Gruppo Toscana Aeroporti

INTERIM FINANCIAL REPORT AT 30 JUNE 2017

This report is available in the Investor Relations section
of Toscana Aeroporti's website at www.toscana-aeroporti.com

Courtesy translation: in case of divergence, the Italian text shall prevail

Toscana Aeroporti S.p.A.
Via del Termine, 11 – 50127 Firenze - www.toscana-aeroporti.com
R.E.A. FI-637708 - Fully paid-up Share Capital € 30,709,743.90
VAT Number and Tax Code: 00403110505

Summary

Dear Shareholders,

The Interim Financial Report at 30 June 2017, approved by the Board of Directors of 04 August 2017, has been prepared in compliance with Legislative Decree no. 58/1998 and subsequent amendments, as well as with CONSOB Issuers' Regulation.

This Interim Financial Report includes the Report on Operations, which contains the Directors' comments on operations and management trends for the first half of 2017, and the Condensed Consolidated Interim Financial Statements.

The valuation and measurement criteria adopted for the preparation of the Condensed Consolidated Interim Financial Statements included in the Interim Financial Report at 30 June 2017 are those required by the International Financial Reporting Standard (IFRS) issued by the International Accounting Standard Board (IASB) and adopted by the European Commission according to the procedure described in art.16 of European Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with particular reference to IAS 34 concerning interim financial reporting. These accounting standards are the same that have been used for the preparation of the Consolidated Financial Statement at 31 December 2016.

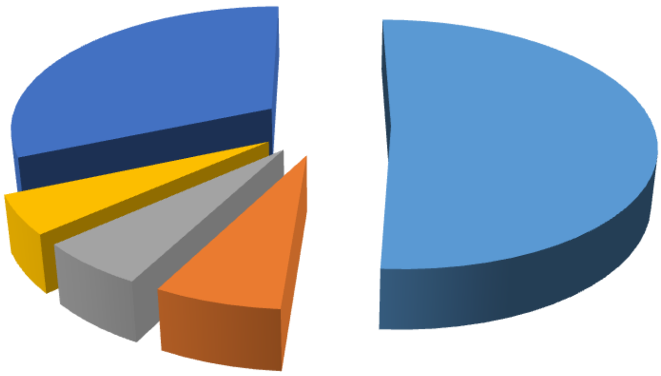
Toscana Aeroporti S.p.A. manages the G. Galiliei Pisa airport and the A. Vespucci Florence airport. The Group takes care of the development of both airports in terms of air traffic, infrastructures and services for cargo and passenger carriers.

The limited auditing activity for the Condensed Consolidated Interim Financial Statements at 30 June 2017 has been carried out by the auditor "PricewaterhouseCoopers S.p.A."

The accounting consolidated information of the Toscana Aeroporti Group as at 30 June 2017 include information regarding the Parent Company "Toscana Aeroporti S.p.A." and the subsidiaries "Toscana Aeroporti Engineering S.r.l." (hereinafter also "TAE"), "Parcheggi Peretola S.r.l.", and "Jet Fuel Co. S.r.l." (hereinafter "Jet Fuel").

1. COMPOSITION OF THE SHARE CAPITAL OF THE PARENT COMPANY

We are providing below a list of the names of the parties who, at 3 August 2017, directly or indirectly hold an interest greater than 5% of the subscribed share capital of Toscana Aeroporti S.p.A. (hereinafter also briefly referred to as "TA" or the "Parent Company"), consisting of shares with voting rights, according to the Shareholders' Register, as supplemented by the information disclosed pursuant to art. 120 of Legislative Decree 58/1998.



** Declarant, i.e. person positioned at the top of the control chain: Southern Cone Foundation*

The subscribed and fully paid-up share capital of Toscana Aeroporti S.p.a. is €30,709.743,90 and consists of 18,611,966 ordinary shares without nominal value.

2. THE OWNERS OF THE PARENT COMPANY

Shareholder Agreements

The following Shareholder Agreements exist at the date of this financial statement:

- a three-year Shareholder Agreement between Corporación America Italia S.p.a. and SO.G.IM. S.p.a. signed on April 16, 2015, renewed on April 10 for three further years effective from April 16, 2017 t the same terms and conditions;

- an addendum to the original Shareholder Agreement between Corporación America Italia S.p.a. and SO.G.IM. S.p.a. signed on May 13, 2015, added to reflect the merger by incorporation of AdF (Aeroporto di Firenze Spa) into SAT (Società Aeroporto Toscano Galileo Galilei Spa) effective from September 1st, 2015.

Further details and contents are available on the official website of the company: www.toscana-aeroporti.com.

3. STOCK PERFORMANCE

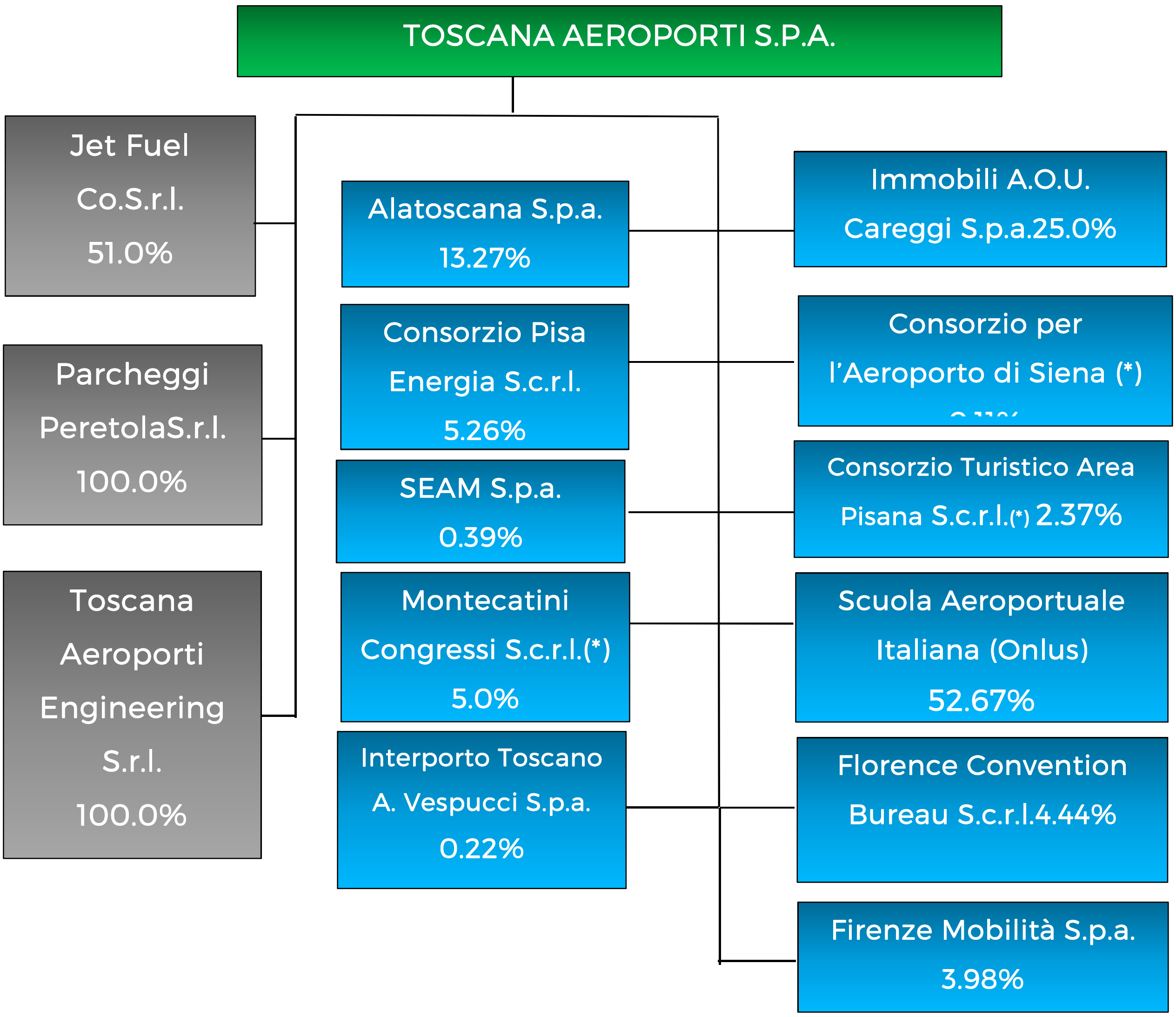
Toscana Aeroporti's shares have been listed since 1 June 2015 in the Mercato Telematico Azionario organized and managed by BorsaItaliana S.p.A.

At 30 June 2017, the reference price of Toscana Aeroporti S.p.A.'s (TYA) shares was Eur 14.21, with a capitalization of approx. € 264.5 M.

4. MACROSTRUCTURE OF THE TOSCANA AEROPORTI GROUP

Legal details of the Parent Company

Company name: Toscana Aeroporti S.p.a., briefly "TA".
Registered office of the company: Firenze, Via del Termine n. 11 - Tax Code: 00403110505.
Registration number with the Company Register of Florence - Economic and Administrative index: FI n. 637708
Fully paid-up share capital: € 30,709,743.90=.



Parent Company - Toscana Aeroporti (hereinafter TA).

Subsidiaries-Jet Fuel Co. S.r.l. (Hereinafter Jet Fuel), Parcheggi Peretola S.r.l., Toscana Aeroporti Engineering S.r.l.. For consolidation purposes, we point out that Toscana Aeroporti owns 33.33% of property and dividend rights and 51% of voting rights. For further details, see section on controlled companies.

Third Party Companies -(*) Winding-up Companies.

Line-by-line consolidation[1]

Company	Registered Office	Share Capital (€K)	Shareholders' Equity (€K)	%
Toscana Aeroporti S.p.a.	Florence	30,710	104,579	Parent Company
Toscana Aeroporti Engineering S.r.l.	Florence	80	161	100.00
Parcheggi Peretola S.r.l.	Florence	50	2,573	100.00
Jet Fuel Co. S.r.l.	Pisa	150	212	51.00

Full Consolidation[2]

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Immobili A.O.U. Careggi S.p.a.	Florence	200	717	25.00
Alatoscana S.p.a.	Marina di Campo (LI)	2,910	2,870	13.27

5. COMPOSITION OF CORPORATE GOVERNING BODIES

Board of Directors	Office held
Marco CARRAI	President
Gina GIANI[3]	CEO
Roberto NALDI	Executive Vice-President
Pierfrancesco PACINI	Vice-President
Vittorio FANTI	Delegated Board Member
Leonardo BASSILICHI	Board Member
Giovanni Battista BONADIO	Board Member
Stefano BOTTAI	Board Member
Martin Francisco Antranik EURNEKIAN BONNARENS	Board Member
Elisabetta FABRI	Board Member
Anna GIRELLO	Board Member
Iacopo MAZZEI	Board Member
Angela NOBILE	Board Member
Saverio PANERAI	Board Member
Ana Cristina SCHIRINIAN	Board Member

1 Data as at 30 June 2017
2 Data as at 31 Dec., 2016
3 Corporate Manager qualified as Managing Director.

Board of Auditors	Office held
Paola SEVERINI	President
Silvia BRESCIANI	Statutory Auditor
Tania FROSALI[1]	Statutory Auditor
Roberto GIACINTI	Statutory Auditor
Elena MAESTRI[2]	Statutory Auditor
Antonio MARTINI	Statutory Auditor

Secretary of the Board of Directors

Nico ILLIBERI

Financial Reporting Manager entrusted with financial reporting pursuant to Law 262/05

Marco GIALLETTI

Independent Auditor

PricewaterhouseCoopers S.p.a.

6. HIGHLIGHTS

Consolidated Operating profit at 30 June 2017	**Revenues** totalled € 62.7 K, up by € 4,998 K (+8.7%) compared to € 57,702 K of the TA Group at 30 June 2016. The **EBITDA** totalled € 11,509 K, up by € 46 K (+0.4%) compared to € 11,463 K of the TA Group at 30 June 2016. The **adjusted EBITDA**[3] passed from € 9,893 K in the first half of 2016 to € 11,509 K in the first half of 2017, up by € 1,616 K (+16.3%). The EBIT totalled € 5,877 K, up by € 304 K (+5.5%) compared to the TA Group EBIT of € 5,573 K at 30 June 2016. The **Profit Before Tax (PBT)** totalled € 5,393 K (+7,3%) compared to the PBT of € 5,027 K for the TA Group for the first half of 2016. **The Group's net profit for the period increased by +21.6%**, corresponding to € 3,572 K of profits against Group period profits of € 2,937 K at the first half of 2016. The **Group's adjusted net profit for the period**[4] passed from € 2,014 K at 30 June 2016 to € 3,572 K at 30 June 2017, up by € 1,558 K (+77.3%).

[1]incumbent until 27 April 2017.

[2]incumbent from 27 April 2017, as deliberated on by the Shareholders' Meeting on the same date.

[3]Indicator obtained by adjusting the EBITDA with the income deriving from the release of cost provisions and write-off of payables no longer due: said income totalled € 1,570 K in the first half of 2016, while there was no such income in the first half of 2017.

[4]Indicator obtained by adjusting the Group's net profit for the period at 30 June 2016 with the income derived from the release of provisions for costs and write-off of payables no longer due for a total of € 1,570 K after deducting taxes for the related half-year period (tax rate ca. 41%).

	Net Indebtedness totalled € 38,813 K at 30 June 2017, compared to € 13,267 K for the Group at 31 December 2016 and € 34,902 K at 30 June 2016.
Investments at 30 June 2017	Investments totalled € 7.88 M at 30 June 2017, including: € 3.81 M invested in airport infrastructure, € 1.36 M for the development of the Florence Airport Master Plan, and € 1.82 M in tangible fixed assets (including motor and ramp vehicles for € 815 K, and hardware for € 572 K).
Traffic	In the first six months of 2017, the Tuscan airport system carried approx. **3.65 million passengers**, with an overall growth of **+7.5%** for the Passenger component, 3.5% for the Flights component, 4.6% for the Tonnage component, and 7% for the Cargo & Mail component, compared to the aggregate data on passengers, flights and tonnage of the Pisa and Florence airports in the first half of 2016.
Outlook	While closely monitoring the situation of Alitalia, the positive growth trends in passenger traffic recorded in the **first seven months of 2017** in the two Tuscan airports **(+6.9%)**, as well as the operated flights confirmed by the airlines, the excellent performance of the new destinations, and the positive overall trend of the 2017 summer season, are all elements that allow us to look at 2017 final profits with confidence.

7. THE MACROECONOMIC SCENARIO AND THE AIR TRANSPORT INDUSTRY

Global economic trends are consolidating, with a more solid and widespread expansion compared to the end of 2016. Global growth perspectives are generally favourable, although significant bearish risks remain due to the uncertainty of economic policies, the persistence of geopolitical tensions, and the uncertainties connected with Brexit.

The economy is growing more than expected for 2017 in the Euro Area, with a greater expansion rate in the second quarter 2017 compared to the first quarter and to initial estimates.
In addition, the political risk associated with the next elections and a potential shift towards populist positions are developing favourably for the Euro Area after the political elections in France and with the moderate advance of eurosceptics in the Netherlands.

Business in Italy had an acceleration in the first few months of 2017, primarily supported by the marked increase in household expenditure and by the reinforcement of the service sector.

Global traffic exceeded 80 million passengers in the 36 Italian airports monitored by Assaeroporti[1] during the first half of 2017, with a growth rate of 6.7% compared to the same period of the previous year. This increase involved almost all Italian airports located in all the regions of our Country. Both aircraft movements (+2.8%) and the cargo sector (+11.2%) showed higher rates at 30 June 2017.

[1] Source: Assaeroporti.

8. TRENDS IN THE TUSCAN AIRPORT SYSTEM'S TRAFFIC

During the 6-month period considered, the Tuscan Airport System carried 3.65 million passengers, with an aggregate growth of +7.5%, with + 253,689 transiting passengers compared to the same period of 2016.

The different components for the January-June 2017 period are detailed below, compared against 2016:

TOSCANA AEROPORTI TRAFFIC				
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Passengers	**3,644,043**	**3,390,740**	**253,303**	**7.5%**
Domestic (Scheduled + Charter)	866,725	854,410	12,315	1.4%
International (Scheduled + Charter)	2,777,318	2,536,330	240,988	9.5%
General Flight Passengers	**9,023**	**8,637**	**386**	**4.5%**
TOTAL PASSENGERS	**3,653,066**	**3,399,377**	**253,689**	**7.5%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Flights	**31,568**	**30,468**	**1,100**	**3.6%**
Domestic (Scheduled + Charter)	7,210	7,187	23	0.3%
International (Scheduled + Charter)	23,674	22,635	1,039	4.6%
Cargo	684	646	38	5.9%
General Flights	**4,921**	**4,776**	**145**	**3.0%**
TOTAL FLIGHTS	**36,489**	**35,244**	**1,245**	**3.5%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Tonnage	**1,883,853**	**1,798,579**	**85,274**	**4.7%**
Domestic (Scheduled + Charter)	400,487	400,017	470	0.1%
International (Scheduled + Charter)	1,418,974	1,337,302	81,672	6.1%
Cargo	64,392	61,260	3,132	5.1%
General Aviation Tonnage	**66,462**	**65,225**	**1,237**	**1.9%**
TOTAL TONNAGE	**1,950,315**	**1,863,804**	**86,511**	**4.64%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Air cargo (kg)	5,062,450	4,682,527	379,923	8.1%
Ground cargo (kg)	298,115	323,608	-25,494	-7.9%
Mail (kg)	42,683	43,398	-715	-1.6%
TOTAL CARGO AND MAIL	**5,403,248**	**5,049,533**	**353,714**	**7.0%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
TOTAL TRAFFIC UNITS	**3,707,098**	**3,449,872**	**257,226**	**7.5%**

Below is the comparison with the Italian Airport System, which shows an average 6.7% growth:

January - June 2017			
No.	**Airport**	**Passengers**	**%**
	Rome (system)	22,133,669	*0.6*
	Milan (system)	20,698,556	*9.6*
	Venice (system)	6,070,853	*8.9*
1	Catania	4,091,241	*17.4*
2	Bologna	3,827,978	*6.6*
3	Napoli	3,588,175	*20.5*
4	Palermo	2,540,091	*5.7*
5	Pisa	2,405,018	*7.1*
6	Bari	2,134,496	*7.5*
7	Turin	2,103,241	*7.6*
8	Cagliari	1,753,777	*11.8*
9	Verona	1,351,134	*12.5*
10	Florence	1,248,048	*8.2*
11	Lamezia Terme	1,119,611	*-0.1*
12	Brindisi	1,042,779	*-2.0*
13	Olbia	914,180	*15.7*
14	Trapani	665,646	*-3.5*
Italian Airport System		**80,462,244**	***6.7***
Tuscan Airport System (FLR/PSA)		**3,653,066**	***7.5***

Note: The Rome airport system includes the Fiumicino and Ciampino airports, the Milan airport system includes the Malpensa, Linate, Bergamo Orio al Serio and Parma airports, and the Venice airport system includes the Venice and Treviso airports.

During the six-month period considered, Tuscan airports have been connected with 97 destinations, of which 12 domestic and 85 international (21 operated in both airports) and have been served by 38 airlines (6 of which operating in both airports), including 26 IATA and 12 Low-Cost (hereinafter also “LC”) airlines.

The table below provides details on these destinations and airlines in alphabetical order (*).

Airlines that operated from January to June 2017 Tuscan Airport System*			
1	Aegean Airlines	20	Hop
2	Aer Lingus	21	Iberia
3	Air Berlin	22	Jet2.com
4	Air Dolomiti	23	KLM
5	Air France	24	Lufthansa
6	Air Moldova	25	Mistral
7	Albawings	26	Norwegian
8	Alitalia	27	Pobeda
9	Austrian Airlines	28	Qatar Airways
10	Blue Air	29	Ryanair
11	Blue Panorama	30	S.A.S.
12	British Airways	31	S7
13	Brussels Airlines	32	Silverair
14	Cityjet	33	Swiss
15	Czech Airlines	34	Transavia
16	EasyJet	35	Turkish Airlines
17	Eurowings	36	Volotea
18	Finnair	37	Vueling Airlines
19	FlyErnest	38	Wizzair

No. of destinations served January-June 2017 - Tuscan Airport System					
Domestic destinations:		32	Copenhagen	65	Malta
1	Alghero	33	Corfu	66	Manchester
2	Bari	34	Krakow	67	Marrakesh
3	Brindisi	35	Gdańsk	68	Marseille
4	Cagliari	36	Doha	69	Monaco
5	Catania	37	Dublin	70	Moscow DME
6	Comiso	38	Düsseldorf	71	Moscow VKO
7	Elba Island (M. Campo)	39	Dusseldorf NRN	72	Mykonos
8	Lamezia T.	40	East Midlands	73	Nantes
9	Olbia	41	Edinburgh	74	New Castle
10	Palermo	42	Eindovhen	75	Nice
11	Rome FCO	43	Fez	76	Oslo
12	Trapani	44	Frankfurt	77	Palma de Mallorca
International destinations:		45	Frankfurt HHN	78	Paris CDG
13	Hamburg	46	Fuerteventura	79	Paris CDG
14	Amsterdam	47	Geneva	80	Paris ORY
15	Athens	48	Glasgow PIK	81	Prague
16	Barcelona	49	Goteborg	82	Rhodes
17	Barcelona GRO	50	Gran Canaria	83	Rotterdam
18	Basel	51	Helsinki	84	Santorini
19	Berlin SXF	52	Iasi	85	Seville
20	Billund	53	Ibiza	86	Sofia
21	Birmingham	54	Istanbul	87	Split
22	Bordeaux	55	Leeds-Bradford	88	Stuttgart
23	Bristol	56	Lyon	89	Stockholm ARN
24	Brussels	57	Lisbon	90	Stockholm NYO
25	Brussels CRL	58	Liverpool	91	Tel Aviv
26	Bucharest	59	London LCY	92	Tenerife
27	Budapest	60	London LGW	93	Tirana
28	Kephalonia	61	London LHR	94	Valencia
29	Chania	62	London LTN	95	Warsaw WMI
30	Chisinau	63	London STN	96	Vienna
31	Cologne/Bonn	64	Madrid	97	Zurich

8.1 Traffic trends in the Pisa "Galileo Galilei" airport

The table provided below compares January-June 2017 traffic trends against 2016, broken down into its different components:

PISA AIRPORT TRAFFIC				
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Passengers	**2,401,817**	**2,242,093**	**159,724**	**7.1%**
Domestic (Scheduled + Charter)	690,168	678,185	11,983	1.8%
International (Scheduled + Charter)	1,711,649	1,563,908	147,741	9.4%
General Flight Passengers	**3,201**	**3,364**	**-163**	**-4.8%**
TOTAL PASSENGERS	**2,405,018**	**2,245,457**	**159,561**	**7.1%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Flights	**17,638**	**17,022**	**616**	**3.6%**
Domestic (Scheduled + Charter)	5,222	5,380	-158	-2.9%
International (Scheduled + Charter)	11,732	10,996	736	6.7%
Cargo	684	646	38	5.9%
General Flights	**1,677**	**1,574**	**103**	**6.5%**
TOTAL FLIGHTS	**19,315**	**18,596**	**719**	**3.9%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Tonnage	**1,158,187**	**1,110,494**	**47,693**	**4.3%**
Domestic (Scheduled + Charter)	294,263	298,778	-4,515	-1.5%
International (Scheduled + Charter)	799,532	750,456	49,076	6.5%
Cargo	64,392	61,260	3,132	5.1%
General Aviation Tonnage	**29,104**	**24,973**	**4,131**	**16.5%**
TOTAL TONNAGE	**1,187,291**	**1,135,467**	**51,824**	**4.56%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Air cargo (kg)	5,032,771	4,643,339	389,432	8.4%
Ground cargo (kg)	221,582	189,397	32,185	17.0%
Mail (kg)	42,674	43,386	-712	-1.6%
TOTAL CARGO AND MAIL	**5,297,027**	**4,876,122**	**420,905**	**8.6%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
TOTAL TRAFFIC UNITS	**2,457,988**	**2,294,218**	**163,770**	**7.1%**

2,405,018 passengers passed through the Pisa airport during January-June 2017, up by 7.1% compared to the same period of the 2016.
Scheduled traffic globally increased by 7.3% (+160,720 passengers) compared to 2016; this result was mainly due to the increase in international scheduled traffic, which totalled a 9.6% growth, with +147,435 passengers. Furthermore, we recall the readers that the Pisa airport had a record traffic in each of the first 6 months of the year.

