



SPAFID CONNECT

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Diffusione presunta

Oggetto : Board of Directors approves Separate Financial Statements and Consolidated Financial Statements as at 31 December 2018

Testo del comunicato

Si trasmette il comunicato stampa relativo all'oggetto.

*Board of Directors of SIAS approves Separate Financial Statements
and Consolidated Financial Statements as at 31 December 2018*

- **Group ends 2018 with growth:**
Net profit +11.2%, EBITDA +6.2%, Turnover +7%
- **Final dividend of €0.535 per share proposed**
Total dividend for 2018 of €0.70, worth a total of €159.3 million
- **Ordinary Shareholders' Meeting called for 15 May 2019**

Main consolidated earnings and financial highlights:

- **Net profit :** €264.5 million (€237.8 million in previous year)
- **EBITDA:** €747.6 million (€703.8 million in previous year)
- **Turnover:** €1,216.6 million (€1,136.7 million in previous year)
- **Net financial indebtedness:** €1,239.1 million (an improvement 5.3% compared to the previous year)

Main highlights – Motorway concessions sector:

- SIAS (Italy)
 - EBITDA motorway sector: €738 million (+6.48%¹)
 - Traffic performance: +8.55%² ("light vehicles" +6.70%, "heavy vehicles" +14.29%)
 - Increase in network managed of about 112 km for a total managed network of more than 1,400 km
- Ecorodovias (Brazil)³
 - Net profit 393.0 million Reais
 - Pro forma EBITDA: 1,761 million Reais (+0.7%)
 - Traffic performance: +1.7%⁴
 - Increase in network managed of about 850 km for a total managed network around 2,650 km

Tortona, 27 March 2019. The SIAS Board of Directors, which met today under the chairmanship of Ing. Paolo Pierantoni, has reviewed and approved the "Separate and Consolidated Financial Statements as at 31 December 2018".

¹ +3.18% on like-for-like basis, net of EBITDA of Società di Progetto Autovia Padana S.p.A. ("Autovia Padana"), licensee of the Piacenza-Cremona-Brescia stretch as of 1 March 2018.

² -0.23% on like-for-like basis (+2.00% heavy vehicles, -0.95% light vehicles), net of traffic for the period March-December 2018 relative to the Piacenza-Cremona-Brescia stretch, the concession for which is held by the subsidiary Autovia Padana as of 1 March 2018.

³ The group operates on the Brazilian market through its jointly held subsidiary Ecorodovias Infraestrutura e Logística SA.

⁴ -1.4% taking into account the effects of truck drivers' strikes which affected the period from 21 May to 3 June 2018 and the exclusion from the traffic volume calculation of "suspended axles".

ANALYSIS OF EARNINGS AND FINANCIAL HIGHLIGHTS

CONSOLIDATED GROUP EARNINGS DATA⁵

"**Turnover**" amounted to EUR **1,216.6** million (EUR 1,136.7 million in 2017), with a growth of **7%** compared to the previous financial year.

"*Motorway sector revenue*" totalled EUR 1,135.1 million (EUR 1,047.4 million in 2017) and breaks down as follows:

- "net toll revenue" of EUR 1,103.3 million, up by EUR 86 million (+8.46%) as a result of the revenue of the licensee Autovia Padana relative to the period March-December 2018 (EUR +51.2 million), the recognition from 1 January 2018 of the toll adjustments (+31.4 million) and the growth of the traffic volumes and of the "light vehicle" and "heavy vehicle" traffic/tariff mix (EUR +3.4 million);
- "rental income and other accessory revenue" of EUR 31.8 million.

"*Technology sector revenue*" amounted to EUR 45.6 million with growth in activities for third parties against a decrease in activities for Group companies.

"**Operating costs**", totalling EUR **468.9** million, increased by EUR 36 million, of which EUR 30.9 million was due to the costs of Autovia Padana for the period March-December 2018, EUR 5 million to higher costs of the other motorway companies (maintenance costs and winter services) and the remainder mainly due to the higher production from third parties carried out by the companies operating in the "technology" sector.

With regard to the above, the "**gross operating margin (EBITDA)**" amounted to EUR **747.6 million**, increasing by EUR **43.8 million**, and reflects the changes in the Group's business segments. In particular, this reflects the growth in the gross operating margin of the "motorway sector" (EUR +44.9 million), partially offset by the decline recorded in the "ancillary sectors" (EUR -1.1 million). In particular, with regard to the "motorway sector", this change was due for EUR 22.9 million to the management as from 1 March 2018 of the A21 Piacenza-Cremona-Brescia stretch and for EUR 22 million to the increased margins of the remaining motorway companies.

"**Non-recurring items**" - equal to EUR 8.2 million negative - are mainly attributable to charges for the period attributable to the project to reorganise and optimise procedures and streamline resources.

"**Net amortisation/depreciation and provisions**" totalled EUR 312.1 million (EUR 324.2 million in 2017); the change compared to the previous year is the result of the following: (i) higher net provisions in the "provision for restoration and replacement" of non-compensated revertible assets for EUR 13.2 million, (ii) lower amortisation and depreciation for EUR 19.9 million⁶ and (iii) lower provisions for risks and charges and other impairment losses for EUR 5.4 million.

The item "**financial income**" totalled EUR 35.7 million, decreased by EUR 15.5 million as a result of lower capital gains on the disposal of equity investments and interest income from financial assets, partially offset by higher dividends distributed by investee companies.

The item "**financial expenses**" – including the expenses for interest rate swap contracts – decreased by EUR 5 million due to the process to streamline financial resources and funding sources.⁷ The change in "*capitalised financial expenses*" is mainly related to the performance of the investments made.

The item "*profit of companies accounted for by the equity method*" included the share of profits from jointly controlled and associated companies.

The share of "*profit for the period*" attributable to the Group was EUR **264.5 million** (EUR 237.8 million in FY 2017)⁸.

⁵ In the analysis of the revenue and expenditure items for 2018, it is worth noting that as of 1 March 2018 these reflect the figures relating to the A21 Piacenza-Cremona-Brescia stretch, after the subsidiary Autovia Padana effectively took over the concession.

