



**CONCESSIONI
AUTOSTRADALI
VENETE**

FINANCIAL STATEMENTS

AT 31 DECEMBER 2017 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
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Notice of Call to the Shareholders' Meeting

Venice, 27 March 2018

Dear
SHAREHOLDER
Their respective address

SUBJECT: Ordinary Shareholders' Meeting

Pursuant to art. 2364 of the Italian Civil Code, the shareholders of Concessioni Autostradali Venete - CAV S.p.A. are hereby called to the Ordinary Shareholders' Meeting to be held at the registered office, Via Bottenigo, 64/A, Venezia-Marghera on 27 April 2018 at 12:00 on first call and, if necessary, on **2 May 2018 at 12:00** on second call, to discuss and resolve upon the following

AGENDA

- 1) Approval of the Financial statements at 31 December 2017, the Management Report, Board of Statutory Auditors' Report and Independent Auditors' Report: contingent resolutions;
- 2) Corporate Governance Report 2017;
- 3) Appointment of Auditors for the 2018, 2019 and 2020 years, on a proposal made by the control body, following the completion of public insolvency proceedings pursuant to Italian Legislative Decree 50/2016: related and contingent resolutions;
- 4) Appointment of the Board of Directors for the three-year period 2018 - 2020, subject to the determination of the number of members pursuant to art. 16.1 of the Articles of Association and art. 11, paragraph 3, of Italian Legislative Decree 175/2016;
- 5) Appointment of the Chairman of the Board of Directors pursuant to art. 16.1 of the Articles of Association;
- 6) Determination of Directors remuneration for the three-year period 2018 - 2020 pursuant to art. 23 of the Articles of Association.

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
(Luisa SERATO)

Company Officers

BOARD OF DIRECTORS (1)

Chairman
SERATO Luisa (2)

Chief Executive Officer
ADILETTA Michele (3)

Directors (4)
CERON Renzo
MAGGIONI Alessandro
RIBECCHI Federica

BOARD OF STATUTORY AUDITORS (5)

Chairman
DIANA Giovanni

Standing Auditors
GIRARDI Claudio
PALMIERI Incoronata

Alternate Auditors
SALOMONI RIGON Maurizio
SOLIMENE Silvia

SENIOR MANAGERS

Chief Financial Officer
BORDIGNON Giovanni

Chief Operating Officer
MATASSI Angelo

Chief Human Resources
BRAGATO Paolo

Chief Technical Officer
FUSCO Sabato

INDEPENDENT AUDITORS

RIA GRANT THORNTON S.p.A.

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

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

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

(4) Director Alessio Adami resigned from office on 18 November 2015 and was replaced by Renzo Ceron, appointed by the Shareholders' Meeting on 28 June 2017.

(5) The Board of Statutory Auditors was appointed by the Shareholders' Meeting on 28 June 2017.

The Chairman of the Board of Statutory Auditors Giovanni Diana was nominated by the Ministry of the Economy and Finance; the Standing Auditor Claudio Girardi was nominated by the Veneto Regional Government; the Standing Auditor Incoronata Palmieri was nominated by the Ministry of Infrastructure and Transport.

Share capital structure

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

MANAGEMENT REPORT

INTRODUCTION

Dear Shareholders,

With this report we describe the key elements characterising the 2017 year, and above all, the results of the Financial statements which closed in positive and highly pleasing terms with a considerable profit.

The Financial Statements

In 2017, the Financial statements show a profit of EUR 17.3 million.

The figure is particularly positive and exceeds all expectations and forecasts, as well as that of the excellent 2016.

It can be said that two factors made this result possible: on the one hand, toll revenue determined by good traffic trends and tariff increases, and on the other, management costs.

Therefore, let's look at the first of these, traffic trends.

The number of vehicles travelling on motorway stretches managed by CAV saw an increase of 0.16%. This figure seems modest at first view. But it requires proper interpretation. In fact, traffic increased much more substantially (by more than 4%): however, the total volume of kilometres travelled was affected by the decrease, established by the Ministry, in the additional kilometres travelled charged at the barriers, which at the same time only affects the A57 Tangenziale di Mestre and not the Passante.

Secondly, we have the tariff increase.

For 2017, the Company was authorised to apply an increase of 0.45%: a very limited figure but motivated by the Ministry of Infrastructure, considering the need, pending the formalisation of the new Economic and Financial Plan (EFP), to exclude significant tariff fluctuations for users at the moment in which the new EFP becomes effective (which then seemed to have come into force during the year) connected to the reduced "K" value for the year 2017. Although the percentage increase in tariffs was not particularly high, without a doubt it contributed to the good toll revenue trends.

With regard to tariffs and traffic, further data, analyses and information can be found in other sections of this reporting package.

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

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

The new Financial Plan

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

The approval process – therefore launched more than two years ago – has still not been completed.

However, two positive developments took place in 2017. With Resolution no. 17 of 3 March 2017, the CIPE issued a favourable opinion on the draft Additional Act to the agreement in force: with the Resolution of 7 August 2017, the CIPE also approved a review of the criteria for the economic regulation of updates to economic financial plans of motorway management companies.

In September 2017, the MIT/Directorate General for Motorway Concession Supervision sent the aforementioned draft Additional Act to the Company, requesting the submission of all attachments in order to meet the stipulation.

The Board of Directors met on 28 September 2017 and taking the view that signing was advisable, called a Shareholders' Meeting for due approval.

After the meetings of 30 November 2017 and 14 December 2017, the shareholders, in the meeting of 2 March 2018, approved the Additional Act, authorising its signing.

Beyond the bureaucratic and formal aspects, we believe that in the near future it will be possible to formalise the Act, which includes as an annex, the new 2015 – 2032 Economic and Financial Plan and the new Regulatory Financial Plan for the five-year period 2015 – 2019. It is worth pointing out – with satisfaction – that the new EFP/RFP attached to the Additional Act will be signed in the same version that was presented to the contracting authority in June 2015: after all the checks and inspections to which it was subjected to over recent years – by MIT, NARS and CIPE – it has been approved and considered valid as proposed by CAV without undergoing any changes, with confirmation of all data and parameters and in particular information relating to the consistent rate of return (WACC).

One last point: the regulation establishes that the approval process will be completed with the issue of the dedicated Interministerial Decree (MEF and MIT) and its subsequent registration with the Court of Auditors.

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

The Project Bond and correlated aspects

In 2016, the company achieved an objective established some time ago, at the time that the law establishing the Company was passed, relating to the obligation, later also established by contract, to repay ANAS for the costs incurred for the construction of the Passante di Mestre (Mestre bypass). This took place with the completion of the financing transaction by means of the bond issue in the technical form of a Project Bond, taking advantage of the opportunities provided by art. 157 of Italian Legislative Decree 163/2006.

During 2017, the Company precisely complied with all obligations laid out in the loan agreements entered into: in particular – aside from various informational and reporting aspects – it paid two principal and interest instalments due on 30 June and 31 December 2017 (the payment frequency is every six months).

The rating

As part of the Project Bond procedure, the Company obtained – and must continue to obtain – a rating certification.

In 2017, an A3 certification was confirmed, albeit with a change in the outlook (only as a result of the revision of Italy's rating and not therefore due to any specific negative assessment of CAV), changing from stable to negative.

The figure is an absolute value and is the best among all those issued by rating agencies to Italian companies.

The ANAS subordinated loan

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

The Company has also respected its contractual commitments undertaken for this loan. Moreover, the reimbursement is progressing even more positively than set out in the repayment plan. Thanks to good cash flows, it was possible to disburse larger amounts than initially planned. Confirming this trend, it will be possible to repay the debt to ANAS earlier than expected – originally scheduled for 2021 – in 2019.

In addition, it should also be noted that the Company intended to verify whether more favourable interest rate conditions exist in the financial market and launched an open procedure at European level to identify a different lender.

This procedure is still ongoing.

Investments

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

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

As regards the remaining activities of EUR 279.4 million set forth in the Economic and Financial Plan, they have been completed to the amount of EUR 242.3 million. Residual works yet to be completed total EUR 37.1 million, the majority of which, for roughly EUR 14.6 million, refers to auxiliary and completion works on the Passante.

With respect to the overall financial commitment set forth above, 97.3% of which has been met, the part still to be completed now represents only 2.7%.

Investments made in 2017 are indicated, in detail, in another section of the Motorway Management Report. More briefly, it should be noted that the investments involved activities included in the current EFP/RFP or essential safety-related works, and more specifically, the auxiliary and completion works on the Passante di Mestre, a feasibility study for new service areas, automation of toll collection systems, the safety management system and environmental protection.

Governance

As regards governance, it should be noted that the Board of Statutory Auditors currently in office (whose three-year term of office runs from 2017 – 2018 – 2019) was appointed by the Shareholders' Meeting on 28 June 2017.

In 2017, the Board of Directors concluded its term and a new Board is required for the three-year period 2018 – 2019 – 2020.

Management systems

CAV has taken a number of intensive and complex interventions in 2017 to implement and improve management systems in order to constantly monitor their activities in compliance with the relevant legal and internal regulations.

These actions to develop and improve management systems are described in more detail in another section of the Motorway Management Report.

More briefly, it should be noted that, in addition to UNI EN ISO 9001/2008 (Quality Management) and BS OHSAS 18001/2007 (Health and Safety Management) systems already in place in the Company and constantly improved, it was decided to launch two new management systems: UNI EN ISO 14001/2015 (Environmental Management) and UNI EN ISO 39001/2016 (Road Traffic Safety Management).

The objective is to obtain integrated certification for all four management systems by 2018.

In addition, the organisational and management models concerning the protection of personal data (EU Regulation 679/2016), administrative liability (Italian Legislative Decree 231/2001), prevention and repression of corruption and illegality and transparency (Italian Law 190/2012, Italian Legislative Decree 33/2013 and Italian Legislative Decree 39/2013) are currently being reviewed and updated.

As regard the areas of transparency and prevention of corruption, the Manager has carried out all the activities required by current legislation.

Legal situations and disputes

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

However, criminal proceedings are still under way at the Court of Venice – as already described in detail in previous year's reports – to ascertain the liability of the parties involved on various bases in a serious motorway accident on the A4 in 2014, in which two employees of a CAV contractor died. Hearings continued in 2017, while the closing arguments began in the first months of 2018.

The Company is involved in relation to regulations governing the administrative liability of legal persons for offences committed in the interest of or to the advantage of the Authority by its executive and/or senior management (Art. 25 septies, paragraph 2, Italian Legislative Decree 231/2001).

Within the proceedings, the liabilities that are currently possible – as reported by the lawyer who followed the case – are those related to possible criminal sanctions.

In the final indictment, the Public Prosecutor requested that the Company be subject to a fine of EUR 64,500.00, which is not binding however, since, if the Judge decides to sentence the Company, he may decide to apply a different sanction (higher or lower than that imposed by the Public Prosecutor).

At this point in time, it should also be taken into account that any sentence handed down in the first instance, would not be immediately enforceable, since there is the option to appeal.

In any case, the Company is covered by insurance, in terms of administrative liability under Italian Legislative Decree 231/2001 and for third party liability in the event that the conditions for an action of recourse (the injured parties and their close relatives have already been compensated) against CAV should emerge (even though no civil action has been brought at the moment).

The judgment is still pending.

A second dispute of a certain importance regarding requests for compensation of the plaintiffs – also already illustrated in previous year's reports – regards an accident entailing a death in 2002.

A positive development has recently taken place.

With a ruling published on 30 January 2018, the Court of Appeals fully accepted CAV's assumptions, rejecting all claims made by the counterparty.

In fact, the Court confirmed its lack of standing to act as defendant (not having appeared in the compulsory reports of the previous motorway operator which at the time managed the stretch where the accident occurred) and that the claims against it were unfounded in substance.

CAV's lawyer immediately notified the counterparties of the ruling, so that the short deadlines for any appeal to the Supreme Court of Appeal could be met.

In such circumstances, the risk of losing – as reported by the lawyer who followed the case – is remote, in light of the above appeal ruling.

Finally, it should be noted that in September 2016 the Company submitted a request for an opinion regarding VAT liability on public grants (received by ANAS for the construction of the Passante di Mestre and then subject to transfer from ANAS to CAV) to the Italian Revenue Agency.

The Italian Revenue Agency – Rome Central Directorate for Legislation – VAT Office, replied in March 2017, taking the view that, with regard to the tax treatment of the aforementioned disbursements, they are relevant in terms of VAT. CAV adapted to the Agency's instructions, whilst not sharing the positions it has taken, in December 2017 it therefore submitted – in line with ANAS – a new request for an opinion, supported by several further innovative legal status elements, on the tax issue in question.

On 14 March 2018 the Italian Revenue Agency's reply was received, and confirmed that public grants received by CAV through ANAS are subject to VAT.

Other information pursuant to art. 2428 of the Italian Civil Code

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

BUSINESS AND FINANCIAL PERFORMANCE

Business performance

The 2017 financial year concluded with a positive result: net profit after taxes was roughly EUR 17.3 million (EUR 14.1 million in 2016).

Production value stood at EUR 158.9 million (EUR 155.3 million in 2016) with an increase of EUR 3.6 million (+ 2.3%).

With regard to production value, toll revenue (net of VAT and the ANAS licence fee integration) came to EUR 136.9 million, an increase compared to the previous year (EUR 133.2 million in 2016; + 2.8%): this figure is directly correlated with good traffic trends and the tariff increases authorised by the MIT/MEF since the beginning of the year (for more on traffic and tariffs, see the appropriate sections in the Management Report). The ANAS licence fee integration grew from EUR 14.0 million to EUR 14.1 million (EUR 0.1 million more; + 0.7%) as a result of traffic.

The total for other motorway income amounted to EUR 6.9 million (EUR 6.8 million in 2016) with breakdown as follows: EUR 4.3 million in royalties on service area business; EUR 1.9 million from other motorway companies' share of collection costs; and EUR 0.7 million in recovered costs.

Production costs totalled EUR 107.6 million, up EUR 1.1 million (EUR 106.5 million in 2016; + 1.0%) as specified below.

Service costs amounted to EUR 21.4 million (EUR 19.9 million in 2016; + 7.5%).

This increase was mainly due to costs of annual and periodic maintenance, which grew from EUR 8.9 million to EUR 10.8 million (+ 21.3%).

The other significant item is the CAV sharing of collection costs incurred by the associated motorway companies, as envisaged in the motorway interconnection agreement, amounting to EUR 4.6 million, unchanged from 2016.

Personnel costs stood at EUR 19.7 million (EUR 19.8 million in 2016; - 0.3%).

Amortisation and depreciation in 2017 totalled EUR 45.0 million (EUR 46.1 million in 2016; - 2.4%). Most of this relates to amortisation of the costs of the Passante, which alone totalled EUR 28.7 million (equivalent to 2016): 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 12.4 million (EUR 10.3 in 2016); related utilisation of the provision in 2017 totalled EUR 11.0 million (EUR 9.0 million in 2016; + 22.0%).

Another important item is other operating costs, amounting to EUR 18.4 million (EUR 18.0 million in 2016; + 2.3%).

Other operating costs include the licence fee pursuant to art. 1, paragraph 1020 of Italian Law 296/2006 amounting to EUR 3.3 million (EUR 3.2 million in 2016), corresponding to 2.4% of net toll revenue: of this fee, 21% (EUR 0.7 million) is paid directly to ANAS and 79% (EUR 2.6 million) to the State.

Also included is the ANAS licence fee integration, which increased from EUR 14.0 million in 2016 to EUR 14.1 million in 2017 (+ 0.7%): this amount is a balancing entry to the amount recorded in revenue, as it is simply an amount collected on behalf of a third party, i.e. ANAS.

In brief, note that the figure relating to production costs was caused by a series of factors, of which some have an increasing effect (the most significant of which are service costs, up EUR 1.5 million) and others a decreasing effect (the most important of which is amortisation costs: down EUR 1.1 million).

The difference between production value and cost was EUR 51.3 million (EUR 48.8 million in 2016). The EUR 2.5 million change (+ 5.2%) is exclusively due to the increase in revenue (approximately EUR 3.6 million). Costs increased by approximately EUR 1.1 million.

Financial charges totalled EUR 26.2 million, lower than the previous year (EUR 28.5 million in 2016; - 8.2%) and include EUR 19.0 million in interest expense associated with the Project Bond transaction and EUR 7.1 million in interest expense associated with the ANAS subordinated loan.

Based on the economic situation described above, income before taxes amounted to EUR 25.1 million (EUR 21.1 million in 2016; +19.0%) with an increase of EUR 4.0 million; whilst income taxes (IRES and IRAP and deferred tax assets) totalled EUR 7.8 million (EUR 7.0 million in 2016); as mentioned previously, the profit for the year was EUR 17.3 million.

Financial statement ratios

		31/12/2017		31/12/2016	
ROE	NET INCOME	17,280	14.71%	14,142	14.11%
	EQUITY	117,497		100,217	
ROI	EBIT	51,303	4.99%	48,791	4.75%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,027,806		1,026,422	
ROS	EBIT	51,303	35.43%	48,791	34.52%
	NET SALES REVENUE	144,801		141,349	
ROA	EBIT + INTEREST INCOME	51,314	5.25%	49,659	4.76%
	TOTAL ASSETS	976,715		1,043,360	

FIXED ASSETS/TOTAL ASSETS RATIO	FIXED ASSET PORTION OF INVESTED CAPITAL	1,024,875	104.93%	1,030,737	98.79%
	INVESTED CAPITAL	976,715		1,043,360	

LEVERAGE RATIO	PAYABLES	838,452	713.59%	923,779	921.78%
	EQUITY	117,497		100,217	

DEBT/EQUITY RATIO	LIABILITIES - EQUITY	859,218	731.27%	943,143	941.10%
	EQUITY	117,497		100,217	

ASSET/EQUITY RATIO	EQUITY	117,497	11.43%	100,217	9.76%
	AVERAGE FIXED ASSET PORTION OF CAPITAL INVESTED	1,027,806		1,026,422	

CURRENT RATIO	CURRENT ASSETS	204,754	123.97%	182,294	130.92%
	CURRENT LIABILITIES	165,161		139,237	

Reclassified income statement (thousands of EUR)

	31/12/2017	% revenue	31/12/2016	% revenue
REVENUE				
Net toll revenue	136,886	94.53%	133,250	94.27%
Other revenue from sales and services	6,869	4.74%	6,808	4.82%
Other income and revenue	1,046	0.72%	1,291	0.91%
TOTAL REVENUE	144,801	100.00%	141,349	100.00%
Production overhead	-23,171	-16.00%	-21,378	-15.12%
Other costs and plus/minus balance	-4,252	-2.94%	-4,034	-2.85%
VALUE ADDED	117,378	81.06%	115,937	82.02%
Net labour costs	-19,703	-13.61%	-19,766	-13.98%
EBITDA	97,675	67.45%	96,172	68.04%
Accumulated amortisation/depreciation	-44,966	-31.05%	-46,094	-32.61%
Allocations to provisions for risks and charges	-1,406	-0.97%	-1,287	-0.91%
EBIT	51,303	35.43%	48,791	34.52%
Financial income and charges	-26,172	-18.07%	-27,656	-19.57%
Asset adjustments/sale of investments	-4	0.00%	-20	-0.01%
INCOME BEFORE TAXES	25,128	17.35%	21,115	14.94%
Income taxes for the year	-7,848	-5.42%	-6,973	-4.93%
PROFIT (LOSS) FOR THE PERIOD	17,280	11.93%	14,142	10.00%

A number of summary forecasts for next year

A variety of factors will affect the value of toll revenue.

The first of these is traffic trends, which in connection with signs of economic recovery, should be positive.

Secondly, it should be taken into account that in 2018 the additional kilometres travelled as applied at the barrier stations - unlike 2017 - did not decrease, having been confirmed by the MIT/MEF as 15.836 km; toll discounting initiatives for commuters adopted at the local level (Mirano/Dolo - Padova Est stretch) were also extended for all of 2018.

Thirdly, the tariffs rose in 2018 compared to 2017. By MIT/MEF interministerial decree, a tariff update of 0.32% was recognised.

With a general outlook characterised by the initial concrete proof of an economic recovery and taking into account the above elements, the Company is prudentially forecasting a substantial confirmation of revenue in 2018 at the same levels as the previous year.

Production costs are expected to post figures very similar to those recorded in 2017.

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

Based on the aforementioned assumptions, the Company expects to post profit again in 2018.

Financial performance

At 31 December 2017, cash and cash equivalents totalled approximately EUR 41.8 million (EUR 36.5 million in 2016) with an increase of EUR 5.3 million.