The load factor for scheduled flights increased by 3.1 percentage points (82.2% for the first half of 2017 against 85.4% for the first half of 2016). Against a 3.3% growth in the number of seats offered, scheduled passenger traffic increased more than proportionally by 7.3%.

The number of passengers on rerouted flights, included in commercial traffic, accounts for 0.8% of the total traffic (with 19,605 passengers, down by 7.1% compared to the same period of 2016). The share of the Florence airport is approx. 84.1%% (16,490 pax).
Compared to the first half of 2016, charter traffic, included in commercial traffic (11,498 passengers), shows a mild increase of +12.3%, with +1,261 pax.

With -163 pax, General Aviation flights traffic remained substantially in line with the previous year during the first half of 2017.

The table below shows the main factors that affected scheduled passenger traffic trends in the Pisa Galilei airport during the first half of 2017:

- **Ryanair:** the load factor of the Irish carrier had a substantial increase (+3.3 % pts), with a slight +1% decrease in operated flights.
- **EasyJet**: full operation of flights to and from Geneva and Basel, starting from February and April 2016, respectively. We should point out that, unlike the first half of 2016, the British carrier continued operating flights for Bristol even during the winter. Flights to and from London Luton, London Gatwick and Manchester were also increased.
- **Qatar Airways:** full operation of the flight initiated on 2 August 2016.
- **Pobeda Airlines:** the Russian carrier, member of the Aeroflot Group, continued its operations started on 29 December 2016 with 2 weekly flights to Moscow Vnukovo, increased to 4 from May to September.
- **BluePanorama:** this airline increased its operations on Tirana after the suspension of Alitalia flights last April.
- **Eurowings:** a new flight for Vienna was opened starting from the winter 2016, while a new flight for Stuttgart was initiated in April 2017.
- **S7:** new twice-a-week connection with Moscow Domodedovo operating since 26 April 2017.
- **Transavia:** new connection with Rotterdam operated by the Dutch carrier four times a week starting from April.
- **FlyErnest:** new flight for Tirana to replace Mistral Air's operations suspended at the end of the winter.

During the first half of 2017 the Pisa airport has been connected with 80 scheduled destinations operated by 25 airlines (14 of which IATA and 11 LC).

Airlines that operated from January to June 2017 Pisa Airport*			
1	Aegean Airlines	14	Norwegian A.S.
2	Aer Lingus	15	Pobeda
3	Alitalia	16	Qatar Airways
4	Blue Panorama	17	Ryanair
5	British Airways	18	S7
6	Czech Airlines	19	S.A.S.
7	EasyJet	20	SilverAir
8	Eurowings	21	Transavia
9	Finnair	22	Turkish Airlines
10	FlyErnest	23	Volotea
11	Jet2.com	24	Vueling Airlines
12	Lufthansa	25	Wizzair
13	Mistral**		

* Airlines are listed alphabetically.
** Mistral Air stopped operating its flights on 25 March 2017.

No. of destinations served January-June 2017 - Pisa Airport					
Domestic destinations:		26	Chania	53	London LTN
1	Alghero	27	Cologne/Bonn	54	London STN
2	Bari	28	Copenhagen	55	Madrid
3	Brindisi	29	Corfu	56	Malta
4	Cagliari	30	Krakow	57	Manchester
5	Catania	31	Gdańsk	58	Marrakesh
6	Comiso	32	Doha	59	Monaco
7	Lamezia T.	33	Dublin	60	Moscow DME
8	Elba Island (M. Campo)	34	Dusseldorf NRN	61	Moscow VKO
9	Palermo	35	East Midlands	62	Nantes
10	Rome FCO	36	Edinburgh	63	New Castle
11	Trapani	37	Eindovhen	64	Oslo
International destinations:		38	Fez	65	Palma de Mallorca
12	Hamburg	39	Frankfurt HHN	66	Paris CDG
13	Amsterdam	40	Fuerteventura	67	Paris ORY
14	Athens	41	Geneva	68	Prague
15	Barcelona	42	Glasgow PIK	69	Rhodes
16	Barcelona GRO	43	Goteborg	70	Rotterdam
17	Basel	44	Gran Canaria	71	Seville
18	Berlin SXF	45	Helsinki	72	Sofia
19	Billund	46	Ibiza	73	Stuttgart
20	Bordeaux	47	Istanbul	74	Stockholm ARN
21	Bristol	48	Leeds-Bradford	75	Stockholm NYO
22	Brussels CRL	49	Lisbon	76	Tenerife
23	Bucharest	50	Liverpool	77	Tirana
24	Budapest	51	London LGW	78	Valencia
25	Kephalonia	52	London LHR	79	Warsaw WMI
				80	Vienna

Scheduled passenger traffic by Country

A total of 27 markets have been regularly connected with the Pisa airport with scheduled flights during the first half of 2017.

The international market accounts for 71% of the total scheduled passenger traffic of the Galilei airport, while the domestic traffic accounts for 29%.

The table below shows the percentage incidence of each European country over the total number of scheduled traffic passengers recorded by the Galilei airport during the January-June period of 2017 and the difference, both in absolute and percentage terms, compared to 2016:

Passenger line traffic	2017	2016	Diff.	Diff. %	% over TOT
Italy	686,502	673,217	13,285	2.0%	29.0%
United Kingdom	491,949	436,604	55,345	12.7%	20.8%
Spain	272,680	267,039	5,641	2.1%	11.5%
Germany	160,099	146,062	14,037	9.6%	6.8%
France	124,532	138,924	-14,392	-10.4%	5.3%
The Netherlands	116,452	97,473	18,979	19.5%	4.9%
Belgium	76,074	77,653	-1,579	-2.0%	3.2%
Albania	55,213	53,165	2,048	3.9%	2.3%
Qatar	35,115		35,115	100.0%	1.5%
Switzerland	31,364	18,548	12,816	69.1%	1.3%
Poland	28,740	26,845	1,895	7.1%	1.2%
Sweden	28,312	23,435	4,877	20.8%	1.2%
Morocco	27,790	38,674	-10,884	-28.1%	1.2%
Russian Federation	27,716		27,716	100.0%	1.2%
Ireland	26,257	31,282	-5,025	-16.1%	1.1%
Hungary	23,141	21,863	1,278	5.8%	1.0%
Malta	22,763	22,492	271	1.2%	1.0%
Portugal	22,617	26,380	-3,763	-14.3%	1.0%
Romania	21,008	20,743	265	1.3%	0.9%
Bulgaria	19,489	8,037	11,452	142.5%	0.8%
Greece	18,162	22,969	-4,807	-20.9%	0.8%
Denmark	18,077	15,564	2,513	16.1%	0.8%
Austria	12,414		12,414	100.0%	0.5%
Norway	11,818	10,469	1,349	12.9%	0.5%
Turkey	6,859	18,328	-11,469	-62.6%	0.3%
Finland	1,111	905	206		0.0%
United States		6,294	-6,294	-100.0%	0.0%
TOTAL	**2,369,608**	**2,208,888**	**160,720**	**7.3%**	**100.0%**

Over the January-June 2017 period, domestic traffic, accounting for 29% of the total line traffic, increased by 2% compared to 2016.

The introduction by Ryanair of a connection for Catania (1 daily flight since April 2016 and 2 daily flights since September 2016) more than offset the negative differences derived from the interruption of the flight to Catania operated by Alitalia, suspended last March 2016), the suspension of Ryanair operations from Crotone, which, in 2016, operated 3 weekly flights to the Calabria airport, and the reductions of flights for the other domestic destinations. Furthermore, we remind readers that the decrease of Alitalia traffic on the Pisa-Fiumicino route was mainly due to the use of aircraft with a reduced capacity and to the decrease in the load factor due to the current uncertainties regarding the future of the airline.

The British market was confirmed to be the leader among foreign markets (over 490,000 passengers; 20.8% of the total market), up by 12.7%,
thanks to winter operations and increased operations on Bristol, London Luton and London Gatwick by easyJet, increases of British Airways flights to London Heathrow and Gatwick, and finally to the winter operation of Ryanair on Liverpool and increased flights to Leeds-Bradford.

The Spanish market grew by +2.1% (+5,641 transiting passengers during the 6-month period considered compared to the same period of last year). The reduction of Ryanair flights to Ibiza, Madrid, and Barcelona was more than offset by the increase of its flights to Valencia and by the growth of the load factor in the Barcelona flight operated by Vueling.

The German market has been growing (+9.3%), accounting for 6.8% of the total scheduled traffic, thanks to the full operation of Ryanair flights to Berlin Schönefeld, started last April 2016, and to the increased flights on the same airport by easyJet. Additional Lufthansa flights have been operated to Munich and a new flight to Stuttgart was operated by Eurowings. These increases offset the decrease caused by the suspension of the Transavia flight for Munich.

The French market decreased by 10.4% compared to the same period of 2016, due to the suspension of the flight to Paris Orly operated by Transavia France since last winter.

We highlight the presence of the new Swiss market with the start of easyJet flights to Geneva and Basel operated since 2016, of the Russian market, with the full operation of flights to Pobeda, and of Qatar Airways' flight to and from Doha, which were not operated during the first half of 2016.

Furthermore, we recall the new Austrian market, consisting in a direct flight to and from Vienna operated by Eurowings.

The Bulgarian market also grew, thanks to the full operation of the Ryanair flight for Sofia started in April 2016.

The Turkish market was adversely impacted by the suspension of the Turkish Airlines direct winter flight for Istanbul due to the unstable political conditions in the country, which led to a reorganization of the entire network and to the consequent decrease or suspension of many routes not only in the Italian market.

The decrease of the U.S. market was affected by the cancellation of the direct Pisa-New York flight operated by Delta Air Lines. The strong presence of flights operated by the international SkyTeam alliance (AirFrance, KLM, Alitalia) on the Tuscan airports ensured full coverage of flights towards North America, the first international market for Tuscany, which led to the decision to reallocate the aircraft used for Pisa to another market.

The Moroccan market was affected by the reductions of Ryanair flights to and from Marrakesh and Fez.

<u>Cargo & Mail Traffic</u>

Cargo traffic data recorded in the first 6-month period of 2017 in the Pisa airport show a growth of +8.6% (corresponding to +420,905 kg of cargo and mail carried). This result is mainly due to an increase in the load factor of DHL, which also operated additional flights during the first half of the year, and to the presence of some cargo charters tat had not been operated in 2016 (+120,000 kg).

8.2 Traffic trends in the Florence "Amerigo Vespucci" airport

The table below compares January-June 2017 traffic trends with those for the same period in 2016, broken down into their different components:

In the first half of 2016, 1,250 million passengers transited through the Florence airport, with an 8.1% increase (+93,940 passengers) compared to 2016.

The Load Factor for scheduled flights increased by 1.6 percentage points (77.3% in the first half of 2016, with a 78.9% LF in 2017). The higher number of seats offered (+5.9%) has been accompanied by a more than proportional growth in passenger traffic (+8.1%).

Each of the first 6 months of the year hit a traffic record for the Florence airport.

FLORENCE AIRPORT TRAFFIC

	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Passengers	**1,242,226**	**1,148,647**	**93,579**	**8.1%**
Domestic (Scheduled + Charter)	176,557	176,225	332	0.2%
International (Scheduled + Charter)	1,065,669	972,422	93,247	9.6%
General Flight Passengers	**5,822**	**5,273**	**549**	**10.4%**
TOTAL PASSENGERS	**1,248,048**	**1,153,920**	**94,128**	**8.2%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Flights	**13,930**	**13,446**	**484**	**3.6%**
Domestic (Scheduled + Charter)	1,988	1,807	181	10.0%
International (Scheduled + Charter)	11,942	11,639	303	2.6%
General Flights	3,244	3,202	42	**1.3%**
TOTAL FLIGHTS	**17,174**	**16,648**	**526**	**3.2%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Commercial Tonnage	**725,666**	**688,085**	**37,581**	**5.5%**
Domestic (Scheduled + Charter)	106,224	101,239	4,985	4.9%
International (Scheduled + Charter)	619,442	586,846	32,596	5.6%
General Aviation Tonnage	**37,358**	**40,252**	**-2,894**	**-7.2%**
TOTAL TONNAGE	**763,024**	**728,337**	**34,687**	**4.76%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
Air cargo (kg)	29,679	39,188	-9,509	-24.3%
Ground cargo (kg)	76,533	134,211	-57,678	-43.0%
TOTAL CARGO AND MAIL	**106,221**	**173,411**	**-67,190**	**-38.7%**
	YTD at 30 June 2017	YTD at 30 June 2016	Diff. 2017/16	Diff. 2017/16
TOTAL TRAFFIC UNITS	**1,249,110**	**1,155,654**	**93,456**	**8.1%**

The main factors that contributed to 2017 traffic results are described below:

- Air Berlin: full operation of the feedering service on Dusseldorf (2 daily flights in the winter and 3 in the summer ??), which more than offset the suspension of the flight to Stuttgart.
- AlbaWings: new flight to/from Tirana operated 4 times a week since November 2016.
- Mistral Air: new flights to and from Cagliari, Bari, Olbia, Nice and Marseille since April 2017.
- Air Moldova: full operation of the flight for Chisinau, started in June 2016. This carrier further increased its weekly flights passing from 2 to 3 flights per week.
- Increased Load Factor for Air Dolomiti, which passed from 59.2% In the first six months of 2016 to 67.5% in the same period of 2017; Lufthansa, going from 79.7% to 84.8%; Swiss, from 71.0% to 75.8%; and Brussels Airlines, from 75% to 84.2% - with the latter airline also introducing larger aircraft (an AB319 with 126–150 seats) used together with the 97-seat AVRO RJ100.

- **Vueling Airlines:** the Spanish carrier introduced new flights for Amsterdam (since 26 March 2017), Palma de Mallorca (since 27 April 2017), and London Luton, and also increased flights for Paris Orly. These positive changes more than offset the suspension of the direct flights for Bari and Berlin Tegel.
- **BlueAir:** increased operations on Bucharest (from 2 to 3 flights per week) and introduced a new flight for Iasi since 11 June 2017.
- **British Airways:** this carrier operated new flights for London Stansted, Birmingham and Bristol in May 2017.

In 2017, the Florence airport has been connected with 38 destinations operated by 19 airlines (3 of which LC).

No. of destinations served January-December 2017 Florence Airport			
Domestic destinations:		19	Iasi
1	Bari	20	Lyon
2	Cagliari	21	London LCY
3	Catania	22	London LGW
4	Elba Island (M. Campo)	23	London LTN
5	Olbia	24	London STN
6	Palermo	25	Madrid
7	Rome FCO	26	Marseille
International destinations:		27	Monaco
8	Amsterdam	28	Mykonos
9	Barcelona	29	Nice
10	Birmingham	30	Palma de Mallorca
11	Bristol	31	Paris CDG
12	Bruxelles	32	Parigi ORY
13	Bucharest	33	Santorini
14	Chisinau	34	Split
15	Copenhagen	35	Tel Aviv
16	Düsseldorf	36	Tirana
17	Frankfurt	37	Vienna
18	Geneva	38	Zurich

Airlines that operated from January to June 2017 Florence Airport*			
1	Air Berlin	10	Brussels Airlines
2	Air Dolomiti	11	Cityjet
3	Air France	12	Hop
4	Air Moldova	13	Iberia
5	Albawings	14	KLM
6	Alitalia	15	Lufthansa
7	Austrian Airlines	16	Mistral
8	Blue Air	17	SilverAir
9	British Airways	18	Swiss
		19	Vueling Airlines

* Airlines are listed alphabetically.

Scheduled passenger traffic by Country

A total of 16 markets have been regularly connected with scheduled flights with the Florence airport in the first half of 2017.

The international market accounts for 85.8% of the total scheduled passenger traffic of the Vespucci airport, while the domestic traffic accounts for 14.2%.

Passenger line traffic	2017	2016	Diff.	Diff. %	% over TOT
Germany	**282619**	**255881**	**26738**	**0.1044939**	**0.22788786**
France	274,836	263,986	10,850	4.1%	22.2%
Italy	175,720	175,491	229	0.1%	14.2%
Spain	121,794	112,294	9,500	8.5%	9.8%
The Netherlands	116,687	100,043	16,644	16.6%	9.4%
United Kingdom	93,434	85,320	8,114	9.5%	7.5%
Switzerland	87,183	91,029	-3,846	-4.2%	7.0%
Albania	20,469		20,469	100.0%	1.7%
Belgium	19,694	15,867	3,827	24.1%	1.6%
Romania	18,643	16,610	2,033	12.2%	1.5%
Austria	11,809	21,409	-9,600	-44.8%	1.0%
Moldavia	7,127	835	6,292	753.5%	0.6%
Denmark	5,457	6,645	-1,188	-17.9%	0.4%
Greece	3,284	1,552	1,732	111.6%	0.3%
Croatia	734		734	100.0%	0.1%
Israel	167	105	62	59.0%	0.0%
TOTAL	**1,240,167**	**1,147,226**	**92,941**	**8.1%**	**100.0%**

As shown in the table above, the German market is at the first place with 282,619 passengers carried (22.8%), up compared to the same period of 2016 thanks to the aforesaid Air Berlin operations on Dusseldorf and the increased LF of Air Dolomiti's flights to/from Munich and Lufthansa's flights to/from Frankfurt. This growth offsets the suspension of Vueling's flights to/from Berlin Tegel and AirBerlin's flights to/from Stuttgart. The French market scored second with a 22.2 percentage over the total, up by 4.1%. This growth is mainly due to the new flights to Marseille and Nice operated by Mistral Air and to an increase in Vueling's LF on Paris Orly.
The Italian market (175,720 passengers) remained substantially stable compared to 2016. The introduction of the new flights for Cagliari, Olbia and Bari and the increase in the flights and use of mixed larger aircraft by Alitalia on the Rome Fiumicino rout offset the decrease in flights due to the cancellation of the flight to Bari by Vueling.
Worthwhile mentioning is the return in the Albanian market, with Albawings, and in the Moldavian market, with Air Moldova.
The decrease in the Austrian market was caused by the suspension of the flight for Vienna operated by Niki. However, this destination remained in the network of the Florence airport thanks to Austrian Airlines' operations.

Non-Aviation Business

For the main initiatives of the Non-Aviation Business in the first half of 2017, see the comments to Non-Aviation Revenues at section 10.1.

9. SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE FIRST 6-MONTH PERIOD OF THE YEAR

A Services Conference was held and positively concluded on 6 February 2017 at the Ministry of Infrastructures and Transport with the purpose of ensuring the compliance of the **2014-2028 Pisa G. Galilei Airport Master Plan** with town-planning regulations. Then, on 1st June 2017, *Decreto Direttoriale n. 5517* was issued to ascertain the finalization of the agreement between the State and the Tuscan Regional Administration to implement all the provisions/guidelines of the Administrations involved in the aforesaid Toscana Aeroporti Services Conference. When the time established for the publication of the provision has come - which took place in the "GURI" [Official Journal of the Italian Republic] n. 76 of 29 June 2017 - ENAC will issue its final opinion on the approval of the "2014-2028 Pisa G. Galilei Airport Master Plan" after receiving the opinions of the Ministry of Infrastructures and Transport [MIT] and of the Ministry of the Environment, Protection of the Territory and the Sea [MEPTS].

On 16 February 2017, the framework agreement for the financing of the works specified in the **Florence Airport Master Plan** was signed with ENAC to confirm the investments to be made by the Airport Operator under the aforesaid Master Plan, and ENAC, together with MIT, committed to contribute their portion of the financing required for the implementation of the plan, for a total amount of € 150 million.

On 18 March 2017, the **People Mover** ("PM") started operations by directly connecting the G. Galilei Pisa airport with the Pisa Centrale train station. In connection with the implementation of the PM, the competent bodies changed the road transport scheme and the access to the "FI-PI-LI" highway and added green areas to the new infrastructure. From the PM's terminal, people can reach the airport along a covered walkway accessing both A and B check-in areas in the Galilei airport. The soffit of the canopy of this walkway has been specially designed to connect the architectures of the passenger airport and the PM terminal.

On 2 May 2017, the BoD of **Alitalia SAI** appointed special officers for the temporary receivership of the airline. Meanwhile, on the same date, Law Decree no. 100 has been issued for the disbursement of a "bridge loan" of € 600 million to the same Company. Today, Alitalia SAI holds a moderate but significant traffic share in the Tuscan airport system (4.7% of passengers in the first half of 2017), so TA is carefully monitoring the situation to mitigate any possible emerging risk.

10. GRUPPO TOSCANA AEROPORTI'S OPERATING PROFIT

10.1 Consolidated Income Statement

The table below compares the data of the Consolidated Income Statement of the first 6-month period of 2017 with those of the first 6-month period of 2016.