⁶ In determining the depreciation and amortisation of non-compensated revertible assets, the "takeover values" in the financial economic plans approved by the Granting Body in September 2017 and the agreements signed with said with reference to the A21 stretch, were also considered.

⁷ The SIAS convertible bond loan 2005-2017 was repaid on 30 June 2017; SIAS S.p.A. issued the SIAS bond loan 2018-2028 on 8 February 2018.

⁸ The "share of profit/loss for the period attributed to owners of the Parent Company" in 2017 does not take into account the portion attributable to discontinued operations, equal to EUR 0.5 million.

Summary table of consolidated earnings data

<i>(amounts in thousands of EUR)</i>	2018	2017	Changes
Motorway sector revenue – operating activities ^{1,2}	1,135,149	1,047,394	87,755
Technology sector revenue	45,641	44,605	1,036
Other revenue ³	35,778	44,653	(8,875)
Turnover	1,216,568	1,136,652	79,916
Operating costs ^{1,2,3}	(468,981)	(432,839)	(36,142)
Gross operating margin (EBITDA)	747,587	703,813	43,774
Non-recurring items	(8,205)	(11,175)	2,970
Reported gross operating margin	739,382	692,638	46,744
Net amortisation/depreciation and provisions	(312,118)	(324,248)	12,130
Operating income	427,264	368,390	58,874
Financial income	35,743	51,201	(15,458)
Financial expenses	(96,976)	(102,025)	5,049
Capitalised financial expenses	14,085	19,699	(5,614)
Write-down of equity investments	-	(799)	799
Profit (loss) of companies accounted for by the equity method	15,489	14,357	1,132
Net financial income (expense)	(31,659)	(17,567)	(14,092)
Profit before tax	395,605	350,823	44,782
Income taxes (current and deferred)	(106,227)	(89,459)	(16,768)
Profit (loss) for the period from continued operations	289,378	261,364	28,014
Profit (loss) for the period of "assets held for sale net of taxes" (Discontinued Operations)	-	516	(516)
Profit (loss) for the period	289,378	261,880	27,498
• Share attributed to non-controlling interests (Continued Operations)	24,876	23,608	1,268
• Share attributed to owners of the Parent Company (Continued Operations)	264,502	237,756	26,746
• Share attributed to non-controlling interests (Discontinued Operations)	-	5	(5)
• Share attributed to owners of the Parent Company (Discontinued Operations)	-	511	(511)

(1) Amounts net of the fee/additional fee payable to ANAS (EUR 83.8 million in 2018 and EUR 75.9 million in 2017).

(2) With regard to motorway companies, IFRIC12 provides for full recognition in the Income Statement of costs and revenue for "construction activities" concerning non-compensated revertible assets. In order to provide a clearer representation in the table above, these components – amounting to EUR 148.6 million in 2018 and EUR 190 million in 2017 – were reversed for the same amount from the corresponding revenue/cost items.

(3) Amounts net of cost/revenue reversals of EUR 5.6 million in 2018 (EUR 5.5 million in 2017).

CONSOLIDATED GROUP FINANCIAL DATA

"**Adjusted net financial indebtedness**" as at 31 December 2018 – showing an improvement of EUR 68.8 million – totalled EUR **1,239.1** million (EUR 1,307.9 million as at 31 December 2017). This is even more significant considering the payment to the Ministry of Infrastructures and Transport of the price of the concession for the Piacenza-Cremona-Brescia stretch and the payment to take over from the outgoing licensee of approximately EUR 301 million.

The change in 2018 in "**net financial indebtedness**" was mainly due to: (i) the payment of dividends (final 2017 and interim 2018) by the Parent Company (EUR 83.1 million), (ii) the payment of dividends by subsidiaries to minority shareholders (EUR 19.9 million), (iii) the execution of enhancement works on the Group's motorway infrastructure (EUR 148.6 million), (iv) the aforementioned payment to the Ministry of Infrastructures and Transport of the concession price for the Piacenza-Cremona-Brescia stretch, and the takeover payment to the outgoing licensee totalling EUR 301 million, (v) purchases of other assets (EUR 8.4 million), (vi) the purchase of minorities (EUR 11.5 million), (vii) the loan granted to the jointly held subsidiary IGLI S.p.A. (EUR 10 million), (viii) the subscription to investment funds (EUR 7.5 million), (ix) the payment of instalments falling due of the debt to ANAS-Central Insurance Fund (FCG) (EUR 11.9 million), and (x) the change in net working capital and other minor changes (EUR 3.7 million).

These outflows were offset by (i) "operating cash flow" (EUR 560.2 million), (ii) the share capital increase of Autovia Padana paid by the associated company ITINERA S.p.A. (EUR 36.6 million) and (iii) the liquidity resulting from the sale of the pro-rata portion of the equity investment held in Autovia Padana (EUR 31.3 million) and other equity investments (EUR 1.6 million).

"Net financial indebtedness" as at 31 December 2018 also includes the positive difference accrued during the year (EUR 19.4 million) for the fair value of IRS agreements (no cash item).

The change in "**non-current financial receivables**" includes (i) receivables of EUR 117.5 million at the so-called "takeover value" for the A21 Torino-Piacenza section, the licence for which expired on 30 June 2017, (ii) EUR 17.2 million *related to "investment funds"* subscribed as an investment of liquidity and (iii) EUR 2.3 million that represent – as provided for in IFRIC 12 – the discounted value of the medium/long term portion of cash flows related to the so-called "minimum amount guaranteed by the Granting Body".

The reduction in the "**discounted value of the payable due to ANAS - Central Insurance Fund (FCG)**", equal to EUR 3.4 million, is due to the payment of the instalments falling due (EUR 11.9 million) and the charges for discounting the payable itself (EUR 8.5 million).

Financial resources available at 31 December 2018 totalled EUR 2,241 million.