In addition, it should also be noted that specific liquidity reserves (restricted current accounts) were established as envisaged in the contractual documentation for the project bond totalling EUR 67.8 million at 31 December 2017 and, more precisely, a Debt Service Reserve Account for EUR 36.1 million, a Capex Reserve Account for EUR 27.1 million and a Maintenance Reserve Account for EUR 4.6 million.

At 31 December 2017, it was confirmed that two loans had already been taken out, i.e., the loan through the Project Bond and the ANAS subordinated loan.

The situation at 31 December 2017 is the following: as regards the Project Bond, after principal repayments made during the year, there is a residual debt (calculated with the amortised cost method) of EUR 724.9 million; as regards the ANAS subordinated loan, the residual debt is EUR 63.2 million.

A brief indication of 2018 financial issues

With the liquidity noted above, which will be added to the financial resources generated by the ordinary motorway management activities and from typical toll revenues, the Company will be able to meet all of its financial obligations or, above all, those resulting from the project bond with the repayment of principal and interest for a total of EUR 65.0 million (settled in half-yearly payments due on 30 June 2018, for EUR 25.3 million in principal and EUR 7.8 million in interest, and on 31 December 2018 for EUR 24.3 million in principal and EUR 7.6 million in interest), secondly those relating to the ANAS subordinated loan and thirdly those correlated with investments for operating needs to manage the licensed motorway stretches and to conclude auxiliary and completion works on the Passante.

MAIN RISKS AND UNCERTAINTIES

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

Traffic risk and tariff risk

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

Financial risks

The financial requirements to support ordinary activities, maintenance plans and contractual commitments are met through the bonds and subordinated shareholder loan that are currently in place. Contractual commitments include the requirement of financial solidity as per art. 3, paragraph 2, letter t, of Attachment K of the agreement in force.

MOTORWAY MANAGEMENT

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

Traffic

To begin with, a number of simple definitions.

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

In 2017 there were no changes to the infrastructural organisation.

To clarify the presentation of data in the following sections, here we specify the motorway stretches managed by the Company: A4 stretch from Padova Est as far as the interconnection with the A57 up to Dolo, and the Passante di Mestre; the “A57 Tangenziale di Mestre” stretch from the interconnection with the A4 as far as the Venezia/Mestre toll barrier (under the closed system); and the additional stretch, strictly speaking called the Tangenziale di Mestre, from the Venezia/Mestre toll barrier to the “Terraglio” junction (under the open system). There is also the “Marco Polo” Venezia/Tessera Airport ring road on the open system.

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

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

Total traffic figures

An initial overall figure: the vehicles per km (open + closed systems) in 2017 totalled 1,800,329,089 (1,797,500,010 in 2016) recording an increase of 0.16%, in contrast to the increase of 4.24% in 2016, though this percentage difference is justified by the decrease in additional km travelled authorised by the MIT on the open system, as will be explained in more detail in the “Open System” section.

Closed system

In 2017, in the entire closed system (part A4 and part A57) the actual vehicle count was 43,160,828, marking an increase of 1,643,503 units and a percentage rise of 3.96% compared to the figure of 41,517,325 in 2016. The related vehicles per km totalled 1,124,602,163, a growth of 4.12% compared to 1,080,109,390 in 2016. The virtual vehicles totalled 24,381,090, a growth of 4.12% compared to 23,416,498 in 2016.

These figures recorded on a daily basis result in the following: 118,249 daily average actual vehicle count (VEMG) versus 113,435 in 2016 (+ 4.24%); 3,081,102 daily average vehicles per km (VkmMG) versus 2,951,119 in 2016 (+ 4.40%); 66,798 daily average virtual vehicle count (VTMG) versus 63,980 in 2016 (+ 4.40%).

To complete the information, it is noted that the traffic trend at national level also saw an estimated increase of around 2.40% (preliminary data; source: AISCAT).

Open system

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

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

Transits recorded in 2017 totalled 30,664,682, an increase of 1.73% compared to 30,142,463 in 2016. These transits generated a total of 675,726,932 vehicles per kilometre, a decrease of 5.81% compared to 717,390,620 in 2016. This decrease is due solely to lower conventional kilometres, relative to additional km travelled, applied from 1 January 2017, decreasing from 17.600 km to 15.836 km, a decrease of 1.765 km.

The number of transits indicated above does not include entry and exit transactions at the Venezia/Mestre, Mira/Oriago, and Mirano/Dolo stations with journeys starting/ending between them, or for transactions relating to toll-free internal traffic, which will be discussed in a later section.

Lastly, it should be pointed out that the above figures do not take into account city traffic travelling on the Tangenziale di Mestre via the various local junctions (Miranese, Castellana and Terraglio) and on the airport ring road, which do not then access the closed motorway system (A57, A4, A27) through one of the stations mentioned above.

Application of discounted tariffs for commuters

- Memorandum of Understanding for MIT-AISCAT tariff regulation of 24 February 2014

Starting from February 2014, on request of the government, the Company launched a pilot project running to 31 December 2015 (later extended again on a pilot basis for 2016, and also confirmed for 2017) for a tariff regulating system for users commuting to work, with a 20% discount on the toll if certain conditions are met (use of Telepass, class A, commuters, predefined stretch) that cannot be aggregated with any other subsidy systems in place.

In 2017, the application of this system resulted in lower toll revenue for CAV of around EUR 190,000 (including VAT), with an average of approximately 6,173 users signing up for the initiative each month for an annual total of 782,503 transits.

To date, this discount has not been extended to 2018.

- Application of a subscription system on the Padova Est - Mirano/Dolo stretch.

In 2017, the number of commuters resident in the municipalities of Mirano, Dolo, Mira, Spinea and Pianiga (all in the province of Venice) using the subscription system on the Mirano/Dolo–Padova Est stretch (class A, using Telepass device, 40% discount) was 307 (+ 32% from 2016). The total for the year was 24,927 transits with lower toll revenues for CAV of approximately EUR 27,000 (including VAT).

Lastly, please also note that for 2018 the Ministry of Infrastructure authorised the continuation of this pilot project.

- Tariff regulating system for motorcycles

The initiative, launched on a pilot basis on 1 August 2017, provides for a 30% reduction on the toll for Telepass customers travelling by motorcycle, provided that the Telepass device is associated with a single motorcycle license plate and that there are no other activated subsidies on the same Telepass device.

In the 5 months of 2017 in which the subsidy was active (August-December) the total number of transits affected by the discount was 4,320 and resulted in a lower revenue for CAV of approximately EUR 3,400. At the request of the Ministry of Infrastructure and Transport, the initiative will continue, again on a pilot basis, until June 2018.

- Italian Law 41/1986 art. 18

With regard to the contents of art. 18 of Italian Law 41/1986, it is noted that since 2017 no toll subsidies have been granted.

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

Internal transits between Venezia/Mestre, Mira/Oriago and Mirano/Dolo stations (not subject to tolls) in 2017 amounted to 11,437,526, marking a rise of 4.49% compared to 2016 (10,946,133).

Traffic classification and payment types

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

Traffic composition has been substantially constant for years; the conventionally classified light vehicles generated 74.69% of the total vehicles per km (paying traffic on both closed and open systems) whilst heavy vehicles accounted for 25.31%.

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

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

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

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

The "Central Sector System" is the IT system used by motorway management companies for the exchange required for the shared management of data and transits on the interconnected network, and is functional to

the continuous acquisition of the information needed to unambiguously determine the route taken by detecting transits in entrance, exit and interim stations, in accordance with established criteria. It operates in an integrated manner with the systems of the individual Management Companies.

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

During 2017, the Central Sector System operated in parallel with the current system; the transition to the executive phase is expected to take place in the second half of 2018, unless specified by the competent ministerial bodies in force.

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

Transit with tolls paid in cash represent 22.58% (23.15% in 2016) and can be broken down as follows: 6.86% manually in cash and 15.72% in cash via automatic cash points.

The total for the various automatic payment systems represents 77.42% (76.85 in 2016) of paying transits.- Despite considerable changes with respect to the previous year, 2017 again confirmed the continual decline in the cash payment system as compared with the gradual consolidation, year after year, of automated and/or deferred payment systems, particularly the dynamic “drive through without stopping” transit systems. The latter systems (Telepass) alone represented 67.45% in 2017, compared with 67.11% recorded in 2016.

Proceeds from tolls

In 2017 proceeds from tolls (net of VAT and ANAS licence fee integration) totalled EUR 136.9 million, compared to EUR 133.2 million in 2016.

The end result - recording an increase of approximately EUR 3.7 million, an increase of 2.73% - was due to good traffic trends and the tariff increases authorised by the MIT/MEF: in this regard, see the appropriate sections in the Motorway Management Report.

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

The above revenue figure is made up of toll proceeds paid by traffic on the various stretches of motorways licensed to CAV. Specifically, traffic on the Passante (A4) and traffic on the Padova-Mirano/Dolo stretch (part A4 and part A57) in the closed system, as well as open system traffic (at the toll barriers of Venezia/Mestre, Mira/Oriago and Mirano/Dolo on the A57 managed by CAV, the Venezia Nord barrier on the A27 managed by Autostrade per l'Italia and the Venezia Est barrier on the A4 managed by Autovie Venete), where a toll is applied for 6.200 km (for the Tangenziale) and 15.836 km (17.600 km in 2016) for additional km travelled to finance the Passante.

In statistical terms, toll revenue can be broken down as follows: 53.25% of revenue from the Passante itself; 19.24% of revenue from the closed Padova-Mirano/Dolo stretch; 19.77% of revenue from the open system for transits to stations for 15.836 km; 7.74% of revenue from transits to stations for 6.200 km.

The licence fee integration in favour of ANAS totalled EUR 14.1 million (EUR 14.0 million in 2016; + 0.7%). This increase is associated with the traffic trend and traffic distribution across the five tariff classes.

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

Toll tariffs

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

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

For 2017 tariffs, ample explanation has already been provided in last year's Financial statements report.

With this in mind, we now provide the most recent and updated information on 2018 tariffs.

For 2018, the Minister of Infrastructure and Transport, in agreement with the Minister of Economics and Finance, on 29 December 2017, issued the Interministerial Decree authorising the application of the new tariffs starting from 1 January 2018: the tariff increase, due to CAV, amounts to an increase of 0.32% considering the recognised value of the "K" (Investments) variable and the fact that the updating procedure for the new EFP has not yet been completed.

In its letter of 29 December 2017, the MIT/Directorate General for Motorway Concession Supervision confirmed 15.836 km for 2018 (unchanged from 2017) for the additional km travelled due to CAV and applied at the barriers of Venezia/Mestre, Mirano/Dolo and Mira/Oriago on the stretch of the A57 managed by CAV, the Venezia Nord barrier on the A27 managed by Autostrade per l'Italia and the Venezia Est barrier on the A4 managed by Autovie Venete.

In another letter dated 19 December 2017, the MIT/Directorate General for Motorway Concession Supervision notified CAV that the tariff subsidy pilot project (subscription with 40% discount) on the stretch between the Mirano/Dolo and Padova Est stations (due to expire on 31 December 2017), could be extended for another 12 months as of 1 January 2018 until 31 December 2018, as a continuation of the pilot project.

Investments

The extension of the approval period of the 2015-2019 Regulatory Financial Plan, submitted to the Ministry on 26 June 2015, has not allowed the Company to provide the authorisation certainties to be able to initiate the investments envisaged therein in a concrete and timely manner.

Therefore, in 2017, the following activities were carried out, as already provided for in the Recognition Agreement of 23 March 2010, as well as investments, related to safety, which could not be delayed any longer:

- Passante di Mestre.

During the year, activities continued on completing the auxiliary and completion works on the Passante di Mestre, which, it should be remembered, were carried out by ANAS as a contracting authority. Therefore, the Project Manager designated by the North-east Regional Coordination of ANAS remains responsible for the accounting of the aforementioned works. CAV ensures the payment of the related amounts on the basis of the accounts received from the Veneto Department of ANAS S.p.A., up to the maximum amount indicated in the agreement of 23 March 2010.

The approval of the work was issued in 2016.

Some works excluded from the scope of the works to be contracted out and included among the available funds, remain to be completed, including: the construction of stretches of soundproofing mechanisms, the definition of expropriation aspects, disputes, etc., which were partly carried out in 2017.

- Service areas (one per direction) and Heavy-duty parking areas.

The investment was not completed in light of the Injunction Order concerning the plan for restructuring the network of service areas on motorway sites that do not include the areas in question, as already agreed to in the Agreement of 23 March 2010. In note no. 13625 of 28 September 2015, this situation was presented to MIT-SVCA with a request to review the measure adopted. To date, a reply to this note has not been received.

However, in 2017, considering the safety requirements to equip the motorway stretch in question with at least one area for heavy vehicles to park, the Company developed a technical and economic feasibility study in preparation for the creation of these Areas.

- Automation of toll collection systems.

In 2017, all lanes of motorway stations managed by the "EETS and Actual Routes" Project were completed. The activation of this system at European level is subject to the adoption of the relevant regulatory measures.

BS OHSAS 18001:2007 MANAGEMENT SYSTEM

During 2017, monitoring visits by the certifying body continued, which confirmed the application of the management system without detecting any particular non-conformities.

The Company also carried out a series of activities aimed at continuous improvement, involving personnel from various social areas. The main activity concerned a reorganisation relating to safety issues, with the aim of guaranteeing unity in behaviours and dynamism in the performance of personnel.

ENVIRONMENTAL PROTECTION

In 2017, the verification of legislative conformity pursuant to the Consolidated Environmental Act (Italian Legislative Decree 152/2006) was carried out, which highlighted the correct application of regulatory requirements by the Company.

Maintenance

During 2017, maintenance activities continued as anticipated within the financial plan approved by the contracting authority and included in the budget.

They included the entire classification of maintenance works provided in Annex E to the Agreement for motorway stretches under the Company's responsibility.

The constant commitment of the staff of the Company's Technical Area has allowed for optimal safety and comfort standards to be maintained for tens of thousands of people and vehicles that travel daily on the CAV motorway network.

The following works were planned and carried out:

- upgrading of road surfaces;
- checks and inspections of road structures;
- generic and specific activities connected with the management of the motorway infrastructure and Company buildings;
- repairing of road surface markings and replacement of damaged upright road signs;
- updating of systems and toll collection devices;
- ice prevention and snow management;
- cleaning of the road surface and maintenance of green areas and verges;
- implementation of the corporate IT network;
- maintenance of street lighting, traffic lights and traffic surveillance equipment;

In addition to these works, which are part of annual maintenance activities, the following were carried out in 2017:

- the upgrading of approximately 45 kilometres of the fibre optic data transmission network to ensure the continuity of connection of traffic control systems (multi-content message boards), along the road network, with the Operations Centre and the head offices. The system, in addition to creating an autonomous data network managed entirely by CAV, has laid the foundations for future upgrading of traffic control systems and allows for future technological implementations regarding the development of "Smart Road" activities;
- the updating and modernisation of toll collection systems through the installation of innovative and state-of-the-art components (optical scanners, automatic reset bars, new Cronos devices);
- the installation of a lighting infrastructure using LED technology on some public lighting installations; the use of LEDs allows for significant energy savings while guaranteeing better quality lighting of the road surface;
- the implementation along the Passante di Mestre of pilot installations for the continuous analysis of water emanating from the road platform and channelled to filtration plants. Specifically, the installations allow for real-time management of spills, providing for automatic diversion towards containment tanks, if they contain polluting elements;
- the initiation of works to upgrade the fire-fighting water system for the urban stretch of the A57 Tangenziale di Mestre, originally designed in the early 2000s. The work is expected to be completed in the first half of 2018;

- the extension of the corporate IT network security and monitoring systems with the insertion/installation of new, state-of-the-art equipment in order to improve security, monitoring of the same and at the same time ensuring that the IT system is compliant with the new European Regulation for the Protection of Personal Data (GDPR EU 679/2016). The systems are capable of independently monitoring, reporting and/or intervening in a timely manner (machine learning) if the threat level of the detected malware so requires;
- the development, implementation and updating of various software used by Company staff in their daily work.

Management systems

Since its incorporation, Concessioni Autostradali Venete - CAV S.p.A. has included, among its objectives, the implementation of management systems that encourage effective management as well as effective compliance with laws and regulations governing CAV activities.

In 2013, it created and certified, through an accredited body, its own quality management system in accordance with the UNI EN ISO 9001:2008 standard.

In 2015, as part of the process of continuous improvement of its control systems, CAV introduced and certified the occupational health and safety management system according to the OHSAS 18001:2007 British Standard.

In order to continuously improve its activities, CAV S.p.A. decided to initiate a process of integration and implementation of the aforementioned management systems in use and to introduce two new systems which require certification (the environmental system pursuant to the UNI EN ISO 14001:2015 standard and the road traffic safety system pursuant to the UNI ISO 39001:2016 standard).

Therefore, last May, activities began aimed at a thorough review, update, integration and implementation of all documentation relating to management systems in order to obtain, by September 2018, integrated certification of all four management systems in accordance with UNI EN ISO 9001:2105, UNI EN ISO 14001:2015, UNI ISO 39001:2016 and BS OHSAS 18001:2007 standards.

This activity, carried out with the active involvement of all corporate structures, was implemented with the support of a temporary grouping of companies.

The aforementioned activity also includes assistance to CAV in the review of those organisational and management models that pursue legal objectives such as the protection of personal data, corporate administrative responsibility, the prevention of corruption and transparency. These models, which have been implemented for some time, are constantly being updated not only to adapt them to the organisational evolution of the Company but also to keep up with the evolution of legislation on such matters.

In particular, in 2017, a major review of the personal data protection model was initiated to adapt it to the "General EU Regulation on the Protection of Personal Data 679/2016", which came into force on 24 May 2016. The regulation, which will come into effect from 25 May 2018, introduces many new features: from the enhanced disclosure requirements; to the "Register of processing operations"; from the so-called precautionary principle of accountability for every processing operation to the principles known as "privacy by design" and "privacy by default"; from the new right to data portability to the obligations to notify personal data

breaches. Also new is the role of Data Protection Officer (DPO), a role pursuant to art. 37 of the Regulation, internal or external to the Company, and completely separate from the role of controller provided for by the Privacy Code. The above-mentioned work to adapt the data protection system is currently underway and will be completed within the statutory deadlines (by May 2018).

The 231 Model, for the management of corporate administrative responsibility, is also being updated. Over the years, the Model has been constantly updated, again thanks to the commitment of the Supervisory Board, which, with great sensitivity, monitors its operation, adherence to the Model and its adequacy.

In another development regarding this Model, again with the support of the temporary grouping of companies, further updating activities were initiated to incorporate the legislative changes in the 231 Model, to adapt it to the organisational changes that have taken place and to harmonise it with the other corporate management systems.

The final adaptation of the new Model is scheduled for October 2018.

Alongside the 231 Model, CAV provided a strong commitment in relation to Italian Law 190/2012, which reorganised the regulations governing the prevention and repression of corruption and illegality within Public Administration, in conjunction with Italian Legislative Decree 33/2013 and subsequent amendments concerning disclosure and transparency obligations and with Italian Legislative Decree 39/2013 concerning the incompatibility and ambiguity of assignments.

In 2017, CAV met its legal obligations in terms of prevention of corruption and transparency, and in particular, it oversaw the operation of two prevention measures: "Civic Access" and "Whistleblowing".

The Manager for the Prevention of Corruption and Transparency carried out all the activities provided for by current legislation and in particular those established by Italian Law 190/2012 (which sets out provisions for the prevention and repression of corruption) and by Italian Legislative Decree 33/2013 (which reorganised regulations regarding advertising and transparency obligations) and those indicated in the recent "New Guidelines for implementing legislation concerning the prevention of corruption and transparency on the part of companies and private-law bodies, controlled and partly owned by public administrations and economic public bodies".

It should be noted that at the meeting of 29 January 2018, the Board of Directors approved the Three-year Plan for the Prevention of Corruption and Transparency - also published on the Company website in the "Transparent Companies" section - and assigned to the Supervisory Board (as per Italian Legislative Decree 231/2001) the function of certifying publication requirements, receiving reports on cases of failure or delayed implementation of publication requirements on the part of Manager for Corruption Prevention and Transparency and checking for coherency between assigned objectives, strategic planning actions - management and performance and that related to anti-corruption and transparency as provided for in paragraph 8/bis of Italian Law 190/2012.