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Abs. Diff. 2017/2016	% Diff.
REVENUES				
Operating income				
Aviation revenues	43,512	40,739	2,773	6.8%
Non-Aviation revenues	12,724	11,848	876	7.4%
Other revenues and income	771	2,343	-1,572	-67.1%
Total operating revenues	**57,008**	**54,930**	**2,077**	**3.8%**
Revenues from construction services	5,693	2,772	2,921	105.4%
TOTAL REVENUES (A)	**62,700**	**57,702**	**4,998**	**8.7%**
COSTS				
Operating Costs				
Consumables	512	535	-23	-4.4%
Cost of Personnel	20,768	20,142	625	3.1%
Costs for services	20,729	19,495	1,235	6.3%
Sundry operating expenses	1,130	1,060	70	6.6%
Airport leases	2,903	2,750	153	5.6%
Total operating costs	**46,043**	**43,982**	**2,060**	**4.7%**
Costs for construction services	5,149	2,257	2,893	128.2%
TOTAL COSTS (B)	**51,192**	**46,239**	**4,953**	**10.7%**
GROSS OPERATING MARGIN (A-B)	**11,509**	**11,463**	**46**	**0.4%**
% incid. over total revenue	18.4%	19.9%		
% incid. over operating revenue	20.2%	20.9%		
Amortization and write-downs	4,210	4,244	-33	-0.8%
Provision for risks and repairs	915	1,584	-669	-42.2%
Bad debt reserve	506	63	444	706.7%
OPERATING EARNINGS	**5,877**	**5,573**	**304**	**5.5%**
% incid. over total revenue	9.4%	9.7%		
% incid. over operating revenue	10.3%	10.1%		
ASSET MANAGEMENT				
Financial income	60	101	-41	-40.7%
Financial expenses	-579	-653	73	-11.2%
Profit (loss) from equity investments	35	6	29	N.S.
TOTAL ASSET MANAGEMENT	**-484**	**-546**	**62**	**-11.3%**
PROFIT (LOSS) BEFORE TAX	**5,393**	**5,027**	**366**	**7.3%**
Taxes for the period (*)	-1,789	-2,071	282	-13.6%
PROFIT/(LOSS) FOR THE PERIOD	**3,603**	**2,955**	**648**	**21.9%**
Minority Interest's loss (profit) for the period	-32	-19	-13	70.3%
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	**3,572**	**2,937**	**635**	**21.6%**
Earnings per share (€)	0.1919	0.1578	0.0341	17.8%

(*) Taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end. This approach led to an assumed tax burden of € 1.79 million, corresponding to a tax rate of 33.2% of the PBT (against 42.2% in the first 6 months of 2016). The decrease in the tax rate in the first half of 2017 is affected by a lower IRES tax rate - down to 24% from 27% - effective from the financial year 2017.

In compliance with the content of CONSOB Notice no. DEM/6064293 of 28 July 2006 and subsequent amendments and supplements (CONSOB Notice no. 0092543 of 3 December 2015 implementing ESMA/2015/1415 guidelines), we specify that the summarised income statement details reported can be easily reconciled with those indicated in financial statements. As to alternative performance indicators, TA, in the Interim Financial Report on Operations, in addition to the financial indicators required by IFRS, presents some indicators derived from the latter, although not required by IFRS (Non-GAAP Measures).

These indicators are presented with the purpose of allowing for a better assessment of the Group's management trends and should not be considered as alternative to those required by IFRS. More specifically:
- the interim EBIT (Earnings Before Interests and Taxes) coincides with the Operating profit shown in the Income Statement;
- the interim PBT (Profit Before Taxes) coincides with the Profit before taxes shown in the Income Statement.

For a better evaluation of the operating profits of the Group, the Company, in this Interim Financial Report, considered it useful to present some adjusted intermediate results for the first half of 2017 and the first half of 2016 called **"Adjusted EBITDA"** and **"Adjusted Group's net profit for the period"**. For details on the determination of the aforesaid indicators, see below.

As regards the EBITDA (Earnings Before Interests, Taxes, Depreciation, Amortization) or Gross Operating Margins, we point out that it reflects the EBIT before amortization and provisions.
In general terms, we point out that the interim profits indicated in this document are not defined as an accounting measure under IFRS and that, consequently, the criteria for the definition of said interim profits might not be consistent with those adopted by other companies.
The table below shows the main income statement results for the period examined.

REVENUES

Total consolidated revenues went down by 8.7%, from € 57.7 M at 30 June 2016 to € 62.7 M as at 30 June 2017. This difference is the result of the € 2.1 M increase in Operating Revenues and € 2.9 M Revenues for Construction Services. The latter have been recognised against the external and internal costs incurred for the construction and expansion of assets under concession, as well as for the related design, coordination and control activities performed during the first half of 2017.

OPERATING INCOME

Consolidated operating revenues totalled € 57.0 M at 30 June 2017, up by 3.8% compared to 30 June 2016. The Group's operating revenue trends for the two business units - Aviation and Non-Aviation - are broken down below.

Aviation revenues

Aviation revenues totalled € 43.51 M at 30 June 2017, up by 6,8% compared to 30 June 2016, when they totalled € 40.74 M.
The table below shows Aviation Revenue details at 30 June 2017, with absolute and percentage changes compared to 30 June 2016:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
AVIATION REVENUES				
Passenger boarding fees	14,633	13,876	758	5.5%
Landing/departure fees	6,791	6,333	458	7.2%
Stopover fees	547	522	24	4.6%
PRM assistance fees	1,200	1,136	63	5.6%
Cargo fees	258	269	-11	-3.9%
Passenger security fees	3,384	3,224	161	5.0%
Baggage security fees	1,959	1,892	67	3.5%
Handling	13,893	12,773	1,120	8.8%
Centralised infrastructures	848	716	132	18.5%
TOTAL AVIATION REVENUES	**43,512**	**40,739**	**2,773**	**6.8%**
% incid. over Operating Revenue	76.3%	74.2%		

The global increase (+6.8%) in the Group's Aviation revenues is mainly explained by the increased revenues consisting of airport duties, fees and taxes, an amount that increased by 5.9% compared to the first half of 2017 as a consequence of a greater traffic managed during the quarter (+7.5% Traffic Units), partially mitigated by the negative impact on revenues of the lower regulated tariffs of the Florence airport (-1.2%) and of the Pisa airport (-0.4%) in compliance of the new Tariff Models.
Handling revenues increased by 8.8% as a consequence of both the greater global traffic of the two airports in the first half of 2017 (flights +3.5%; tonnage +4.6%) and the implementation of more remunerative assistance agreements since January 2017.

Non-Aviation revenues

Non-Aviation revenues totalled € 12.72 M at 30 June 2017, up by 7.4% compared to 30 June 2016, when they totalled € 11.85 M. This increase confirms the positive results obtained with the non-aviation strategies implemented by the Group in spite of the continuing negative repercussions of the difficult general economic scenario, which still negatively affected consumption even in the first half of 2017.
The Non-Aviation business consisting in commercial and real estate operations in the two Florence and Pisa airports are carried out:

i. through subcontracting to third parties (Retail, Food, Car Rental, specific areas and other sub-concessions);
ii. through direct control (Advertising, Parking Lots, Business Centre, Welcome Desk and VIP Lounge, Air Ticket Office and Cargo Agency).

In the first 6 months of 2017, revenues deriving from sub-leased activities accounted for 61.3% of Non-Aviation revenues, while those deriving from directly managed activities accounted for the remaining 38.7%. During the first 6 months of 2016, these percentages were respectively 61.7% and 38.3%.
The table below provides details on revenues from non-aviation operations during the first half of 2017 and 2016:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
NON-AVIATION REVENUES				
Parking lots	2,927	2,754	173	6.3%
Food	1,424	1,354	70	5.2%
Retail	2,140	2,004	136	6.8%
Advertising	981	965	16	1.7%
Real Estate	1,069	1,075	-6	-0.5%
Car rentals	2,083	1,971	112	5.7%
Other subconcessions	1,086	903	183	20.3%
VIP lounges	622	434	188	43.4%
Air tickets	208	220	-12	-5.3%
Cargo agency	184	169	15	9.1%
TOTAL NON-AVIATION REVENUES	**12,724**	**11,848**	**876**	**7.4%**
% incid. over Operating Revenue	22.3%	21.6%		

The € 173 K increase in revenues from "Parking" activities, which totalled € 2.93 M at 30 June 2017 (up by 6.3% compared to the first half of 2016) was mainly determined by certain incentivising tariff policies aimed at recovering our market share, particularly on low-cost parking, and by the greater final passenger traffic numbers scored by Tuscan airports (+7,5%).
Revenues from the Food business, which totalled € 1.42 M in the first half of 2017, increased by 5.2% for the effect of the greater final passenger traffic scored during the 6-month period at issue.
Revenues from Retail activities, which totalled € 2.14 M at 30 June 2017, increased by 6.8%, also due to the greater numbers of passengers transiting in the two airports, as well as to a renewed offer in the points of sale.
Revenues from the direct management of Advertising, which totalled € 981 K at 30 June 2017, increased by 1.7% compared to 30 June 2016, mainly due to the strong loyalty programs implemented for customers in previous years.
Revenues from Real Estate totalled € 1.07 M at 30 June 2017, substantially in line with those of the previous year's corresponding period.
Revenues from the Car Rental business totalled € 2.08 M in the first half of 2017, up by € 112 K (+5.7%) compared to the first half of 2016. This difference is essentially a consequence of the introduction of a new international car rental brand in both TA airports and of the greater passenger traffic recorded during the 6-month period.
Revenues generated by "Other sub-concessions", which totalled € 1.09 M in the first half of 2017, increased by 20.3% compared to 30 June 2016. This difference is mainly due to the greater revenues obtained from new agreements signed with BUS Carriers providing the Shuttle Bus service between the Pisa airport and the Florence train station.
Revenues from the VIP Lounge (+43.4%) increase after the renewal of agreements with third parties offering said services to their Customers, due to the revision of tariffs in both airports, and partly due to the greater passenger traffic (+7.5%).
The reduction in revenues from the Air Ticket Office (-5.3%) is due to the increased habit of passengers to purchase tickets through online reservation systems.
Revenues from the Cargo Agency (only in the Pisa airport) increased by 9.1% compared to the first half of 2016, affected by the increased final cargo traffic o the half-year 2017 compared to the first half of 2016 (+7%).

Other revenues and income

The table below provides details on "Other revenues and income" for the first half of 2017 against those of the first half of 2016:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
OTHER REVENUE AND INCOME				
Contingent assets	192	1,779	-1,587	-89.2%
Services and consulting	86	92	-6	-6.1%
Cost recoveries	463	446	17	3.9%
Minors	30	26	4	14.2%
TOTAL REVENUES AND INCOME	**771**	**2,343**	**-1,572**	**-67.1%**
% incid. over Operating Revenue	1.4%	4.3%		

Year-to-date Non-Aviation Revenues details at 31 March 2017 totalled € 771 K, down by 67.1% compared to the first half of 2016, when they totalled € 2.34 M.
"Contingent assets" include past revenues or cost provisions recognised in previous years and decreased by 89.2% in the first half of 2017 compared to the first half of 2016. More specifically, the first half of 2016 had been mainly affected by the writing-off of costs associated with marketing support agreements after the early termination of the relationship with a carrier in the Pisa airport (€ 0.67 M), the write-off of statute-barred debt for advance payments received (ENAC-SAT 1979 Convention no. 3580) concerning investments made for infrastructures at the Pisa airport (€ 0.47 M), and the positive conclusion of a tax litigation for € 0.3 M.
"Services and Consulting" (administrative staff services charged by the Parent Company to the associates Immobili AOU Careggi Spa and Alatoscana Spa) and "Recovery of Costs" (charging of common centralized services, such as utilities and equipment, employee canteen service, insurance reimbursements, etc.) are substantially in line with the previous half-year.

REVENUES FROM CONSTRUCTION SERVICES

As at 30 June 2017, revenues for construction services totalled € 5.69 M, against € 2.77 M at 30 June 2016. The higher final revenues of € 2.9 M were mainly generated by the greater investments made during the first half of 2017 in the Florence airport for the reconfiguration of passenger flows in the new terminal and new offices, for the review and development of the Florence Master Plan and for the design of the new East Terminal Lot 1 (Arrivals) of the Pisa airport.
For further details, see section 12.

COSTS

At 30 June 2017, the amount of total costs was € 51.19 M, down by 10.7% compared to 30 June 2016, when they amounted to € 46.24 M. This result reflects a decrease in Costs for construction services (which passed from € 2.26 M in the first half of 2016 to € 5.15 M in the first half of 2017 (+128.2%) and a +4.7% increase in operating costs (which passed from € 43.98 M in the first half of 2016 to € 46.04 M in the first half of 2017).

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
COSTS				
Consumables	512	535	-23	-4.4%
Cost of Personnel	20,768	20,142	625	3.1%
Costs for services	20,729	19,495	1,235	6.3%
Sundry operating expenses	1,130	1,060	70	6.6%
Airport leases	2,903	2,750	153	5.6%
TOTAL OPERATING COSTS	**46,043**	**43,982**	**2,060**	**4.7%**
Costs for construction services	5,149	2,257	2,893	128.2%
TOTAL COSTS	**51,192**	**46,239**	**4,953**	**10.7%**
% incid. over Revenues	81.6%	80.1%		

OPERATING COSTS

Operating costs in the first half of 2017 totalled € 46.04 M, up by 4.7% compared to € 43.98 M reported at mid 2016.
Consumables totalled € 512 K at 30 June 2017, down by € 23 K compared to € 535 K for the first half of 2016, mainly due to savings in clothing, stationery and materials for operating services partially offset by greater fuel costs for ramp vehicles, which increased due to the greater traffic managed during the 6-month period at issue.
The cost of the Group's personnel was € 20.77 M in the first half of 2017, up by € 625 K compared to mid 2016 (+3.1%). This increase is mainly due to the higher number of units required for the increased number of passengers and operating activities, as well as to the last portion of remuneration increase required by the "CCNL" [National Collective Labour Agreement] (disbursed since 1st July 2016).
"Costs for services" totalled € 20.7 M, up by 6.3% compared to the same period of the previous year, when they were € 19.5 M (€ +1,233 K). The higher costs recognised for the period, mainly due to the greater traffic managed in the two airports, include, inter alia, higher network development costs (€ +859 K), communication (€ +277 K), porterage (€ +248 K) and maintenance (€ +102 K).
During the first half of 2017, "Sundry operating expenses" totalled € 1,130 K, up by 6.6% compared to the same period of 2016. The difference is mainly due to the increased costs incurred for industry association membership fees.
"Airport Fees" totalled € 2,903 K in the first half of 2017, up by 5.6% compared to the first half of 2016. The difference is mainly due to the greater traffic of the first half of 2017 (+7.5% of TUs[1]).

COSTS FOR CONSTRUCTION SERVICES

"Costs for construction services" totalled € 5.15 M at 30 June 2017, up by € 2.89 M (+128.2%) compared to 30 June 2016, for the same reasons indicated as a comment to the corresponding revenue item.

YEAR'S PROFIT

As a consequence, the **EBITDA** totalled **€ 11.51 M** in the first half of 2017, up by € 46 M **(+0.4%)** compared to 30 June 2016, when it was € 11.46 M.

[1]TUs = Traffic Units, meaning 1 passenger or 100 kg of cargo.

As summarised below, the **Adjusted EBITDA** obtained by adjusting the gross operating margin of income derived from the release of provisions for costs and the write-off of payables no longer due increased by +16.3%.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Abs. Diff. 2017/2016	% Diff.
Gross Operating Margin	11,509	11,463	46	0.4%
Write-off of payables and release of provisions	0	-1,570	1,570	
Adjusted EBITDA	**11,509**	**9,893**	**1,616**	**16.3%**

"Amortization and provisions" totalled € 5.63 M at mid 2017, down by € 259 K compared to the same period of 2016. The bad debt provision increased by € 444 K due to the greater amounts set aside for receivables from Alitalia after the initiation of the temporary receivership of that carrier last May 2nd.

The **EBIT** for the first half of 2017 totalled **€ 5.88 million**, up by € 304 K compared to the first half of 2016, when it was € 5.57 M.
Financial operations passed from a negative amount of € (546) K the first half of 2016 to a negative amount of € (484) K in the first half of 2017. The positive difference of € 62 K is mainly the consequence of the lower financial charges of the period (€ -73 K) and profits from equity investments (+€ 29 K) obtained by writing up the stakes held in Associates to the Shareholders' Equity, although partially mitigated by lower financial expenses (€ -41 K)

Profit Before Tax (PBT) was **€ 5.39 million** at mid 2017, up by € 366 K compared to the same period in 2016, when it was € 5.03 M.
The tax burden of the period reflects the calculation methods adopted according to IAS criteria, which require the use of a tax rate specified at the end of the current financial year. More specifically, the negative PBT of the period benefits from tax assets determined at the tax rate specified for the positive PBT at year-end. The decrease in the tax rate in the first half of 2017 is affected by a lower IRES tax rate - down to 24% from 27% - effective from the financial year 2017.

Therefore, based on the data disclosed above, the first half of 2017 was closed with **net Group profits of € 3.57 M**, up by € 635 K compared to 2016, when the total was € 2.94 M.
As summarised below, the **adjusted net Group profit for the period** obtained by adjusting the Group's net profit for the period with the income derived from the release of provisions for costs and write-off of payables no longer due, net of the period's taxation (with a tax rate of approx. 41%), improved by 77.3%.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Abs. Diff. 2017/2016	% Diff.
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	3,572	2,937	635	21.6%
Write-off of payables and release of provisions	0	-1,570	1,570	
Taxation	0	647	-647	
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	**3,572**	**2,014**	**1,558**	**77.3%**

10.2 Consolidated Statement of Financial Position

The table below provides a comparison between the **Consolidated Statement of Financial Position** at 30 June 2017 and at 31 December 2016.

ASSETS	30.Jun.2017	31.Dec.2016	DIFFERENCE
NON-CURRENT ASSETS			
- Intangible assets	161,330	157,945	3,385
- Tangible assets	25,922	25,633	288
- Equity investments	707	666	41
- Financial Assets	2,707	2,696	11
- Prepaid taxes recoverable beyond the year	2,051	2,147	-96
TOTAL NON-CURRENT ASSETS	**192,717**	**189,087**	**3,630**
CURRENT ASSETS			
- Receivables from customers	22,393	15,486	6,907
- Receivables from associated companies	243	217	26
- Tax receivables	1,172	188	984
- Receivables from others, due within the year	7,927	5,473	2,454
- Cash and cash equivalents	11,252	27,448	-16,196
TOTAL CURRENT ASSETS	**42,987**	**48,812**	**-5,825**
TOTAL ASSETS	**235,704**	**237,899**	**-2,196**

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	30.Jun.2017	31.Dec.2016	DIFFERENCE
CAPITAL AND RESERVES			
- Group Shareholders' Equity	**106,757**	**112,245**	**-5,488**
MEDIUM-LONG TERM LIABILITIES			
- Provisions for liabilities and charges	2,883	2,886	-3
- Provisions for repair and replacement	19,142	19,081	61
- Termination benefits and other personnel-related provi	6,235	6,853	-618
- Financial liabilities	34,725	36,259	-1,535
- Other payables due beyond the year	64	43	20
TOTAL MEDIUM-LONG TERM LIABILITIES	**63,049**	**65,123**	**-2,074**
CURRENT LIABILITIES			
- Financial liabilities	4,340	4,456	-116
- Tax liabilities	8,260	7,006	1,255
- Total trade and sundry receivables	42,298	49,069	-6,772
TOTAL CURRENT LIABILITIES	**65,898**	**60,531**	**5,367**
TOTAL LIABILITIES	**128,947**	**125,654**	**3,292**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**235,704**	**237,899**	**-2,196**

Total Assets decreased by € 2.2 M compared to total assets at 31 December 2016, mainly due to decreased liquidity (€ -16.2 M), which, however, is partially offset by increased trade and sundry receivables (€ +10.4 M) affected by the seasonal nature of the business and by increased intangible assets (€ +3.4 M) due to investments made by the Group during the period at issue. The decreased liquidity is mainly due to the payment of dividends and suppliers, particularly supplies associated with investments.

Liabilities and Shareholders' Equity decreased by € 2.2 M, as per Assets items. More specifically, Shareholders' Equity decreased by € 5.4 M after the distribution of dividends, partially offset by the year's profit.

Medium-long term liabilities decreased by approx. € 2.1 M due to the decrease of € 1.5 M in financial liabilities recorded after the reimbursement of capital instalments, offset by the

€ 500 K loan granted to Jet Fuel and € 0.6 M decrease in the Employees Termination Benefits (ETB) provision.

Current liabilities (€ +5.4 M) include lower trade and sundry payables for € 6.8 M, partially offset by increased tax liabilities (€ +1.3 M) and short-term bank loans (€ +11 M).

10.3 Analysis of financial flows

The consolidated statement of cash flows illustrated below was prepared using the indirect method as defined by IAS 7 which shows the main determining factors of the movements in the cash and cash equivalents that took place during the reporting periods.

Euro K	**INTERIM 2017**	**INTERIM 2016**
OPERATING ACTIVITY		
Net result for the period	**3,603**	**2,955**
Adjusted for:		
- Amortization	4,210	4,244
- Other provisions and impairment losses	275	952
- Change in the provision for liabilities and charges	(3)	(325)
- Net change in termination benefit and other provisions	(379)	472
- Financial expenses for the period	579	653
- Investment income	-	0
- Net changes in (prepaid)/deferred taxes	65	(410)
- Taxes for the period	1,789	2,071
Cash flows of operating activities before changes in the working capital	*10,140*	*10,612*
- (Increase)/decrease in trade receivables	(6,907)	(10,575)
- (Increase)/decrease in other accounts receivable and current assets	(3,464)	284
- Increase/(decrease) in payables to suppliers	(6,752)	(11,804)
- Increase/(decrease) in other payables	(70)	3,713
Cash flows of operating activities before changes in the working capital	*(17,192)*	*(18,382)*
Liquid assets generated by operating activities	*(7,052)*	*(7,770)*
- Interest payable paid	(297)	(370)
- Taxes paid	(891)	(2,760)
Cash flow generated by operating activities	**(8,241)**	**(10,899)**
INVESTMENT ACTIVITIES		
- Cash and cash equivalents contributed with the incorporation of AdF	-	-
- Purchase of tangible assets	(1,843)	(628)
- Sale of tangible assets	25	273
- Purchase of intangible assets	(6,066)	(3,280)
- Equity investments and financial assets	(52)	303
- Realizable value from sale of stakes	-	0
Cash flow from investing activities	**(7,936)**	**(3,333)**
CASH FLOWFROM OPERATIONS	**(16,177)**	**(14,232)**
FINANCIAL ASSETS		
- Dividends paid	(9,369)	(7,932)
- Short-/long-term loans taken out	11,500	6,000
- (Repayment of) short-/long-term loans	(2,151)	(2,163)
Net cash flow generated by/(used for) investments	**(20)**	**(4,095)**
Net increase/(decrease) in Cash and cash equivalents	**(16,196)**	**(18,327)**
Cash and cash equivalents at beginning of period	**27,448**	**32,296**
Cash and cash equivalents at end of period	**11,252**	**13,970**

At 30 June 2017, cash and cash equivalents are positive, with € 1.25 M, down by € 2.72 M compared to 20 June 2016, when they were € 13.97 M.

More specifically, the items of the Consolidated Financial Statement at 30 June 2017 include:

- the repayment in principal of € 2.15 M of the medium/long-term loans obtained by the Group;
- a short-term bank loan (so called “hot money”) of € 11 M granted to the Parent Company, Toscana Aeroporti, and a further € 500 K of medium-long term loan granted to the subsidiary Jet Fuel during the period at issue;
- € 9.37 M of dividends earned in 2016 by Toscana Aeroporti and Jet Fuel were distributed by the Group in May and June 2017.
- During the first half of 2017, the Group invested approx. € 8 M, including € 3.8 M in airport infrastructure, approx. € 1.4 M for the development of the Florence airport Master Plan and € 1.8 M in tangible fixed assets.
- A total of € 6.7 M have been paid to suppliers during the first half of 2017 for both current operations expenses and investments made during the period.

10.4 Consolidated Net Financial Position

For the sake of complete disclosure, we provide below the Consolidated Net Financial Position at 30 June 2017 and at 31 December 2016 in compliance with the provisions set forth in CONSOB’s Notice prot. no. 6064293 of 28 July 2006.