Summary table of consolidated financial data

<i>(amounts in thousands of EUR)</i>	31/12/2018	31/12/2017	Changes
A) Cash and cash equivalents	963,044	441,275	521,769
B) Securities held for trading	-	-	-
C) Liquidity (A) + (B)	963,044	441,275	521,769
D) Financial receivables	481,061	484,201	(3,140)
E) Bank short-term borrowings	(19,182)	(4,428)	(14,754)
F) Current portion of medium/long-term borrowings	(322,442)	(253,504)	(68,938)
G) Other financial liabilities (current)	(50,478)	(41,683)	(8,795)
H) Short-term borrowings (E) + (F) + (G)	(392,102)	(299,615)	(92,487)
I) Current net cash (C) + (D) + (H)	1,052,003	625,861	426,142
J) Bank long-term borrowings	(721,015)	(860,590)	139,575
K) Hedging derivatives	(35,730)	(55,092)	19,362
L) Bonds issued	(1,537,183)	(994,062)	(543,121)
M) Other non-current liabilities	(1,252)	(1,343)	91
N) Long-term borrowings (J) + (K) + (L) + (M)	(2,295,180)	(1,911,087)	(384,093)
O) Net financial indebtedness^(*) (I) + (N)	(1,243,177)	(1,285,226)	42,049
P) Non-current financial receivables	136,952	113,595	23,357
Q) Discounted value of the payable due to ANAS – Central Insurance Fund	(132,830)	(136,273)	3,443
R) "Adjusted" net financial indebtedness (O) + (P) + (Q)	(1,239,055)	(1,307,904)	68,849

(*) Pursuant to ESMA Recommendation

RESULTS OF THE PARENT COMPANY – SIAS S.p.A.

The items contained in the Parent Company's income statement reflect the industrial holding activity carried out by it, as well as the centralisation of the financial funding activities within SIAS S.p.A., with the subsequent transfer of funds to operating companies, by means of specific intercompany loans. More specifically, the item "income from equity investments" (amounting to EUR 221.7 million was (i) due to the dividends paid during the financial year by SATAP S.p.A. (EUR 79.1 million), SIAS Parking S.r.l. unipersonale (EUR 59.9 million), SALT S.p.A. (EUR 46.9 million), SAV S.p.A. (EUR 9.8 million), Sinelec S.p.A. (EUR 8.7 million), ATIVA S.p.A. (EUR 15.8 million), Road Link Holdings Ltd (EUR 1.1 million) and Assicurazioni Generali S.p.A. (EUR 0.3 million).

"Net financial indebtedness" as at 31 December 2018 showed a balance of EUR 2,219.8 million (EUR 1,699.7 million as at 31 December 2017); this amount does not include non-current receivables for "intercompany loans" granted, as part of the financial structure at holding level, to the investee companies SALT p.A., SATAP S.p.A., SAV S.p.A., Autostrada dei Fiori S.p.A., Autostrada Asti Cuneo S.p.A., Autovia Padana, Tangenziale Esterna S.p.A. and IGLI S.p.A. amounting to EUR 2,183⁹ million (EUR 1,516 million as at 31 December 2017).

The main *revenue and expenditure items* of the Company may be summarised as follows:

<i>(amounts in thousands of EUR)</i>	2018	2017	Changes
Income from equity investments	221,715	110,361	111,354
Other financial income	83,740	65,928	17,812
Interest and other financial expenses	(67,759)	(63,599)	(4,160)
Financial income and expenses	237,696	112,690	125,006
Value adjustments of financial assets	(31,854)	(1,615)	(30,239)
Other operating income	7,328	6,154	1,174
Other operating costs	(18,604)	(20,439)	1,835
Amortisation/depreciation and provisions	(6)	(3)	(3)
Pre-tax profit (loss)	194,560	96,787	97,773
Income taxes	(4,012)	1,077	(5,089)
Profit (loss) for the period	190,548	97,864	92,684

MOTORWAY CONCESSIONS SECTOR

Expansion of the Group's Italian motorway network – Autovia Padana

On **1 March 2018**, the subsidiary Autovia Padana **effectively took over the 25-year concession for the A21 Piacenza-Cremona-Brescia stretch**, which extends 112 kilometres, crossing two regions - Emilia Romagna and Lombardy - and connecting the A21 Torino-Piacenza motorway with the A4 Brescia Padova motorway.

Motorway traffic performance – Italy

With reference to the performance of the motorway concessions sector, it should be noted in particular that the overall traffic performance in 2018, compared to 2017, increased by **8.55%** (-0.23% on a like-for-like basis), with reference to both the "heavy vehicles" category (+**14.29%**) and the "light vehicles" category (+**6.70%**).

The 2018 traffic figures benefitted from the takeover of the concession for the A21 Piacenza-Cremona-Brescia stretch as of 1 March 2018. On a like-for-like basis with 2017, traffic figures showed (i) a 2.00% increase in "heavy vehicles", which confirms the positive trend seen over recent years, and (ii) a 0.95% decrease in "light vehicles".

Regulatory framework – Italy

During the year, following the registration by the Court of Auditors of the interministerial decrees of approval, **the additional acts became effective** implementing the update of the financial plans for the five-year period 2014-2018 of the licensees **Autostrada dei Fiori S.p.A. - A10 Stretch**, **SALT p.A. - A12 Stretch** and **SAV S.p.A.**, signed during 2018. The registration by the Court of Auditors of the documents related to the financial plans of the licensees **Autostrada dei Fiori S.p.A. - A6 Stretch** and **SALT p.A. - A15 Stretch** is still pending.

With regard to the 2019-2023 regulatory period, the financial plans of the licensees must be approved by the Ministry of Infrastructures and Transport ("MIT") - under current legislation - by 30 June 2019.

With regard to the subsidiary **Autostrada Asti Cuneo S.p.A.**, it should be noted that on **27 April 2018** the **European Commission** announced that, on the basis of EU State aid rules, it had **approved** the plan presented by the Italian Government for the **financing of the completion of the A33 Asti-Cuneo motorway stretch by SATAP S.p.A. - A4 Section** ("Cross Financing") in exchange for an extension of the latter's concession for four years and recognition of a takeover value. During the first few months of 2019, discussions continued with MIT to activate cross financing according to the new indications formulated in the meantime by the Grantor, which - with substantially equivalent economic and financial terms - envisage the maintenance of the original

⁹ Including the short term portion of financial receivables due from the subsidiary Autostrada Asti Cuneo S.p.A..

expiry dates of the concessions and the recognition of a higher takeover value.