Other management information

Accidents and Roadside Assistance Service

In 2017, accidents on the closed and open system stretches of motorway licensed to CAV totalled 241 (222 in 2016; + 8.56%), of which 148 involved light vehicles (131 in 2016; + 12.98%) and 93 involved heavy vehicles (91 in 2016; + 2.20%).

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

A comparison between 2016 and 2017 shows that the accident rate of light vehicles (per 100 million kilometres travelled) increased from 9.67 to 11.01 (13.82%), whereas for heavy vehicles the rate decreased from 20.55 to 20.41 (-0.68%); the overall rate showed an increase from 12.35 in 2016 to 13.28 in 2017 (8.39%). Last year, there was a percentage decrease of 8.99%.

Some additional figures are provided below (closed system).

Between 2016 and 2017, the accidents resulting in trauma to individuals increased from 98 to 106 (8.16%). The rate per 100 million km travelled grew from 5.45 to 5.89 (8.03%). According to AISCAT preliminary figures, the rate was 7.88 at the national level.

The number of individuals injured increased from 156 to 159 (1.92%), with the rate increasing from 8.68 to 8.83 (1.76%). At national level - preliminary AISCAT data - the rate was 13.06.

The number of deaths was 5 (4 in 2016; + 25%), with the rate rising from 0.22 to 0.28 (24.80%). According to AISCAT preliminary figures, the rate was 0.32 at the national level.

In 2017, the Company also committed itself to improve quality standards, the most important of which are: information for users (multi-content message boards, web sites with special, dedicated information pages and live-camera traffic displays, continuously updated traffic reports in real-time via local and national radio); operating centres that provide supervision on all managed stretches; constant monitoring by the Company of critical points; maintenance works undertaken with a particular focus on problems associated with work sites and safety (works scheduling, night shifts, etc.).

The need to create synergies between the North-East motorway management companies that manage motorway stretches, Autostrada Brescia - Verona - Vicenza - Padova S.p.A. and Autovie Venete was also agreed, aimed at the homogeneous management of a service for the provision of information to users via the website and mobile app, favouring the common use of advanced management technologies and systems and at the same time pursuing objectives of effectiveness, efficiency and economy.

The information provided to users via the common platform will mainly consist of:

- Real-time traffic and weather updates and forecasts;
- roadworks and works in progress;
- toll payment systems;
- destination directions, useful services and important events, including on stretches immediately adjacent to those for which the Parties are responsible.

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

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

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

There were a total of 4,461 callouts in 2017 (with an increase of 6.14% compared to 2016).

The callout rate expressed per 1/million km travelled was 2.48 (2.34 in 2016; + 5.97%).

Service Centres

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

All transactions are facilitated by personal and direct relationships with our operators.

Overall, in 2017, activities in favour of customers were confirmed by around 41,943 transactions at the Padova Est Service Centre (+ 3% compared to 2016) and 69,267 transactions at the Venezia-Mestre Service Centre (+ 4% compared to 2016).

The most significant transactions at the two Service Centres were as follows

- 11,136 missed toll payments collected (+ 2%);
- 18,955 Telepass transactions (deliveries, returns, replacements) (+ 1%);
- 43,963 licence plate transactions (+ 2%) and 9,266 prepaid cards sold (+ 1%).

Service areas and hotels

In 2017, the service areas located along the motorway (Arino Est and Arino Ovest on the A4, on the closed system near the junction with the Passante di Mestre) and the Tangenziale di Mestre (Marghera Est and Marghera Ovest on the A57 near the roundabout in the open system) distributed 4,416,000 litres of petrol (- 4.15%), 20,562,000 litres of diesel (- 4.04%), 2,504,000 litres of LPG (- 14.36%); 5,532 kg of lubricants (- 2.79%); collateral activities (autoemporio) at the same Service Areas totalled EUR 216,000 (+ 9.64%).

Bars and restaurants recorded total revenue, net of VAT, of EUR 6,909,000 (+ 2.51%). The add-on businesses (markets) at these bars and restaurants generated EUR 3,440,000 (- 2.22%) and the complementary business activities EUR 5,238,000 (+ 0.06%).

The hotel at Marghera recorded total revenue for restaurant services, sundry services, board and lodging of EUR 3,613,000 (+ 5.95%).

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 2017 resulted in net revenue of EUR 4,265,991 (- 0.54%).

Operations Centre

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

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

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

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

Traffic wardens

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

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

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

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

RELATIONS WITH ANAS

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

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

The administrative and accounting position between CAV and ANAS

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

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

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

Illustrated below are the debit/credit positions with ANAS and the value of each item, first and foremost showing that the sum of debit and credit positions shows that CAV has a net debt to ANAS of EUR 13,173,027 as at 31 December 2017.

CAV's credit totalled EUR 76,041,130, of which EUR 18,810,000 for the public grant pursuant to art. 1, paragraph 78, letters c) and i), Italian Law 266/2005; and EUR 57,231,130 relating to the share of VAT of invoices issued for the public grant pursuant to art. 1, paragraph 1045, Italian Law 296/2006; the public grant pursuant to art. 1, paragraph 78, Italian Law 266/2005; grant pursuant to CIPE resolution no. 92 of 31 October 2002.

CAV's payables total EUR 89,214,157 and can be broken down as follows: EUR 63,201,438 for the subordinated shareholder loan; EUR 4,849,155 (relating to the reimbursement of costs actually incurred by ANAS for construction of the Passante and for auxiliary and completion works not yet invoiced); EUR 18,039,979 (relating to the reimbursement to ANAS of the costs it incurred for auxiliary and completion works on the Passante, already invoiced); EUR 3,123,584 (for interest accrued on the subordinated shareholder loan and not yet settled).

In addition to the situation reported above, it should be mentioned that, as at 31 December 2017, there is an amount payable to ANAS relating to the licence fee (pursuant to art. 10, Italian Law 537/1993 and art. 1, paragraph 1020, Italian Law 296/2006) for EUR 689,905, as well as the amount due as licence fee integration (pursuant to art. 19, paragraph 9-bis, Italian Law 102/2009 and to art. 15, paragraph 4, Italian Law 122/2010), which in 2017 totalled EUR 244,562.

RELATIONS WITH THE VENETO REGIONAL GOVERNMENT

The Veneto Regional Government is an investor in Concessioni Autostradali Venete S.p.A., with 50% of the share capital. In addition to takeover of the motorway management and the costs of the Passante, the CAV financial plan envisages roughly EUR 240 million in investments to complete the Passante, consisting of works aimed at integrating the new motorway structure into the local road system and into the environmental context. CAV is not directly responsible for the investments as this task was assigned to ANAS. It does, however, cover the fundamental role of lender for the above-mentioned works. In past years and also in 2017, CAV has made resources available from its own cash flows which have allowed actual implementation of the investment plan for completion of the Passante and for enhancement of the Veneto region. The aforementioned completion works are being wrapped up in 2017. It is worth highlighting that, in compliance with the instructions provided by the Veneto Regional Government, the notes (in "Other information") to the Financial statements include the details of the receivable and payable positions at 31 December 2017. It should be noted that since 2016, the year of the transaction for the issue of the Project Bond, the agreement with the Veneto Regional Government, the "Region Agreement", has been in place. By means of this agreement, in relation to its role as Company shareholder, the Veneto Regional Government committed in favour of the "Secured Creditors" to guarantee, in particular, the inability to dispose of, transfer or encumber the Shares of the Company that it owns. Lastly, please note that there are currently no other economic relations or cooperation agreements in place with the Veneto Regional Government.

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

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

Ad abundantiam, please take note of the following:

- Directives on the assignment of works, supplies and services

CAV S.p.A. is a motorway management operator. In accordance with the Articles of Association and its contractual commitments and with regard to the procurement of works, supplies and services, in 2017 CAV applied the provisions of Italian Legislative Decree no. 50 of 18 April 2016 as amended by Italian Legislative Decree no. 56 of 12 April 2017 (so-called "Corrective 2017", which currently applies). It is confirmed that the Company made acquisitions of off-contract works, services and supplies in 2017, and that the Board of Directors of CAV, in the meeting held 28 November 2016, adopted regulations governing the functioning and management of the open list of parties to which works, supplies and services can be awarded and regulations on the functioning and management of the open list of parties to which engineering and architectural services can be awarded.

- Directives relating to employees

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

- Directives on reporting to the Regional Government

Before the established deadline, CAV submitted an update report on membership of the corporate bodies of directly and indirectly controlled companies with related remuneration, the report on the achievement of objectives indicated in the business plans for the previous year, the current year's budget, the preliminary figures for the previous year, the final approved figures with those for 2009, disclosures envisaged in Italian Legislative Decree 33/2013 required from the Veneto Regional Government to comply with transparency regulations, a report on activities performed in the second half of the previous year and a report stating the general outline of activities planned for the first half of the current year. By the 30 September deadline, CAV S.p.A. submitted a report on activities conducted in the first half of this year, and a report outlining activities to be undertaken in the second half (CAV Memorandum 14565 of 29 September 2017).

CAV sent the regional government a copy of the shareholders' meeting minutes no later than 15 days from the date they were held (CAV Memorandum no. 10582 of 12 July 2017 and 19742 of 28 December 2017).

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

- Directives on limiting miscellaneous expenditure

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

- Directives on membership and remuneration of corporate bodies

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

- Directives on indirect subsidiaries

CAV S.p.A. has no subsidiaries.

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

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

- Directives on limiting and rationalising regional public spending

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

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

Lastly, CAV S.p.A. publishes a summary table of company cars in service and the costs incurred as reimbursement of expenses, with separate indication of members of the corporate bodies and employees, on its web site. Nonetheless, it should be noted that the Board of Directors of CAV S.p.A. approved a specific procedure concerning "Company Vehicle Management".

- Directives on transparency and advertising pursuant to Italian Legislative Decree 33/2013 and Italian Regional Law 39/2013 for updating models pursuant to art. 6 of Italian Legislative Decree 231/2001

CAV S.p.A. publishes all disclosures pursuant to art. 11, paragraph 1 of Italian Regional Law 39/2013 on its web site, as well as those more generally required by Italian Legislative Decree 33/2013. Furthermore, the CAV S.p.A. web site also contains the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 as amended.

INVESTEES

Concessioni Autostradali Venete – CAV Spa participates in a public consortium (società consortile) named “Servizi Utenza Stradale SCpA in liquidazione” and in a consortium (consorzio) named “Consorzio Autostrade Italiane Energia”. According to instructions in Veneto Regional Government Resolution no. 1931 of 28 October 2013, CAV S.p.A. monitors the economic and financial position of the two investees to ensure that the Financial statements of CAV are not compromised.

Servizi Utenza Stradale S.C.p.A. (removed from the Register of Companies from 24 October 2017)

As of 2010 and up to 24 October 2017, the removal date from the Register of Companies of the investee company, CAV S.p.A. held an investment in "Servizi Utenza Stradale SCpA" company.

The above-mentioned Investee was a public consortium (Società Consortile per Azioni) with the purpose of managing “*the rationalisation, enhancement and development of services for road users through an organisation common to the consortium member companies*”, and substantially, during its existence, carried out the information activities for motorway users and management of the billboards located along the stretches managed by the consortium members. In this regard, considering the failure to pursue the corporate purpose, the status of liquidation of the above-mentioned consortium came into effect as of 14 May 2015. And indeed, during the Extraordinary Shareholders' Meeting of 7 May 2015, the dissolution of the Company and the appointment of the Liquidator were approved. As of 31 December 2015, Servizi Utenza Stradale SCpA in liquidation stopped operating and, as a result, the Income Statement has no ordinary revenues. In July 2016, the notification to corporate debtors and the optional netting of any accounting items were completed. In 2017, all outstanding disputes were settled concerning objections to injunction orders on penalties by the various Prefecture Offices following the installation of advertising billboards along the stretches under the management of Autostrada Brescia Verona Vicenza e Padova SpA, as well as a judgement on appeal before the Council of State with a positive outcome for the investee company. In the minutes of the Shareholders' Meeting of 25 July 2017, having acknowledged the situation, the shareholders approved the final liquidation Financial statements at 30 June 2017, consequently approved the allocation plan, and at the same time, authorised the Liquidator to proceed with the striking off of the Company. Following this instruction, the Sole Notification was presented (Sole Not. Form) to the competent Chamber of Commerce, finally obtaining the removal on 24 October 2017. It should be noted that the Liquidator, despite the closure of the Company, remains in office with the primary responsibility to receive certain sums (EUR 20,883.00) arising from tax receivables accrued by SUS SCpA from the Italian Revenue Agency with the commitment, upon receipt of the same, to share the proceeds in favour of shareholders.

Consorzio Autostrade Italiane Energia

Consorzio Autostrade Italiane Energia came into effect on 29 February 2000 through 11 motorway companies, with investment percentages proportionate to the energy needs of each consortium member, also for the purposes pursuant to Italian Legislative Decree no. 79 of 16 March 1999 (Deregulation of the electricity market) and to coordinate the activities of the consortium members in order to improve their efficiency, development and rationalisation in the energy sector, acting as a service body. In the following years, other motorway management companies, including ANAS S.p.A., participated in the above-mentioned Consortium which CAV SpA joined on 22 December 2010. The consortium's funds amount to EUR 113,949 and CAV S.p.A. has a 0.9% interest for a total of EUR 1,058. In this regard, it should be noted that the Company's 2017 Financial statements are balanced. The Consortium is not for profit and cannot distribute profits, in any form whatsoever, to the Member Companies. Nonetheless, it conducts private or public tenders for its consortium members, particularly public tenders, for which the consortium becomes the central contracting authority, signing framework agreements with the contractor awarded the tender that are then completed by each consortium member concerned in the procedure through the signing of a specific contract. The Consortium term is set until 31 December 2020.

FINANCIAL STATEMENTS AT 31 DECEMBER 2017

**BALANCE SHEET
AND
INCOME STATEMENT**

BALANCE SHEET

ASSETS	31/12/2017	31/12/2016
<i>A) SUBSCRIBED CAPITAL</i>		
UNPAID	0	0
B) FIXED ASSETS		
<i>I. Intangible assets</i>		
4) Concessions, licences, trademarks and similar rights	32,519	42,006
6) Intangible assets in progress and advances	576,343	452,649
7) Other intangible assets	<u>671,593,485</u>	<u>713,069,595</u>
	672,202,347	713,564,250
<i>II. Tangible assets</i>		
1) Land and buildings	12,194	15,677
2) Plant and machinery	36,282	74,089
3) Industrial and commercial equipment	30,455	21,845
4) Other tangible assets	<u>883,658</u>	<u>222,390</u>
	962,589	334,001
<i>III. Financial assets</i>		
<i>Investments in:</i>		
b) Associates	0	274,888
d bis) Other companies	<u>1,058</u>	<u>1,058</u>
	1,058	275,946
Total fixed assets	<u><u>673,165,994</u></u>	<u><u>714,174,197</u></u>
C) CURRENT ASSETS		
<i>I. Inventories</i>		
1) Raw materials and consumables	1,021,708	1,051,267
<i>II. Receivables</i>		
1) Trade receivables:		
- due within 12 months	2,423,882	2,898,775
- due after 12 months	595,986	684,930
5-bis) Tax receivables		
- due within 12 months	35,801,420	21,856,221
- due after 12 months	39,159,984	77,921,285
5-ter) Deferred tax assets	121,833	253,941
5-quater) From others:		
- due within 12 months	123,255,470	119,436,427
- due after 12 months	<u>59,038,790</u>	<u>68,285,871</u>
	260,397,365	291,337,450

	31/12/2017	31/12/2016
<i>III. Financial assets not classified as</i>		
<i>Fixed assets</i>	0	0
 <i>IV. Cash and cash equivalents</i>		
1) Bank and postal deposits	41,688,919	36,474,336
3) Cash on hand	80,007	69,705
	<u>41,768,926</u>	<u>36,544,041</u>
 Total current assets	<u>303,187,999</u>	<u>328,932,758</u>
 <i>D) ACCRUED INCOME AND PREPAID EXPENSE</i>	 361,001	 253,362
 <i>TOTAL ASSETS</i>	 <u>976,714,994</u>	 <u>1,043,360,317</u>

LIABILITIES	31/12/2017	31/12/2016
<i>A) EQUITY</i>		
I. Share capital	2,000,000	2,000,000
IV. Legal reserve	400,000	400,000
VI. Other reserves:		
- Extraordinary reserve	81,087,215	70,006,527
- Non-distributable reserve, art. 2426 Civil Code	947	20,759
- Restricted reserve for road infrastructure	9,776,227	9,776,227
- Restricted reserve for sanctions and penalties	175,000	175,000
- Restricted reserve for maintenance works differences	6,778,000	3,696,908
IX. Profit (loss) for the year	17,279,975	14,141,968
	<hr/> 117,497,364	<hr/> 100,217,389
 <i>B) PROVISIONS FOR RISKS AND CHARGES</i>		
4) Other:		
a) for risks	150,000	150,000
c) for renewals	19,938,267	18,532,363
	<hr/> 20,088,267	<hr/> 18,682,363
 <i>C) POST-EMPLOYMENT BENEFITS</i>		
	320,195	298,428
 <i>D) PAYABLES</i>		
1) Bonds		
- within 12 months	47,343,037	50,727,244
- after 12 months	677,534,779	724,877,816
3) Payables to shareholders for loans		
- within 12 months	47,000,000	23,131,000
- after 12 months	16,201,438	78,729,386
7) Trade payables	7,867,902	5,990,406
12) Tax payables	1,274,501	1,183,638
13) Social security payables	1,429,986	1,401,033
14) Other payables	39,800,124	37,738,628
	<hr/> 838,451,767	<hr/> 923,779,151
 <i>E) ACCRUED EXPENSE AND DEFERRED INCOME</i>		
	357,401	382,986
 <i>TOTAL LIABILITIES</i>	 <hr/> <hr/> 976,714,994	 <hr/> <hr/> 1,043,360,317

INCOME STATEMENT

	31/12/2017	31/12/2016
<i>A) PRODUCTION VALUE</i>		
1) Revenue from sales and services	157,898,373	154,039,424
5) Other revenue and income:		
- Other revenue and income	770,319	1,268,037
- Operating grants	275,870	23,300
	158,944,562	155,330,761
<i>B) PRODUCTION COSTS</i>		
6) Raw materials and consumables	1,205,356	818,571
7) Service costs	21,426,834	19,933,133
8) Lease and rental expense	539,018	626,366
9) Personnel costs:		
a) salaries and wages	13,691,417	13,758,837
b) social security contributions	4,461,244	4,545,997
c) post-employment benefits	1,001,252	1,001,580
e) other costs	548,841	459,423
	19,702,754	19,765,837
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	44,706,842	45,922,430
b) depreciation of tangible assets	258,913	171,731
d) write-downs of receivables included in current assets and cash and cash equivalents	0	0
	44,965,755	46,094,161
11) Changes in inventories of raw materials and consumables	29,559	62,263
13) Other provisions		
b) Allocation to provision for renewals	12,364,598	10,266,303
c) Utilisation of provision for renewals	-10,958,694	-8,979,573
14) Other operating costs	18,365,983	17,953,063
	107,641,163	106,540,124
 <i>DIFFERENCE BETWEEN PRODUCTION VALUE AND COSTS</i>	 51,303,399	 48,790,637

	31/12/2017	31/12/2016
<i>C) FINANCIAL INCOME AND CHARGES</i>		
16) Other financial income:		
d) other income	10,939	868,164
17) Interest and other financial charges	26,182,487	28,523,718
	<u>-26,171,548</u>	<u>-27,655,554</u>
 <i>D) VALUE ADJUSTMENTS TO FINANCIAL ASSETS AND LIABILITIES</i>		
18) Revaluations:		
a) of investments	0	0
19) Write-downs:		
a) of investments	4,019	19,812
	<u>-4,019</u>	<u>-19,812</u>
 <i>INCOME BEFORE TAXES</i>	 25,127,832	 21,115,271
20) Income taxes for the year		
a) current taxes	7,715,749	6,308,409
b) deferred tax liabilities	0	0
c) deferred tax assets	132,108	664,894
	<u>-7,847,857</u>	<u>- 6,973,303</u>
21) Profit (loss) for the year	17,279,975	14,141,968

EXPLANATORY NOTES

Structure and content of the Financial statements

The Financial statements as at 31 December 2017 were prepared in accordance with provisions of art. 2423 et seq. of the Italian Civil Code, interpreted and integrated by Italian GAAP.