NET CONSOLIDATED FINANCIAL INDEBTEDNESS

Euro K	30.Jun.2017	31.Dec.2016	Abs. Diff.	30.Jun.2016
A. Cash on hand and at banks	11,252	27,448	(16,196)	13,970
B. Other cash and cash equivalents	-	-	-	-
C. Securities held for trading	-	-	-	-
D. Liquid assets (A) + (B) + (C)	**11,252**	**27,448**	**(16,196)**	**13,970**
E. Current financial receivables	**-**	**-**	**-**	**-**
F. Current bank payables	11,000	-	11,000	6,000
G. Current portion of non-current indebtedness	4,340	4,456	- 116	4,476
H. Other current financial payables due to leasing companies	-	-	-	-
I. Current financial indebtedness (F) + (G) + (H)	**15,340**	**4,456**	**10,884**	**10,476**
J. Net current financial indebtedness (I) - (E) - (D)	**4,088**	**(22,992)**	**27,080**	**(3,494)**
K. Non-current bank payables	34,725	36,259	(1,535)	38,396
L. Bonds issued	-	-	-	-
M. Other non-current payables due to leasing companies	-	-	-	-
N. Non-current financial indebtedness (K) + (L) + (M)	**34,725**	**36,259**	**(1,535)**	**38,396**
O. Net Financial Position (J) + (N)(NFP)	**38,813**	**13,267**	**25,545**	**34,902**

We point out the presence, at 30 June 2017, of current bank payables for € 11 M for short-term credit lines (so called “hot money”) and the current portion of the medium/long-term indebtedness of the TA Group, for a global amount of € 4.34 M.

In addition to that, non-current bank payables for € 34.7 M were recorded as non-current portion of the two existing Group loans. Furthermore, portions of capital were repaid during the first half of 2017, as established in the two existing loan agreements, for a global amount of € 2.15 M, and a medium-term loan of € 500 K was granted to the subsidiary Jet Fuel.

For further details, see section "Financial Liabilities" in the Explanatory Notes to the Condensed Consolidated Interim Financial Statements.

We point out that the "Cash and Banks" item includes:

a) a minimum amount of €1M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated with the Intesa-San Paolo-MPS bank pool;

b) an amount of approx. €2.2M, collected by the incorporated AdF on March 18, 2013 from the Ministry of Transport after the pronouncement of judgement no. 2403/2012 as compensation for the damage suffered for the non-adjustment of duties in the years 1999-2005, plus monetary revaluation and legal interests. By writ of summons to appeal, the Attorney General's Office summoned AdF (today "TA") to appear before the Rome Court of Appeal, seeking the overturning of the appealed judgement of the Court of Rome no. 2403/2012, finding that the ordinary courts lacked jurisdiction, and a ruling that no sums are owed by the Ministry that filed the appeal by way of compensation for failure to update airport fees. As a result, as required by international accounting standards (IAS 37), the amount referred to above has not had nor will it have any impact on the Group's income statement until the final proceedings. In any case, in view of the principle of prudence that constantly guides the management, said amount has been deposited in a separate deposit account, where it will accrue interest that will in turn by reinvested, and not used until the final assignment to the Parent Company with the last level of justice.

The consolidated Net Financial Position at the closing date (30 June 2017) is € 38.8 M, up by € 25.5 M compared to 31 December 2016. That increase is substantially explained by the absorption of cash by the Net Working Capital (€ -16.2 M), dividends distributed to shareholders (€ -9.4 M), and investments (€ -7,9), partly offset by positive operating cash flows for the year (€ +8 M).

Furthermore, to provide a clearer picture of the economic and financial situation of a business that is strongly affected by the seasonal nature of its operations, we point out that the consolidated financial indebtedness at 30 June 2017, compared to the same date of 2016, totalled € 34.9 M, up by € 3.91 M. The difference between the two periods examined can be summarised in a greater distribution of dividends (€ +1.4 M).

The debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2017 was € 0.36 (0.12 at 31 December 2016),

11. THE GROUP'S INVESTMENTS

Amounts shown in € K	Airport	Sub-tot	Sub-tot	Sub-tot	Total
Total Group Investment at 30 June 2017					7,884
A) Amortization of intangible assets				6,063	
- Software			26		
- concession rights (royalties)			775		
Improvement of Passenger Terminal access and service	PSA	257			
Access control and anti-intrusion detection CCTV	PSA	262			
Extension and revision of access control network	PSA	139			
Apron floodlight towers	PSA	67			
other minors	PSA/FLR	50			
- Assets under construction			5,262		
Design and development of new terminal for reconfiguration of passenger flows and new offices	FLR	2,310			
Revision and development of 2014-2029 Master Plan	FLR	1,358			
Apron 100 requalification	FLR	588			
New East Terminal Lot 1 (Arrivals)	PSA	532			
new ERP implementation	PSA/FLR	337			
other minors	FLR	137			
B) Tangible assets				**1,821**	
- Land and buildings (*)			*51*		
delocalization of Borgo Cariola at PSA apt	PSA	51			
- Cars	*PSA/FLR*		401		
Airplane fuel supply trucks	PSA	175			
Inter-runway buses	PSA	158			
Requalification of ramp vehicles	PSA	61			
cars	FLR	8			
- Ind. and comm. equipm.	*PSA/FLR*		0		
- Plant and machinery			363		
Generator	PSA	131			
Passenger gate X-ray equipment	PSA	43			
Drawbar	PSA/FLR	28			
TBL	PSA	20			
Access control equipment	FLR	7			
other minors	PSA/FLR	134			
- Assets under construction			*635*		
Ramp vehicles and equipment	FLR	296			
Disaster Recovery & Business Continuity	FLR	258			
electronic machines (HW)	FLR	37			
other minors	FLR	45			
- Other assets			*370*		
electronic machines (HW)	PSA/FLR	278			
Furniture and fittings	PSA/FLR	92			

(*) Land and buildings owned by Toscana Aeroporti

At the end of the first six months of 2017 the Group had invested € 7.88 M, of which € 6.06 M in intangible assets and € 1.82 M in tangible assets. A detailed picture of investments made during the first 6 months of 2017 is provided below:

Investments in **intangible fixed assets** consisted in concession rights for € 775 K, including the rearrangement of the Pisa terminal's access areas (canopy of the connection walkway for the People Mover terminal) for € 257 K, the installation of the CCTV system, access and anti-intrusion control of the Pisa airport for € 262 K, and current fixed assets for approx. € 5.26 M. More specifically, these investments mainly consist in the design and development of the Florence Terminal (€ 2,310 K), the development of the Florence airport Master Plan [1](€ 1,358 K[2]), the requalification of Apron 100 in the Florence airport (€ 588 K), the new Arrivals Terminal of the Pisa airport (€ 532 K), and the project for the harmonization of ERP IT systems between the two airports (€ 337 K).

Investments in **tangible fixed assets** mainly consisted in the purchase of ramp vehicles and equipment (€ 815 K) and the purchase of hardware (€ 572 K).

Pursuant to art. 10 of Law 72/83, the Group informs the public that no revaluation (write-up) was made to its assets pursuant to any special law in the first 6-month period of 2017.

12. HUMAN RESOURCES

THE GROUP'S STAFF

During the first half of 2017, the average number of employees working for TA has been € 705.9 EFT[3], up by 17.5 EFTs in absolute terms compared to the same period of 2016.

The number of employees of the subsidiary Jet Fuel, the company that manages the fuel storage facility in the Pisa airport, has increased by 1 unit hired in June 2016 (for a total of 11 EFT).

The subsidiary TAE increased its staff in December 2016, thus reaching a total of 4 EFT at the end of the first half of 2017.

We remind the readers that the subsidiary "Parcheggi Peretola S.r.l." has no directly employed staff.

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[1]We point out that the 2014-2029 Florence Airport Master Plan was approved from a technical standpoint by ENAC on 3 November 2014 and is subject to environmental impact assessment ("VIA", for *Valutazione di Impatto Ambientale*) under Legislative Decree no. 152/2006, as well as to the requirement of producing a "Conformità Urbanistica" (document providing evidence of compliance with town planning schemes) pursuant to art. 81 of DPR 616/1977. The Environmental Impact Assessment procedure of the Plan concerned has been started by ENAC on 24 March 2015 at the Ministry of the Environment, Protection of the Territory and the Sea. The technical support activities for the preliminary environmental impact assessment (VIA) have continued throughout 2016 and, on 2 December 2016, the Technical Commission issued a positive opinion with conditions. Activities related to the aforesaid procedure have continued throughout 2017. We are currently waiting for the decree of environmental compatibility, to be issued by the Ministry of the Environment with specification of the related conditions, and meanwhile we are working to assess the best financial structure. In this regard, we point out that, on 16 February 2017, we signed a framework agreement ("*Contratto di Programma Quadro – di finanziamento*") with ENAC for the financing of the works contemplated in the Master Plan, through which the Airport Operator has confirmed its commitment to make the significant investments described in the aforesaid Florence Airport Master Plan. Together with the MIT, these entities have committed to contribute to the financing required for the implementation of the plan for a total amount of € 150 million.

[2]That amount also includes internal and external costs for design, consulting engineering and outsourced technical work, also associated with the VIA procedure, regarding the new runway, the new terminal and other airport infrastructure development projects in the Florence airport..

3EFT = Equivalent Full Time, where 2 part-time units are considered as 1 full-time unit.

The Group's "Cost of personnel" item totalled € 20.6 M in the first half of 2017, up by € 684 K compared to the first half of 2016 (+3.4%). This increase is mainly due to the growth in the number of staffs required by the increased number of passengers and consequent operations, as well as to the payment of the last portion of the increased remuneration required by the National Collective Labour Agreement (disbursed since 1st July 2016).

The table below provides details on the average annual staff (expressed in EFT) for the first 6-month period of 2017 and any difference from the same period of 2016:

	INTERIM 2017	INTERIM 2016	Diff.	Diff. %
Executives	13.0	11.9	1.1	9.2%
Employees	525.4	500.6	24.8	4.9%
Workers	167.5	175.9	-8.4	-4.8%
TOSCANA AEROPORTI	**705.9**	**688.4**	**17.5**	**2.5%**
Jet Fuel	**11.0**	**10.2**	**0.8**	**7.8%**
TAE	**4.0**	**0.9**	**3.1**	**N.S.**
Group	**720.9**	**699.5**	**21.4**	**3.1%**

The average Group staff at mid 2017 increased of 21.4 EFT in absolute terms compared to the same period of 2016 (3.1%), as per air traffic trends (TA) and new hirings in TAE and Jet Fuel.

For the infrastructure development contemplated in the 2015-2029 Florence and Pisa Master Plans, TAE also benefited from the support of technical staff (engineers, land surveyors, etc.) seconded by the Parent Company TA.

13. RELATIONSHIPS WITH THE OTHER ENTITIES OF THE GROUP AND WITH RELATED PARTIES

Revenues, costs, receivables and payables at 30 June 2017 from parent companies, subsidiaries, associates and other related parties concern the sale of assets or services that consist of the routine activities of the Group. Transactions are performed at an arm's length, based on the characteristics of the goods sold and the services delivered. Information regarding relationships with related parties, including the disclosures required by CONSOB communication no. DEM/6664293 of 28 July 2006, are provided in the Explanatory Notes to the Condensed Consolidated Interim Financial Statements at 30 June 2017.

At 30 June 2017, the TA Group held interests in the following other associated companies:

- **Immobili A.O.U. Careggi S.p.a.**

- company incorporated to manage the commercial facilities installed in the new entrance of the Careggi Hospital of Florence (so-called "NIC"), with a 25% equity investment by TA (at 31 December 2016), while the remaining 75% is owned by Azienda Ospedaliera

Universitaria Careggi. Its registered office is at the address of the Careggi Hospital of Florence and the administrative office is located in the Pisa Galilei airport.
At 30 June 2017, TA has a service agreement in place with this Associate for administrative/management staff activities, that are provided as a service for a period value of € 25 K and a variable payment based on revenues of € 50 K.

- Alatoscana S.p.a.

- the company that manages the Elba Island airport. TA owns a 13.27% share of Alatoscana (at 31 Dec. 2016), while the majority of its share capital is owned by Regione Toscana (51.05%) and the Maremma e Tirreno Chamber of Commerce (34.36%).
A service level agreement is in place with this associated company at 30 June 2017 for staff activities, for a global value of € 31 K.

The main relationships with the other related parties at 30 June 2017 are:

- Delta Aerotaxi S.r.l.

A number of sales agreements between the Holding and Delta Aerotaxi S.r.l. are in place for:
- the sub-concession of premises in the Florence airport for a value of € 111 K in revenues for TA at 30 June 2017;
- the sub-concession of offices and other types of spaces in the Pisa airport for a value of € 46 K in revenues at 30 June 2017;
- € 85 K of Aviation revenues deriving from the invoicing of airport duties and taxes and General Aviation handling fees of the Pisa airport, plus approx. € 1 K regarding the provision of extra-handling services upon request.

In addition, the annual report shows a further € 9 K in revenues at 30 June 2017 regarding the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Corporate Air Services S.r.l.

At 30 June 2017, the Parent Company had the following relationships with the related party Corporate Air Services S.r.l., the company that manages General Aviation at the Florence airport, indirectly connected with TA through SO.G.IM. S.p.a., a TA shareholder:
- € 332 K Aviation revenues for the invoicing of airport duties and taxes, handling and centralised infrastructure expenses concerning general aviation in the Florence airport, € 13 K for the same services in the Pisa airport, and approx. € 1 K for the provision of extra-handling services upon request and for the supply of de-icing liquid to the Florence airport;
- the sub-licensing of offices and other types of spaces in the Pisa airport for a value of € 16 K in revenues for TA at 30 June 2017;
- € 20 K of non-aviation revenues at 30 June 2017 regarding the sub-concession of 130 square metres in the air-side area (effective since 1st April 2016) in the Florence airport.

In addition, the annual report shows a further € 3 K in revenues at 30 June 2017 regarding the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Delifly S.r.l.

On 13 September 2007, AdF (today TA) and Delifly S.r.l. (related party through SO.G.IM. S.p.A.) signed an agreement by which AdF (today TA) committed to sub-lease Delifly an area of approx. 122 sq.m. that Delifly would use exclusively to install a removable object to

be used for the delivery of General Aviation catering services in the Florence airport (€ 19 K of revenues for TA at 30 June 2017).
Lastly, the Group accrued a further € 1 K revenues from Delifly for the charge-back of common services, third-party liability insurance coverage expenses, and the assignment of parking passes and airport permits in the two airports.

- ICCAB S.r.l.

ICCAB S.r.l. is a related party of TA since the Member of TA's BoD, Mr. Saverio Panerai, has a significant influence on ICCAB S.r.l. pursuant to the regulation on related-party transactions adopted by CONSOB.
We point out that the Parent Company gave ICCAB in sub-concession approx. 40 sq.m. of premises in the Florence airport to be used for retail activities (of € 29 K of revenues for TA at mid 2017).
Furthermore, the following agreements are in force:
- an agreements between the Parent Company and ICCAB for the sub-concession of advertising spaces in the Florence airport (€ 6 K revenues for TA at 30 June 2017);
- an agreements for the sub-concession of premises located in an air-side area of the Pisa airport used by ICCAB for sale activities, with a value of € 35 K in revenues at 30 June 2017.

Finally, during the first half of 2017, the Group accrued a further € 1 K in revenues from ICCAB S.r.l. for the charge-back of common services of the two airports.

- Corporación America Italia S.p.a.

Approx. € 1 K in revenues of the Parent Company have accrued in favour of the related party for the charge-back of prepaid accommodation expenses for travelling staff.
Furthermore, in 2016, the Parent Company adopted the Tax Consolidation option provided for by articles 117 to 129 of the Consolidated Text on Income Taxation ("Testo Unico delle Imposte sui Redditi" - T.U.I.R), whose consolidating entity is Corporación America Italia S.p.A. The consolidating entity calculates a single global income equalling the algebraic sum of the taxable bases (income or loss) realized by the individual entities that adopted this group taxation option.
The consolidating entity recognised an account receivable from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, la consolidating entity recorded an account payable to the companies that contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income. Furthermore, as a result of participating in the National Tax Consolidation, pursuant to art. 96 of D.P.R. 917/86, companies can contribute the excessive interests payable that can no longer be deducted for one of them in order to reduce the global aggregate income of the Group until the Gross Operating Income amount produced in the same tax period by other consolidated entities is reached.

- Helport Uruguay S.A.

During the first half of 2017, Toscana Aeroporti Engineering commissioned design services from this related party (a subsidiary of Corporación America Group specializing in the development and design of airport infrastructures), for an amount of € 710 K.

- Comune di Firenze

The Municipality of Florence has an agreement in place with the Parent Company for the sub-concession of office premises covering a surface area of 13 sq.m. located at the ground floor land-side of the Florence airport, for a value of approx. € 3 K in revenues from tourist information activities at mid 2017.

- A.L.H.A. S.p.a.

An agreement with this entity was signed for the sub-concession of office premises covering a surface area of 264 sq.m. located at the ground floor land-side of the Florence airport, for a value of approx. € 9 K in revenues at mid 2017. Final revenues have been determined for approx. € 1 K for the charge-back of common services and parking passes, and further revenues for approx. € 2 K for cargo storage activities carried out in the Pisa airport.

- PisaMo S.p.a.

This is an in-house company of the shareholder "Municipality of Pisa". At 30 June 2017, the Parent Company had residual receivables for € 427 K (€ 427 K at 31 December 2016) from this related party. The Directors consider this account receivable irrelevant under the risk perspective because it is covered by a European fund already approved and presently being transferred to PisaMo through the Municipality of Pisa.

Finally, we point out that no atypical transaction with related parties took place the first 6 months of 2017.

Stakes of the members of the management and control boards

At the date of this interim financial statement, the Board Member Mr. Saverio Panerai held 2,403 shares of the Parent Company "TA".

14. INFORMATION ON THE PARENT COMPANY, ITS SUBSIDIARIESAND THEIR RELATIONSHIPS

14.1 Parcheggi Peretola s.r.l.

Parcheggi Peretola S.r.l. became a member of the TA Group in 2015 after the incorporation of AdF, which owned 100% of its shares.
The prevalent activity of this company is the management of a 640-slot payment car parking lot for the public in front of the Departures Terminal of the Florence airport.

Book values at mid 2017 show a value of production of € 874 K, up by € 85 K compared to the first half of 2016. This difference is mainly explained by the increase number of passengers in the Florence airport during the first half of 2017, and consequently of customers using the parking facility managed by the company.

On the cost side, the most important component is the cost of the parking lot management and maintenance service provided by SCAF S.r.l. Furthermore, we remind readers of the 7% drawback of parking lot revenues from the Municipality of Florence (approx. € 56 K) under an agreement that allowed the entity to readjust the rates of the Parent Company's parking lot, with a further € 50 K increase in revenues recognised at mid 2017.

The 2017 EBITDA is € 496 K, up by 76 K, and the year's net profit is € 336 K, up by € 68 K compared to the first half of 2016.

14.2 Toscana Aeroporti Engineering s.r.l.

Toscana Aeroporti Engineering (TAE), incorporated on 15 January 2015, is an engineering subsidiary 100% owned by Toscana Aeroporti. Its mission is to provide TA with the engineering services required for the implementation of the program for the development of the two Florence and Pisa airports.

For the engineering activities serving the design of the Master Plan, TAE uses its own staff and the support of:

1. technical/engineering staff (10 employees) seconded by TA;
2. internal staff (5 employees at 30 June 2017);
3. Helport Uruguay SA (hereinafter briefly "Helport"), a related party and subsidiary of the Corporación America Group specializing in the development and design of airport infrastructures. More specifically, TAE signed with Helport a framework agreement for the use of its huge long-term expertise in the design of airport infrastructures;
4. specialized service contractors.

In continuity with the last financial year, the design activities carried out by TAE on behalf of TA during the first half of 2017 consisted in the revision and development of the 2014-2029 Florence and Pisa Master Plan. More specifically:

- the environmental impact study, the assessment of the incidence and of the health-related impact of the new flight infrastructure and of the new Florence terminal;
- the final design of the new Florence flight infrastructure and the specialists' inspections regarding the new airport flooring and related safety surfaces;
- the design of the new terminal for the reconfiguration of passenger flows and the new offices of the Florence Terminal;
- the design for the expansion to the east side of the Pisa passenger network (new Arrivals Terminal).

TAE spent approx. € 1,267 K in work contracted for the projects described above during the first half of 2017. We point out that, at 30 June 2017, TAE recognised € 710 K of expenses for the related party Helport for the contracts described above.
In continuity with 2016, staff activities have been carried out by the Parent Company based on a servicing agreement signed between the parties.

Revenues totalled € 1,888 K in the first half of 2017, reflecting the year's portion of the projects commissioned by TA as better described above.
Total costs for the first half of 2017 totalled € 1,846 K and mainly include € 1,267 K of external design costs and € 284 K of TA seconded personnel cost.
The EBITDA of the period is € 42 K and the net profit for the period is € 24 K.

14.3 Jet Fuel Co. S.r.l.

Jet Fuel is the company that manages the centralized fuel storage facility of the Pisa airport.. The stake held by TA is 51.0% of voting rights, while property and dividend rights are exercised in identical portions by the other shareholders, Refuelling S.r.l. and Air BP Italia S.p.A. So, for consolidation purposes, said equity investment has been considered as a 33% share and portion of profits pertaining to the TA Group.

A total of 43,679 cubic metres of jet fuel passed through the storage facility during the the first 6 months of 2017, with an 8.3% volume increase compared to the 40,332 cubic metres of the first half of 2016. The company provided into-plane services for 31,845 cubic metres of fuel, with an 8.3% increase compared to the 29,406 cubic metres of the first half of 2016.

At 30 June 2017, Jet Fuel had a share capital of € 150 K, reported € 46.8 K of profits for the year and a Shareholders' Equity of € 262 K. The subsidiary has a sub-licensing agreement in place with TA for the management of the centralized fuel storage facility for a global value of € 301 K at mid 2017 and an administrative services agreement for € 10 K.

Jet Fuel's main revenues at mid 2017 include € 619 K from the fuel storage service (€ 572 K at mid 2016) and € 425 K for the into-plane service (€ 392 K at 30 June 2016).

The main costs in the first half of 2017 have been the cost of labour (€ 381 K), the airport sub-lease (€ 301 K), tank truck rental (€ 86 K), maintenance and fuel for tank trucks (€ 47 K), professional services (€ 50 K), and industrial insurance (€ 24 K).

As a consequence, profits of € 47 K are shown for the first half of 2017, considerably higher than those of the first half of 2016 (€ 9.2 K), mainly due to the greater volume managed by the storage facility and to the into-plane services provided, as specified above.

15. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The main risk factors that may affect the Group's operations are described below.