With reference to toll adjustments for 2019 - based on indications in the interministerial decrees - the mean adjustment for motorway sections controlled by the Group was equal to **0.42%** (this percentage does not consider the takeover value recognised to SALT p.A. - A12 Stretch). It should be noted - and welcomed - that the licensees of the SIAS Group, together with 5 other Italian licensees, are the only ones to have obtained tariff increases as of 1 January 2019.

Ecorodovias

Ecorodovias Infraestrutura e Logística S.A., listed on the Novo Mercado Bovespa ("Ecorodovias"), is one of the major motorway operators in Brazil and is under the group's joint control. It recorded the following results for 2018:

- **traffic volume growth of 1.7%**¹⁰;
- **revenue from motorway management** essentially in line with the previous year, at **2,616.8** million Reais (EUR 588 million¹¹);
- a pro-forma **EBITDA** equal to **1,760.9** million Reais (EUR 396.2 million¹¹), **up by 0.7%**;
- a **net profit** of **393** million Reais (EUR 88.4 million¹¹).

During 2018 - as part of the company's strategy aimed at focusing on the concessions sector and extending the average duration of its concessions in the portfolio - Ecorodovias **increased the network managed under concession** by a total of **850** km through:

- **award** of the contract for the **Rodoanel Norte** concession (the north section of the Sao Paulo bypass)
- **award of the contract** for the **BR-135/MG** concession
- **acquisition** of the licensee **Rodovias Minas Gerais Goiás (MGO)**
- total network managed: around **2,650 km di rete**

OTHER INFORMATION

With regard to the postponement of the Board of Directors' approval of the draft 2018 financial statements and the consolidated financial statements as communicated on 20 March, the following should be noted.

On 14 March 2019, the Board of Directors of Ecorodovias – with the support of a leading Brazilian law firm – approved the draft financial statements for the year ended 31 December 2018, in which it acknowledged an investigation conducted by the Federal Prosecutor's Office of the State of Paraná against two former managers of the subsidiaries Ecovia Caminho do Mar ("Ecovia") and Rodovia das Cataratas - Ecocataratas ("Ecocataratas") for their past actions.

Below is an excerpt from the text of note 21 of Ecorodovias' consolidated financial statements relating to the above events:

"[...] The subsidiaries Concessionária Ecovia Caminho do Mar ("Ecovia"), Rodovia das Cataratas – Ecocataratas ("Ecocataratas") and Ecorodovias Concessões e Serviços informed that they were not the subject of any criminal lawsuit, but only their removed executives, and that the Federal Prosecution Office has estimated minimal damages of R\$ 200,499,632 for Ecovia and R\$ 935,476,590 for Ecocataratas.

[...] The Company is conducting its own investigation into the alleged facts and consulting with its legal counsel to assess potential risks, alternatives and defense arguments to be presented in connection with any lawsuits that may be brought in the future. However, at this moment, it is not possible to determine a probable loss amount in the present case in connection with a past event, or to provide a sufficiently accurate measurement of the risk involved. This considers, among other factors: (i) that Federal Prosecution Office has not filed any lawsuit against the Company or its subsidiaries based on the above mentioned facts; and (ii) it is not clear up to this moment to what extent Federal Prosecution Office's allegations are correct and which evidences and lawsuit requests would be used to support Federal Prosecution Office's allegations. In Addition to the internal actions taken by the Company's management in compliance with the Corporate Crisis Management Committee, the Board of Directors, following its duty of diligence, approved on March 7, 2018 the creation of an Independent Committee reporting directly to the Board of Directors, [...] The findings of the Independent Committee's investigation were inconclusive regarding the existence of unlawful acts mentioned in the allegations made by the Federal Prosecution Office and did not indicate that further legal or disciplinary measures were recommended."

Based on the above, and taking into account the Audit Report on the Consolidated Financial Statements issued by Deloitte, which contains a qualified opinion in relation to aforementioned note 21, the Board of Directors of Ecorodovias has taken the decision, for prudential reasons, not to propose to the shareholders' meeting the distribution of dividends additional to those already distributed during the year, allocating all the remaining profit resulting from the 2018 financial statements (equal to R\$ 215,546,418.7¹²) to the reserve (of which R\$ 18,725,499.53¹³ to the legal reserve).

¹⁰ Percentage calculated net of the effects of "suspended axles" and strikes that affected the period from 21 May to 3 June 2018.

¹¹ Based on the Euro/Reais exchange rate of 4.444 as at 31 December 2018.

¹² EUR 48.5 million at the exchange rate on 31 December 2018. 4.444 €/reais

¹³ EUR 4.2 million at the exchange rate on 31 December 2018 4.444 €/reais

Following the events described above, the jointly held subsidiary IGLI S.p.A. engaged another leading Brazilian law firm – that is independent and extraneous to the matter under consideration – to prepare an opinion on whether, in handling the issues described above and in approving the draft financial statements for the year ended 31 December 2018, the members of the Board of Directors of Ecorodovias acted diligently and in the best interest of the Company.

After a description of how the duty of care of the directors is regulated by Brazilian law (section 153 Brazilian Corporation Act) and a summary of the information used to prepare the opinion, the opinion comes to the following conclusion:

"On the basis of the information described in section 2 and, in particular, (a) the decision taken by [Ecorodovias'] management to appoint an Independent Committee [...] and to consult with a leading law firm to assist the Company in relation to the potential involvement of its subsidiaries in the offences being investigated by the Federal Prosecutor's Office; and (b) the conclusions of the opinions given by the aforementioned law firm [...], we are of the opinion that the members of the Board of Directors [of Ecorodovias] acted diligently and in the best interest of the Company in relation to their vote for the approval of the draft financial statements for the financial year ending 31 December 2018."

Another important event occurred following the approval of the draft financial statements by Ecorodovias.