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

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

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

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

Accounting policies - Measurement criteria

As envisaged in art. 2427 of the Italian Civil Code, the criteria applied in the measurement of Financial statements items are illustrated below, taking into account the new elements introduced in art. 2426 of the Italian Civil Code as a result of Italian Legislative Decree 139/2016, and the OIC review in force from December 2016 and subsequent updates:

Concessions, licences, trademarks and similar rights

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

Intangible assets

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

Other intangible assets

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

service areas - are recognised at cost (plus capitalised financial charges but net of public grants and similar) less direct amortisation calculated on a straight-line basis throughout the entire duration of the management licence which terminates on 31 December 2032.

Tangible assets

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

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

Investments

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

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

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

Inventories

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

Cash and cash equivalents

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

Receivables and payables

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

Accruals and deferrals

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

Equity

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

Post-employment benefits

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

Provision for renewals

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

Provision for taxes

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

Provisions for risks

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

Deferred tax assets and liabilities

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

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

Costs and revenue

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

Memorandum accounts

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

Information on the balance sheet: assets

Intangible assets

A net decrease of EUR 41,361,903 was recorded. The changes during the year can be summarised as follows:

	Balance at 31/12/2016	Increase	Decrease	Fund transfer	Balance at 31/12/2017
Concessions, licences, trademarks and similar rights	42,006	65,038	74,525	0	32,519
Intangible assets in progress and advances	452,649	3,279,901	0	-3,156,207	576,343
Other intangible assets	713,069,595	0	44,632,317	3,156,207	671,593,485
Total	713,564,250	3,344,939	44,706,842	0	672,202,347

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

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

With reference to the auxiliary and completion works, note the re-recognition from *intangible assets in progress and advances* to *other intangible assets* of EUR 3,156,207.

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

	Balance at 31/12/2016	Increase	Decrease	Fund transfer	Balance at 31/12/2017
Auxiliary and completion works on the Mestre motorway bypass (Passante di Mestre)	0	3,148,659	0	-3,148,659	0
Other works completed on the stretch of motorway managed	424,649	110,442	0	-7,548	527,543
Service areas	28,000	20,800	0	0	48,800
Total	452,649	3,279,901	0	-3,156,207	576,343

Other *intangible assets* refer to the residual value of costs for the Mestre motorway bypass (Passante di Mestre), for the auxiliary and completion works on the Passante di Mestre, the compensation payable to Società delle Autostrade di Venezia e Padova S.p.A., other works completed on the stretch of motorway managed, safety

guarantee works on the stretch of the SP 81 between the Mira/Oriago motorway station and the roundabout in Malcontenta on the SS 319, works to remedy problems on the San Giuliano interchange in Mestre, renovation of the highway patrol station and the roundabout at Marco Polo ring road junction on the SS14. During the year, the costs relating to CDP loan agreement (originally entered into for EUR 423,500,000) were completely amortised.

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

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

Other intangible assets	Balance at 31/12/2016	Historical cost Increases		Balance at 31/12/2017	Accumulated amortisation			Net intangible assets	
		from acquisitions/ transfers	Decreases		Balance at 31/12/2016	Amortisation for the period	Decreases	Balance at 31/12/2017	Balance at 31/12/2017
Mestre Motorway Bypass (Passante di Mestre)	705,199,639	0	0	705,199,639	245,586,482	28,725,822	0	274,312,304	430,887,335
Auxiliary and completion works	218,374,606	3,148,659	0	221,523,265	32,031,375	11,710,472	0	43,741,847	177,781,418
Compensation due to Soc. Ve/Pd	74,689,185	0	0	74,689,185	22,922,648	3,235,409	0	26,158,057	48,531,128
Other works completed on the stretch of motorway managed	5,898,264	7,548	0	5,905,812	1,131,544	299,367	0	1,430,911	4,474,901
SP81 safety works	5,384,004	0	0	5,384,004	1,385,239	249,923	0	1,635,162	3,748,842
San Giuliano interchange, Mestre	7,746,853	0	0	7,746,853	2,114,181	352,042	0	2,466,223	5,280,630
Renovation of highway patrol station	300,000	0	0	300,000	39,558	16,277	0	55,835	244,165
Roundabout at Marco Polo ring road junction - SS14	800,000	0	0	800,000	111,929	43,005	0	154,934	645,066
Total	1,018,392,551	3,156,207	0	1,021,548,758	305,322,956	44,632,317	0	349,955,273	671,593,485

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

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

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

The takeover compensation, which the Company is required to pay pursuant to art. 6.3 of the concession agreement, refers to investment costs not yet amortised by Società delle Autostrade di Venezia e Padova S.p.A. at the date of transfer of operations of the stretches of motorway on 1 December 2009. The amount of the compensation was determined by ANAS S.p.A. and officially notified the Company of the amount on 8 March 2010.

Other works completed on the stretch of motorway managed refer to new road signs for EUR 185,756; storm drain grids on the Passante for EUR 223,170; chloride storage plants for EUR 169,153; automation of toll collection systems for EUR 2,071,854; enhancement of traffic management systems for EUR 443,073; remote access to the Preganziol and Spinea stations for EUR 39,491 and other works for EUR 2,773,315.

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

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

Venezia/Mestre, Mira/Oriago, Mirano/Dolo and Padova Est (on the old stretch); Spinea, Martellago/Scorzè and Preganziol (on the Passante).

Tangible assets

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

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
Land and buildings	15,677	0	3,483	12,194
Plant and machinery	74,089	0	37,807	36,282
Industrial and commercial equipment	21,845	16,819	8,209	30,455
Other tangible assets	222,390	870,682	209,414	883,658
Total tangible assets	334,001	887,501	258,913	962,589

The changes during the year can be summarised as follows:

Tangible assets	Historical cost			Accumulated depreciation					Net tangible assets
	Balance at 31/12/2016	Increases from acquisitions	Decreases from sales	Balance at 31/12/2017	Balance at 31/12/2016	Depreciation for the period	Decreases from sales	Balance at 31/12/2017	Balance at 31/12/2017
Land and buildings	34,838	0	0	34,838	19,161	3,483	0	22,644	12,194
Plant and machinery	700,831	0	0	700,831	626,742	37,807	0	664,549	36,282
Industrial and commercial equipment	63,547	16,819	0	80,366	41,702	8,209	0	49,911	30,455
Other tangible assets	1,027,089	870,682	30,465	1,867,306	804,699	209,414	30,465	983,648	883,658
Total	1,826,305	887,501	30,465	2,683,341	1,492,304	258,913	30,465	1,720,752	962,589

Land and buildings refer to light constructions.

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

Industrial and commercial equipment refer to miscellaneous and minor equipment.

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

The EUR 887,501 increase in tangible assets refers to EUR 830,139 for automobiles and service vans, EUR 17,812 for telephony systems, EUR 21,750 for computers and technical equipment, EUR 981 for furniture and fittings, EUR 16,819 for industrial and commercial equipment.

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

Financial assets

The *financial assets* consist of investments.

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
Associates:				
• Servizi Utanza Stradale S.C.p.A. in liquidation	274,888	0	274,888	0
Other companies:				
• Consorzio Autostrade Italiane Energia	1,058	0	0	1,058
Total	275,946	0	274,888	1,058

The shareholding in Servizi Utanza Stradale S.C.p.A. was cancelled following the conclusion of the liquidation process that began on 14 May 2015, followed on 25 July 2017 by the approval by the Shareholders' Meeting of the allocation plan, and on 24 October 2017 by the removal from the Register of Companies. Please refer to the Management Report for further information. In compliance with the provisions of art. 19, paragraph 5, Italian Law 136/99, figures are provided in relation to transactions with the associate Servizi Utanza Stradale S.c.p.A. (in liquidation): a) revenues of EUR 600 deriving from the administrative service.

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. in liquidation (*)	Cessalto (TV)	516,460	1,083,476	-16,075	25.00
Other companies:					
• Consorzio Autostrade Italiane Energia (**)	Rome	113,949	113,873	0	0.93

(*) The figures refer to the draft Financial statements at 30 June 2017, approved by the Shareholders' Meeting on 25 July 2017.

(**) The figures refer to the Financial statements at 31 December 2017, approved by the Shareholders' Meeting on 26 February 2018.

Inventories

This item decreased by EUR 29,559 and breaks down as follows:

	31/12/2017	31/12/2016
Consumer goods	115,556	97,833
Maintenance-related goods	906,152	953,434
Total	1,021,708	1,051,267

Receivables

These totalled EUR 260,397,365 and recorded a decrease of EUR 30,940,085 compared to the previous year.

There are no receivables maturing in more than 5 years.

This item breaks down as follows:

	31/12/2017	31/12/2016
Trade receivables:		
• due within 12 months	2,423,882	2,898,775
• due after 12 months	595,986	684,930
Tax receivables		
• due within 12 months	35,801,420	21,856,221
• due after 12 months	39,159,984	77,921,285
Deferred tax assets	121,833	253,941
Receivables from others:		
• due within 12 months	123,255,470	119,436,427
• due after 12 months	59,038,790	68,285,871
Total	260,397,365	291,337,450

Trade receivables decreased by EUR 563,837 with breakdown as follows:

	31/12/2017	31/12/2016
From customers	188,291	100,811
From customers for invoices to be issued	2,831,577	3,482,894
Total	3,019,868	3,583,705

Receivables for invoices to be issued include EUR 699,374 in bridge fees (of which EUR 595,987 is expected to be collected after 12 months), EUR 2,121,297 in royalties relating to the service areas and EUR 10,906 in other revenue.

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

Tax receivables decreased by EUR 24,816,102 compared to the previous year:

	31/12/2017	31/12/2016
VAT receivable		
• due within 12 months	35,478,167	21,535,002
• due after 12 months	39,159,984	77,921,285
Tax receivable, art. 2, para. 1-quater, Italian Law Decree 201/2011	321,219	321,219

Tax receivable art. 11 of Italian Law Decree 66/2014	2,034	0
Total	74,961,404	99,777,506

The VAT receivable was calculated on invoices received from ANAS S.p.A. as chargeback of costs for the Passante di Mestre and for auxiliary and completion works. This amount reduced due to offsetting, pursuant to art. 19 of the Italian Presidential Decree 633/1972, against VAT payable as accrued during the period. The amount due within 12 months was estimated taking into consideration the amount of the VAT credit, which the Company assumes will be used as an offset in 2018 against the VAT payable, calculated as the difference between forecasted credit and debit transactions. The amount due after 12 months represents the VAT credit that is expected to be used as an offset in years subsequent to 2018.

The portion beyond 12 months of the VAT receivable is non-interest bearing. With respect to the application of the time factor criterion, OIC 15 makes explicit reference to trade receivables and financial receivables, therefore without mentioning the accounting to be applied to tax receivables; therefore, it is not possible to identify precise references in the accounting standard for the accounting of receivables from the tax authorities for VAT. Moreover, please note that international accounting standards specifically do not allow for the discounting of tax assets and liabilities. In addition, the nature of the receivable in question would result in concluding that it is not possible to apply the time factor criterion as the cash flows to be discounted cannot be determined. Lastly, there is no market interest rate to which to make reference for comparison to carry out any discounting. Therefore, it was decided not to discount this receivable.

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

Deferred tax assets decreased by EUR 132,108 compared to the previous year and refer to:

	31/12/2017		31/12/2016	
	Total temporary differences	Tax effect	Total temporary differences	Tax effect
Maintenance on tangible assets	0	0	22,550	5,412
Allocation to provision for renewals	0	0	518,604	124,465
Directors remuneration	4,088	981	0	0
Write-down of receivables	3,938	945	10,213	2,451
Taxes	11,038	2,649	18,146	4,355
Legal disputes	488,575	117,258	488,575	117,258
Total	507,639	121,833	1,058,088	253,941

The rate applied for 2017 is 24.00%.

Other receivables decreased by EUR 5,428,038 with breakdown as follows:

	31/12/2017	31/12/2016
Interconnected motorway companies	37,467,873	36,391,686
Receivables from ANAS		
• Receivable for public grant, art. 1, para. 78, Italian Law 266/2005:		
• due within 12 months	4,702,500	4,702,500
• due after 12 months	14,107,500	18,810,000
• Receivable for the share of VAT relating to the invoicing of public grants	57,231,130	57,231,130
Restricted cash and cash equivalents		
• due within 12 months	22,889,134	20,091,870
• due after 12 months	44,910,948	49,455,529
Miscellaneous		
• due within 12 months	964,833	1,019,241
• due after 12 months	20,342	20,342
Total	182,294,260	187,722,298

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

The receivable from ANAS S.p.A. totalling EUR 76,041,130 comprises: EUR 18,810,000 for the share of the public grant of EUR 70,537,502 pursuant to art. 1, paragraph 78, Italian Law 266/2005 (to be collected by ANAS according to the methods and timing envisaged in Interministerial Decree no. 2428 of 5 March 2008, registered with the Court of Auditors on 7 May 2008, and which will be transferred to CAV pursuant to art. 7 of the concession agreement), including an instalment of EUR 4,702,500 recognised in receivables due within 12 months (2018 year) and three instalments totalling EUR 14,107,500 recognised in receivables due in more than 12 months (2019-2021 years). The receivable was recognised for the first time in 2009 and is non-interest bearing. The amount due in more than 12 months was not discounted as the Company relied on the right set forth in Italian Legislative Decree 139/2016 to not take into account the time factor for the transactions recognised before 1 January 2016. For the share of EUR 57,231,130, the receivable from ANAS consists of the VAT relating to invoices issued for the public grant pursuant to art. 1, paragraph 1045, Italian Law 296/2006; the public grant pursuant to art. 1, paragraph 78, Italian Law 266/2005; grant pursuant to CIPE resolution no. 92 of 31 October 2002. These invoices were issued following the receipt of the response to a request for opinion on 14 March 2017. For more details, please refer to the *Significant events after year end* section of the notes.

Restricted cash and cash equivalents consist of deposits the availability of which is governed by the contractual obligations assumed following the issue of the *project bond*. Indeed, OIC 14, point 9 establishes that “*restricted cash and cash equivalents are recognised as current receivables or fixed assets depending on the characteristics of the restriction*”. They refer to: a) *capex reserve account* of EUR 27,079,814 (of which EUR 4,190,680 more than 12 months); b) *maintenance reserve account* of EUR 4,594,845 (all more than 12 months); c) *debt service*

reserve account of EUR 36,125,423 (all more than 12 months). The portion over 12 months is not discounted as the rate at which cash and cash equivalents accrues interest is not different from the market rate. The cash and cash equivalents remain restricted until 31 December 2030, coinciding with the duration of the project bond, with the exception of the *capex reserve account*, the amount of which declines based on the investments made.

Other receivables are recognised net of the allowance for doubtful payables of EUR 184,592. This provision consists of EUR 180,653 from the allocation to cover 100% of the receivable due from a company that declared bankruptcy in 2013, and EUR 3,939 from the allocation to cover 100% of a receivable, the recovery of which was considered doubtful during 2016.

Cash and cash equivalents

This item increased by EUR 5,224,885 and breaks down as follows:

	31/12/2017	31/12/2016
Bank and postal deposits	41,688,919	36,474,336
Cash on hand	80,007	69,705
Total	41,768,926	36,544,041

Bank and postal deposits refer to: a) postal deposits for EUR 70,453; b) bank deposits for EUR 40,459,704; and c) toll payments not yet credited to the current account for EUR 1,158,762.

Accrued income and prepaid expense

An increase of EUR 107,639 was recorded compared to the previous year.

	31/12/2017	31/12/2016
Prepaid expense	361,001	253,362

Prepaid expense consists of long-term services invoiced in advance (EUR 189,893 for insurance services maturing in 2021; EUR 131,489 for administrative and technical services maturing in 2018; EUR 39,619 for other services).

Information on the balance sheet: liabilities

Equity

Equity increased by EUR 17,279,975 compared to the previous year and breaks down as follows:

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
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	70,006,527	11,080,688	0	81,087,215
- Restricted reserve for road infrastructure	9,776,227	0	0	9,776,227
- Non-distributable reserve, art. 2426 Civil Code	20,759	0	19,812	947
- Restricted reserve for sanctions and penalties	175,000	0	0	175,000
- Restricted reserve for maintenance works differences	3,696,908	3,081,092	0	6,778,000
IX. Profit (loss) for the year	14,141,968	17,279,975	14,141,968	17,279,975
Total	100,217,389	31,441,755	14,161,780	117,497,364

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

On 28 June 2017 the Shareholders' Meeting approved the allocation of 2016 profit for the year of EUR 14,141,968 as follows: EUR 11,060,876 to the extraordinary reserve and EUR 3,081,092 to the restricted reserve for maintenance works differences, and the use of the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code for the surplus portion of EUR 19,812, allocating it to the extraordinary reserve.

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

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

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

Nature/Description	Amount	Utilisation options	Distributable portion	Summary of utilisation in the last three years	
				To cover losses	Other reasons
Capital					
Share capital	2,000,000				
Profit reserves					
Legal reserve	400,000	B	0	-	-
Extraordinary reserve	81,087,215	A, B, C	81,087,215		
Non-distrib. reserve, art. 2426	947	A, B	947		
Restricted reserve	9,776,227	B, C	0		
Restricted reserve	175,000	B	0		
Restricted reserve	6,778,000	B	0		
Total	100,217,389		81,088,162		
Non-distributable portion			947		
Residual distributable portion			81,087,215		

Key

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

	Share capital	Legal reserve	Extraordinary reserve	Restricted reserve for road infrastructure	Restricted reserve - penalties	Restricted reserve – maint.	Non-distrib. reserve, art. 2426	Profit for the year	Total
Opening balance 2016	2,000,000	400,000	59,196,021	9,776,227	175,000	2,571,608	25,826	11,930,739	86,075,421
Extraordinary reserve			10,810,506						10,810,506
Restricted reserve						1,125,300			1,125,300
Non-distributable reserve, art. 2426							-5,067		-5,067
Utilisation of 2015 profit for the year								-11,930,739	-11,930,739
2016 profit for the year								14,141,968	14,141,968
Closing balance 2016	2,000,000	400,000	70,006,527	9,776,227	175,000	3,696,908	20,759	14,141,968	100,217,389
Extraordinary reserve			11,080,688						11,080,688
Restricted reserve						3,081,092			3,081,092
Non-distributable reserve, art. 2426							-19,812		-19,812
Utilisation of 2016 profit for the year								-14,141,968	-14,141,968
Profit at 31/12/2017								17,279,975	17,279,975
Balance at 31/12/2017	2,000,000	400,000	81,087,215	9,776,227	175,000	6,778,000	947	17,279,975	117,497,364

Provisions for risks and charges

A net increase of EUR 1,405,904 was recorded. The changes during the year were as follows:

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
Provision for risks	150,000	0	0	150,000
Provision for renewals	18,532,363	12,364,598	10,958,694	19,938,267
Total	18,682,363	12,364,598	10,958,694	20,088,267

The *provision for risks* refers to the sanction of EUR 150,000 notified by the Ministry of Infrastructures and Transport - Motorway Concession Inspectorate (now Directorate General for Motorway Concession Supervision). The Company filed an appeal with the State Council against this measure.

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

Post-employment benefits

A net increase of EUR 21,767 was recorded. The changes during the period were as follows:

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
Post-employment benefits	298,428	1,001,252	979,485	320,195

The increase relates to the allocation for the year, while the decrease includes EUR 196,965 for advances and termination settlements and EUR 742,283 for transfer of sums to INPS, the post-employment benefits guarantee fund (TFR), the Astri fund and other forms of supplementary pensions, as well as other items for EUR 40,237.

Payables

These totalled EUR 838,451,767 and recorded a decrease of EUR 85,327,384. Payables due in more than 5 years amount to EUR 435,551,478 and correspond to the share of residual debt, calculated with the amortised cost method, of the project bond at 31 December 2022.

This item breaks down as follows:

A) Bonds

The item amounts to EUR 724,877,816. The changes during the period were as follows:

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
Bonds	775,605,060	0	50,727,244	724,877,816
Total	775,605,060	0	50,727,244	724,877,816

On 12 April 2016, project bonds were issued for a nominal value of EUR 830,000,000. During the year EUR 53,186,400 were reimbursed. In addition, the amortised cost method for bond issue accessory costs - as set forth in art. 2426, paragraph 1 no. 8, updated by Italian Legislative Decree 139/2015, art. 6, paragraph 8, letter g) and incorporated by the updated OIC 19 - requires the presentation of the payable net of such costs (EUR 20,956,882) and in addition an increase in the value of the payable by the share of such accessory costs attributable to the year (EUR 2,459,156 for 2017).