- RISKS ASSOCIATED WITH THE GENERAL CONDITIONS OF THE ECONOMY AND THE INDUSTRY

The main factors that may affect operations in the transport sector where the Group operates are, *inter alia*, the gross domestic product (GDP), the business and consumer confidence level, the unemployment rate and the oil price. The downturn of the domestic and international economy that started in the first half of 2008 is continuing and its effects were still felt in the first half of 2017. More specifically, the international political unrest, the credit crunch, the high unemployment rate, the reduction in the available income for families in real terms, and the consequent decrease in consumption may adversely affect the demand for air transport. Should this weak economy persist, we cannot exclude a negative impact on the economic situation of the Group.
In any case, the recent traffic trends of the two airports, with significant growths in the number of passengers recorded in the the years from 2013 to 2016, confirmed in the first half of 2017, confirm the special attractiveness of our territory, a factor that mitigates risks.

- RISKS ASSOCIATED WITH AIRPORT HANDLING ACTIVITIES AND THE EXTREMELY COMPETITIVE LAYOUT OF THE RELATED MARKET

Airports with a traffic exceeding 2 million passengers or 50,000 tons of goods are recognised free access to the "ground assistance services" market (Leg. Dec. no. 18/99). To date, in the Pisa and Florence airports, these services are mostly provided by the same entity that manages the airport. At present, the only handling activity to be carried out by providers of ground assistance services other than TA in the two airports is the general aviation business.
in the first half of 2017, revenues generated by the handling business accounted for 22.2% over total revenues (24.4% of the total, after deducting revenues from construction services). The market where the providers of handling services operate is typically characterized by a high level of competitiveness, as well as by a limited profitability in terms of operating income.

The increase in competitive pressure, on the one hand, and the reduced margins that characterise these activities, on the other, could adversely affect TA's economic situation, equity and financial standing.

- REGULATORY RISK

The Parent Company, within the framework of the two concessions for the global management of the Pisa and Florence airports, operates in a sector regulated by domestic and international legislation. Any unpredictable change in the regulatory framework might adversely impact the bottom line of the Group.
A potential risk factor in the airport sector is the constant evolution of the specific legislative and regulatory scenario where the Parent Company, like the other airport operators, operates. The Company's financial results are affected by the developments in the regulatory framework, particularly as regards the airport services tariff regulations and the fee system for the services offered by airport operation companies. In this regard, we specify that the preliminary stages for the definition with the new Transport Authority of the new rate levels for the regulatory period 2015-2018 had been positively concluded during the first half of 2015 for both the Pisa and Florence airports. In October 2016, the annual consultations with users were positively conducted in Florence and Pisa, and were followed by the disclosure of the new 2017 tariffs effective from 1 January.

- RISKS ASSOCIATED WITH RELATIONSHIPS WITH EMPLOYEES AND TRADE UNIONS

The Parent Company operates in an industrial context characterised by a significant presence of trade unions and is potentially exposed to the risk of strikes and interruptions in its production activities.
No significant service halts caused by strikes have occurred in the recent past in the Florence or Pisa airports.
The Company holds regular meetings with Trade Unions in order to establish a continuous and constructive relationship.

- RISKS ASSOCIATED WITH DECREASING AIRPORT TRAFFIC IN THE TWO AIRPORTS AND WITH THE CONCENTRATION OF CERTAIN CARRIERS

Like the other operators of the sector, the Parent Company may also be affected by a possible reduction or termination of flights by one or more carriers, which might be due to an economic/financial crisis in their business organizations and which might adversely impact the bottom line of the TA Group.
During the first half of 2017, TA recorded over 3,650 million passengers in a system with 38 operating carriers. The total incidence of the first three carriers is 59.2%. More specifically, the incidence of the first carrier is 42.7%, with the second and third carriers both at 8.3%.
On the other hand, the Parent Company, based on past experience and in spite of the typical uncertainty of the sector, believes that it would be able to face the risk of a reduction or interruption in the services rendered by one or more carriers with a possible redistribution of passenger traffic among the various airlines operating in the airport and with its capacity to attract new carriers, as has been recently demonstrated, in 2016, in the Pisa airport with the replacement of certain carriers for certain flight routes that had been previously operated by Alitalia.
In addition to that, the Parent Company signed with said carriers multi-year trade agreements that include their commitment to promote marketing and advertising campaigns, and achieve pre-established objectives in terms of passengers and flights, in exchange for the Parent Company’s commitment to contribute to the related expenses and grant economic incentives for the achievement of the aforesaid objectives. These

agreements also establish that penalties be imposed in case of cancellations not caused by force majeure events.
However, we should not exclude the likelihood that, notwithstanding the implementation of the aforesaid remedial measures, a certain amount of time might elapse between the interruption of flights and their replacement by other carriers and that this interruption might, in any case, negatively impact the operations and earnings of the Parent Company.
In order to minimize the risk of traffic concentration on some carriers, the Parent Company, albeit in the context of a sector, such as the air transport sector, characterised by integration and merger processes between carriers, is pursuing a strategy of diversification of the airlines operating in the two airports.
As to the result of the 23 June “Brexit” referendum in the United Kingdom, where the decision to leave the European Union prevailed, it is difficult to predict all the possible economic and social repercussions, and particularly its impact on air traffic, at the present date. The Open Skies Agreement (liberalization of the air market) will be nullified and if alternative specific agreements are not signed, as solicited by airport and airline associations, new bilateral agreements between Countries will be required, with possible negative implications for the air traffic between the EU and the UK.

- RISKS ASSOCIATED WITH DEPENDENCE ON KEY PERSONNEL

The Parent Company believes that its operating and management structure is capable of ensuring the continuity of the management of its corporate affairs. Furthermore, the Parent Company has started a process of development of human resources in view of a Succession Plan. However, should one or more key staff of the Parent Company, such as the CEO and General Director or other senior/Top Management members, terminate their cooperation with the company, there could be a negative impact on the perspectives, business activities and economic/financial results of the Parent Company.
We stress that the recent corporate merger between the Pisa and Florence airports provided the new TA Group with a wider executive framework in organizational terms, so we may reasonably expect a reduction in this risk.

- ENVIRONMENTAL RISK

The activities of the Group are regulated by many European Union regulations and domestic, regional and local legislation on the protection of the environment. The Group has the priority of carrying out its activity in compliance with the applicable environmental legislation; however, since the risk of environmental liability is intrinsic to the activity of the Group, there can be no certainty that any new future regulations may not involve further regulatory requirements for the Group.

- FINANCIAL RISK

As regards financial risks, see the specific section in the Explanatory Notes.

16. SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE PERIOD AT 30 June 2017

<u>Main news on the operations of the Pisa airport</u>

- **Ryanair** the new (main international) connection with Frankfurt is already on sale on the carrier’s website starting from next September.
- **S7** confirmed its operations to/from Moscow Domodedovo for the next winter season, with flights already on sale in its website.

- **Alitalia** has been operating a seasonal flight to/from Olbia (3 weekly) since July.

Main news on the operations of the Florence airport

- **Swiss** Air has been using larger aircraft since July for its Zurich flight (a 125-seat CRJCS100, together with the 100-seat Embraer 190).

17. OUTLOOK

During **July 2017**, the Tuscan Airport System recorded a total traffic of over 900,000 passengers, with an absolute record **growth of 4.5%** compared to July 2016. Year-to-date data regarding the first 7 months of the year show a **6.9%** increase compared to the same period of 2016, for a total of over 4.5 million passengers transiting through the Pisa and Florence airports since the beginning of the year.

This result has been supported by the positive trends in the Load Factor of scheduled flights, increased by 2.2 percentage points compared to the first 7 months of 2016 (from 81.5% to 83.8%).

While closely monitoring the situation of Alitalia, the positive growth trends in passenger traffic recorded in the first seven months of 2017 in the two Tuscan airports (+6.9%), as well as the operated flights confirmed by the airlines, the excellent performance of the new destinations, and the positive overall trend of the 2017 summer season, are all elements that allow us to look at 2017 final profits with confidence.

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As regards the information required by art. 40 paragraph 2, letter d), of Legislative Decree no. 127/91, we specify that Toscana Aeroporti S.p.a., during the first six months of 2017, did not own and did not buy or sold treasury stock or shares of parent companies, including through the intermediary of trust companies or other persons.

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The Financial Reporting Manager, Mr. Marco Gialletti, hereby declares, pursuant to art. 154-bis, paragraph 2, of "Testo Unico della Finanza" (Consolidated Finance Act), that the information contained in this Report reflects the accounting records and , books of the company.

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For the Board of Directors
The Chairman
(Marco Carrai)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS– FOR THE PERIOD CLOSED ON 30 JUNE 2017

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts shown in € K	Notes	INTERIM 2017	of which Related Parties	INTERIM 2016	of which Related Parties
REVENUES					
Operating income					
Aviation revenues	1	43,512	431	40,739	405
Non-Aviation revenues	2	12,724	376	11,848	388
Other revenues and income	3	771	71	2,343	29
Total operating revenues		**57,008**	**879**	**54,930**	**821**
Revenues from construction services	4	5,693	0	2,772	0
TOTAL REVENUES (A)		**62,700**	**879**	**57,702**	**821**
COSTS					
Operating Costs					
Consumables	5	512	0	535	0
Cost of Personnel	6	20,768	0	20,142	0
Costs for services	7	20,729	70	19,495	70
Sundry operating expenses	8	1,130	0	1,060	0
Airport leases	9	2,903	0	2,750	0
Total operating costs		**46,043**	**70**	**43,982**	**70**
Costs for construction services	10	5,149	710	2,257	0
TOTAL COSTS (B)		**51,192**	**779**	**46,239**	**70**
GROSS OPERATING MARGIN (A-B)		**11,509**		**11,463**	
Amortization and write-downs	11	4,210		4,244	
Provision for risks and repairs	12	915		1,584	
Bad debt reserve	13	506		63	
OPERATING EARNINGS		**5,877**		**5,573**	
ASSET MANAGEMENT					
Financial income	14	60		101	
Financial expenses	15	-579		-653	
Profit (loss) from equity investments	16	35		6	
TOTAL ASSET MANAGEMENT		**-484**		**-546**	
PROFIT (LOSS) BEFORE TAX		**5,393**		**5,027**	
Taxes for the period	17	-1,789		-2,071	
PROFIT/(LOSS) FOR THE PERIOD		**3,603**		**2,955**	
Minority Interest's loss (profit) for the period	18	-32		-19	
GROUP'S PROFIT/(LOSS) FOR THE PERIOD		**3,572**		**2,937**	
Earnings per share (€)	19	0.1919		0.1578	

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts shown in € K	Notes	INTERIM 2017	INTERIM 2016
PROFIT (LOSS) FOR THE PERIOD (A)		**3,603**	**2,955**
Other comprehensive profits/(losses) that will not be subsequently reclassified to the Income Statement:			
- Profit (loss) arising from the determination of the Termination Benefit after tax	44	270	-435
Other comprehensive profit/(loss) that will be subsequently reclassified to the Income Statement:	24		
- Profit (loss) arising from the redetermination of financial assets available for sale	24	0	0
Total other profit (loss) before tax (B)		*270*	*-435*
COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)	41	**3,873**	**2,521**
Minority Interest's comprehensive profit (loss) for the period		-45	4
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		**3,828**	**2,524**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)

ASSETS	Notes	30.Jun.2017	31.Dec.2016
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Concession rights (royalties)	20	146,718	147,818
Industrial patent rights	21	245	320
Work in progress and advance payments	22	14,367	9,807
Total Intangible Assets		**161,330**	**157,945**
TANGIBLE ASSETS	23		
Revertible property (land and buildings, with no payment)		1,646	1,734
Owned property, plant and equipment		24,275	23,899
Total Tangible Assets		**25,922**	**25,633**
EQUITY INVESTMENTS			
Equity investments in other entities	24	147	141
Investments in Associated Companies	25	560	525
Total Equity investments		**707**	**666**
FINANCIAL ASSETS			
Guarantee deposits	26	171	146
Receivables from others due beyond the year	27	2,535	2,550
Total Financial Assets		**2,707**	**2,696**
Prepaid taxes recoverable beyond the year	28	2,051	2,147
TOTAL NON-CURRENT ASSETS		**192,717**	**189,087**
CURRENT ASSETS			
Inventories	29	0	0
ACCOUNTS RECEIVABLE			
Other receivables from customers	30	22,393	15,486
of which from Related Parties		*680*	*542*
Receivables from associated companies	31	243	217
Tax receivables	32	1,172	188
Receivables from others, due within the year	33	7,927	5,473
of which from Related Parties		*427*	*427*
Total trade and sundry receivables		**31,735**	**21,364**
Cash and cash equivalents	34	11,252	27,448
TOTAL CURRENT ASSETS		**42,987**	**48,812**
TOTAL ASSETS		**235,704**	**237,899**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.Jun.2017	31.12.2016
CAPITAL AND RESERVES			
Share Capital	35	30,710	30,710
Capital reserves	36	72,877	72,374
IAS adjustments reserve	37	-3,229	-3,229
Profit/(Loss) carried forward	38	2,687	2,387
Group's profit (loss) for the period	39	3,572	9,814
TOTAL GROUP SHAREHOLDERS' EQUITY		**106,616**	**112,055**
MINORITY INTEREST	40	141	190
TOTAL SHAREHOLDERS' EQUITY		**106,757**	**112,245**
MEDIUM-LONG TERM LIABILITIES			
Provisions for liabilities and charges	42	2,883	2,886
Provisions for repair and replacement	43	19,142	19,081
Termination benefits and other personnel-related provisions	44	6,235	6,853
Financial liabilities	45	34,725	36,259
Other payables due beyond the year	46	64	43
TOTAL MEDIUM-LONG TERM LIABILITIES		**63,049**	**65,123**
CURRENT LIABILITIES			
Bank overdrafts	47	11,000	0
Loans	48	4,340	4,456
Tax liabilities	49	8,260	7,006
Payables to suppliers	50	19,277	26,029
of which from Related Parties		*105*	*36*
Payables to social security institutions	51	1,816	2,670
Other payables due within the year	52	15,538	15,218
of which from Related Parties		*329*	*617*
Provisions for repair and replacement	43	5,264	4,830
Advance payments	53	403	322
Total trade and sundry receivables		**42,298**	**49,069**
TOTAL CURRENT LIABILITIES		**65,898**	**60,531**
TOTAL LIABILITIES		**128,947**	**125,654**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**235,704**	**237,899**

Toscana Aeroporti

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY
(amounts shown in €K)

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STATUTORY RESERVES	OTHER RESERVES	IAS ADJUSTMENTS RESERVE	TOTAL RESULT RESERVES	TOTAL GROUP'S S.E.	MINORITY INT. S.E.	TOTAL SHAREHOLDERS' EQUITY
S.E. AT 31 December 2015	30,710	18,941	2,548	25,876	24,585	-3,229	10,968	110,399	127	110,526
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	2,937	2,937	19	2,955
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	-413	-413	- 22	-435
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	*2,524*	2,524	-4	2,521
PROFIT ALLOCATION	-	-	424	0	-	-	-429	- 5	5.40	- 0.10
DIVIDENDS	-	-	-	-	-	-	-7,891	-7,891	- 38	-7,930
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	*424*	*0*	-	-	*-8,321*	*-7,897*	- *33*	*-7,930*
S.E. AT 30 June 2016	30,710	18,941	2,972	25,876	24,585	-3,229	5,171	105,026	91	105,117
S.E. AT 31 December 2016	30,710	18,941	2,972	25,876	24,585	-3,229	12,201	112,055	190	112,245
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	3,572	3,572	32	3,603
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	250	250	20	270
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	*3,822*	3,822	*51*	3,873
PROFIT ALLOCATION	-	-	503	-	-		-503	0	0	0
DIVIDENDS	-	-	-	-	-	-	-9,261	-9,261	- 100	-9,361
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	*503*	-	-	-	*-9,764*	*-9,261*	- *100*	*-9,361*
S.E. AT 30 June 2017	30,710	18,941	3,475	25,876	24,585	-3,229	6,258	106,616	141	106,757

CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in € K)

Euro K	**INTERIM 2017**	**INTERIM 2016**
OPERATING ACTIVITY		
Net result for the period	**3,603**	**2,955**
Adjusted for:		
- Amortization	4,210	4,244
- Other provisions and impairment losses	275	952
- Change in the provision for liabilities and charges	(3)	(325)
- Net change in termination benefit and other provisions	(379)	472
- Financial expenses for the period	579	653
- Investment income	-	0
- Net changes in (prepaid)/deferred taxes	65	(410)
- Taxes for the period	1,789	2,071
Cash flows of operating activities before changes in the working capital	*10,140*	*10,612*
- (Increase)/decrease in trade receivables	(6,907)	(10,575)
- (Increase)/decrease in other accounts receivable and current assets	(3,464)	284
- Increase/(decrease) in payables to suppliers	(6,752)	(11,804)
- Increase/(decrease) in other payables	(70)	3,713
Cash flows of operating activities before changes in the working capital	*(17,192)*	*(18,382)*
Liquid assets generated by operating activities	*(7,052)*	*(7,770)*
- Interest payable paid	(297)	(370)
- Taxes paid	(891)	(2,760)
Cash flow generated by operating activities	**(8,241)**	**(10,899)**
INVESTMENT ACTIVITIES		
- Cash and cash equivalents contributed with the incorporation of AdF	-	-
- Purchase of tangible assets	(1,843)	(628)
- Sale of tangible assets	25	273
- Purchase of intangible assets	(6,066)	(3,280)
- Equity investments and financial assets	(52)	303
- Realizable value from sale of stakes	-	0
Cash flow from investing activities	**(7,936)**	**(3,333)**
CASH FLOWFROM OPERATIONS	**(16,177)**	**(14,232)**
FINANCIAL ASSETS		
- Dividends paid	(9,369)	(7,932)
- Short-/long-term loans taken out	11,500	6,000
- (Repayment of) short-/long-term loans	(2,151)	(2,163)
Net cash flow generated by/(used for) investments	**(20)**	**(4,095)**
Net increase/(decrease) in Cash and cash equivalents	**(16,196)**	**(18,327)**
Cash and cash equivalents at beginning of period	**27,448**	**32,296**
Cash and cash equivalents at end of period	**11,252**	**13,970**

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2017

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2017

INTRODUCTION

Gruppo Toscana Aeroporti (hereinafter also briefly "the TA Group" or "TA") consists of the Parent Company, Toscana Aeroporti S.p.A. (hereinafter also briefly "Parent Company" or "TA"), a joint-stock company having its registered office in Firenze, Via del Termine n. 11, registered in the Register of Companies of Florence, and its subsidiaries, Toscana Aeroporti Engineering s.r.l., Parcheggi Peretola s.r.l., and Jet Fuel Co. s.r.l.

The main activities of the Group are described in the Report on Operations.

The Condensed Consolidated Interim Financial Statements the TA Group shows amounts in Euro thousands (€K) as this is the currency used by TA and its subsidiaries for most their operations.

In addition, international accounting standards have been consistently applied for all the companies of the Group. The financial statements of the Subsidiaries, used for the consolidation, have been appropriately amended and reclassified, where necessary, for consistency with international accounting standards and classification criteria.

The limited auditing activity for the Condensed Consolidated Interim Financial Statements at 30 June 2015 of the TA Group has been carried out by the auditor "PricewaterhouseCoopers S.p.A."

BASIS FOR CONSOLIDATION

At 30 June 2017, the structure of the TA Group is the one described in the annex to the Report on Operations, which is recalled in this document. Compared to 31 December 2016, no change was made to the Group's layout.

STRUCTURE AND CONTENT OF STATEMENTS AND REPORTS

The Condensed Consolidated Interim Financial Statements of the TA Group at 30 June 2017 has been prepared in compliance with the International Accounting Standards (IAS/IFRS) in force to date, issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the measures issued to implement art. 9 of Leg. Dec. no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 concerning "Provisions on financial statements", CONSOB Resolution no. 15520 of 27 July 2006 concerning "Amendments and additions to the Issuers' Regulation adopted with Resolution no. 11971/99", CONSOB Notice no. 6064293 of 28 July 2006 concerning "Company disclosures required by to art. 114, paragraph 5, of Leg. Dec. no. 58/98"). Furthermore, we considered the International Financial Reporting Interpretations Committee ("IFRIC"), formerly Standing Interpretations Committee ("SIC").
In the preparation of these Interim Financial Statements, prepared in compliance with IAS 34 - Interim Financial Reporting, we applied the same Accounting standards adopted in the preparation of the Consolidated Financial Statement at 31 December 2016, except for

the contents of the section "New accounting standards, amendments and interpretations applied since 1 January 2017".
The information provided in this Interim Financial Report must be read together with the Consolidated Financial Statement at 31 December 2016, prepared in compliance with IFRS.

To prepare this Interim Financial Report, the Management is required to develop estimates and assumptions that affect revenues, costs, assets and liabilities entered in the balance sheet, as well as the the information disclosed regarding potential assets and liabilities at the closing date. Should said estimates and assumptions prepared by the Management be seen to differ from the actual circumstances in the future, they would be amended appropriately in the year when said circumstances would occur. For a more in-depth description of the most significant valuation processes used by the Group, see the section "Use of estimates" in the Consolidated Financial Statement at 31 December 2016.
Furthermore, we point out that some valuation processes, and particularly the most complex, such as the determination of any impairment of fixed assets, are generally made completely only during the preparation of the annual report, when all the necessary information is available, except for the rare case where there are indicators requiring an immediate assessment of any impairment.
Income taxes are recognised based on the best estimate of the weighted average tax rate expected for the entire period.

INFORMATION ON THE SEASONAL NATURE OF THE AIRPORT SECTOR

Due to the cyclic nature of the sector where the Group operates, higher operating revenues and profits are generally expected in the second and third quarter rather than in the first and fourth quarters. The highest sales usually concentrate in the June-September holiday peak period, when the maximum user level is recorded by the airport infrastructures managed.

FORMAT OF FINANCIAL STATEMENTS

The Company decided to publish the following types of consolidated statements: Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in the Consolidated Shareholders' Equity, Statement of Cash Flows and Explanatory Notes. In their turn, Assets and Liabilities have been shown in the Balance Sheet based on their classifications as current and non-current.

- Income Statement

The Income Statement is presented with classifications by nature, as this is considered to be the most significant classification method for the best disclosure of the earnings of the Company.
Furthermore, the income statement, pursuant to Consob's Resolution no. 15519 of 27 July 2006, breaks down all the relevant cost and revenue items: (I) (positive or negative) income components arising from events or operations not recurring in nature, i.e. those operations or events that are not frequently repeated during the usual conduction of activities, (ii) the effects of relationships with related parties.

- Statement of Comprehensive Income

The Statement of Comprehensive Income includes both the operating profit for the period and changes in the Shareholders' Equity relating to revenue and expense accounts, which, as specified in international accounting standards, are recognised among the components of the Shareholders' Equity. The Statement of Comprehensive Income is presented with details of Other Comprehensive Profits and Losses to distinguish between profits and losses that will be reclassified in the income statement in the future, and profits and losses that will never be reclassified in the income statement.

- Statement of Cash Flows

The Statement of Cash Flows is presented subdivided into cash flow formation areas. It has been adopted by the TA Group and prepared by using the indirect method. Cash and cash equivalents included in the cash flow statement include the balance values of said items at the reference date. Income and expenses concerning interests, dividends received and income taxes are included in the financial flows generated by operations.
Pursuant to Consob Resolution no. 15519 of 27 July 2006, we specify that the cash flow statement does not show the financial flows regarding relationships with related parties, because they are not considered significant.