On that date, the judges of the 23rd Federal Lower Court of Curitiba (Paraná) – regarding the corrupt scheme allegedly committed by all the licensees of the State of Paraná, which, according to the public prosecutors, caused total damage equal to approximately R\$ 8,888,686,425.94 to the treasury – ordered the freezing of current accounts and the seizure of certain assets of Ecovia and Ecocataratas, as well as the apprehension of the persons involved. In relation to Ecovia, Ecocataratas and other companies indicated (construction and engineering companies other than Ecorodovias), the decision of the 23rd Federal Lower Court of Curitiba, specifies the sum of R\$ 82,569,672.41 as an estimate of the minimum amount of damages resulting from the alleged illicit acts, and the sum of R\$ 7,688,004.72 as an estimate of the alleged benefits obtained by public officials who would have received bribes, totalling R\$ 90,237,677.13¹⁴.

All this considered, in light of this decision and on the basis of the information currently available, there is obvious uncertainty and inconsistency in the amounts estimated as "minimum damage" by the public prosecutors in the disputes (as for Ecovia and Ecocataratas, about R\$ 1.1 billion) and that identified by the 23rd Federal Lower Court of Curitiba (about R\$ 82.6 million).

SIAS – as a co-controlling shareholder of Ecorodovias – will continue to monitor the progress of the investigations in the State of Paraná to the extent of its competence and will do its utmost to ensure that the right decisions are taken, at the right time and in the right way, in the best interest of Ecorodovias and the Company.

BUSINESS OUTLOOK

The Group increasingly sees itself as an industrial player in the infrastructure sector and aims to develop its presence in Italy and worldwide in the coming years.

The Group's pursuit of efficiency and reorganisation and the know-how it has built up allow it to present itself on the domestic motorway concessions market as a true standard-bearer in terms of operational abilities and financial capacity, which will enable it to be successful in tenders over the coming years. In this context, the Group boasts a significant track record, having won its last tenders, including the Tangenziale Esterna di Milano (Milan Outer Ring Road) and the Piacenza-Cremona-Brescia road.

The Group's objective is also to grow on international markets. Through its jointly held subsidiary Ecorodovias, in 2018 the company increased its network in Brazil by approximately 850 km and in 2019 it is applying to successfully participate in the significant investment plans and tenders in the country in the motorway sector.

As part of its strategic growth plans, the Group is also pursuing the development of important green field concession projects in the USA and North America – markets with high growth potential.

Finally, as regards the management of its own infrastructures, the Group intends to continue to invest in improving the service offered to its customers, raising the safety and quality standards of the managed network, also through the use of the most modern technologies available.

In the technology field, Sinelec is implementing its strategic overseas growth plan, particularly in the American market in the field of toll collection systems and in the development of "Smart Road" technologies.

We want to become leading players in this development, with a view to creating sustainable value for all our stakeholders, the land, the environment and people. The strategic key to this development is human capital, their know-how, their different cultures and their skills. We have developed and will implement a plan over the coming years to find new talent at the best Italian universities, as well as performance management programmes and incentive systems.

¹⁴EUR 20.3 million at the exchange rate on 31 December 2018 4.444 €/reals

PROPOSAL FOR ALLOCATION OF THE NET PROFIT

Regarding the allocation of the profit for the year, the proposal formulated by the Board of Directors entails the distribution of a final dividend of EUR 0.535 per share, totalling approximately EUR 121.7 million.

The total amount of the dividend for the year 2018, taking account of the distribution last November of an interim dividend of EUR 0.165 per share, comes to EUR 0.70 per share, for a total amount of around EUR 159.3 million.

Pursuant to the regulations issued by Borsa Italiana S.p.A., the dividend can be paid from 22 May 2019 (in such event, the shares shall be quoted ex-dividend from 20 May 2019, against detachment of coupon no. 35).

Entitlement to payment of said dividend will be determined by reference to the accounting records indicated in article 83-quater, paragraph 3 of Italian Legislative Decree 58 of 24.02.1998 relative to the end of the business day of 21 May 2019 (the record date).

NOTICE OF ORDINARY SHAREHOLDERS' MEETING

The Board of Directors, in today's meeting, resolved – availing of the extended times permitted by article 2364 of the Italian Civil Code and article 11 of the Articles of Association – to convene the Ordinary Shareholders' Meeting in **Single Call** on **15 May 2019** to (i) approve the Separate Financial Statements at 31 December 2018, (ii) approve the allocation of profit for the year and dividend distribution, (iii) approve Section I of the Remuneration Report and (iv) decisions pursuant to article 2386 of the Italian Civil Code.

CONSOLIDATED NON-FINANCIAL DISCLOSURE 2018 (SUSTAINABILITY REPORT 2018)

The Company's Board of Directors has examined and approved the "Consolidated non-financial disclosure as at 31 December 2018" as part of its sustainability procedure. The approval is a sign of the Board's commitment and its awareness of the full integration between financial and social-environmental issues.



The **Separate Financial Statements** and the **Consolidated Financial Statements** (inclusive of relevant reports by the Independent Auditors and the Board of Statutory Auditors), as well as the "**Report on Corporate Governance and Ownership Structures**" and the **consolidated non-financial disclosure** shall be made available to the public and published on the Company's website (www.grupposias.it), in accordance with the Law.

The manager in charge of drawing up the corporate accounting documents, Mr. Sergio Prati, hereby declares, pursuant to paragraph 2 of Article 154 bis of Legislative Decree 58 of 24.02.1998, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

The audit of the Financial Statements that are the subject of this press release is yet to be completed at the date of writing.

On 28 March 2019, at 10:30 CET, the Company will hold a conference call to present its earnings and financial results for 2018 to the financial community. A presentation will be available for download from the website www.grupposias.it in the investor relations/presentations section shortly before the start of the Conference Call.

Ann.: - Separate Financial Statements
- Consolidated Financial Statements

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ALTERNATIVE PERFORMANCE MEASURES

Pursuant to Consob Communication of 3 December 2015 implementing in Italy the guidelines on Alternative Performance Measures (hereinafter also "APM") issued by the European Securities and Markets Authority (ESMA), which are mandatory when publishing regulated information or prospectuses after 3 July 2016, the criteria used to develop the main APMs published by the SIAS Group are described below.