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

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

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

The amount of EUR 724,877,816 consists of EUR 47,343,037 maturing within 12 months and EUR 677,534,779 maturing in more than 12 months (and of which EUR 435,551,478 in more than 5 years).

The nominal debt (initial debt less capital repayments) at 31 December 2017 was EUR 741,488,800.

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

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

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

B) Payables to shareholders for loans

The item amounts to EUR 63,201,438. The changes during the period were as follows:

	Balance at 31/12/2016	Increase	Decrease	Balance at 31/12/2017
Shareholder loan	101,860,386	0	38,658,948	63,201,438
Total	101,860,386	0	38,658,948	63,201,438

The amount due to shareholders for loans consists of a subordinated loan from the shareholder ANAS originally entered into for EUR 136,534,955 on 12 April 2016, EUR 38,658,948 of which was repaid in 2017.

The amount of EUR 63,201,438 consists of EUR 47,000,000 maturing within 12 months and EUR 16,201,438 maturing in more than 12 months.

The contract has no repayment due date, as it is subordinated to the project bond and therefore connected to the amount of cash flows that CAV will generate in the future. However, on the basis of the 2016-2032 financial plan prepared by the Company, the loan is expected to be repaid by 2019. The loan envisages the payment to ANAS SpA of interest at a rate of 8.75%, the consistency of which was commented on by a leading international consulting firm, which issued an opinion on 23 February 2016 certifying that, "there are no elements leading us to believe that the 8.75% interest rate on the Subordinated Loan is not financially appropriate for CAV S.p.A.". The payable in question did not generate transaction costs. Therefore, as laid out in OIC 19, it is not necessary to apply the amortised cost criterion to value it; while as regards the application of the time factor criterion, the above-mentioned opinion confirms that the interest rate laid out in the contract is aligned with those applied in the market, taking into account the nature of the loan and the debt capacity of the issuing company, and as a result the payable may be accounted for at its nominal value.

C) Trade payables

This item increased by EUR 1,877,496 compared to the previous year. This item breaks down as follows:

	31/12/2017	31/12/2016
Suppliers	3,666,145	1,533,815
Suppliers for invoices to be received	4,121,351	4,363,883
Contract guarantee deposits	80,406	92,708
Total	7,867,902	5,990,406

D) Tax payables

This item increased by EUR 90,863 and breaks down as follows:

	31/12/2017	31/12/2016
IRPEF tax payable on employee and freelance contracts	518,444	559,688
IRES tax payable	709,634	415,257
IRAP tax payable	35,384	208,693
Tosap tax payable	11,039	0
Total	1,274,501	1,183,638

E) Social security payables

This item increased by EUR 28,953 compared to the previous year.

	31/12/2017	31/12/2016
Social security payables	1,429,986	1,401,033

F) Other payables

This item increased by EUR 2,061,496 compared to the previous year and breaks down as follows:

	31/12/2017	31/12/2016
Interconnected motorway companies	8,147,002	6,911,531
Government revenue		
• Licence fee (MIT)	2,595,357	1,854,840
• Licence fee (ANAS)	689,905	1,343,160
• Licence integration fee, Italian Law 102/2009 (ANAS)	244,562	271,129
• Sub-licence fee (MIT)	25,782	11,930
Personnel	1,249,959	1,099,594
ANAS payables		
• Construction costs reimbursement - Mestre Motorway Bypass (Passante)	22,889,134	20,091,869

di Mestre) - and related auxiliary and completion works		
• Interest on subordinated shareholder loan	3,123,585	5,340,884
Payable for legal disputes	488,405	488,405
Miscellaneous	346,433	325,286
Total	39,800,124	37,738,628

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

The amount due to "Government revenue" totalling EUR 3,555,606 refers to the licence fee pursuant to art. 1, paragraph 1020, Italian Law 296/2006 payable to the State (79%) and to ANAS (21%), and to the sub-licence fee pursuant to art. 13 of the Agreement payable to the Ministry of Infrastructures and Transport - Directorate General for Motorway Concession Supervision.

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

The amount payable to ANAS totalling EUR 26,012,719 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 18,039,979 and not yet invoiced for EUR 4,849,155; b) the payable of EUR 3,123,585 for interest on the subordinated shareholder loan accrued but not yet paid.

The payable for a legal dispute totalling EUR 488,405 refers to a judgement on first instance, in which the Company was ordered to pay damages in the amount of EUR 488,405. With a ruling published on 30 January 2018, the Court of Appeals fully accepted CAV's assumptions, rejecting all claims made by the counterparty. Please refer to the Management Report for further information.

Accrued expense and deferred income

A decrease of EUR 25,585 was recorded compared to the previous year.

	31/12/2017	31/12/2016
Deferred income	357,401	382,986

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

Memorandum accounts

The memorandum accounts consist of:

	31/12/2017	31/12/2016
Leased assets	112,575	104,425

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

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

Information on the income statement

Production value

This totalled EUR 158,944,562 and increased by EUR 3,613,801 (2.33%) compared to the previous year.

This item breaks down as follows:

A) Revenue from sales and services

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

	31/12/2017	31/12/2016
Toll income:		
• toll income	136,885,926	133,250,009
• License fee integration Italian Law 102/09 and Italian Law 122/2010	14,143,467	13,981,543
Other motorway income:		
• service areas	4,265,991	4,288,979
• sharing of collection costs with interconnected motorway companies	1,863,649	1,821,341
• recovery of costs for exceptional transits and non-payments	739,340	697,552
Total	157,898,373	154,039,424

Toll income refers to the proceeds from traffic on the various motorway stretches under Company management. More precisely: traffic on the Passante di Mestre (A4) and traffic on the Padova-Mirano/Dolo stretch (in the A4 closed system; traffic on the Mirano/Dolo-Venezia/Mestre stretch of the A57 is in the open system and toll-free), as well as traffic transiting the toll stations of Venezia/Mestre, Mira/Oriago and Mirano/Dolo (on the A57 managed by CAV), Venezia (on the A27 managed by Autostrade per l'Italia) and Venezia Est (on the A4 managed by Autovie Venete), where a toll is applied for 6.200 km (relating to the Tangenziale di Mestre) and 15.836 km (17.600 km in 2016) as additional km travelled to finance the Passante.

In 2017, income from tolls (net of the ANAS fee integration) increased in absolute terms by EUR 3,635,917 (2.73%). This figure is directly correlated with good traffic trends and tariff changes. For a detailed analysis of the dynamics of toll revenue, reference should be made to the relevant section of the Management 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 122/2010. In 2017 (as in previous years), for every kilometre travelled, 6 thousandths was applied for classes A and B, and 18 thousandths for classes 3, 4 and 5. As a result of the increase in traffic and the class breakdown of traffic, the ANAS fee integration rose by EUR 161,924 (1.16%).

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 decreased by EUR 22,988 (0.54%) in absolute terms.

Income from the sharing of collection costs with interconnected motorway companies increased by 2.32%. It should be remembered that this revenue item originates from the provisions of art. 17 of the interconnection agreement among all the Italian motorway management companies and from a specific bilateral agreement with Società Brescia-Verona-Vicenza-Padova S.p.A. in relation to managing the Padova Est station.

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

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

B) Other revenue and income

	31/12/2017	31/12/2016
Other revenue and income	770,319	1,268,037
Operating grants	275,870	23,300
Total	1,046,189	1,291,337

Other *revenue and income* includes income for sub-licences of EUR 107,493, compensation for damages caused to motorway equipment by users of EUR 323,508, contract work of EUR 21,062, reimbursement of A57/A27 lighting costs of EUR 71,764, indemnities for failure to duly implement public works contracts and recovery of contract stamp duty of EUR 40,863, capital gains and contingent assets of EUR 81,110, operating grants of EUR 275,871 and other revenue of EUR 124,518.

Production costs

These totalled EUR 107,641,163 and increased by EUR 1,101,039 (1.03%) 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 386,785 (47.25%) compared to the previous year and is broken down as follows:

	31/12/2017	31/12/2016
Purchase of maintenance-related goods	693,061	381,512
Purchase of other goods	512,295	437,059
Total	1,205,356	818,571

B) Service costs

This item comprises:

	31/12/2017	31/12/2016
Maintenance and renewals:		
• annual	7,870,866	7,098,847

• periodic	2,935,055	1,807,147
Contract work	21,062	529,323
Operating services:		
• sharing of collection costs	4,583,364	4,552,488
• processing of traffic and proceeds data	640,237	612,905
• electricity	1,621,000	1,904,972
• other	855,318	859,641
Administrative services:		
• professional administrative services	717,038	770,952
• professional technical services	261,998	279,279
• insurance	765,507	538,513
• telephone costs	92,084	83,048
• meal vouchers	300,935	258,295
• tender commissioners	296,981	200,796
• other	145,699	118,797
Directors remuneration	177,330	174,460
Statutory Auditors remuneration	84,241	85,353
Supervisory Board remuneration	58,119	58,317
Total	21,426,834	19,933,133

Service costs increased by EUR 1,493,701 (7.49%) compared to the previous year.

Maintenance amounted to EUR 10,805,921 (EUR 8,905,994 in the previous year), recording an increase of EUR 1,899,927 (21.33%).

Operating services amounted to EUR 7,699,919 (EUR 7,930,006 in the previous year), recording a decrease of EUR 230,087 (-2.90%).

Administrative services amounted to EUR 2,580,242 (EUR 2,249,680 in the previous year), an increase of EUR 330,562 (+14.69%).

Directors remuneration includes fees (EUR 122,400), social security payables (EUR 22,757), and reimbursement of expenses (EUR 32,173).

The Board of Statutory Auditors remuneration includes fees (EUR 70,000), social security payables (EUR 6,993) and reimbursement of expenses (EUR 7,248).

Supervisory Board remuneration includes fees (EUR 50,000), social security payables (EUR 3,266), and reimbursement of expenses (EUR 4,853).

C) Lease and rental expenses

	31/12/2017	31/12/2016
Lease and rental expenses	539,018	626,366

Lease and rental expenses increased compared to the previous year by EUR 87,348, and refer to car rental (EUR 516,272) and other rentals (EUR 22,746).

D) Personnel costs

This item breaks down as follows:

	31/12/2017	31/12/2016
Salaries and wages	13,691,417	13,758,837
Social security contributions	4,461,244	4,545,997
Post-employment benefits	1,001,252	1,001,580
Other costs	548,841	459,423
Total	19,702,754	19,765,837

Personnel costs decreased by a total of EUR 63,083 (-0.32%) compared to the previous year.

During the year, the average workforce numbered 244.715 (257.14 in the previous year), and therefore the average cost per member of staff was EUR 80,513 (EUR 76,853 the previous year).

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

	31/12/2017	31/12/2016	Average workforce for the period
Senior Managers	4	4	4
Middle Managers	6	6	6
Admin. staff:	139	143	141.495
• full time	119	121	
• part time	20	22	
• short-term contract	0	0	
Toll collection staff:	82	91	86.31 (*)
• full time	53	54	
• part time	22	21	
• short-term contract	7	16	
Manual workers	6	8	6.91
• full time	5	7	
• part time	1	1	
Total	237	252	244.715

(*) The average number of collection agents was calculated by also taking into account short-term contract staff, for which 67 contracts were stipulated.

E) Amortisation, depreciation and write-downs

Amortisation, depreciation and write-downs decreased by EUR 1,128,406 compared to the previous year and breaks down as follows:

	31/12/2017	31/12/2016
Amortisation of intangible assets	44,706,842	45,922,430
Depreciation of tangible assets	258,913	171,731
Total	44,965,755	46,094,161

Amortisation of intangible assets refers to: a) software amortisation for EUR 74,525; and b) amortisation of *other intangible assets* for EUR 44,632,317, the breakdown and changes for which are detailed in the explanatory notes section on *intangible assets*. A detailed breakdown of the *depreciation of tangible assets* is provided in the explanatory notes section on *tangible assets*.

F) Changes in inventories

	31/12/2017	31/12/2016
Changes in inventories	29,559	62,263

Changes in inventories represent the difference between the opening balance of inventories at 1 January 2017 of EUR 1,051,267 and the closing balance at 31 December 2017 of EUR 1,021,708.

G) Other provisions

	31/12/2017	31/12/2016
Allocation to provision for renewals	12,364,598	10,266,303
Utilisation of provision for renewals	-10,958,694	-8,979,573
Total	1,405,904	1,286,730

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

H) Other operating costs

This item increased by EUR 412,920 compared to the previous year (+2.30%) and breaks down as follows:

	31/12/2017	31/12/2016
Taxes	293,419	259,030
Licence fee integration, art. 19, para. 9-bis, Italian Law 102/09 and Italian Law 122/2010	14,143,467	13,981,543
Licence fee, art. 10 Italian Law 537/93 and art. 1 para. 1020 Italian Law 296/2006	3,285,262	3,198,000
Sub-licence fee, art. 13 of the Agreement	87,470	87,860
Other costs	556,365	426,630
Total	18,365,983	17,953,063

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: 21% of this is paid to ANAS and the remaining 79% to the State.

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

Financial income and charges

This item breaks down as follows:

	31/12/2017	31/12/2016
Financial income:		
• other income	10,939	868,164
Interest and other financial charges	26,182,487	28,523,718
Total	-26,171,548	-27,655,554

Financial income includes EUR 8,336 interest income on bank and post office current accounts and EUR 2,603 for other interest income.

Interest and other financial charges include: a) interest expense for payables to shareholders for loans to ANAS of EUR 7,074,770 (interest rate 8.75%); b) interest expense calculated with the amortised cost method - as prescribed by art. 2426 paragraph 1, no. 8, updated by Italian Legislative Decree 139/2016, art. 6, paragraph 8, letter g, and incorporated by the updated OIC 19 - on the project bond of EUR 18,967,857 (of which EUR 16,508,700 is disbursed at an interest rate of 2.115%, and EUR 2,459,157 consisting of the portion of project bond issue accessory costs for the year); c) interest expense of EUR 139,497 from banks; f) other interest expenses of EUR 363.

Value adjustments to financial assets

This item breaks down as follows:

	31/12/2017	31/12/2016
Revaluation		
• of investments	0	0
Write-down		
• of investments	4,019	19,812
Total	-4,019	-19,812

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

Income taxes

This item breaks down as follows:

	31/12/2017	31/12/2016
Income taxes:		
• IRES	5,603,879	4,231,923
• IRAP	2,111,870	2,076,486
• deferred tax liabilities	0	0
• deferred tax assets	132,108	664,894
Total	7,847,857	6,973,303

Other information

Corporate body remuneration

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

Directors remuneration includes fees (EUR 122,400), social security payables (EUR 22,757), and reimbursement of expenses (EUR 32,173).

The Board of Statutory Auditors remuneration includes fees (EUR 70,000), social security payables (EUR 6,993) and reimbursement of expenses (EUR 7,248).

Supervisory Board remuneration includes fees (EUR 50,000), social security payables (EUR 3,266), and reimbursement of expenses (EUR 4,853).

Independent Auditors remuneration

In accordance with point 16-bis of art. 2427 of the Italian Civil Code, note that the Shareholders' Meeting of 8 May 2015 recognised fees to the Independent Auditors for the three-year period of 2015-2017 totalling EUR 59,405 (EUR 19,802 per year) to certify the Financial statements.

Transactions with mandatory repurchase agreement

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

Bonus shares, convertible bonds, other securities

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

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

Other financial instruments issued

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

Equity and loans for a specific business purpose

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

Monetary revaluations

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

Finance leasing transactions

The Italian legislature requires that finance lease contracts are recognised according to the equity method, with lease instalments reported among the costs of the year under lease and rental expenses. Note that at 31 December 2017, there were no outstanding finance lease contracts.

Disclosure of transactions with related parties

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

Management and coordination activities

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

Off-balance sheet agreements

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

Disclosure of fair value of financial instruments

The Company does not hold any financial instruments.

Relations with the Veneto Regional Government

Payable / receivable situation with the Veneto Regional Government

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

Cash flows:

With respect to Company receivables from the Veneto Regional Government, at 31 December 2017 there were deposits totalling EUR 1,146 (of which EUR 566 for the hydraulic concession security deposit, case no. W08_001281, referring to the Venice Civil Engineering Organisational Unit, with payment due date of 31 December 2032; and EUR 580 for the hydraulic concession security deposit, case no. DD133 no. 1367/C, referring to the Padua Civil Engineering Organisational Unit, with payment due date of 31 December 2032).

At 31 December 2017, the Company had no payables to the Veneto Regional Government (not even by way of credit advances disbursed to the Company by the Veneto Regional Government), or bonds subscribed by the Veneto Regional Government.

Guarantees given:

At the date of 31 December 2017, there were no sureties of the Regional Government to the Company or “strong” letters of patronage in favour of the Company, or other forms of guarantee of the Regional Government to the Company. In this regard, it is in any event worth mentioning the agreement with the Veneto Regional Government named “Region Agreement” adopted as part of the transaction for the issue of the “Project Bond”. Although it is clarified that this Agreement did not constitute any form of guarantee, even secondary, or letter of patronage, by

means of this agreement the Veneto Regional Government committed in favour of the “Secured Creditors” to guarantee, in particular, the inability to dispose of, transfer or encumber the Shares of the Company that it owns.

Annexes to the Financial statements

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

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

Significant events after year end

The following are significant events that occurred after year end.

The first event concerns toll tariffs. On 29 December 2017, the Minister of Infrastructure and Transport, along with the Minister of Economics and Finance, issued an Inter-Ministerial Decree to the Company that recognised a tariff increase of 0.32% as of 1 January 2018.

The second event concerns a judgment of the Venice Court of Appeals published on 30 January 2018 relating to an accident that occurred in 2002, for which it was stated that the claims made by the counterparty against CAV were totally unfounded in terms of substance.

The third event concerns the approval by the Shareholders' Meeting on 2 March 2018 of the draft Additional Act to the Agreement containing the new Economic and Financial Plan and the related Regulatory Financial Plan for the five-year period 2015-2019. The necessary bureaucratic and procedural activities are currently underway to formalise the signing of the Additional Act as soon as possible.

The fourth event concerns the response of the Italian Revenue Agency to the request for an opinion submitted by CAV, received on 14 March 2018, which confirmed VAT liability for public grants received by CAV through Anas.

The fifth event concerns the outcome of the tender procedure for the subordinated loan in place of Anas Spa. No tenders were received by 26 March 2018, the deadline for submission and participation in the tender procedure itself, which was therefore abandoned.

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

Dear Shareholders,

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

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

The Board of Directors therefore invites you to:

- discuss and approve the Management Report and the Financial statements at 31 December 2017, which comprise the balance sheet, income statement, the explanatory notes and the cash flow statement;
- allocate the 2017 profit for the year of EUR 17,279,975 to the extraordinary reserve:
- transfer the surplus of the non-distributable reserve pursuant to art. 2426 of the Italian Civil Code, equivalent to EUR 947, to the extraordinary reserve.

