of the Board of Directors for the three-year period 2014/2016 pursuant to art. 15 of the Articles of Association; determination of directors remuneration for the three-year period 2014/2016 and, lastly, appointment of the Board of Directors for the three-year period 2014/2016 and related remuneration. The Shareholders agreed to postpone discussion of all these items to a later meeting, and consequently unanimously resolved to call another Shareholders' Meeting for Friday, 25 July 2014, with items on the agenda being the appointment of the Board of Directors and the Board of Statutory Auditors for the three-year period 2014/2016 and their related remuneration.

*

Lastly, in compliance with current regulations and taking into account the guidance given in Veneto Regional Government Resolution 258/2013, the Shareholders' Meeting resolved to authorise the Board of Directors of CAV S.p.A. to nominate a representative of CAV S.p.A. on the Board of Directors of Servizi Utenza Stradale S.c.p.A. to replace Eutimio Mucilli following his resignation.