The APMs presented in the "Management Report" are considered relevant for assessing the overall operating performance of the Group, the operating segments and the individual Group companies. In addition, the APMs are considered to provide better comparability over time of the same results, although they are not a replacement or an alternative to the results provided in the "Consolidated Financial Statements" according to the IAS/IFRS (official or reported data).

With reference to the APMs relating to the consolidated results, it should be noted that, in the "Economic, equity and financial data" section, the SIAS Group presents reclassified financial statements that differ from those envisaged by the IAS/IFRS included in the Consolidated Financial Statements; therefore, the reclassified consolidated income statement, consolidated balance sheet and net financial indebtedness contain, in addition to the economic-financial and equity data governed by the IAS/IFRS, certain indicators and items derived therefrom, although not required by said standards and therefore called "APMs".

The main APMs presented in the Management Report and a summary description of their composition, as well as a reconciliation with the corresponding official data, are provided below:

- a) "Turnover": differs from "Total revenue" in the Consolidated Financial Statements as it does not include (i) revenue for the planning and construction of non-compensated revertible assets, (ii) the toll/surcharge payable to ANAS, (iii) reversals of costs/revenue for consortium companies (iv) and "non-recurring" revenue items that the Company does not deem can be replicated.
- b) "Gross operating margin": is the summary indicator of operating performance and is determined by subtracting from the "Total revenue" all recurring operating costs, excluding amortisation and depreciation, provisions and write-downs of intangible and tangible assets. The "Gross operating margin" does not include the balance of non-recurring items, the balance of financial items and taxes.
- c) "Reported gross operating margin": is calculated by adding/subtracting "non-recurring" operating costs and revenue to/from the "gross operating margin".
- d) "Operating income": measures the profitability of total capital invested in the company and is determined by subtracting the amortisation and depreciation, provisions and write-downs of intangible and tangible assets from the "gross operating margin".
- e) "Net invested capital": shows the total amount of non-financial assets, net of non-financial liabilities.
- f) "Adjusted net financial indebtedness": is the indicator of the net invested capital portion covered by net financial liabilities and corresponds to "Current and non-current financial liabilities", net of "Current financial assets", "Insurance policies", "Investment funds", "Receivables for the takeover value" and "Financial receivables from minimum guaranteed amounts (IFRIC 12)". Note that the "Adjusted net financial indebtedness" differs from the net financial position prepared in accordance with the ESMA recommendation of 20 March 2013, as it includes the "Present value of the amount due to ANAS – Central Insurance Fund (FCG)" and "Non-current financial receivables". The adjusted net financial indebtedness statement contains an indication of the value of the net financial position prepared in accordance with the aforementioned ESMA recommendation.
- g) "Operating cash flow": indicates the cash generated or absorbed by operating activities and was calculated by adding to the profit for the period the depreciation, amortisation, adjustment to the provision for restoration and replacement of non-compensated revertible assets the adjustment of the severance indemnity provision, the provisions for risks, the losses (profits) from companies accounted for by the equity method and the write-downs (revaluations) of financial activities, and by deducting the capitalisation of financial charges.



SIAS S.p.A.
Separate Financial Statements
as at 31 December 2018

Balance Sheet

(amounts in thousands of EUR)

31 December 2018

31 December 2017

	31 December 2018	31 December 2017
Assets		
Non-current assets		
Intangible assets	5	-
Tangible assets	3	4
Non-current financial assets		
equity investments in subsidiaries	1,669,403	1,700,914
equity investments in jointly controlled entities and associated companies	533,869	517,536
equity investments in other businesses	56,821	57,028
Other non-current financial assets	2,067,038	1,477,066
Total non-current financial assets	4,327,131	3,752,544
Deferred tax assets	420	187
Total non-current assets	4,327,559	3,752,735
Current assets		
Inventories	-	-
Trade receivables	768	3,507
Current tax assets	11,529	6,699
Other receivables	8,385	6,354
Other current financial assets	233,197	127,744
Total current assets	253,879	144,304
Cash and cash equivalents	44,609	5,823
Total current assets	298,488	150,127
Total assets	4,626,047	3,902,862
Shareholders' equity and liabilities		
Shareholders' equity		
Shareholders' equity		
share capital	113,771	113,771
reserves and earnings	2,082,158	1,974,848
Total shareholders' equity	2,195,929	2,088,619
Liabilities		
Non-current liabilities		
Provisions for risks and charges and employee benefits	1,407	772
Bank debt	369,602	383,296
Other financial liabilities	1,537,183	994,062
Deferred tax liabilities	-	280
Total non-current liabilities	1,908,192	1,378,410
Current liabilities		
Trade payables	7,233	6,662
Other payables	73,228	13,188
Bank debt	191,525	105,155
Other financial liabilities	249,314	300,388
Current tax liabilities	626	10,440
Total current liabilities	521,926	435,833
Total liabilities	2,430,118	1,814,243
Total shareholders' equity and liabilities	4,626,047	3,902,862

Income statement

<i>(amounts in thousands of EUR)</i>	FY 2018	FY 2017
Financial income and expenses		
Income from equity investments:		
from subsidiaries	204,450	95,083
from jointly controlled entities and associated companies	16,972	14,648
from other businesses	293	276
capital gains on disposal of equity investments	-	354
Total income from equity investments	221,715	110,361
Other financial income	83,740	65,928
Interest and other financial expenses	(67,759)	(63,599)
Total financial income and expenses (A)	237,696	112,690
Value adjustments of non-current financial assets		
Revaluations	-	-
Write-downs	(31,854)	(1,615)
Total value adjustments of financial assets (B)	(31,854)	(1,615)
Other operating income (C)	7,328	6,154
Other operating costs		
Personnel expenses	(3,594)	(1,808)
costs for services	(13,505)	(17,242)
costs for raw materials	(8)	(20)
other costs	(1,497)	(1,369)
amortisation, depreciation and impairment losses	(6)	(3)
other provisions for risks and charges	-	-
Total other operating costs (D)	(18,610)	(20,442)
Profit (loss) before taxes (A+B+C+D)	194,560	96,787
Income Tax		
Current taxes	(4,384)	1,047
Deferred taxes	513	30
Taxes related to prior years	(279)	-
Income from tax consolidation	138	-
Profit (loss) for the period	190,548	97,864

Note: To take into account the activity of SIAS S.p.A. as an "industrial holding company", we have used the format required by CONSOB Communication no. 94001437 of 23 February 1994 for that type of Company. For this reason, it differs from the one used for the SIAS Group.