Venice, 26 March 2018

For the Board of Directors

CHAIRMAN

Luisa Serato

CASH FLOW STATEMENT

31/12/2017

31/12/2016

A. Cash flow generated by operating activities (indirect method)			
	Net profit for the year	17,279,975	14,141,968
	Income taxes	7,847,857	6,973,303
	Interest expense/(interest income)	26,171,548	27,655,554
1.	Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposals	51,299,380	48,770,825
	<i>Adjustments for non-monetary elements with no matching entry in net working capital</i>		
	Allocations to provisions for risks and charges	12,364,598	10,266,303
	Use of provisions for risks and charges	-10,958,694	-8,979,573
	Provisions for post-employment benefits	1,001,252	1,001,580
	Amortisation of intangible assets	44,706,842	45,922,430
	Technical depreciation of tangible assets	258,913	171,731
	Value adjustments to financial assets and liabilities	4,019	19,813
	<i>Total non-monetary adjustments</i>	<i>47,376,930</i>	<i>48,402,284</i>
2.	Cash flow before changes in nwc	98,676,310	97,173,109
	<i>Changes in net working capital</i>		
	(Increase) Decrease in inventories	29,559	62,263
	(Increase) Decrease in trade receivables	563,837	-337,261
	(Increase) Decrease in tax receivables	24,816,102	-54,809,980
	(Increase) Decrease in other receivables	5,428,038	25,876,724
	(Increase) Decrease in accrued income and prepaid expense	-107,639	-231,823
	(Decrease) Increase in trade payables	1,877,496	620,828
	(Decrease) Increase in social security payables	28,953	380,073
	(Decrease) Increase in other payables (excluding amounts already included in other items)	-1,062,089	-591,523,936
	(Decrease) Increase in accrued expense and deferred income	-25,585	-22,196
	<i>Total changes in net working capital</i>	<i>31,548,672</i>	<i>-619,985,308</i>
3.	Cash flow after changes in nwc	130,224,982	-522,812,199
	<i>Other adjustments</i>		
	Interest received/(paid)	-20,588,807	-20,427,928
	(Income taxes paid)	-7,628,905	-4,074,711
	(Utilisation of provisions)	-979,485	-1,588,353
	<i>Total other adjustments</i>	<i>-29,197,197</i>	<i>-26,090,992</i>
	Cash flow from operating activities (A.)	101,027,785	-548,903,191
B. Cash flow generated by investing activities			
	<i>Investing activities</i>		
	(Increase) in intangible assets	-3,344,939	-29,628,377
	Decrease in intangible assets	0	20,956,882
	(Increase) in tangible assets	-887,501	-82,151
	Decrease in financial assets	274,888	0
	Cash flow from investing activities (B.)	-3,957,552	-8,753,646
C. Cash flow generated by financing activities			
	Bond issue	0	830,000,000
	Bond repayment instalment	-53,186,400	-35,324,800
	Project bond issue accessory costs	0	-20,956,882

New payable to shareholders for loans	0	136,534,955
Repayment instalment of payable to shareholders for loans	-38,658,948	-34,674,569
Loans repaid	0	-332,150,000
Cash flow from financing activities (C.)	-91,845,348	543,428,704
<hr/>		
Increase (decrease) in cash and cash equivalents	5,224,885	-14,228,133
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Opening cash and cash equivalents	36,544,041	50,772,174
<hr/>		
Closing cash and cash equivalents	41,768,926	36,544,041
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ANNEXES

SUMMARY OF REVERTIBLE ASSET INVESTMENTS (Table 1)

Amounts in thousands of EUR

Reference Art. 2 of Agreement	Reference Annex H	Reference Annex D		Planning figures - contracts		Accrued expense at 31/12/2016				2017 expense				Total at 31/12/2017				Notes
				Accrued gross amount approved	Accrued contractual net amount	Works	Available funds	Financial charges	Total	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						-263.654								-263.654	1)
2.1.a	-	-	Capitalised financial charges					20.829	20.829							20.829	20.829	1)
2.1.b	-	-	Takeover compensation						74.689								74.689	2)
2.1.c	H.1	a.	New road sign systems			196			196					196			196	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			170	7		177					170	7		177	3)
2.1.c	H.1	d.	Automation of toll collection systems			2.302	37		2.339		64		64	2.302	101		2.403	3)
2.1.c	H.1	e.	Enhancement of electronic traffic management systems			443			443					443			443	3)
2.1.c	H.1	f.	Remote access to the Preganziol and Spinea stations			39			39					39			39	3)
2.1.c	H.1	g.	Miscellaneous			2.842	63		2.905		33		33	2.842	96		2.938	3)
2.1.c	H.3	h.	Renovation of Mestre highway patrol station						300								300	4)
2.1.c	H.3	i.	Misc. road links: SP81 safety guarantee works on the SS309-Mira-Ortogo station stretch						5.384								5.384	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								800	4)
2.1.c	H.2	l.	Pianiga and Martellago toll gates and ring road serviceability			39.958	28.003		67.961		2.602		2.602	39.958	30.605		70.563	5)
2.1.c	H.2	m.	Bypass landscaping (Passante Verde)			12.401	7.946		20.347					12.401	7.946		20.347	5)
2.1.c	H.2	n.	Service areas			-	28		28		21		21	-	49		49	
2.1.c	H.2	o.	Environmental mitigation measures			5.767	423		6.190					5.767	423		6.190	5)
2.1.c	H.2	p.	Feed lane to motorway bypass			42.660	43.029		90.689		547		547	42.660	43.576		91.236	5), 6)
2.1.c	H.2	q.	Works auxiliary to main tender and updating of costs			11.722	21.465		33.187					11.722	21.465		33.187	5)
						118.723	101.001	20.829	1.018.844	0	3.267	0	3.267	118.723	104.268	20.829	1.022.111	

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 disbursing of grants to third parties. The table is presented in any event.

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

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

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

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

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

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

Veneto Regional Government table

Compliance with Regional Directives					
COMPANY:		CONCESSIONI AUTOSTRADALI VENETE - CAV S.P.A.			
A - I	In 2017 did the Company procure works, supplies and services from outside the Company?	In 2016, did the Company apply the regulations stated in Italian Legislative Decree 50/2016?		Notes	
	YES	YES		CAV S.p.A. is a motorway management operator. In accordance with the Articles of Association and its contractual commitments and with regard to the procurement of labour, supplies and services, CAV applies the provisions of Italian Legislative Decree no. 50 of 18 April 2016 and subsequent amendments.	
C - I	In 2017, did the Company hire permanent personnel?	Did the Company obtain the authorisation from the Regional Government as envisaged in art. 8 of Italian Regional Law 39/2013?		Indicate any authorisation measures from the Regional Government, the hiring dates, and the number of recruits.	
	NO			The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 258/2013 and now in 2101/2014 are not applicable to CAV S.p.A.	
C - I	No. of permanent employees at 1 January 2016	No. of permanent employees at 1 January 2017	No. of permanent employees at 31 December 2017	Notes	
	239	236	230	The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 258/2013 and now in 2101/2014 are not applicable to CAV S.p.A.	
C - I	Permanent personnel costs in 2016	Permanent personnel costs - contracts terminated in 2016	Permanent personnel costs in 2017	Permanent personnel costs - 2017 recruits	Notes
	18,622,857.92	274,155.37	18,983,156.81	0	The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 258/2013 and now in 2101/2014 are not applicable to CAV S.p.A.

C - I	In 2017, did the Company hire short-term, temporary and project-based personnel?		Did the Company obtain the authorisation from the Regional Government as envisaged in art. 8 of Italian Regional Law 39/2013?		Indicate any authorisation measures from the Regional Government, the hiring dates, and the number of recruits.	
	YES		NO		The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 258/2013 and now in 2101/2014 are not applicable to CAV S.p.A.	
C - I	Short-term, temporary and project-based personnel costs in 2009		Short-term, temporary and project-based personnel costs in 2017		Notes	
	329,078.00		760,816.33		The "C" guidelines envisaged in Regional Government Resolutions 2951/2010, 258/2013 and now in 2101/2014 are not applicable to CAV S.p.A.	
C - II	Has the Company adopted a regulation for staff recruitment and assigning executive powers that complies with the principles established in art. 35, paragraph 3 of Italian Legislative Decree 165/2001?		Regulation approval date: 16/07/2010		Has the Company adopted a regulation for assigning various executive powers that has the characteristics envisaged in the directive?	
	YES				NO	
						On 16 July 2010, CAV S.p.a. adopted its own guidelines that identify the criteria and methods for staff recruitment. With regard to the assignment of powers, at present there is no need to adopt a specific measure, though we can confirm that such a measure will be adopted if necessary.

C-III	Does the Company have excess personnel?		Number and categories of excess personnel		If yes, please indicate if the Company has included the excess personnel in the lists established in the standardised IT system, as provided for by the Ministerial Decree of 9 November 2017
	NO				
E - I	In 2013, did the Company comply with the limits envisaged in the directive pursuant to Veneto Regional Government Resolution 258/2013 for costs associated with advisory studies and assignments (50% similar costs with 2009)?		In 2013, did the Company comply with the limits envisaged in the directive pursuant to Veneto Regional Government Resolution 258/2013 for costs associated with public relations, conferences, exhibitions, advertising and entertainment (20% similar costs with 2009)?		Notes
					CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.
E - I	Cost for advisory studies and assignments in 2009	Cost for advisory studies and assignments in 2017	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2009	Costs for public relations, conferences, exhibitions, advertising and entertainment in 2017	Notes
	166,677.00	400,252.72	118,013.00	EUR 35,051.00	CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.
E - I	Any reasons for non-compliance with the limits envisaged for costs for advisory studies and assignments in 2017	Any reasons for non-compliance with the limits envisaged for costs for public relations, conferences, exhibitions, advertising and entertainment in 2017	Forecasted costs for advisory studies and assignments in 2018 (cost efficiency proposal)	Forecasted costs for public relations, conferences, exhibitions, advertising and entertainment in 2018 (cost efficiency proposal)	Notes

					CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.
E - I	Were costs incurred for sponsorships in 2017?	Total of any costs incurred for sponsorships in 2017	Notes		
	NO	0	CAV S.p.A. is not subject to the application of rules contained in art. 6, paragraphs 7, 8, 9, 11 and 20 of Italian Law Decree 78/2010.		
E - III	Did the Company distribute dividends in accordance with the directive?		Notes		
	NO		Art. 24 of the Articles of Association provides that: "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 - II	Did the Company comply with limits on remuneration to corporate bodies envisaged in art. 7 of Italian Regional Law 39/2013?			Notes	
	YES			Cav S.p.a. is not controlled by the Veneto Regional Government and therefore the provisions of art. 7 of Italian Regional Law 39/2013 do not apply	
F-III	Is the Company the beneficiary of a direct loan from the Veneto Regional Government for an amount greater than 80% of the production value?		Has the Company posted a loss for the three previous years?		If the above statements are true, indicate if the Company has already reduced the remuneration of the administrative body by 30%
	NO		NO		
F - IV	Is the process to reimburse expenses for members of the corporate bodies compliant with the directive's provisions and within the limits of art. 7 of the Italian Regional Law 39/2013?			Notes	
	NO			Cav S.p.a. is not controlled by the Veneto Regional Government and therefore the provisions of the directive do not apply	
G - I	Have the directives been sent to the Company's subsidiaries?	Has the Company implemented a system of controls on compliance with the	Any reports of non-compliance with directives by subsidiaries	Notes	

		directives by its subsidiaries?			
					CAV S.p.a. has no subsidiaries
L	Indicate the companies for which powers of appointment were exercised in 2017	Was Directive L-III relating to dual office complied with for appointments made in 2017?	Was Directive L-IV relating to requirements complied with for appointments made in 2017?	Notes	
	None				
M - I	Are there employees whose economic compensation exceeds that owed to the chief president of the Court of Cassation?	Any appointment and related amount exceeding the limit	Are there employees whose 2017 economic compensation exceeds that of 2013?	Any appointment and related amount exceeding the limit	Notes
	NO		YES		Cav S.p.a. is not controlled by the Veneto Regional Government and therefore the provisions of art. 9 of Italian Regional Law 39/2013 do not apply
M - III	Did the Company comply with the spending limits for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers?	Indicate any exceptions covered by existing multi-year agreements		Notes	
				CAV S.p.A. is not part of the application scope of point M III) of Annex A of Veneto Regional Government Resolution 2101/2014. Note that maintenance and rental expenses for automobiles refers to vehicles used for purposes of motorway service.	

M - III	Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2017	Total costs for the purchase, maintenance, rental and operation of motor vehicles and for the purchase of taxi vouchers in 2011	Notes
	1,517,208.00	357,998.00	CAV S.p.A. is not part of the application scope of point M III) of Annex A of Veneto Regional Government Resolution 2101/2014. Note that maintenance and rental expenses for automobiles refers to vehicles used for purposes of motorway service.
M-IV	Was information on the service automobiles used in 2017 sent to the Regional Government?	Was the information on the use of service automobiles and the duties carried out with private cars published on the Company's internet site?	Notes
	YES	YES	CAV S.p.a. will forward and publish the list referred to in Veneto Regional Government Resolution 2101/2014, Annex A) letter M - IV) within the statutory time limit
M-V	Did the Company monitor the application of paragraphs 471-475 of art. 1 of Italian Law 147/2013?	Have there been cases in which the limits indicated in paragraphs 471 et. seq. of art. 1 of Italian Law 147/2013 were exceeded?	Notes
	YES	NO	
N	Was the information required by Italian Legislative Decree 33/2013 published on the internet site?	Were the organisation models pursuant to art. 6 of Italian Legislative Decree 231/2001 updated for the changes introduced in Italian Law 190/2012?	Notes
	YES	YES	
	Provide the name of the Manager for Corruption Prevention and Transparency and the date of his or her appointment.	Provide the names of the supervisory board and the appointment date.	If no such appointment has been made, please specify the reasons why.

	Chief Financial Officer of CAV S.p.a., Giovanni Bordignon (appointment of the Chief Executive Officer, CAV prot. no. 1628 of 29 January 2015)	Supervisory Board for 2015 – 2017: Chairman: Antonio Matera; Members: Fabio Milocchi and Giorgio Zavadini (appointment of the Board of Directors on 14 January 2015) Supervisory Board 2018 – 2020: Chairman; Antonio Matera; Members: Michele Pelloso and Giorgio Zavadini (appointment of the Board of Directors on 29 January 2018)	
	Name of Company legal representative or appointed delegate	Signature	Place and date
	CHIEF EXECUTIVE OFFICER Michele Adiletta		Venice, 26 March 2018

BOARD OF STATUTORY AUDITORS' REPORT

Board of Statutory Auditors' report

To the CAV SpA Shareholders' Meeting

During the year ended 31 December 2017, the Board of Statutory Auditors carried out the functions provided for by articles 2403 et seq. of the Italian Civil Code, while the functions provided for by art. 2409-bis et seq. of the Italian Civil Code (as replaced by art. 37 of Italian Law Decree no. 39 of 27 January 2010) were carried out by the independent auditors RIA GRANT THORNTON SpA.

Supervisory activities pursuant to art. 2403 et seq. of the Italian Civil Code

Based on the information obtained by the Board concerning the Company, the following is noted:

- Typical activities carried out by the company did not change during the year in question and are consistent with the corporate purpose;
- The corporate organisational structure did not undergo any substantial changes in 2017;
- The personnel making up the "workforce" did not change substantially.

Consequently, this report summarises activities relating to information provided for by art. 2429, paragraph 2 of the Italian Civil Code and more precisely:

- the results of the financial year;
- activities carried out in fulfilment of the duties provided for by the regulation;
- observations and proposals concerning the Financial statements, with particular reference to the possible use by the Board of Directors of the exception provided for in art. 2423, paragraph 4 of the Italian Civil Code;
- the possible receipt of complaints by shareholders, as per art. 2408 of the Italian Civil Code.

During the year, starting from the first meeting, meetings were regularly held, pursuant to art. 2404 of the Italian Civil Code, for which specific minutes were drafted, duly signed-off by unanimous approval.

Activities carried out

During regular audits, the Board was informed of the development of the Company's activities, paying particular attention to contingent and/or extraordinary issues, in order to identify their economic and financial impact on results for the year and on the Company's capital structure, as well as any risks.

The Board therefore periodically assessed the adequacy of the Company's organisational structure and any changes that occurred within, compared with the minimum requirements derived from the report on operations. Relations with corporate structures, employees and external consultants were characterised by mutual collaboration, in respect of the roles of all parties.

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

- decisions taken by the shareholders and the Board of Directors were in compliance with the law and the Company's Articles of Association and were not clearly imprudent or such as to definitively compromise the integrity of corporate assets;

- sufficient information was obtained regarding the general report on operations and its foreseeable development, as well as the most significant transactions, by size or characteristics, carried out by the Company;
- transactions carried out also complied with the law and the Company's Articles of Association and did not potentially conflict with resolutions passed by the shareholders' meeting or compromise the integrity of corporate assets;
- in particular, with regard to the loan transaction, through a project-bond issue, it should be noted that during 2017 the Company promptly fulfilled its contractual obligations, providing, among other things, for the payment of two six-monthly instalments due (for the capital loan as well as the interest share); as regards the subordinated ANAS loan (collateral to the project-bond) the Company respected its contractual commitments;
- no specific observations are made on the adequacy of the administrative and accounting system, nor on the reliability of the latter in correctly representing operational transactions, whilst also considering the results of assessment activities carried out in this area by the Supervisory Board, which the latter has reported in its annual report;
- no action had to be taken for omissions by the Board of Directors in accordance with art. 2406 of the Italian Civil Code;
- no complaints have been received in accordance with art. 2408 of the Italian Civil Code;
- no complaints have been made in accordance with art. 2409, paragraph 7 of the Italian Civil Code;
- during the year, the Board did not issue any opinions pursuant to the provisions of the law.

Financial statements

The Board reiterates that the external audit was carried out by RIA GRANT THORNTON SpA and that the latter, in its Report on the audit of the 2017 Financial statements, issued pursuant to art. 14 of Italian Legislative Decree 39/2010, did not report any irregularities or information requests, and certified that the 2017 Financial statements provide a true and fair view of the Company's economic and financial position, profit and loss result and cash flows for the year ended 31 December 2017, in compliance with Italian regulations governing the criteria for their preparation.

Consequently, we have supervised the general approach to the Financial statements, their general compliance with the law, format and structure and we have no particular observations to make in this regard.

In particular, it should be noted that, following the further request for an opinion submitted on 14 December 2017 (no. 954-1789/2017), on 14 March 2018, the opinion of the Italian Revenue Agency was received, which confirmed VAT liability for public grants received by CAV through ANAS.

It is also underlined that:

- the draft Financial statements for the year ended 31 December 2017, consisting of the balance sheet, the income statement, the explanatory notes and the cash flow statement, were approved by the Board of Directors at its meeting of 26 March 2018;
- the Board of Directors also prepared the Management Report in accordance with art. 2428 of the Italian Civil Code;

- the above documents were delivered to the Board of Statutory Auditors in a timely manner, in order to allow for them to be filed at the company's registered office, accompanied by this report, irrespective of the deadline set out in art. 2429, paragraph 1 of the Italian Civil Code.

The Board then examined the draft Financial statements in question, for which the following additional information was provided:

- the measurement criteria for assets and liabilities were adjusted to the provisions of Italian Legislative Decree 139/2015;
- attention was paid to the approach taken to the draft Financial statements, their general compliance with the law as regards format and structure and consequently, no observations were made that should be highlighted in this report;
- compliance with laws governing the preparation of the Management Report was verified and no observations were made that should be highlighted in this report;
- the Board of Directors, in preparing the Financial statements, did not deviate from regulations pursuant to art. 2423, paragraph 4 of the Italian Civil Code;
- the Financial statements have been verified for consistency with facts and information that emerged following the standard fulfilment of Board of Statutory Auditors duties and no further observations are made in this regard;
- there were no costs as per art. 2426, paragraph 5 of the Italian Civil Code, nor any goodwill as per art. 2426, paragraph 6 of the Italian Civil Code;
- we obtained information and examined the annual report on activities carried out in 2017 by the Supervisory Board, which among other things, reports the results of follow-ups carried out (computer crimes and Financial statements), in order to verify the status and effective adoption of corrective actions and improvements identified following previous monitoring exercises.

The Board has no observations to make on the proposal of the Board of Directors for the allocation of the net profit for the year, as set out in the explanatory notes, and in any case the Shareholders' Meeting is responsible for deciding on this matter.

Conclusions

On the basis of the above and as far as the Board of Statutory Auditors is aware, given the results of the regular audits carried out, as well as taking into account the results of the activities carried out by the independent auditors, it is unanimously considered that there are no reasons preventing you from approving the draft Financial statements for the year ended 31 December 2017, as prepared by the Board of Directors.

Marghera, 9 April 2018

The Board of Statutory Auditors

Giovanni Diana – Chairman

Claudio Girardi – Standing Auditor

Incoronata Palmieri – Standing Auditor

INDEPENDENT AUDITORS' REPORT

**Independent Auditor's Report in accordance with article 14
of the Legislative Decree nr. 39 dated January 27, 2010**
(Translated from original in Italian)

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

Audit opinion on the Statutory Financial Statements

Opinion

We have audited the accompanying financial statements of Concessioni Autostradali Venete C.A.V. S.p.A. (the Company), which comprise the balance sheet as at December 31, 2017, the income statement for the year then ended, the cash flow statement and the explanatory notes.

In our opinion, the financial statements give a true and fair representation of the financial position of Concessioni Autostradali Venete C.A.V. S.p.A. ad at December 31, 2017 and of the results of its operations and cash flow for the year then ended, in accordance with the Italian law which governing their preparation criteria.

Elements of the opinion

We performed the audit in accordance with international auditing standards (ISA Italia). Our responsibilities under these principles are further described in the section "Auditor's responsibility for auditing of the financial statements" of this report.

We are independent of the Company in compliance with the rules and principles on ethics and independence applicable in the Italian law for auditing of the financial statements. We believe we have acquired sufficient and appropriate audit evidence on which to base our judgment.