- Statement of Changes in the Consolidated Shareholders' Equity

The statement of Changes in the Consolidated Shareholders' Equity is presented as required by international accounting standards, with separated items for the year's profit and each revenue, income, charge and expense not passed in the income statement or in the statement of comprehensive income, but directly recognised in the Shareholders' Equity based on specific IAS/IFRS accounting standards.

New accounting standards, amendments and interpretations in force since 1 January 2017

No new international accounting standards or amendments to those used in the preparation of the 2016 financial statements have been adopted in these Interim Financial Statements.

Accounting standards, amendments and interpretations not yet adopted

At the date of this financial statement, the competent bodies of the European Union completed the ratification process required for the adoption of the following accounting principles and amendments:

- In May 2014, IASB and FASB jointly published IFRS 15 - "Revenue from Contracts with Customers". The purpose of that principle, approved on 22 September 2016, is to improve the disclosure of revenues and their comparability between different financial statements. The new principle can be applied retrospectively for the financial years beginning on or after 1 January 2018. Anticipated application is permitted. The Group is continuing the analysis of the different types of existing agreements. More specifically, specific categories of agreements are being reviewed, including marketing support agreements signed with carriers and services level agreements that are not regulated in the favour of airlines and users. The Management believes they can assess the accounting impact more reliably in the next 6 months.

- On 24 July 2014, the IASB completed its revision of the accounting standard concerning financial instruments by issuing the complete version of IFRS 9 "Financial Instruments". This principle has been approved on 22 November 2016. The new provisions of IFRS 9: (i) change the model for the classification and valuation of financial assets; (ii) introduce a new method for the impairment of financial assets, which keeps into account expected credit losses; (iii) change hedge accounting provisions, and (iv) define new criteria for the recognition of operations performed to amend financial liabilities. The provisions of IFRS 9 will be effective starting from the financial years starting on or after 1 January 2018. Anticipated application is permitted. The Group is currently analysing the impact of the reviewed principle on the different book items. The Management believes they can assess the accounting impact more reliably in the next 6 months.

Accounting standards, amendments and interpretations not yet applicable

At the date of this financial statement, the competent bodies of the European Union have not yet concluded the ratification process required for the adoption of the following accounting principles and amendments:

- During January 2016, the IASB published IFRS 16 "Leasing". This new standard will replace the current IAS 17. The main change concerns leaseholder accounting practices, which had to distinguish between finance leases (booked by using the financial method) and operating leases (booked by using the equity method) according to IAS 17. With IFRS 16, the accounting treatment of operating leases will be the same as that required for finance leases. The IASB established the option of exemption for certain lease agreements and low-value / short-term leases.
  This standard will apply from 1 January 2019. Anticipated application will be allowed if IFRS 15 "Revenue from Contracts with Customers" is jointly adopted.
- In January 2016, the IASB issued an amendment to IAS 12 "Income Taxes". These amendments clarify the accounting method to be used for deferred taxes regarding debt instruments valued at fair value.
  They will be applicable effective from 1st January 2017, after the completion of the endorsement process by the EU.
- In January 2016, the IASB issued an amendment to IAS 7 "Statement of Cash Flows". These amendments to IAS 7 introduce further disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities. They will be applicable effective from 1st January 2017, after the completion of the endorsement process by the EU.
- In June 2016, the IASB issued an amendment to IFRS 2 "Share-Based Payments". These amendments clarify how to account for some payments based on shares. These changes will apply from 1 January 2018.
- In December 2016, the IASB issued an amendment to IAS 40 "Investment Property". These amendments clarify that the change of use is a precondition for the transfer to or from investment property. These changes will apply from 1 January 2018.
- In December 2016, the IASB issued an amendment to IAS 4 "Insurance Contracts" concerning the adoption of IFRS 9 "Financial Instruments'.
  These amendments will allow all the companies that issue insurance contracts to use the option of recognising the volatility that may arise when IFRS 9 will be applied in the statement of comprehensive income rather than in the income statement before the new standard on insurance contracts is issued. Furthermore, they will give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021. The entities that will put off the application of IFRS 9 will continue to apply IAS 39. These changes will apply from 1 January 2018.
- In December 2016, the IASB issued a number of annual amendments to IFRSs 2014–2016. The changes concern:
  IFRS 12 - "Disclosure of Interests in Other Entities" (applicable from 1st January 2017);
  IFRS 1 - "First-time Adoption of International Financial Reporting Standards" (applicable from 1st January 2018);
  IAS 28 - "Investments in Associates and Joint Ventures" (applicable from 1st January 2018).

These amendments clarify, correct or remove the redundant text in the related IFRSs and are not expected to impact the financial statement or disclosures significantly.

- In December 2016, the IASB issued Interpretation IFRIC 22 – "Foreign Currency Transactions and Advance Consideration". This amendment deals with the exchange rate to be used in transactions and advance considerations paid or received in foreign currency. The amendment will apply from 1 January 2018.
- In May 2017, the IASB issued the new principle IFRS 17 "Insurance contracts". The new standard will replace IFRS 14 and will apply from 1st January 2021.

The Group will adopt said new principles, amendments and interpretations based on the effectiveness date specified and will assess their potential impact when these will be ratified by the European Union.

MAIN FINANCIAL RISKS

A description of the main financial risks and of the mitigating actions implemented by the TA Group is given below.

1) Credit risk

Over the last few years, the effects of the crisis of financial markets and the consequent recessive economy in the main industrialized Countries negatively affected the balance sheets of the airlines - the main clients of the Group. Hence, the risk of a partial non-collection of receivables accrued from airlines.
The Group believes that it has suitably controlled said risk through its constant monitoring of accounts receivable, also sometimes promptly initiating legal actions to protect said receivables, which are reflected in the allocation of a specific provision for bad debt, currently deemed to be adequate in connection with the amounts of the existing receivables. Always with the purpose of facing the credit risk, the Parent Company usually asks for sureties as guarantee (e.g. from sub-licensees) or pre-payments (e.g. from unknown airlines).
We point out that the Parent Company took out an excess-of-loss type of insurance on credit positions to cover collection risks should insolvency proceedings be opened against the assets of any customer. Furthermore, the Parent Company hired a company for its long-term debt collection activities. If necessary, the Group also uses short-term bank loans to meet short-term requirements.

2) Liquidity risk

At 30 June 2017, the Group had a negative Net Financial Position for € 38.8 M (€ 13.3 M at 31 December 2016). This is the result of a negative current NFP of about € 4.1 M (€ +23 M at 31 December 2016) and a negative non-current NFP of € 34.7 M (€ 36.3 M at 31 December 2016) regarding two loans granted by banks "Intesa San Paolo" and "MPS Capital Service" for the infrastructural development o the two airports.
Six-month EURIBOR interest rates are paid on the two loan agreements, expiring in 2022 and 2027, and some financial covenants are to be complied with, for which at 30 June 2017 there was no criticality. The Group believes that the funds and the currently available medium/long-term credit lines, in addition to those that will be generated by operations, will suffice to meet its investment, working capital management and debt repayment at natural maturity requirements.

3) Interest rate risk

Exposure to the interest rate risk arises from the need to finance both industrial and financial operations, as well as use the available cash. Changes in market interest rates may have a negative or positive impact on the Group's EBIT, thereby indirectly influencing the costs and returns of loans and investments.
The Net Financial Position at 30 June 2017 is € 38.8 M and the debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2017 is 0.36(vs. 0.12 at 31 December 2016), which confirms the financial soundness of the Group.
Based on the NFP at 30 June 2017, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical growth/reduction of 100 bp, would be approximately +/- € 390 K.
The potential impact on the Provision for repairs in terms of growth as a consequence of a hypothetical annual reduction of 50 bp in interest rates would correspond to + € 500 K. Instead, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 bp in interest rates would be approx. - € 480 K.
No further sensitivity analysis is provided, as it is considered immaterial.

4) Exchange rate risk

The TA Group is not subject to risks linked to fluctuations in exchange rates because it prevalently operates in a European context where transactions are made in Euro.

Information on the main customers of the Parent Company "TA"

During the first half of 2017, TA recorded over 3,650 million passengers in a system with 38 operating carriers. The total incidence of the first three carriers is 59.2%. More specifically, the incidence of the first carrier (Ryanair) is 42.7%, while the incidences of the second (Vueling) and third (easyJet) carriers are 8.3% each.

OPERATING SEGMENT REPORTING

The operating sectors are identified based on the internal reporting system used by the Management to allocate resources and assess performance.

Information regarding the main operating sectors of the Group is given below as required by IFRS 8. First of all, it is important to highlight that the type of business activity carried out by TA Group does not allow for the identification of business segments related to completely independent activities in terms of market/customer combinations. Currently, the "traffic" component influences the results of all the company's activities.

However, we may identify two significant operating segments characterized by the independent nature of their products/services and production processes, for which - for the aforesaid reasons - we propose a disclosure relating to the information directly made available by the company's analytical accounting system used by Chief Operating Decision Makers.

The currently available information regarding the main operating segments identified are provided below: Aviation, Non-Aviation and Corporate.

- *Aviation Business*: this operating segment includes the so-called "air-side" activities (after the security check), which are the core business of an airport. They include: passenger and

aircraft ground handling, landing, aircraft departure and stopover, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading.
Revenues for the Aviation segment are represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, take-off and stopover fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- *Non-Aviation*: this segment includes activities normally carried out in the "land-side" area (before the security check), which are not directly associated with the Aviation segment. They include retail activities, catering, car parking, car rental, advertising, ticket office, VIP Lounge.
Non-Aviation Business Revenues consist in the royalties earned from activities conducted under a sub-concession, in the direct management of certain activities (such as car parking, ticket office and advertising) and in the rents paid by sub-concessionaires.

The table below provides the main information regarding the operating segments described above by highlighting, in unallocated items, (corporate) revenues, costs, assets and investments not directly attributable to the two segments. More specifically, the main types of unallocated costs refer to the cost of labour/personnel (staff), professional services rendered, insurance and industry association membership fees, pro-rata portion of utilities, maintenance and depreciation, administrative costs, provisions for liabilities, Directors' and Auditors' fees.

- *Corporate segment*: the values indicated in unallocated items mainly refer to corporate costs not directly attributable to the two operating segments, such as - for example - the cost of personnel, professional services rendered for the Management, general insurance and industry association membership fees, pro-rata portion of utilities, general maintenance and unallocated depreciation of infrastructure, administrative costs, provisions for liabilities, Directors' and Auditors' fees, etc.

(values in € K)	Aviation		Non-Aviation		Unallocated assets (Corporate)		Total	
TA Group - Income Statement	*Interim 2017*	*Interim 2016*	*Interim 2017*	*Interim 2016*	*Interim 2017*	*Interim 2016*	*Interim 2017*	*Interim 2016*
Operating income	43,512	40,739	12,722	11,848	773	2,343	57,008	54,930
of which Pisa	*25,240*	*23,479*	*7,826*	*7,453*	*648*	*1,933*	*33,715*	*32,864*
of which Florence	*18,273*	*17,260*	*4,896*	*4,395*	*125*	*410*	*23,293*	*22,066*
Revenues from construct. serv.	4,707	2,174	568	171	417	427	5,693	2,772
of which Pisa	*1,332*	*792*	*47*	*29*	*0*	*0*	*1,379*	*821*
of which Florence	*3,375*	*1,382*	*521*	*142*	*417*	*427*	*4,314*	*1,950*
Total Segment Income	**48,220**	**42,913**	**13,290**	**12,019**	**1,190**	**2,770**	***62,700***	***57,702***
Operating Costs (*)	28,132	26,926	10,068	9,187	7,842	7,870	46,043	43,982
of which Pisa	*16,611*	*15,651*	*8,115*	*7,683*	*3,801*	*3,972*	*28,526*	*27,306*
of which Florence	*11,522*	*11,275*	*1,953*	*1,504*	*4,041*	*3,898*	*17,516*	*16,676*
Cost of construct. serv.	4,179	1,695	554	156	416	405	5,149	2,257
of which Pisa	*1,298*	*735*	*47*	*18*	*0*	*0*	*1,345*	*753*
of which Florence	*2,881*	*960*	*507*	*139*	*416*	*405*	*3,804*	*1,504*
Amortization and provisions	4,024	4,260	761	754	847	876	5,632	5,890
of which Pisa	*2,563*	*2,827*	*498*	*515*	*622*	*211*	*3,683*	*3,552*
of which Florence	*1,461*	*1,433*	*263*	*239*	*225*	*666*	*1,949*	*2,338*
Operating Earnings	**11,885**	**10,033**	**1,906**	**1,922**	**-7,915**	**-6,382**	***5,877***	***5,573***
of which Pisa	*6,101*	*5,059*	*-787*	*-734*	*-3,774*	*-2,250*	*1,540*	*2,075*
of which Florence	*5,784*	*4,974*	*2,693*	*2,656*	*-4,140*	*-4,132*	*4,337*	*3,498*
Asset management	0	0	0	0	-484	-546	-484	-546
Profit before tax	**11,885**	**10,033**	**1,906**	**1,922**	**-8,399**	**-6,928**	***5,393***	***5,027***
Year's taxes	0	0	0	0	-1,789	-2,071	-1,789	*-2,071*
Net year's result	**11,885**	**10,033**	**1,906**	**1,922**	**-10,188**	**-8,999**	***3,603***	***2,955***
Loss (profit) of minority interest	0	0	0	0	-32	-19	-32	*-19*
Net Group result	**11,885**	**10,033**	**1,906**	**1,922**	**-10,220**	**-9,018**	***3,572***	***2,937***
TA Group - Statement of financial position	*Interim 2017*	*31 Dec.16*	*Interim 2017*	*31 Dec.16*	*Interim 2017*	*31 Dec.16*	*Interim 2017*	*31 Dec.16*
Current assets	12,671	10,356	5,437	4,970	37,727	27,175	55,835	42,501
Non-current assets	137,112	65,376	45,631	32,278	9,974	5,030	192,717	102,685
TA Group - Addtional information	*Interim 2017*	*2015*	*Interim 2017*	*2015*	*Interim 2017*	*2015*	*Interim 2017*	*2015*
Investments	6,101	6,285	592	1,207	1,191	3,490	7,884	10,981

(*) including Airport leases for € 2,903 K in the first half of 2017 (€ 2,750 K in 2016).

NOTES TO TE MAIN ITEMS OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS: **INCOME STATEMENT**

VALUE OF PRODUCTION (REVENUE ITEMS)

On the whole, consolidated revenues at 30 June 2017 totalled € 62.7 M (€ 63.24 M at 30 June 2016), with a positive difference of € 5.0 M, and include:

Amounts shown in € K	Notes	INTERIM 2017	INTERIM 2016	Abs. Diff. 2017/2016	% Diff.
REVENUES					
Operating income					
Aviation revenues	1	43,512	40,739	2,773	6.8%
Non-Aviation revenues	2	12,724	11,848	876	7.4%
Other revenues and income	4	771	2,343	-1,572	-67.1%
Total operating revenues		**57,008**	**54,930**	**2,077**	**3.8%**
Revenues from construction services	3	5,693	2,772	2,921	105.4%
TOTAL REVENUES (A)		**62,700**	**57,702**	**4,998**	**8.7%**

for the analysis of the main deviations of the two six-month periods at issue, see section 11.1 of the Report on Operations.

1. Aviation revenues

The table below shows the items of "Aviation revenues" at 30 June 2017 and the changes, both in absolute and percentage terms, compared to 30 June 2016:

Amounts shown in € K	**INTERIM 2017**	**INTERIM 2016**	**Diff. Abs. 2017/2016**	**Diff. %**
AVIATION REVENUES				
Passenger boarding fees	**14,633**	**13,876**	**758**	**5.5%**
Landing/departure fees	**6,791**	**6,333**	**458**	**7.2%**
Stopover fees	**547**	**522**	**24**	**4.6%**
PRM assistance fees	**1,200**	**1,136**	**63**	**5.6%**
Cargo fees	**258**	**269**	**-11**	**-3.9%**
Passenger security fees	**3,384**	**3,224**	**161**	**5.0%**
Baggage security fees	**1,959**	**1,892**	**67**	**3.5%**
Handling	**13,893**	**12,773**	**1,120**	**8.8%**
Centralised infrastructures	**848**	**716**	**132**	**18.5%**
TOTAL AVIATION REVENUES	**43,512**	**40,739**	**2,773**	**6.8%**
% incid. over Operating Revenue	76.3%	74.2%		

2. Non-Aviation revenues

The table below provides details on revenues from non-aviation activities carried out during the first 6 months of 2017 and those of the first 6 months of 2016:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
NON-AVIATION REVENUES				
Parking lots	2,927	2,754	173	6.3%
Food	1,424	1,354	70	5.2%
Retail	2,140	2,004	136	6.8%
Advertising	981	965	16	1.7%
Real Estate	1,069	1,075	-6	-0.5%
Car rentals	2,083	1,971	112	5.7%
Other subconcessions	1,086	903	183	20.3%
VIP lounges	622	434	188	43.4%
Air tickets	208	220	-12	-5.3%
Cargo agency	184	169	15	9.1%
TOTAL NON-AVIATION REVENUES	**12,724**	**11,848**	**876**	**7.4%**
% incid. over Operating Revenue	22.3%	21.6%		

3. Other revenue and income

The table below provides details on revenues regarding the other revenues and income recognised during the first 6 months of 2017 and those of the first 6 months of 2016:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
OTHER REVENUE AND INCOME				
Contingent assets	192	1,779	-1,587	-89.2%
Services and consulting	86	92	-6	-6.1%
Cost recoveries	463	446	17	3.9%
Minors	30	26	4	14.2%
TOTAL REVENUES AND INCOME	**771**	**2,343**	**-1,572**	**-67.1%**
% incid. over Operating Revenue	1.4%	4.3%		

4. Revenues from construction services

Revenues from construction services at 30 June 2017 totalled € 5.69 M (€ 2.77 M at 30 June 2016), with a positive difference of € 2.92 M.

COSTS

On the whole, consolidated costs at 30 June 2017 totalled € 51.19 M (€ 56.24 M at 30 June 2016), with a positive difference of € 4.95 M, and include:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. %
COSTS				
Consumables	512	535	-23	-4.4%
Cost of Personnel	20,768	20,142	625	3.1%
Costs for services	20,729	19,495	1,235	6.3%
Sundry operating expenses	1,130	1,060	70	6.6%
Airport leases	2,903	2,750	153	5.6%
TOTAL OPERATING COSTS	**46,043**	**43,982**	**2,060**	**4.7%**
Costs for construction services	5,149	2,257	2,893	128.2%
TOTAL COSTS	**51,192**	**46,239**	**4,953**	**10.7%**
% incid. over Revenues	81.6%	80.1%		

for the analysis of the main deviations of the two six-month periods at issue, see section 11.1 of the Report on Operations.

5. Consumables

This item refers to the cost of consumable materials, € 512 K at 30 June 2017 (against € 535 K at 30 June 2016). They are specifically broken down below:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
CONSUMABLES				
Stationery	13	32	-19	-59.4%
Fuels, lubricants	335	287	48	16.8%
Materials for car parking lots	11	5	5	98.3%
Small tools	14	7	6	82.9%
Mat. safety control serv.	9	16	-7	-41.8%
Clothing	78	123	-44	-36.3%
Mat. for operating services	52	65	-13	-19.5%
TOTAL CONSUMABLES	**512**	**535**	**-23**	**-4.4%**
% incid. over Operating Costs	1.1%	1.2%		

6. Cost of Personnel

The cost of personnel (€ 20.77 M at 30 June 2017) increased by € 625 K compared to 30 June 2016. This cost item is broken down below:

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
PERSONNEL COSTS				
Remuneration	**20,597**	**19,913**	**684**	**3.4%**
Other labour costs	**170**	**230**	**-59**	**-25.8%**
of which:				
Contributions to CRAL	6	5	1	29.5%
Social Fund	6	5	1	21.5%
Benefits to personnel	48	39	9	23.7%
Administered and sundry	110	181	-71	-39.1%
TOTAL COSTS OF PERSONNEL	**20,768**	**20,143**	**625**	**3.1%**
% incid. over Operating Costs	45.1%	45.8%		

The table below specified **the average annual number of employees** (expressed in *Equivalent Full Time*[1]) regarding the first 6 months of 2017 and the difference compared to the same period of 2016:

	INTERIM 2017	INTERIM 2016	Δ+/–	Δ%
Executives	13.0	11.9	1.1	9.2%
Employees	525.4	500.6	24.8	4.9%
Workers	167.5	175.9	-8.4	-4.8%
TOSCANA AEROPORTI	705.9	688.4	17.5	2.5%
Jet Fuel	11.0	10.2	0.8	7.8%
TAE	4.0	0.9	3.1	N.S.
Group	720.9	699.5	21.4	3.1%

For the analysis of the main deviations of the two six-month periods at issue, see section 13 of the Report on Operations.

7. Costs for services

On the whole, costs for services in the first 6-month period 2017 and 2016 consist of.

1 In EFTs, 2 part-time units are considered as 1 full-time unit.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Sales services	7,533	6,723	811	12.1%
Institutional expenses	742	750	-8	-1.1%
Other services	1,874	1,691	183	10.8%
Services for the personnel	882	851	30	3.6%
Maintenance services	2,541	2,439	102	4.2%
Utilities	1,574	1,653	-79	-4.8%
Operating services	5,584	5,387	197	3.7%
TOTAL COSTS FOR SERVICES	**20,729**	**19,494**	**1,235**	**6.3%**
Incid.% over Costs	45.0%	44.3%		

"*Commercial services*" amount to € 7.53 M at 30 June 2017 (€ 6.72 M at 30 June 2016) and mainly include network development costs. The difference of the half-year considered stems from the greater marketing support costs incurred for the development of traffic in both airports.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Sales services	**7,533**	**6,723**	**811**	**12.1%**
of which:				
Network development	7,396	6,537	859	13.1%
Advertising commissions	25	64	-39	-61.4%
Management of advertising systems	53	62	-9	-15.1%
Dry cleaning service	60	60	0	0.0%

"*Institutional expenses*" amount to € 742 K (€ 750 K at 30 June 2017), mainly including the cost of control and auditing boards.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Institutional expenses	**742**	**750**	**-8**	**-1.1%**
of which:				
Directors' fees	459	493	-35	-7.1%
Auditors' fees	97	99	-2	-2.3%
Directors' business travels	168	153	15	9.8%
Legal, notarial, meeting expenses	4	5	-1	-12.8%
Participation in conferences	15	0	14	N.S.

"*Other services*" - € 1.87 M (€ 1.69 K at 30 June 2016) - mainly include professional services, industrial insurance and communication costs.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Other services	**1,874**	**1,691**	**183**	**10.8%**
of which:				
Professional services	927	880	47	5.4%
Industrial insurance	354	382	-28	-7.3%
Communications	529	252	277	110.1%
DNV audits	4	5	-1	-23.5%
Toscana Aeroporti Start Up	60	173	-113	-65.0%

The main difference of these costs (€ +277 K) is due to the greater communication costs incurred by the Parent Company to increase the visibility of the Tuscan airport system.