Other comprehensive income

<i>(amounts in thousands of EUR)</i>	FY 2018	FY 2017
Profit (loss) for the period (a)	190,548	97,864
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity)	21	3
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	-	-
Profit (loss) allocated to the "Reserves for revaluation to fair value"	(207)	1,495
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement	-	(147)
Profit (loss) that will not be subsequently reclassified in the Income Statement	(186)	1,351
Comprehensive income (a) + (b)	190,362	99,215

Cash flow statement

<i>(amounts in thousands of EUR)</i>	FY 2018	FY 2017
Cash and cash equivalents – opening balance (a)	5,823	152,370
Operating activities:		
Profit	190,548	97,864
Adjustments		
Updating Employee Severance Indemnity	23	13
Provisions	1,158	670
Other financial income/expenses	(4,519)	(10,739)
Write-downs of financial assets	31,854	1,261
<i>Operating cash flow (I)</i>	<u>219,064</u>	<u>89,069</u>
Net change in deferred tax credits and liabilities	(513)	(30)
Change in net working capital	(12,528)	1,295
Other changes from operating activities	(519)	(2)
<i>Change in net working capital and other changes (II)</i>	<u>(13,560)</u>	<u>1,263</u>
Cash generated by operating activities (I+II) (b)	205,504	90,332
Investing activities:		
Net investments in tangible and intangible assets	(10)	1
Disposal of equity investments:	1	9,157
Purchase of equity investments:		
- TEM	-	(3,781)
- TE	-	(50,468)
- SALT	(343)	(855)
Cash generated (absorbed) by investing activities (c)	(352)	(45,946)
Financing activities:		
Change in bank debt	72,676	(31,168)
Issue/(Repayment) of bond loans	541,023	(334,287)
Change in current and non-current financial receivables	(648,036)	13,376
Investments in non-current financial assets	-	(158)
(Investments)/Divestiture of capitalisation policies	-	119,945
Change in other current and non-current financial liabilities	(48,976)	116,447
Dividend distribution	(83,053)	(75,088)
Cash generated (absorbed) by financing activities (d)	(166,366)	(190,933)
Cash and cash equivalents - closing balance (e=a+b+c+d)	44,609	5,823



**SIAS Group
Consolidated Financial Statements
as at 31 December 2018**

Consolidated balance sheet

(amounts in thousands of EUR)

31 December 2018

31 December 2017

	31 December 2018	31 December 2017
Assets		
Non-current assets		
Intangible assets		
goodwill	36,414	36,414
other intangible assets	14,628	12,562
concessions – non-compensated revertible assets	3,037,709	2,875,433
Total intangible assets	3,088,751	2,924,409
Tangible assets		
property, plant, machinery and other assets	54,252	57,693
financial lease assets	2,463	2,567
Total tangible assets	56,715	60,260
Non-current financial assets		
equity-accounted investments	676,222	680,251
other equity investments	95,195	93,849
other non-current financial assets	540,973	480,983
Total non-current financial assets	1,312,390	1,255,083
Deferred tax assets	131,075	136,521
Total non-current assets	4,588,931	4,376,273
Current assets		
Inventories and contract assets	29,690	23,847
Trade receivables	63,740	60,735
Current tax assets	20,186	18,202
Other receivables	142,726	37,832
Current financial assets	264,570	242,841
Total	520,912	383,457
Cash and cash equivalents	963,044	441,275
Sub-total current assets	1,483,956	824,732
Discontinued operations/Non-current assets held for sale	-	45,012
Total current assets	1,483,956	869,744
Total assets	6,072,887	5,246,017
Shareholders' equity and liabilities		
Shareholders' equity		
Shareholders' equity attributed to owners of the parent company		
share capital	113,771	113,771
reserves and earnings	2,150,260	1,958,741
Total	2,264,031	2,072,512
Shareholders' equity attributed to minority interests	319,316	260,512
Total shareholders' equity	2,583,347	2,333,024
Liabilities		
Non-current liabilities		
Provisions for risks and charges and employee benefits	200,482	196,726
Trade payables	-	-
Other payables and contract liabilities	180,904	192,804
Bank debt	721,015	860,590
Hedging derivatives	35,730	55,092
Other financial liabilities	1,538,435	995,405
Deferred tax liabilities	51,529	55,691
Total non-current liabilities	2,728,095	2,356,308
Current liabilities		
Trade payables	166,558	140,613
Other payables and contract liabilities	193,042	96,745
Bank debt	341,624	257,932
Other financial liabilities	50,478	41,683
Current tax liabilities	9,743	19,712
Current liabilities – subtotal	761,445	556,685
Liabilities directly related to Discontinued operations/Non-current assets held for sale	-	-
Total current liabilities	761,445	556,685
Total liabilities	3,489,540	2,912,993
Total shareholders' equity and liabilities	6,072,887	5,246,017