Responsibilities of the management and the board of statutory auditors for the financial statements

Management is responsible for the preparation of these financial statement as they give a true and fair representation in accordance with Italian laws which govern their preparation criteria, and within the terms established by law, for that part of the internal control they deem necessary to allow the preparation of a financial statement that does not contain significant errors due to fraud or unintentional behavior or events.

Management is responsible for assessing the Company's ability to continue operating as an operating entity and, in preparation of the financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in matter. Management uses the assumption of business continuity in the preparation of the financial statements unless they have assessed that exist the conditions for the liquidation of the Company or for the interruption of the activity or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for supervising, within the terms established by law, and of the process of preparing the Company's financial information.

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Auditor's responsibility for auditing of the financial statements

Our objectives are the acquisition of reasonable assurance that the financial statements as a whole do not contain significant errors, due to fraud or unintentional behavior or events, and the issuance of a review report that includes our opinion. For reasonable assurance means a high level of security which, however, does not provide the assurance that an audit carried out in accordance with international auditing standards (ISA Italia) will always identify a significant error, if any. Errors can result from fraud or unintentional behavior or events and are considered significant if it can reasonably be expected that they, individually or as a whole, are able to influence the economic decisions made by the users on the basis of the financial statements.

As part of the audit conducted in accordance with international auditing standards (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. Furthermore:

- we have identified and assessed the risks of material misstatement in the financial statements due to fraud or unintentional behavior or events; we have defined and performed audit procedures in response to these risks; we have acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error deriving from unintentional behaviors or events, since fraud can imply the existence of collusion, falsification, intentional omission, misleading representations or forcing internal control;
- we have acquired an understanding of the internal control relevant for auditing purposes in order to define appropriate audit procedures in the circumstances and not to express an opinion on the effectiveness of the internal control of the Company;
- we assessed the appropriateness of the accounting principles used and the reasonableness of accounting estimates made by the management, including the related disclosure;
- we have reached a conclusion on the appropriateness of the use by the management of the assumption of business continuity and, based on the audit evidence, on the existence of significant uncertainty regarding events or circumstances that may give rise to significant doubts about the Company's ability to continue operating as an operating entity. In the presence of significant uncertainty, we are obliged to call attention to the audit opinion on the related disclosures in the financial statements, or, if such disclosure is inadequate, to reflect this fact in the formulation of our judgment. Our conclusions are based on the audit evidence obtained up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as an operating entity;
- we assessed the presentation, structure and content of the financial statements as a whole, including the disclosure, and whether the financial statements represent the underlying transactions and events in order to provide a correct representation.

We have communicated to the managers of the governance activities, identified at an appropriate level as required by the ISA Italia, among other aspects, the scope and timing planned for the audit and the significant results emerged, including any significant deficiencies in the internal control identified in the audit course.

Report on the other law and regulations***Opinion in accordance with article 14, co. 2, letter e) of the Legislative Decree nr. 39/10***

Management of Concessioni Autostradali Venete C.A.V. S.p.A. is responsible for the preparation of the report on operations of Concessioni Autostradali Venete C.A.V. S.p.A. at December 31, 2017 included its consistency with the related financial statements and its compliance with the law.

We have performed the procedures required under Standard on Auditing (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations, on which is the responsibility of the Management of Concessioni Autostradali Venete C.A.V. S.p.A., with the financial statements of

Concessioni Autostradali Venete C.A.V. S.p.A. as at December 31, 2017, as required by laws, as well as to make a declaration on any significant errors.

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, 2017 and is prepared in accordance with the law.

With reference to the declaration pursuant to art. 14, co. 2, letter e) of Legislative Decree 39/10, issued on the basis of the knowledge and understanding of the company and the relative context acquired during the audit, we have nothing to report.

Padua March 26, 2018

Ria Grant Thornton S.p.A.

Signed by
Maurizio Finicelli
Partner

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

We have not examined the translation of the financial statements referred to this report.

STATISTICAL DATA

VEHICLES - PAYING KILOMETRES 2015 - 2016 - 2017

(art. 19, paragraph 9-bis, Italian Law Decree 78/2009 converted into Italian Law 102/2009 and art. 15, paragraph 4 of Italian Law Decree 78/2010 converted into Italian Law 122/2010)

Year 2015

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

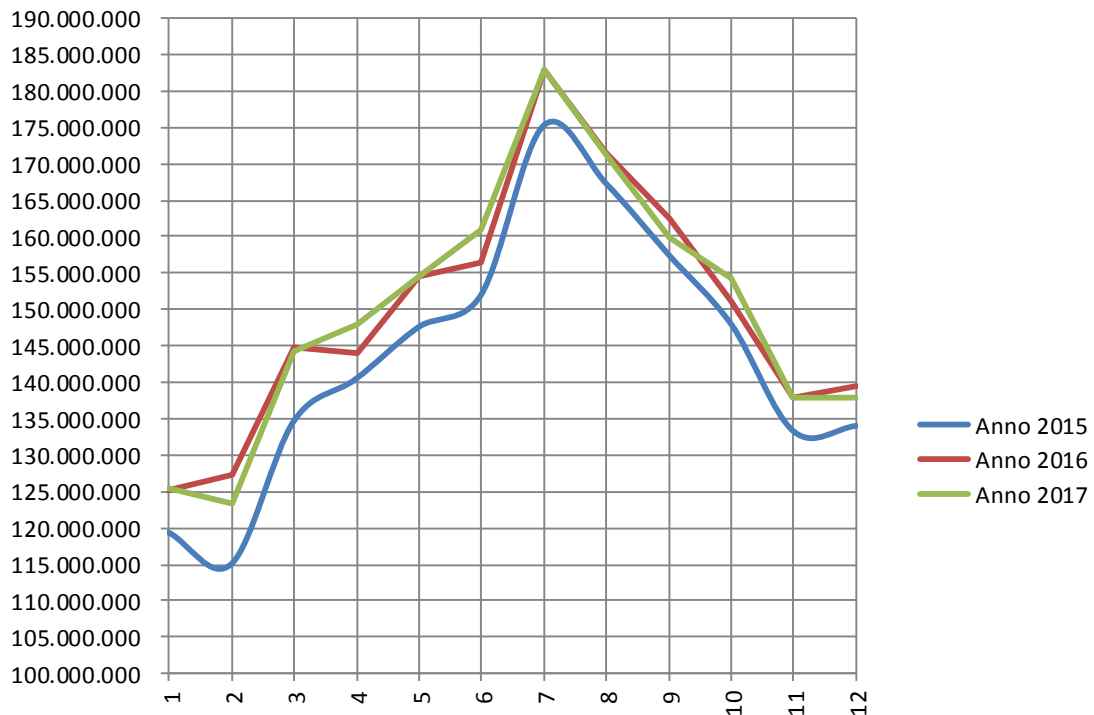
Year 2016

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

Year 2017

Months	Class					Total
	A	B	3	4	5	
January	94.361.471	11.417.474	1.845.794	1.529.872	16.405.108	125.559.719
February	89.670.624	12.137.243	1.972.141	1.696.603	17.878.135	123.354.746
March	103.909.659	14.913.022	2.419.309	1.997.641	20.873.824	144.113.455
April	112.113.184	14.733.531	2.328.938	1.694.104	17.160.421	148.030.179
May	112.215.692	16.556.263	2.684.889	1.992.782	21.002.477	154.452.102
June	119.734.967	16.438.444	2.863.207	1.923.372	20.005.964	160.965.955
July	140.247.496	17.148.799	3.232.720	1.945.470	20.196.147	182.770.632
August	136.402.014	14.927.360	2.746.311	1.484.327	15.543.697	171.103.710
September	119.316.204	16.140.252	2.786.439	1.884.677	19.708.298	159.835.870
October	113.348.298	15.764.489	2.525.886	1.937.063	20.778.771	154.354.506
November	99.269.445	13.985.362	2.259.900	1.932.145	20.515.431	137.962.284
December	104.101.545	13.018.571	2.083.597	1.687.417	16.934.801	137.825.931
Total	1.344.690.601	177.180.811	29.749.131	21.705.473	227.003.073	1.800.329.089

VEHICLE PAYING KILOMETRES - MONTHLY TREND OF MONTHLY TOTALS



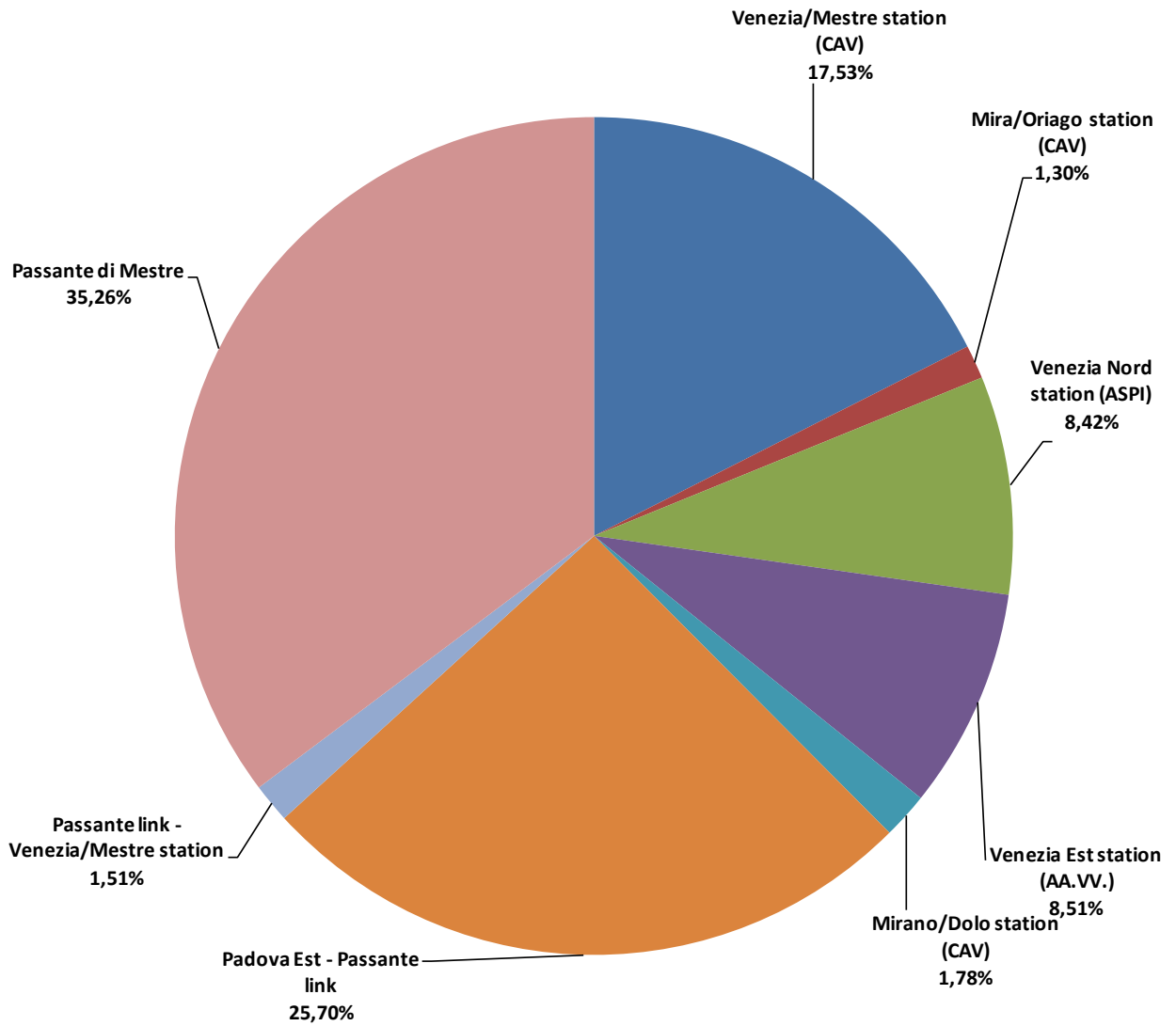
VEHICLE PAYING KILOMETRES BROKEN DOWN IN INDIVIDUAL STRETCHES OF THE CLOSED SYSTEM AND BY STATIONS IN THE OPEN SYSTEM
YEAR 2017

Closed system	Vehicle kilometres
A) Padova Est - A4/A57 connection (Passante link)	462.658.657
B) A4/A57 connection (Passante link) - Venezia/Mestre station	27.225.299
A + B	489.883.956
C) Passante di Mestre	634.718.207
Total (A + B + C)	1.124.602.163

Open system	Station transits	Vehicle kilometres x Km 6.200	Vehicle kilometres x Km 15.836	Total vehicle kilometres
A) Venezia/Mestre station (A57 - CAV)	14.319.389	88.780.212	226.761.844	315.542.056
B) Mira/Oriago station (A57 - CAV)	1.063.197	6.591.821	16.836.788	23.428.609
C) Mirano/Dolo station (A57 - CAV)	1.452.244	9.003.913	22.997.736	32.001.649
D) Venezia Nord station (A27 - ASP)	6.877.181	42.638.522	108.907.038	151.545.560
E) Venezia Est station (A4 - AA.VV.)	6.952.671	43.106.560	110.102.498	153.209.058
Total (A + B + C + D + E)	30.664.682	190.121.028	485.605.904	675.726.932

	Year 2015	Year 2016	Year 2017	% Change 2017-2018
Total V/Km (open system + closed system):	1.724.303.507	1.797.500.010	1.800.329.095	0,16

VEHICLE KILOMETRES BROKEN DOWN BY INDIVIDUAL STRETCHES



TRAFFIC BREAKDOWN BY TARIFF CLASS

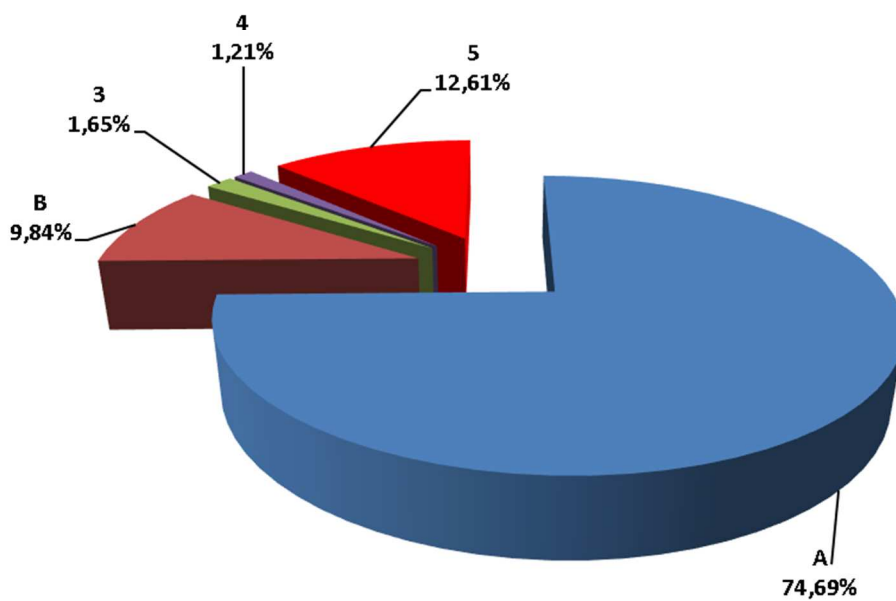
(Total vehicle paying kilometres)

Closed system + open system

YEAR 2017

	Class	Vehicle/Km	%
Light vehicles	A	1.344.690.601	74,69
	B	177.180.811	9,84
Heavy vehicles	3	29.749.131	1,65
	4	21.705.473	1,21
	5	227.003.073	12,61
Total		1.800.329.089	100

PERCENTAGE BREAKDOWN OF TARIFF CLASSES



**EFFECTIVE VEHICLES - VEHICLE/KM - THEORETICAL VEHICLES
PAYING TRAFFIC
2016 AND 2017**

CLOSED SYSTEM	Year 2016	Year 2017	% Change
Effective annual vehicles	41.517.325	43.160.828	3,96
Effective average daily vehicles	113.435	118.249	4,24
Annual vehicle kilometres	1.080.109.390	1.124.602.163	4,12
Average daily vehicle kilometres	2.951.119	3.081.102	4,40
Theoretical vehicles	23.416.498	24.381.090	4,12
Average daily theoretical vehicles	63.980	66.798	4,40

OPEN SYSTEM Venezia/Mestre, Mira/Oriago, Mirano/Dolo, Venezia Nord and Venezia Est stations	Year 2016	Year 2017	% Change
Annual vehicles	30.142.463	30.664.682	1,73
Average daily vehicles	82.356	84.013	2,01
Annual vehicle kilometres:			
for 6.200 Km	186.883.270	190.121.028	1,73
for 17.600 Km in 2016 and 15.836 Km in 2017	530.507.350	485.605.904	-8,46
Total vehicle/kilometre	717.390.620	675.726.932	-5,81
Average daily vehicle kilometres	1.960.084	1.851.307	-5,55

CLOSED SYSTEM + OPEN SYSTEM	Year 2016	Year 2017	% Change
Annual vehicle kilometres	1.797.500.010	1.800.329.095	0,16

**TRAFFIC AT OUR STATIONS BROKEN DOWN BY ORIGIN AND DESTINATION
YEAR 2017**

ENTRANCES	EXITS							TOTAL
	PREGANZIOL	MARTELLAGO SCORZE	SPINEA	VENEZIA MESTRE	MIRANO DOLO	MIRA ORIAGO	PADOVA EST	
PREGANZIOL	-	44.761	48.792	1.417	3.002	275	116.803	215.050
MARTELLAGO-SCOR.	48.599	-	35.766	9.020	5.610	2.620	124.157	225.772
SPINEA	49.315	30.786	-	26.074	4.775	1.383	339.914	452.247
VENEZIA MESTRE	883	8.493	9.642	-	3.125.425	2.611.650	2.144.172	7.900.265
MIRANO DOLO	6.098	9.560	3.767	2.979.176	-	172.359	204.267	3.375.227
MIRA ORIAGO	261	2.796	861	2.397.436	151.480	-	139.777	2.692.611
PADOVA EST	154.522	148.062	352.296	2.277.586	224.774	168.034	-	3.325.274
ASPI (A23/A27 STRETCHES)	450.218	171.576	151.217	3.076	11.277	1.339	631.225	1.419.928
AUTOVIE VENETE	252.459	307.608	136.742	5.291	11.345	1.611	593.465	1.308.521
BRENNERO	22.105	21.548	21.283	354.213	22.190	27.903	177.411	646.653
MILANO SERRAVALLE	6.268	3.935	4.268	61.252	4.016	2.745	31.236	113.720
BRESCIA PADOVA	189.412	191.895	229.841	2.481.760	246.634	215.475	2.119.407	5.674.424
CENTRO PADANE	5.488	5.959	3.748	56.213	4.013	5.071	36.392	116.884
ASPI (M/BS STRETCH)	48.864	37.855	33.523	521.728	32.419	29.403	246.159	949.951
BREBEMII	1.106	1.051	690	8.159	708	577	5.513	17.804
T.E. SPA	307	328	218	3.424	305	213	2.968	7.763
ASPI (OTHER STRETCHES)	124.984	154.660	181.402	1.379.384	158.875	121.575	619.828	2.740.708
OTHER STRETCHES	8.377	6.613	6.220	98.837	6.000	5.170	35.160	166.377
TOTAL	1.369.266	1.147.486	1.220.276	12.664.046	4.012.848	3.367.403	7.567.854	31.349.179

EXITS	ENTRANCES							TOTAL
	PREGANZIOL	MARTELLAGO SCORZE	SPINEA	VENEZIA MESTRE	MIRANO DOLO	MIRA ORIAGO	PADOVA EST	
PREGANZIOL	-	48.599	49.315	883	6.098	261	154.522	259.678
MARTELLAGO-SCOR.	44.761	-	30.786	8.493	9.560	2.796	148.062	244.458
SPINEA	48.792	35.766	-	9.642	3.767	861	352.296	451.124
VENEZIA MESTRE	1.417	9.020	26.074	-	2.979.176	2.397.436	2.277.586	7.690.709
MIRANO DOLO	3.002	5.610	4.775	3.125.425	-	151.480	224.774	3.515.066
MIRA ORIAGO	275	2.620	1.383	2.611.650	172.359	-	168.034	2.956.321
PADOVA EST	116.803	124.157	339.914	2.144.172	204.267	139.777	-	3.069.090
ASPI (A23/A27 STRETCHES)	326.713	162.234	130.399	2.137	15.229	552	717.576	1.354.840
AUTOVIE VENETE	238.618	284.220	124.770	2.328	23.228	716	761.434	1.435.314
BRENNERO	17.404	20.259	20.783	349.503	22.641	25.030	159.376	614.996
MILANO SERRAVALLE	4.783	3.915	3.850	59.973	4.058	2.056	26.637	105.272
BRESCIA PADOVA	150.892	170.091	230.169	2.463.798	247.943	175.199	1.840.393	5.278.485
CENTRO PADANE	4.588	5.921	4.128	74.527	4.446	5.627	34.187	133.424
ASPI (M/BS STRETCH)	34.767	39.567	27.644	483.923	29.063	28.574	190.343	833.881
BREBEMII	766	887	554	6.997	568	488	4.047	14.307
T.E. SPA	325	529	269	4.380	251	259	2.800	8.813
ASPI (OTHER STRETCHES)	106.874	153.351	189.324	1.572.729	164.108	108.821	584.827	2.880.034
OTHER STRETCHES	6.012	6.939	4.759	101.627	5.400	4.825	26.777	156.339
TOTAL	1.106.792	1.073.685	1.188.896	13.022.187	3.892.162	3.044.758	7.673.671	31.002.151