"P*ersonnel services*" amount to € 882 K (€ 851 K at 30 June 2016), as shown below: They mainly refer to costs for the employees' canteen.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Services for the personnel	**882**	**851**	**30**	**3.6%**
of which:				
Canteen	555	541	14	2.6%
Insurance	88	53	35	67.1%
Preventive medicine and med. examinations	40	17	23	131.2%
Training	79	58	21	36.1%
Personnel recruitment	19	22	-4	-16.1%
Payroll services	27	28	-1	-3.1%
Journeys	73	132	-58	-44.4%

"*Maintenance services*" - € 2.54 M (€ 2.44 K at 30 June 2016) - include airport maintenance ad infrastructures, systems and installations, equipment and vehicles.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Maintenance services	**2,541**	**2,439**	**102**	**4.2%**
of which:				
Equipm./Truck Maint.	456	414	42	10.2%
BHS system maint.	468	452	16	3.6%
Maint. of infrastructures	1,078	1,065	13	1.2%
IT maintenance	539	508	31	6.1%

"*Utility services*" amount to € 1.57 M (€ 1.65 M at 30 June 2016) and mainly include costs for electricity, gas, and water.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Utilities	**1,574**	**1,653**	**-79**	**-4.8%**
of which:				
Electricity	688	725	-37	-5.1%
Water	161	209	-47	-22.7%
Telephones	112	121	-9	-7.7%
Mobile phones	72	58	14	23.6%
Gas	468	464	4	0.9%
Minors	73	76	-3	-4.2%

"*Operating services*" - € 5.58 M (€ 5.39 M at 30 June 2016) - mainly include external costs for porters, surveillance, cleaning, rentals, parking lots, first aid care and other services typically associated with airport operations. More specifically, the higher porterage costs are closely connected with the greater traffic managed during the half-year.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
COSTS FOR SERVICES				
Operating services	**5,584**	**5,387**	**197**	**3.7%**
of which:				
Porterage	1,683	1,435	248	17.3%
Aircraft cleaning	352	356	-5	-1.3%
Agency/Wareh. service	128	128	0	0.0%
Cleaning	521	544	-23	-4.3%
PRM Support	140	127	13	10.5%
Surveillance service	1,157	1,126	30	2.7%
Services Centre	127	122	5	3.7%
Connection ? arco az	69	126	-57	-45.2%
Rental of mach. and equip.	509	500	9	1.9%
Management of parking lots	308	313	-5	-1.7%
Gardening	76	59	17	28.1%
VIP Lounge	145	176	-30	-17.2%
First Aid Service	210	220	-10	-4.3%
Shuttle bus	158	154	5	3.0%

8. Sundry operating expenses

"*Sundry management expenses*" - € 1,130 K (€ 1,060 K at 30 June 2016) - mainly include taxes and levies, membership fees, sundry administrative costs, and other minor entries.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
SUNDRY OPERATING EXPENSES				
Publications	12	12	1	4.4%
Ins. entities and sundry institutions	267	178	89	50.1%
Taxes and levies	298	322	-24	-7.6%
Entertainment	47	51	-4	-7.5%
Revenue stamps	20	32	-11	-35.7%
Non-recurring costs	263	270	-8	-2.8%
Post and telegraph	10	11	-1	-10.6%
Rebates and allowances	0	0	0	1.3%
Sundry administrative costs	214	185	29	15.5%
SUNDRY OPERATING EXPENSES	**1,130**	**1,060**	**70**	**6.6%**
% incid. over Operating Costs	2.5%	2.4%		

9. Airport leases

"*Airport leases*" - € 2.9 M (€ 2.75 M at 30 June 2016) - include the rents paid for the concessions and the contribution paid to the fire-protection fund. Both costs are variable over the finally reported traffic.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
AIRPORT LEASES				
Concession and security fees	2,277	2,141	137	6.4%
Fire Brigade fee	626	610	16	2.7%
TOTAL AIRPORT FEES/LEASES	**2,903**	**2,750**	**153**	**5.6%**
% incid. over Operating Costs	6.3%	6.3%		

10. Costs for construction services

Costs for construction services, totalling € 5.15 M (€ 2.26 M at 30 June 2016), arise from the investment made in the airport infrastructures under concession during the first 6 months of 2017. During the first half of 2017, the greater costs finally reported of € 2.89 M mainly arise from the greater investment made in the period in the Florence airport for the reconfiguration of passenger flows and new offices in the new terminal.

Amounts shown in € K	INTERIM 2017	INTERIM 2016	Diff. Abs. 2017/2016	Diff. % 2017/2016
TOTAL COSTS FOR CONSTRUCTION SERV	**5,149**	**2,257**	**2,893**	**128.2%**
Incid.% over Costs	10.1%	4.9%		

11. Amortization and write-downs

This item totalled € 4.21 M at mid 2017 (against € 4.24 M at 30 June 2016). It includes the amortization of intangible assets for € 2.68 M (against € 2.6 M at 30 June 2016) and depreciation of tangible assets for € 1.53 M (against € 1.6 M at 30 June 2016).

12. Provision for liabilities and charges

This item shows € 915 K (against € 1.58 M at 30 June 2016) and essentially includes the amounts set aside in the provision for repairs, which consists of the year's portion required for future maintenance expenses relating to repairs/replacements of assets used under the two ENAC concessions to keep them in good operating conditions.

13. Provision for bad debt

This item totals € 506 K (€ 63 K at 30 June 2016), which is the amount set aside based on an estimate of the assumed realizable value of receivables existing at 30 June 2016. The main difference between the two 6-month periods is the provision for receivables from the carrier Alitalia after the initiation of the temporary receivership procedure last May 2nd. At the date of this Interim Financial Report, the temporary receiver of Alitalia is making all the payments of the receivables accrued after last May 2nd.

14. Financial income

This item of € 60 K (€ 101 K at 30 June 2016) mainly refers to interest receivable accrued on bank current accounts, interest on arrears and dividends paid by the Associate Immobili AOU Careggi Spa.

15. Financial expenses

This item of € 579 K (€ 653 K at 30 June 2016) mainly consists of interest payable and commissions on bank current accounts for € 297 K (€ 370 K at 30 June 2016), interest cost as defined in IAS 19 for € 71 K (€ 66 K at 30 June 2016), financial expenses relating to the discounting of the provision for repair and replacement for € 220 K (€ 202 K at 30 June 2016).

16. Profit (loss) from investment

This item shows € 35 K (€ 6 K at 30 June 2016), reflecting the recognition in the Shareholders' Equity of equity investment in Associates (Immobili A.O.U. Careggi S.p.a. and Alatoscana S.p.a.).

17. Taxes for the period

Taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end. This approach led to an estimated tax burden of € 1.79 M, corresponding to a tax rate of 33.2% (against 41.1% at mid 2016). We remind readers that the decrease in the tax rate in the first half of 2017 is affected by a lower IRES tax rate - down to 24% from 27% - effective from the financial year 2017.

18. Minority Interest's loss (profit) for the period

This item shows the profit of the subsidiary Jet Fuel owned by minority shareholders. Based on 2017 property and dividend rights, the profit for the period of the subsidiary Jet Fuel - approx. € 47 K - is a minority interest to a 66.67% extent, which corresponds to approx. € 32 K (€ 19 K for the first interim report of 2016). The overall minority interest's profit for the period is € 45 K (loss of € 4 K at 30 June 2016).

19. Earnings per share

Basic earnings per share at 30 June 2017 totalled € 0.192 (€ 0.158 at 30 June 2016), an amount determined by dividing the Group's profit for the period (€ 3.572 K) by the weighted average of the ordinary shares outstanding during the period (18,661,996 shares). No diluting factor exists.

NOTES TO TE MAIN ITEMS OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS: **STATEMENT OF FINANCIAL POSITION**

NON-CURRENT ASSETS

Changes in non-current assets at 30 June 2017 are shown below.

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
NON-CURRENT ASSETS	192,717	189,087	3,630

More specifically, this aggregate consists of the following categories:

Intangible assets

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
INTANGIBLE ASSETS	161,330	157,945	3,385

In addition to previous disclosures, an aggregate amount of approximately € 3.3 M has been invested in intangible assets during the first 6 months of 2017, specifically:

(amounts shown in €K)	Amount
Concession rights	775
Work in progress	5,262
Software	26
Total	**6,063**

For a detailed analysis of the main investments made during the six-month period examined, see section 12 of the Report on Operations.

No divestiture of assets was done in the first 6 months of 2017.
Details on intangible assets are provided in Annex A.

20. Concession rights (royalties)

The value of this item at 30 June 2017 is € 146.7 M (€ 147.8 M at 31 December 2016), up by € 1.1 M mainly due to the higher value of the year's amortization compared to investments.

21. Industrial patent rights

This item totalled € 245 K at 30 June 2017 (€ 320 K at 31 December 2016), up by € 75 K due to the higher value of the year's amortization compared to investments.

22. Work in progress and advance payments

At 30 June 2017 this item totalled € 14.37 M (€ 9.81 M at 31 December 2016), up by € 4.56 M for new ongoing investments of € 5.26 M, a difference partially offset by the item "Concession rights" for € 702 K after the conclusion of the related projects.

23. Tangible assets

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
TANGIBLE ASSETS	25,922	25,633	288

On the whole, investments of approximately € 1.821 M have been made in the first 6 months of 2017, specifically:

(amounts shown in €K)	Amount
Owned land and buildings	51
Plant and machinery	363
Ind. and comm. equipm.	0
Cars	401
Furniture and fittings	92
Hardware	278
Work in progress	635
Total	1,821

For a detailed analysis of the main investments made during the six-month period examined, see section 12 of the Report on Operations.

Divestments of assets for € 25 K have been made during the first half of 2017.

Details on tangible assets are provided in Annex B.

24. Equity investments in other entities

At 30 June 2017, the Parent Company "TA" held other equity investments valued at cost for € 147 K (€ 141 K at 31 Dec. 2016), relating to:

- I.T. Amerigo Vespucci S.p.a. (0.22 % of the share capital): € 50.1 K;
- Consorzio Turistico Area Pisana S.c.a.r.l. (2.37% of the share capital): € 582;
- Scuola Aeroportuale Italiana Onlus (52.7% of the share capital): € 14.2 K;
- Consorzio Pisa Energia S.c.r.l. (5.26% of the share capital): € 2,117;
- Montecatini Congressi S.c.r.l. (5.0% of the share capital): € 5.9 K;
- Consorzio per l'Aeroporto di Siena (0.11% of the share capital): € 14.7 K;
- Florence Convention Bureau S.c.r.l. (4.44% of the share capital): € 7.8 K;
- Firenze Mobilità S.p.a. (3.98% of the share capital): € 76.3 K;

- Società Esercizio Aeroporto della Maremma S.p.a. (0.39% of the share capital): € 10.2 K.

Scuola Aeroportuale Italiana Onlus has been classified among "Other entities" because it is a non-profit organization..
Consorzio Turistico Area Pisana, Montecatini Congressi S.c.r.l. and Consorzio per l'Aeroporto di Siena are winding up at the date of this Interim Financial Report, while Tirreno Brennero srl has discontinued operations (0.27% of the share capital for a value of € 238 K at 31 December 2016).

25. Investments in Associated Companies

At 30 June 2017, the value of TA's investments in Associates and related entities was € 560 K (€ 525 K at 31 December 2016), as shown in the table below.

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Alatoscana Spa	381	377	4
Immobili AOU Careggi Spa	179	148	31
Total	560	525	35

For further considerations on the characteristics of the entities in question, see the section "Relationships with associated companies and related parties" of the Report on Operations. No impairment indicator applies to these stakes.

Financial Assets

26. Guarantee deposits

At 30 June 2017, this item totalled € 171 K (€ 146 K at 31 December 2016), and mainly refers to guarantee deposits issued in favour of utility providers (for connections), tobacco products, cash floats given to ticket offices and parking fees.

27. Receivables from others, due beyond the year

Receivables from others totalled € 2,535 K (€ 2,550 K at 31 December 2016), with receivables deriving from:
- Requests for IRES reimbursement for the non-deduction of IRAP relating to the cost of personnel for € 1,773 K under art. 2, paragraph 1, of Leg. Dec. no. 201/2011 (converted into Law no. 214/2011) so-called "Manovra Monti", completed by Leg. Dec. no. 16 of 2 March 2013 (so-called "Decreto semplificazioni fiscali" [tax simplification decree] converted, with amendments, into Law no. 44 of 26 April 2013), which established the possibility to apply the new provisions on the full deductibility of IRAP also effective for previous taxation period (2007-2011);
- Receivables from customers for € 605 K related to agreed repayment plans;
- € 157 K related to the loan granted to the Associate "Firenze Mobilità S.p.a." for works competed by this entity (to be repaid not earlier than 4 years after the final testing of the works).

28. Prepaid taxes recoverable beyond the year

Deferred tax assets and liabilities have been posted in their net amount when they could be offset in the same jurisdiction. The net balance is € 2,051 (€ 2,147 K at 31 December

2016). This amount mainly includes taxes determined on the temporary differences due to taxed provisions (for repair, bad debt, etc.) and to the accounting of intangible assets (concession rights) according to IFRIC 12. We remind the reader that taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end.

CURRENT ASSETS

As shown in the table, current assets totalled € 42,987 K at 30 June 2017, down by € 5,825 K compared to 31 December 2016.

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
CURRENT ASSETS	42,987	48,812	-5,825

The item is broken down below:

29. Inventories

There is no inventory of raw and ancillary materials, consumables and goods.

Trade and sundry receivables

At 30 June 2017, this item showed € 31,735 K (€ 21,364 K at 31 December 2016), including:

30. Receivables from customers

At 30 June 2017, Receivables from customers, net of the Provision for bad debt, totalled € 22,393 K (€ 15,486 K at 31 December 2016), as detailed below:

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Toscana Aeroporti	25,841	18,566	7,275
Jet Fuel	276	160	116
Total gross receivables	26,117	18,726	7,391
Bad debt reserve	-3,724	-3,240	-484
Total net receivables	22,393	15,486	6,907

The provision for bad debt has been increased over the period by contributing € 506 K and decreased by € 22 K for uses. The details of this item are given below (in €K):

Data in € K	31.Dec.2016	prov.	use	30.Jun.2017
Bad debt provision	3,240	506	-22	3,724

31. Receivables from associated companies

Details of these receivables (in €K) are given in the table below:

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Alatoscana Spa	84	87	-3
Immobili AOU Careggi Spa	159	130	29
Total	243	217	26

32. Tax receivables

At 30 June 2017, this item consisted of € 1,172 K (€ 188 K at 31 December 2016), and included:

- a € 695 K VAT credit of the Parent Company;
- a € 187 K IRAP credit of the Parent Company relating to the current year;
- a tax credit of the subsidiaries Jet Fuel, PAP and TAE for € 247 K related to advance payments;
- other minor tax credits for € 53 K (ART bonus).

33. Receivables from others, due within the year

The item "Receivables from others, due within the year" includes (data in €K):

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Receivables from Carriers for additional municipal income tax on passenger boarding fees	5,405	3,424	1,981
Advance payments made to suppliers	902	930	-28
Prepaid expenses	875	464	411
Receipts from parking lots	154	100	54
Receipts from monopoly products	93	95	-2
Receivables from employees	56	68	-12
Receivables from pension/soc. sec. institutions	64	24	40
Other minors	243	234	10
Total	7927	5,473	2,454

The receivable for the additional Municipal tax in passenger boarding fees, established by art. 2, paragraph 11, of Law no. 350 of 24 December 2003, increased in connection with the seasonal nature of the turnover from carriers. This item has the same trend of the item "Tax liabilities" in the current Liabilities (Note #49) because the amount collected is paid to the State.
"Prepaid expenses" mainly refers to consumable materials such as airport uniforms, supplies invoiced in advance, membership fees, insurance. The increase exclusively reflects the seasonal nature of the business.
"Advances paid to suppliers" mainly refer to the "People Mover" project.
"Receivables for collections" are due from the providers of tobacco points of sale and for the management of the receipts of parking lots (including the Telepass service).

34. Cash and cash equivalents

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Cash and cash equivalents	11,252	27,448	-16,196

For more details, see Consolidated Statement of Cash Flows.

SHAREHOLDERS' EQUITY AND LIABILITIES

The differences in the Shareholders' Equity occurred during the first 6-month period 2017 are detailed below:

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
CAPITAL AND RESERVES	106,757	112,245	-5,488

The Shareholders' Equity decreased by € 5.49 M, mainly due to the payment of dividends (€ -9.37 M), partially offset by the year's profit (€ +3.57 M). The unit dividend distributed by TA in May was € 0,498 per share.
For more details on each individual item, see the specific tables in the financial statements.

More specifically, the Shareholders' Equity consists of the following items:

35. Share Capital

At 30 June 2017, the fully paid-up share capital consisted of 18,611,966 ordinary shares without nominal value (18,611,966 shares at 31 December 2016).

For details on Shareholders, see the table and section no. 2 "Parent Company's Shareholders" in the Report on Operations.

36. Capital reserves

Capital reserves consist of € 72,877 K at 30 June 2017 (€ 72.374 K at 31 December 2016), specifically:
- a share premium reserve for € 18,941 K created with the paid capital increase determined upon listing SAT S.p.a. on the Stock Exchange in July 2007;
- a legal reserve of € 3,475 K. The € 503 K increase compared to 31 December 2016 reflects the allocation of 2016 profits as deliberated by the Shareholders' Meeting during their meeting for the adoption of the 2016 Financial Statement.
- statutory reserves for € 25,876 K;
- other reserves mainly consisting of the reserve deriving from the merger by incorporation of AdF, for approx. € 24 M.

37. IAS adjustments reserve

This reserve contains € (3,229) K, including:
(i) the IAS reserve (negative for € 711 K) after deducting the theoretical tax burden created at 1-Jan-2005 upon First Time Adoption, so as to include the impact of international accounting standards on the Shareholders' Equity;
(ii) the IAS reserve (negative for € 2,518 K) created after adopting the new international standard IFRIC 12 from 1 January 2011.

38. Profit/(Loss) carried forward

This item includes profits carried forward for € 2,687 K (€ 2,387 K at 31 December 2016). The difference mainly reflects the discounting effect of the recalculation of the provision for Employees' Indemnity [Fondo TFR] according to IAS 19, partially offset by the allocation of the Group's year profits for 2016.

39. Group's profit (loss) for the period

This item shows the profit of the TA Group at 30 June 2017, € 3,572 K (€ 9,814 K at 31 December 2016).

40. Minority interest

Based on the equity interests existing in the first half of 2017, the 66.67% Minority Interest corresponds to € 141 K (€ 190 K at 31 December 2016). The difference is mainly due to the distribution of the dividends of the subsidiary Jet Fuel.

41. Other components of the Statement of Comprehensive Income

The value at 30 June 2017 is broken down below:

SITUATION AT 30 JUNE 2017	PROFIT/(LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:				
- Profit (loss) arising from the determination of the Termination Benefit after tax	250	250	20	270
COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	250	**250**	20	**270**

SITUATION AT 30 JUNE 2016	PROFIT/(LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:				
- Profit (loss) arising from the determination of the Termination Benefit after tax	-413	-413	-22	-435
COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	-413	**-413**	-22	**-435**

The tax effect regarding the other components of the Statement of Comprehensive Income is broken down below:

SITUATION AT 30 JUNE 2017	Gross value	Tax (charge)/ benefit	Net Value
- Profit (loss) arising from the determination of the Termination Benefit after tax	355	-85	**270**
TOTAL	355	-85	**270**

SITUATION AT 30 JUNE 2016	Gross value	Tax (charge)/ benefit	Net Value
- Profit (loss) arising from the determination of the Termination Benefit after tax	-600	165	**-435**
TOTAL	-600	165	**-435**

MEDIUM/LONG-TERM LIABILITIES

Details of medium/long-term liabilities during the period considered are given below:

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
MEDIUM-LONG TERM LIABILITIES	63,049	65,123	-2,074

More specifically, this aggregate consists of the following categories:

42. Provisions for liabilities and expenses

The Provision for liabilities and expenses consists of € 2,882 K at 30 June 2017 (€ 2,886 K at 31 December 2016).

At 30 June 2017, the provision included the following amounts:

1) € 2,351 K set aside for the "Fire Brigade Service" dispute, better described in the section "Additional information";
2) € 375 K set aside for potential labour dispute risks, better described in the section "Additional information";
3) € 113 K as best estimate of the liability associated with the risk of a disbursement for the doubling of general aviation duties – Art. 2 *duodecies* of Leg. Dec. of 30 Sept. 1994;
4) € 44 K for minor risks.

The details of the year are provided below:

Data in € K	31.Dec.2016	prov.	use	30.Jun.2017
Provisions for liabilities and charges	2,886	0	-3	2,883

43. Provisions for repair and replacement

This provision includes the amounts required for the maintenance and repair of infrastructures in the Florence and Pisa airports, to be returned in perfect maintenance conditions to the Grantor at the end of the concession period. The global value of this item at 30 June 2017 was € 24,406 K, up by € 1,355 K with respect to 31 December 2016, due to the effect of the contribution made during the first half of 2017, partially offset by the uses of the period. Details are given below:

Data in € K	31.Dec.2016	Financial expenses	prov.	use	30.Jun.2017
Provisions for repair and replacement	23,911	220	915	-639	24,406

Depending on the estimated time of its use within the 12 months of the year, this provision is allocated to medium/long-term liabilities (€ 19,142 K at 30 June 2017) and to current liabilities (€ 5,264 K at 30 June 2017).

44. Employee Termination Benefits

The ETB is considered as a defined benefit obligation to be recognised as recommended by IAS 19 - "Employee Benefits". The amount of the termination benefit has been recalculated by using the so-called "Projected Unit Credit Method", by making actuarial valuations at the end of the reference period.
As regards the economic-financial scenario, the parameters used for the valuation of the Pisa and Florence staffs for TA and of the Pisa staff for Jet Fuel at 30 June 2017 are:
- annual technical discount rate: 1.67%
- annual inflation rate: 1.50%
- annual ETB increase rate: 2.63%

As far as the discount rate is concerned, the Corporate AA iBoxx 10+ index has been selected as criterion for the valuation of this parameter, as its duration is suitable for the average time of permanence of the two staff groups being considered.
There is no defined benefit scheme for the executive personnel of the company.
The value of consolidated liabilities at 30 June 2017, as required by IAS 19, was € 6,235 K (€ 6,853 K at 31 December 2016). This provision is posted net of the advance payments and settlements made during the period examined and shows a decrease of € 618 K compared to 31 December 2016, as specified below (in €K):

Data in € K	31.Dec.2016	Actuarial (gain)/loss	prov.	use	30.Jun.2017
Termination benefits and other personnel-related provisions	6,853	-355	57	-320	6,235

The difference shown in the Statement of Comprehensive Income (€ 270 K) corresponds to the actuarial gain of € 355 K, after a taxation of € 85 K.
The valuation of future benefits is obviously affected by all the assumptions required for its identification; therefore, in order to obtain the sensitivity shown by the actual value as determined above compared to said assumptions, some tests have been conducted to provide the difference in the actual value against a given difference in some of the assumptions adopted, which may mostly affect that value. The table below provides the sensitivity analysis of the provision with certain changing valuation parameters.