Consolidated income statement

<i>(amounts in thousands of EUR)</i>	FY 2018	FY 2017
Revenues		
motorway sector – operating activities	1,218,972	1,123,298
motorway sector – planning and construction activities	148,601	190,032
technology sector	45,641	44,605
other	41,362	50,145
Total revenues	1,454,576	1,408,080
Personnel expenses	(178,518)	(164,084)
Costs for services	(372,565)	(400,364)
Costs for raw materials	(27,530)	(28,217)
Other costs	(137,179)	(123,492)
Capitalised costs on fixed assets	598	715
Amortisation, depreciation and impairment losses	(308,616)	(328,144)
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	(3,218)	9,948
Other provisions for risks and charges	(284)	(6,052)
Financial income:		
from unconsolidated investments	23,862	34,639
other	11,881	16,562
Financial expenses:		
interest expense	(78,792)	(78,688)
other	(4,099)	(3,638)
impairment losses on equity investments	-	(799)
Profit (loss) of companies accounted for by the equity method	15,489	14,357
Profit (loss) before taxes	395,605	350,823
Income Tax		
Current taxes	(109,220)	(95,103)
Deferred taxes	2,993	5,644
Profit (loss) for the period for continued operations	289,378	261,364
<i>Profit (loss) for assets held for sale net of taxes (Discontinued Operations)</i>	-	516
Profit (loss) for the period	289,378	261,880
<ul style="list-style-type: none"> • share attributed to non-controlling interests (Continued Operations) 	24,876	23,603
<ul style="list-style-type: none"> • share attributed to owners of the Parent Company (Continued Operations) 	264,502	237,761
<ul style="list-style-type: none"> • share attributed to non-controlling interests (Discontinued Operations) 	-	5
<ul style="list-style-type: none"> • share attributed to owners of the Parent Company (Discontinued Operations) 	-	511
Earnings per share		
Earnings (euro per share) (Continued Operations)	1.162	1.045
Earnings (euro per share) (Discontinued Operations)	-	0.002
Diluted earnings per share (euro per share) (Continued Operations)	-	0.999

Consolidated other comprehensive income

<i>(amounts in thousands of EUR)</i>	FY 2018	FY 2017
Profit (loss) for the period (a)	289,378	261,880
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity)	279	555
Actuarial profit (loss) on employee benefits (Employee Severance Indemnity) – companies accounted for by the equity method	(34)	(116)
Profit (loss) allocated to the "Reserves for revaluation to fair value"	(445)	(2,504)
Tax effect on profit (loss) that will not be subsequently reclassified in the Income Statement when certain conditions are met	54	(573)
Profit (loss) that will not be subsequently reclassified in the Income Statement	(146)	(2,638)
Profit (loss) posted to "cash flow hedge reserve" (interest rate swaps)	35,978	42,318
Profit (loss) posted to "cash flow hedge reserve" (foreign exchange hedges)	-	(821)
Portion of other profit/(loss) of companies accounted for by the equity method (reserve for foreign exchange translations)	(25,088)	(38,490)
Tax effect on profit (loss) that will be subsequently reclassified in the Income Statement when certain conditions are met	(4,337)	(7,774)
Profit (loss) from continuing operations that will be subsequently reclassified in the Income Statement when certain conditions are met (c)	6,553	(4,767)
Comprehensive income (a) + (b) + (c)	295,785	254,475
<ul style="list-style-type: none"> • share attributed to non-controlling interests (Continued Operations) 	25,160	24,116
<ul style="list-style-type: none"> • share attributed to owners of the Parent Company (Continued Operations) 	270,625	227,006
<ul style="list-style-type: none"> • share attributed to non-controlling interests (Continued Operations) 	-	33
<ul style="list-style-type: none"> • share attributed to owners of the Parent Company (Discontinued Operations) 	-	3,320

Consolidated cash flow statement

<i>(amounts in thousands of EUR)</i>	FY 2018	FY 2017
Cash and cash equivalents – opening balance	441,275	757,514
Change in the scope of consolidation	-	(5,754)
Cash and cash equivalents, adjusted – opening balance (a)	441,275	751,760
Profit	289,378	261,880
Adjustments		
Amortisation and depreciation	308,616	328,144
Adjustment of the provision for restoration/replacement of non-compensated revertible assets	3,218	(9,948)
Adjustment of the provision for employee severance indemnities	1,012	898
Other provisions	284	9,250
Profit (loss) of companies accounted for by the equity method (net of dividends collected)	1,483	1,725
Other financial income/expenses	1,331	(41,067)
(Revaluations) write-downs of financial assets - capital gains	(20,143)	799
Other capitalised financial (income)/expenses	(10,881)	(14,783)
Capitalisation of financial expenses	(14,085)	(19,699)
<i>Operating cash flow (I)</i>	560,213	517,199
Net change in deferred tax credits and liabilities	(3,241)	(5,072)
Change in net working capital	85	(18,820)
Other changes from operating activities	(573)	(16,109)
<i>Change in net working capital and other changes (II)</i>	(3,729)	(40,001)
Cash generated (absorbed) by operating activities (I+II) (b)	556,484	477,198
Investments in revertible assets	(453,182)	(190,100)
Divestiture of revertible assets	-	5
Grants related to revertible assets	68	3,795
<i>Net investments in revertible assets (III)</i>	(453,114)	(186,300)
Investments in property, plant, machinery and other assets	(2,857)	(3,383)
Investments in intangible assets	(5,680)	(2,161)
Net divestiture of tangible and intangible assets	104	245
<i>Net investments in intangible and tangible assets (IV)</i>	(8,433)	(5,299)
(Investments)/divestiture in non-current financial assets	(19,592)	(14,487)
Divestiture of non-current financial assets - equity investments	1,494	8,881
<i>purchase of equity investments TE/TEM</i>	-	(54,249)
<i>sale of parking sector</i>	-	61,500
<i>Net investments in non-current financial assets (V)</i>	(18,098)	1,645
Cash generated (absorbed) by investing activities (III+IV+V+VI) (c)	(479,645)	(189,954)
Net change in bank debt	(55,882)	(131,355)
Issue/(Reimbursement) of bond loans	541,023	(334,287)
Change in financial assets	(21,729)	(14,735)
(Investments)/Divestiture of capitalisation policies	28,454	(20,671)
Change in other financial liabilities (including Central Insurance Fund)	(1,098)	(21,896)
Changes in shareholders' equity attributed to minority interests	57,081	11,403
Changes in shareholders' equity attributed to owners of the Parent Company	-	-
Dividends (and interim dividends) distributed by the Parent Company	(83,052)	(75,088)
Dividends (and interim dividends) distributed by subsidiaries to non-controlling interests	(19,867)	(11,100)
Cash generated (absorbed) by financing activities (d)	444,930	(597,729)
Cash and cash equivalents - closing balance (a+b+c+d)	963,044	441,275

Fine Comunicato n.0552-10

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