INTERNAL TRAFFIC BETWEEN THE VENEZIA/MESTRE, MIRA/ORIAGO AND MIRANO/DOLO STATIONS
(not subject to tolls)
YEAR 2017

Route		Transits	% Change 2016 Δ 2017	Vehicle kilometres in closed system		Vehicle kilometres in open system	
Entrance	Exit			Km 9,800	Km 2,000	Km 6,200	Km 15,836
Venezia/Mestre Mira/Oriago	Mira/Oriago	2.611.650	4,66				
	Venezia/Mestre	2.397.436	3,10				
	Total	5.009.086	3,91		10.018.172	31.056.333	79.323.886
Venezia/Mestre Mirano/Dolo	Mirano/Dolo	3.125.425	4,93				
	Venezia/Mestre	2.979.176	4,81				
	Total	6.104.601	4,87	59.825.090		37.848.526	96.672.461
Mirano/Dolo Mira/Oriago	Mira/Oriago	172.359	5,96				
	Mirano/Dolo	151.480	6,94				
	Total	323.839	6,41	3.173.622		2.007.802	5.128.314
General total		11.437.526	4,49	62.998.712	10.018.172	70.912.661	181.124.661

73.016.884	252.037.322
Total V/Km in closed system	Total V/Km in open system
Total vehicle/kilometre overall	325.054.206

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

Station	2015	2016	2017	% Change 2016 Δ 2017
Venezia/Mestre	4.880.548	5.167.880	5.376.612	4,04
Mira/Oriago	2.601.820	2.658.079	2.784.009	4,74
Mirano/Dolo	2.942.294	3.120.174	3.276.905	5,02
Total	10.424.662	10.946.133	11.437.526	4,49

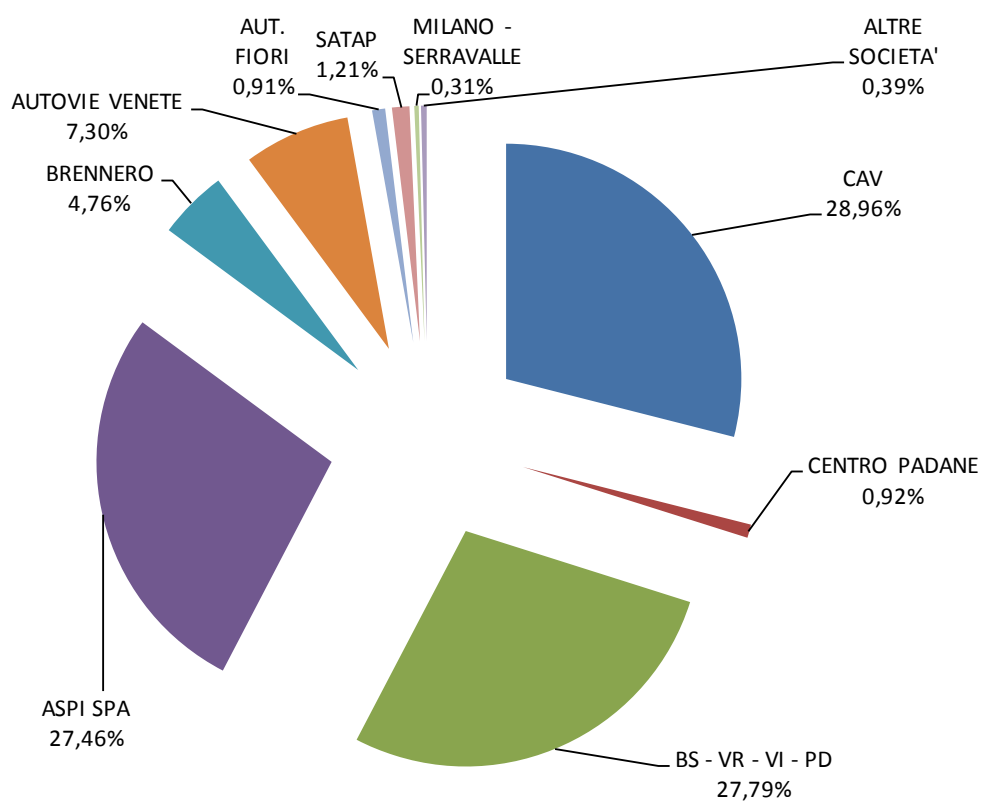
PROCEEDS FROM TOLLS
RELATIONSHIPS BETWEEN INTERCONNECTED COMPANIES
YEAR 2017

(Gross amounts in thousands of euro)

Company	Concurrent tolls with CAV due to CAV	Concurrent tolls with CAV due to interconnected companies	Concurrent tolls with interconnected company due to CAV	Deferred tolls due to CAV invoiced by ASPI Spa
CAV	12.038			
ASPI SPA (deferred)				130.855
ASPI SPA (concurrent)		11.411	17.586	
BS - VR - VI - PD		11.549	5.790	
BRENNERO		1.979	1.332	
AUTOVIE VENETE		3.034	14.231	
CENTRO PADANE		384	344	
AUT. FIORI		377	396	
SATAP		501	326	
MILANO - SERRAVALLE		128	322	
OTHER COMPANIES		161	244	
TOTAL	12.038	29.524	40.571	130.855

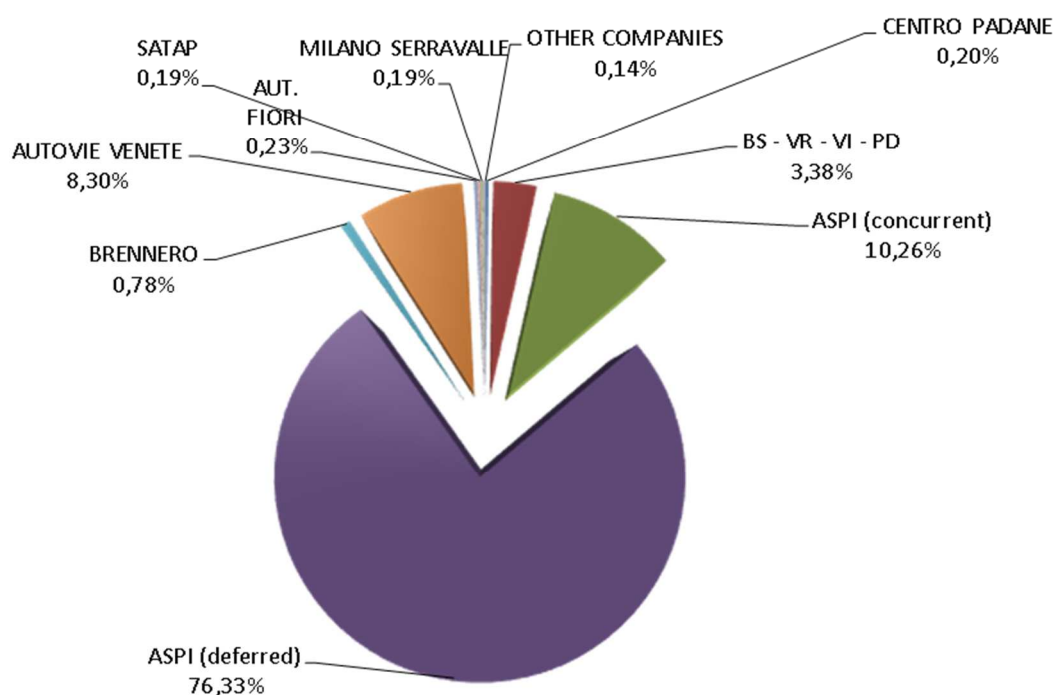
**CONCURRENT TOLLS COLLECTED AT CAV STATIONS BROKEN DOWN BY
ATTRIBUTED PARTY
YEAR 2017**

Company	Amounts in thousands	% of total
CAV	12.038	28,96
CENTRO PADANE	384	0,92
BS - VR - VI - PD	11.549	27,79
ASPI SPA	11.411	27,46
BRENNERO	1.979	4,76
AUTOVIE VENETE	3.034	7,3
AUT. FIORI	377	0,91
SATAP	501	1,21
MILANO - SERRAVALLE	128	0,31
OTHER COMPANIES	161	0,39
TOTAL	41.562	100



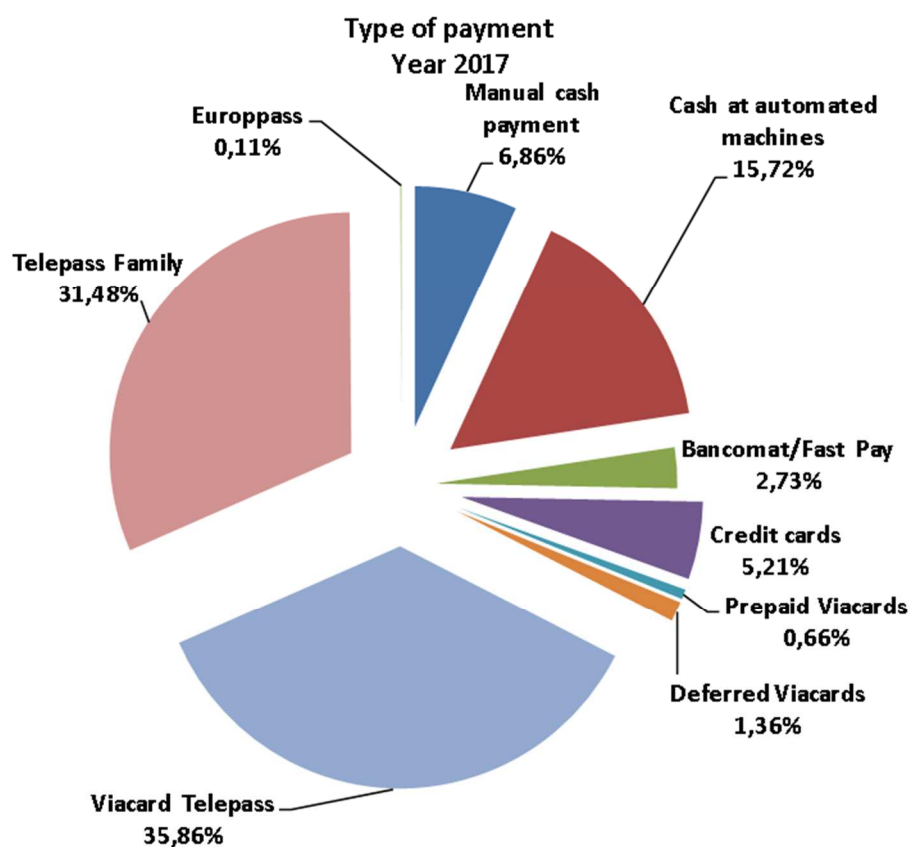
TOLLS ATTRIBUTED TO CAV BY INTERCONNECTED COMPANIES YEAR 2017

Company	Amounts in thousands	% of total
CENTRO PADANE	344	0,2
BS - VR - VI - PD	5.790	3,38
ASPI SPA (concurrent)	17.586	10,26
ASPI. SPA (deferred)	130.855	76,33
BRENNERO	1.332	0,78
AUTOVIE VENETE	14.231	8,3
AUT. FIORI	396	0,23
SATAP	326	0,19
MILANO - SERRAVALLE	322	0,19
OTHER COMPANIES	244	0,14
TOTAL	171.426	100,00



EXIT PAYMENT TYPE AT CAV STATIONS
 (expressed in terms of percentage of total)
 YEARS 2014, 2015, 2016 and 2017

Payment type	2014	2015	2016	2017
Manual cash payment	10,47	10,22	9,19	6,86
Cash at automated machines	13,69	13,45	13,96	15,72
Total cash	24,16	23,67	23,15	22,58
Bancomat - Fast Pay	3,16	3,26	3,01	2,73
Credit cards	3,60	4,06	4,67	5,21
Prepaid Viacards	0,86	0,78	0,71	0,66
Deferred Viacards	1,39	1,32	1,35	1,36
Total automated payments with non-dynamic transit	9,01	9,42	9,74	9,96
Viacard Telepass	36,64	36,05	35,75	35,86
Telepass Family	30,06	30,73	31,24	31,48
Europpass	0,13	0,13	0,12	0,11
Total automated payments with dynamic transit	66,83	66,91	67,11	67,45
Total	100	100	100	100



ACCIDENTS 2016 AND 2017

ENTIRE MOTORWAY SYSTEM A4 + A57 (CLOSED AND OPEN)

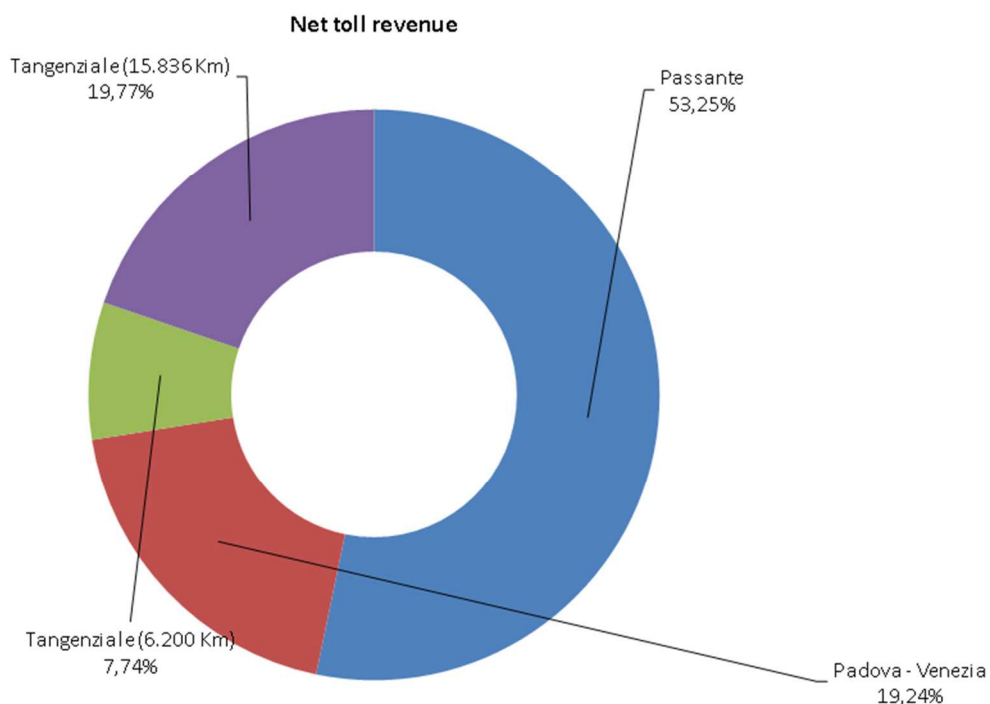
	Accidents with injury to individuals		Rate per 100 million V/Km		% Change of rate	2017 national rate
	2016	2017	2016	2017		
Light vehicles	66	72	4,87	5,21	9,90	
Heavy vehicles	32	34	7,23	7,46	3,27	
Total	98	106	5,45	5,89	8,03	7,88
no. of injuries	156	159	8,68	8,83	1,76	13,06
no. of deaths	4	5	0,22	0,28	24,80	0,32

	Accidents without injury to individuals		Rate per 100 million V/Km		% Change of rate
	2016	2017	2016	2017	
Light vehicles	65	76	4,80	5,65	17,75
Heavy vehicles	59	59	13,32	12,95	-2,79
Total	124	135	6,90	7,50	8,68

	Total accidents		Rate per 100 million V/Km		% Change of rate
	2016	2017	2016	2017	
Light vehicles	131	148	9,67	11,01	13,82
Heavy vehicles	91	93	20,55	20,41	-0,68
Total	222	241	12,35	13,39	8,39

TOLL REVENUE
 (net of VAT and ANAS licence fee integration)
BROKEN DOWN BY MOTORWAY STRETCH
YEAR 2017

Stretch	Proceeds (€/million)	%
A4/A57 closed system		
Passante	72,9	53,25
Padova - Venezia	26,3	19,24
Total	99,2	72,49
A57 Tangenziale di Mestre open system		
for 6.200 Km	10,6	7,74
for 15.836 Km	27,1	19,77
Total	37,7	27,51
Total	136,9	100,00



SERVICE AREAS - SALES OF FUEL AND LUBRICANTS

SERVICE STATIONS	Petrol (litres sold)			Diesel (litres sold)		
	2016	2017	% Change	2016	2017	% Change
Marghera Ovest	1.379.000	1.351.000	-2,03	5.299.000	5.233.000	-1,25
Marghera Est	367.000	368.000	0,27	2.803.000	2.486.000	-11,31
Arino Ovest	1.714.000	1.558.000	-9,10	7.422.000	6.994.000	-5,77
Arino Est	1.147.000	1.139.000	-0,70	5.903.000	5.849.000	-0,91
Total	4.607.000	4.416.000	-4,15	21.427.000	20.562.000	-4,04

SERVICE STATIONS	LPG (litres sold)			Lubricants (Kg sold)		
	2016	2017	% Change	2016	2017	% Change
Marghera Ovest	-	-	-	1.114	1.100	-1,26
Marghera Est	-	-	-	414	423	2,26
Arino Ovest	1.706.000	1.398.000	-18,05	2.209	2.509	13,58
Arino Est	1.218.000	1.106.000	-9,20	1.769	1.320	-25,38
Total	2.924.000	2.504.000	-14,36	5.506	5.352	-2,79

SERVICE AREAS - COLLATERAL COMMERCIAL ACTIVITIES

(Autoemporio - Shop - Market in the service areas)

(invoiced sales net of VAT - in thousands)

SERVICE STATIONS	2016	2017	% Change
Marghera Ovest	13	13	0,00
Marghera Est	2	1	-50,00
Arino Ovest	101	104	2,97
Arino Est	81	98	20,99
Total	197	216	9,64

SERVICE AREAS - REFRESHMENT ACTIVITIES - AUTOBARS AND RESTAURANTS

(invoiced sales net of VAT - in thousands)

SERVICE STATIONS	2016	2017	% Change
Marghera Ovest	357	355	-0,56
Marghera Est	276	273	-1,09
Arino Ovest	3.795	3.877	2,16
Arino Est	2.312	2.404	3,98
Total	6.740	6.909	2,51

SERVICE AREAS - COLLATERAL COMMERCIAL ACTIVITIES

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

SERVICE STATIONS	2016	2017	% Change
Marghera Ovest	105	108	2,86
Marghera Est	79	72	-8,86
Arino Ovest	1.904	1.864	-2,10
Arino Est	1.430	1.396	-2,38
Total	3.518	3.440	-2,22

SERVICE AREAS - COMPLEMENTARY COMMERCIAL ACTIVITIES

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

SERVICE STATIONS	2016	2017	% Change
Marghera Ovest	1.282	1.350	5,30
Marghera Est	1.270	1.145	-9,84
Arino Ovest	1.552	1.546	-0,39
Arino Est	1.131	1.197	5,84
Total	5.235	5.238	0,06

HOTEL - MARGHERA

(invoiced sales net of VAT - in thousands)

Business activity	2016	2017	% Change
Bar, Services and Lodging	3.410	3.613	5,95

ROYALTIES RECOGNISED TO CAV

(net of VAT - in thousands)

Business activity	2016	2017	% Change
Fuel	1.662	1.597	-3,91
Lubricants	1	1	0,00
Collateral activities (autoemporio)	28	31	10,71
Refreshments	1.580	1.614	2,15
Collateral activities (market)	509	510	0,20
Complementary activities	53	55	3,77
Hotel (bar - services - lodging)	43	45	4,65
Land concession	413	413	0,00
Total	4.289	4.266	-0,54