Sensitivity Analysis

	Gruppo Toscana Aeroporti					
	Annual technical discount rate		Annual technical inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
Employee Termination Benefits (ETB)	5,907	6,572	6,329	6,127	6,163	6,257

Finally, the table below provides a prediction of disbursement of the provision.

Future Cash Flows (€)

Year	Aeroporto di Firenze	Aeroporto di Pisa	Jet Fuel
0 - 1	35,937	191,083	12,840
1 - 2	40,492	249,724	9,132
2 - 3	39,336	109,153	11,462
3 - 4	70,283	201,359	11,619
4 - 5	116,630	171,042	15,586
5 - 6	39,884	278,871	67,198
6 - 7	121,095	50,345	13,462
7 - 8	73,927	96,999	13,114
8 - 9	137,851	219,622	11,513
9 - 10	111,302	262,087	46,814

45. Financial liabilities

This item (entirely of the Parent Company "TA") shows € 34,725 K (against € 36,259 K at 31 December 2016). The details of non-current and current financial liabilities are given below: The amount of € 15,340 K refers to the portions expiring within the subsequent twelve months of the long-term loans shown in this section (€ 4,340 K) and to the short-term credit lines granted by banks (€ 11 M).

Data in € K	31.Dec.2016	increases	reimbursement	other items	30.Jun.2017
Non-current financial liabilities	36,259	500	0	-2,035	34,725
Current financial liabilities	4,456	11,000	-2,151	2,035	15,340
Total	40,716	11,500	-2,151	0	50,065

The overall € 9.349 K increase in financial liabilities refers to increased short-term bank loans (so called "hot money") for € 11 M, to returned expiring capital shares for € 2.15 M, and to a new medium-term loan granted to the subsidiary Jet Fuel for the purchase of airplane fuel supply trucks for € 500 K.
Said non-current financial liabilities refer to two long-term loans granted by the banks "Banca Infrastrutture Innovazione e Sviluppo" (of the Intesa San Paolo Group) and "MPS Capital Service" to support the Group's infrastructure investments. The € 12 M loan granted by MPS Capital Service (which has been completely used up) must be reimbursed within June 2022, while the € 40 M loan granted by Intesa San Paolo (also completely used up)

must be reimbursed within September 2027, both having been granted at a Euribor rate with a maturity of 6 months, plus a spread. The amortization plans for these loans define 6-monthly repayments of approx. € 2.2 M in total.

The aforesaid loans are required to comply with certain financial ratios defined in the related agreement, such as Net Financial Position/EBITDA and Net Financial Position/Shareholders' Equity, according to the definitions agreed with the lending counterparties and measured on the book values of the Parent Company for the € 40 M loan and of the Group for the € 20 M loan.

We finally point out that, in addition to the aforesaid parameters, the € 20 M loan agreement requires a minimum amount of € 1 M to be made available and deposited in a current account pledged as security for the same loan and that no extraordinary transaction be entered into with third parties (entities not of the Group) without the previous written consent of the lending banks.

Failure to comply with the covenants and the other contractual obligations undertaken with the loan in question shall imply, if not remedied under the agreement provisions, the anticipated reimbursement of the residual loan amount.

At 30 June 2017 the Company was compliant with all the above-mentioned parameters.

46. Other payables due beyond the year

Payables due beyond the subsequent year consist of € 64 K (€ 43 K at 31 December 2016). This amount refers to guarantee deposits received from customers as performance bonds for services provided.

CURRENT LIABILITIES

Changes in non-current assets occurred during the period are shown below.

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
CURRENT LIABILITIES	65,898	60,531	5,367

More specifically, this aggregate consists of the following categories:

47. Bank overdrafts

At 30 June 2017, the TA Group has bank overdraft for € 11 M (€ 0 at 31 December 2016). These shirt-term lines of credit (so called "hot money"[1]) have been requested for liquidity requirements connected with the seasonal nature of the business.

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Credit lines granted	**61,650**	**55,750**	**5,900**
of which TA	*61,550*	*55,550*	*6,000*
of which subsidiaries	*100*	*200*	*-100*
Credit lines used	**11,000**	**0**	**11,000**
% used	**18%**	**0%**	**18%**

[1] Their reimbursement is due within the end o the current financial year, at an interest rate lower than 50 bp.

48. Loans

At 30 June 2017, the TA Group has bank loans for € 4,340 K (€ 4,456 K at 31 December 2016), exclusively consisting of the expected repayment in the subsequent year of long-term loans (which are also shown in the related table, in the comments to non-current financial liabilities).

The **Net Financial Position** at 30 June 2017, as shown in the Report on Operations in compliance with Consob Resolution prot. no. 6064293 of 28 July 2006, is specified below:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS

Euro K	30.Jun.2017	31.Dec.2016	Abs. Diff.	30.Jun.2016
A. Cash on hand and at banks	11,252	27,448	(16,196)	13,970
B. Other cash and cash equivalents	-	-	-	-
C. Securities held for trading	-	-	-	-
D. Liquid assets (A) + (B) + (C)	**11,252**	**27,448**	**(16,196)**	**13,970**
E. Current financial receivables	-	-	-	-
F. Current bank payables	11,000	-	11,000	6,000
G. Current portion of non-current indebtedness	4,340	4,456	- 116	4,476
H. Other current financial payables due to leasing companies	-	-	-	-
I. Current financial indebtedness (F) + (G) + (H)	**15,340**	**4,456**	**10,884**	**10,476**
J. Net current financial indebtedness (I) - (E) - (D)	**4,088**	**(22,992)**	**27,080**	**(3,494)**
K. Non-current bank payables	34,725	36,259	(1,535)	38,396
L. Bonds issued	-	-	-	-
M. Other non-current payables due to leasing companies	-	-	-	-
N. Non-current financial indebtedness (K) + (L) + (M)	**34,725**	**36,259**	**(1,535)**	**38,396**
O. Net Financial Position (J) + (N)(NFP)	**38,813**	**13,267**	**25,545**	**34,902**

See comments in the Report on Operations and to the "Consolidated Statement of Cash Flows" for a more in-depth analysis of this item.

49. Tax liabilities

The aggregate amount of this item at 30 June 2017 was € 8,260 K (€ 7,006 K at 31 December 2016), as broken down below:

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Addit. Mun. fees due to Rev. Ag.as mu Passeng. boarding	6,528	5,671	857
IRES/IRAP due	238	259	-21
IRPEF due for employees and self-employed prof.	1,070	763	307
Higher fees due for private flights	164	157	7
Local taxes	159	149	10
VAT due	83	6	77
Other minors	19	1	18

Accounts payable to the Revenue Agency for the municipal surtax on passenger boarding fees, presently consisting of to € 6.53 M, established by art. 2, paragraph 11, of Law no. 350

of 24 December 2003 starting from 1 June 2004, increased by a further € 857 K, mainly due to the seasonal nature of the business, that reached higher turnovers from air carriers compared to December 31st.

50. Payables to suppliers

At 30 June 2017, Payables to suppliers totalled € 19.28 M (€ 26.03 M at 31 December 2016), down by € 6.75 M due to the payment of invoices for current operations and for the investments made by the Group during the period.

51. Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL) at 30 June 2017, for a total amount of € 1,816 K (€ 2,670 K at 31 December 2016).

52. Other payables due within the year

Other payables due within the year at 30 June 2017 consisted of € 15.54 M (€ 15.2 M at 31 December 2016), which include the following items:

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Concession fees	2,845	2,381	464
Ministry of Transport	2,205	2,205	0
Air/bus/train ticket office receipts	690	849	-159
Fees due to employees and contractors	6,948	6,609	339
Insurance policies and damage excesses	144	170	-26
Due to Directors and Auditors	204	288	-84
Fire-protection service	759	1,235	-476
Payables to Foundations/Associations/Pension schemes	138	191	-53
Deferred income	804	247	557
Payables to Holding CAI	329	602	-273
Other minors	472	441	31
Total	15,538	15,218	320

More specifically:

- Higher year-end concession fees due to the seasonal nature of the business and to increased finally reported traffic.
- Accounts payable to the Ministry of Transport, € 2.2 M, derive from an amount collected by the Florence airport in 2013 after the positive outcome of trial no. 2403/2012 that compensated for damages suffered for the non-improvement of airport fees in the years 1999-2005, which will be recognised to the Income Statement before the last-instance trial, also because of the appeal lodged with the Attorney General's Office.
- The balance of accounts payable to the Revenue Agency for the portion related to mid-2016 of the contribution paid for the Fire Brigade fire protection service introduced by the 2007 Finance Law has been paid by the Company. This account payable also includes the amounts set aside while waiting for the outcome of the pending case initiated by the same Ministry against the Company for the collection of arrears for the years 2007-2009. Furthermore, we specify that specific appeals have been lodged by some airport management companies (including TA) both with the jurisdictional court and with the tax court, as agreed with Assaeroporti, to ask for the annulment of the administrative measures regarding the payment of the so-called Fire Brigade protection services, even in the light of the enforcement of the measures described in paragraph

3-bis of art. 4 of Leg. Dec. 185/2011, which allocated the resources of the provision for totally different purposes from those of reducing the cost of the fire protection service in airports. TA, as other airport management companies, has currently set aside the amounts determined by ENAC for the Provision, which is still associated with that purpose while waiting for the outcome of the pending cases. TA thinks that the amounts allocated to this account payable are appropriate to face the risk of a possible payment while waiting for the outcome of the pending cases. For further considerations, see section "Additional information".
- Prepaid expenses refer to non-aviation revenues invoiced in advance. The difference mainly reflects the seasonal nature of the business.

53. Advance payments

Advance payments totalled € 403 K (€ 322 K at 31 December 2016), mainly consisting of advances from customers.

COMMITMENTS AND GUARANTEES

At 30 June 2017, total commitments and guarantees (regarding the Parent Company) include € 13,215 K of third party suretyships in favour of TA and € 6,270 K of suretyships given by third parties on behalf of TA.

Data in € K	30.Jun.2017	31.Dec.2016	Diff.
Third-party guarantee in favour of Company	13,215	12,813	402
Third-party guarantee on behalf of Company	6,270	7,213	-943

Suretyships provided by third parties in the favour of TA (€ 13.2 M) mainly refer to performance bonds for contract works, for compliance with agreements by sub-concessionaires, air carriers and other customers.

Suretyships provided to third parties on behalf of TA (€ 6.3 M) mainly refer to performance bonds in favour of ENAC to ensure full and exact fulfilment of the obligations established with the two 40-year Conventions signed; of *Agenzia delle Entrate* as a guarantee for 2013 VAT reimbursement; of the Municipalities of Pisa and Florence, to ensure compliance with municipal regulations in the execution of works for the expansion of the airport infrastructures by TA; and minor entries.

ADDITIONAL INFORMATION

Information on the main items of the Provision for liabilities and expenses at 30 June 2017

1. Provision for liability risks connected with the dispute on the Fire Brigade airport service (€ 2,351 K)

As regards the contribution to be paid for the Fund created by the 2007 Finance Law to reduce the cost for the State of the organization and implementation of the Fire-Protection Service in Italian airports, the Parent Company (then AdF) in 2012 brought a specific legal action before the Civil Court of Rome to ask the Judge to repel the obligation to pay said contribution after a change in the purposes for which the money in said Fund was used starting from 1st January 2009. In fact, since that date, the resources contributed to the Fund had been used to provide general public rescue and civil defence services, as well as to finance the national collective labour agreements of the Fire Brigades. The legal action is still ongoing today and, within its framework, after the legislative change introduced with the 2016 Stability Law in the matter, a specific application has been lodged to raise a constitutional question concerning art.1, paragraph 478, of Law no. 208 of 28 December 2015, in connection with art. 39-bis, paragraph 1, of DL no. 159 of 1 October 2007, for violation of articles ##3, 23, 24, 25, 41, 53, 111, and 117, first paragraph, of the Constitution, as well as for the violation of art 6 of the European Convention on Human Rights. Notwithstanding the pending civil case, on 16 January 2015 the Administrations notified the Company with an order of the court regarding the alleged contributions to be paid to the Fire-protection Fund for the years 2007, 2008, 2009, and 2010. The court order at issue contains both formal and material errors (e.g. request of contributions already paid for the years 2007 and 2008), so the Company promptly lodged an opposition before the Court of Bologna to ask that the Court order be cancelled or, as a secondary measure, that the two cases be united because overlapping a new case re-initiated before the Court of Rome. It is understood that, if no prompt decision will be received concerning the overlapping of the two cases, a specific constitutional challenge will be raised during the trial concerning the new rule of art.1, paragraph 478, of the 2016 Stability Law.

In this regard, in March 2016, the Court of Rome specified that "it cannot certainly re-challenge the effects of the final judgement, which are not affected by the introduction of new provisions, also having a retroactive effectiveness", and therefore, "the censored provision (paragraph 478) could not be highlighted" "at least as regards the companies parties of the trials concluded with final judgements (and hypothetically, also concerning the others, should the extension of the judgement be recognized in their favour)".
The Court of Rome, based on these preliminary remarks, considered that "at present, the applicability of the provision suspected of being unconstitutional to the matter in the hands of the decider is not certain" with reference to the airport management companies that claim a judgement that became final, such as Toscana Aeroporti.

In May 2017, the trial for the discussion of the constitutional lawfulness of art. 1, par. 478, of Law no. 208/2015 was initiated before the Constitutional Court, with Toscana Aeroporti formally taking part in the proceedings.

The amounts set aside by the company, including with the support of independent advisors, are consistent with the predictable outcome of the dispute.

2. Provision for the risk of potential labour dispute liabilities (€ 375 K)

At 30 June 2017, the Company has a Provision for risks of € 233 K, for any dispute that might be brought by the Company's staff concerning allegedly wrong percentage and wage calculations in their so-called horizontal part-time labour contracts in the period before 2015.

Furthermore, the Company's Fund contains approx.€ 144 K related to ongoing mediation negotiations with employees.

The provision set aside by the Company has been estimated with the support of independent professional opinions and residual provisions already used in previous years to define the same matter.

3. Other potential risks

We finally report risks for potential liabilities, also assessed as "possible" with the support of independent professionals, concerning:

i) the dispute for the return of the consideration for fuel supplies requested by certain airlines from oil companies, where the Company has been summoned as third party;
ii) the dispute initiated last 3 February 2017, where TA was summoned for trial by the company that was awarded the contract for the expansion works in the west apron of the Florence airport concerning the problems related to the execution of the contract;
iii) the appeal proposed on 31 December 2016 by the Region of Tuscany[1] against judgement no.1310/2016, with which the Regional Administrative Court (TAR) of Tuscany, in August 2016, had admitted the petitions lodged by the various Committees and by the Company N.I.T. against the Variant to the P.I.T.[2] for the "Parco della Piana" and Florence airport. Indeed, the TAR's decision detected no insurmountable obstacle to the construction of the new runway, but simply asked for a more in-depth investigation on certain environmental issues because its approval does not require a corresponding specification in regional planning documents (i.e. the "P.I.T.") and the Local Bodies.
iv) TA's dispute concerning the request for damage compensation filed by a board member who left the BoD before the merger and against which the Company lodged a counterclaim.

For the aforesaid disputes, the Company did not consider it appropriate to set aside provisions in the light of the related progress status.

Relationships with related parties

See the specific section in the Report and Annex C to these Condensed Consolidated Interim Financial Statements at 30 June 2017 for a summary of the main effects on the financial statement of the transactions performed by the Parent Company with related parties, whose amount is scarcely significant.

Significant events and non-recurring transactions

Pursuant to CONSOB's Notice of 28 July 2006, we specify that no significant non-recurring transaction was performed during the first half of 2017.

Subsequent events

For the main events occurred after 30 June 2017, see point 17 in the Report on Operations.

Atypical or unusual transactions

According to Consob's Notice no. 6064293 of 28 July 2006, we disclose the information that no significant non-recurring events and transactions took place during 2017.

Fair value measurement hierarchy

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1 Incidental appeal brought by Toscana Aeroporti on 26 January 2017.

2 Piano di Intervento Territoriale.

As regards the financial instruments recognised in the Financial Position at fair value, IFRS 7 requires these values to be classified based on a hierarchy of levels that reflects the significance of the input used in the determination of fair value.

The following levels are identified:
Level 1 – the price of the asset or liability being measured is drawn from an active market;
Level 2 – the inputs used are not the listed prices indicated above, but may be observed on the market, either directly (prices) or indirectly (price derivatives);
Level 3 – the inputs are not based on observable market data.

These notions are not applicable to the Condensed Consolidated Interim Financial Statements of the TA Group.

Authorization to publication

This document has been approved by the Board of Directors on 4 August 2017 and published on 7 August 2017 upon the Chairman's authorization.

For the Board of Directors
The Chairman
(Marco Carrai)

ANNEXES
TO THE 2017 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

TABLE OF CHANGES IN INTANGIBLE ASSETS FOR THE FIRST HALF OF 2017
(amounts shown in €K)

	CONCESSION RIGHTS (ROYALTIES)	PATENT AND INTELLECTUAL PROPERTY RIGHTS	WORK IN PROGRESS AND ADVANCE PAYMENTS	**TOTAL**
Historical cost	1 76,086	1 0,282	1 7,1 02	**203,470**
Accum. Deprec. / decreases	-28,269	-9,962	-7,295	**-45,525**
A - Value at 31 -Dec-1 6	1 47,81 8	320	9,807	**1 57,945**
CHANGES FOR THE PERIOD				
Procurement	779	64	5,220	**6,063**
Disinvestments/Decreases	777	-1 1 8	-660	**0**
Depreciation	-2,656	-25	0	**-2,681**
B - Balance of changes	-1 ,1 00	-75	4,560	**3,385**
Historical cost	1 77,643	1 0,232	21 ,662	**209,536**
Accum. Deprec. / decreases	-30,925	-9,987	-7,295	**-48,206**
Value at 30-Jun-1 7 (A+B)	**1 46,71 8**	**245**	**1 4,367**	**1 61 ,330**

Annex A

TABLE OF CHANGES IN TANGIBLE ASSETS FOR THE FIRST HALF OF 2017 (amounts in €K)

	LAND, BUILDINGS AND RUNWAY INSTALLATIONS		PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUCTION	OTHER ASSETS	TOTAL
	Revertible for free	owned by the Company					
Historical cost	12,562	16,536	28,929	1,119	734	15,553	**75,433**
Accum. Deprec. / decreases	-10,828	-1,918	-22,221	-851	-164	-13,817	**-49,799**
A - Value at 31-Dec-16	1,734	14,618	6,707	268	570	1,736	**25,633**
CHANGES FOR THE PERIOD							
Procurement	0	51	363	0	635	772	**1,821**
Previous years' work in progress	0	0	0	0	0	0	**0**
Disinvestimenti/Decrementi	0	0	0	0	-302	302	**0**
Depreciation	-88	-69	-553	-28	0	-791	**-1,529**
Reversal of previous years' accum. depr.	0	0	0	0	0	-3	**-3**
B - Balance of changes	-88	-18	-190	-28	333	279	**288**
Historical cost	12,562	16,588	29,292	1,119	1,369	16,324	**77,254**
Accum. Deprec. / decreases	-10,916	-1,987	-22,774	-879	-466	-14,310	**-51,332**
Value at 30-Jun-17 (A+B)	**1,646**	**14,600**	**6,517**	**240**	**903**	**2,015**	**25,922**

Annex B

RELATIONSHIPS WITH RELATED PARTIES

balance sheet item	30 JUNE 2017 Values in € K	% incidence on balance	Book item (€K)	30 JUNE 2016 Values in € K	% incidence on balance	Book item (€K)
Associated companies						
Immobili A.O.U. Careggi Spa						
Partecipazioni in imprese Collegate	179.2	32.00%	560	153.5	28.94%	531
Receivables from associated companies	159.2	65.54%	243	175.9	78.35%	224
Non-Aviation revenues	50.0	0.39%	12,724	78.2	0.66%	11,848
Other revenues and income	24.5	3.18%	771	-		-
Alatoscana Spa						
Partecipazioni in imprese Collegate	380.8	68.00%	560	377.0	71.06%	531
Receivables from associated companies	83.7	34.46%	243	48.6	21.65%	224
Debiti verso società collegate	-	0.00%		-	#DIV/0!	-
Other revenues and income	31.2	4.05%	771	20.0	0.85%	2,343
Other related parties						
Comune di Pisa						
Costs for services	-	0.00%	20,729	10.0	0.05%	19,495
Payables to suppliers	12.2	0.06%	19,277	10.0	0.06%	17,152
Pisamo Spa (°)						
Crediti verso altri esigibili entro l'anno	426.8	5.38%	7,927	426.8	14.87%	2,870
Payables to suppliers	23.7	0.12%	19,277	23.7	0.14%	17,152
Alha - Air Lines Handling Agents Spa						
Non-Aviation revenues	9.1	0.07%	12,724	9.1	0.08%	11,848
Other revenues and income	2.7	0.35%	771	0.2	0.01%	2,343
Receivables from customers	3.7	0.02%	22,393	1.0	0.00%	29,763
Other payables due within the year	-	0.00%	15,538	5.7	0.04%	14,676
Sundry operating expenses	-	0.00%	1,130	75.0	7.08%	1,060
Delta Aerotaxi srl						
Aviation revenues	85.5	0.20%	43,512	83.7	0.21%	40,739
Non-Aviation revenues	180.3	1.42%	12,724	160.3	1.35%	11,848
Other revenues and income	8.2	1.07%	771	2.5	0.11%	2,343
Costs for services	69.5	0.34%	20,729	60.1	0.31%	19,495
Receivables from customers	520.7	2.33%	22,393	576.2	1.94%	29,763
Payables to suppliers	69.5	0.36%	19,277	59.8	0.35%	17,152
Corporate Air Services srl						
Aviation revenues	345.4	0.79%	43,512	321.4	0.79%	40,739
Non-Aviation revenues	45.0	0.35%	12,724	43.8	0.37%	11,848
Other revenues and income	2.8	0.37%	771	1.5	0.06%	2,343
Receivables from customers	109.2	0.49%	22,393	113.5	0.38%	29,763
Delifly srl						
Non-Aviation revenues	18.6	0.15%	12,724	15.5	0.13%	11,848
Other revenues and income	0.5	0.06%	771	0.4	0.02%	2,343
Receivables from customers	7.9	0.04%	22,393	11.7	0.04%	29,763
ICCAB srl						
Non-Aviation revenues	70.5	0.55%	12,724	77.8	0.66%	11,848
Other revenues and income	1.4	0.18%	771	3.3	0.14%	2,343
Other receivables from customers	38.0	0.17%	22,393	51.2	0.17%	29,763
Other payables due within the year	-	0.00%	15,538	18.5	0.13%	14,676
Corporación America Italy srl						
Receivables from customers	0.9	0.00%	22,393	39.9	0.13%	29,763
Payables to suppliers	-	0.00%	19,277	48.7	0.28%	17,152
Other payables due within the year	328.7	2.12%	15,538			
Other revenues and income	-	0.00%	771	0.9	0.04%	2,343
Costs for services	-		20,729	-		-
Helport Uruguay S.A.						
Costs for construction services	709.5	13.78%	5,149	-		17,152
Comune di Firenze						
Non-Aviation revenues	2.9	0.02%	12,724	2.9	0.02%	11,848
Receivables from customers	-		22,058	-		-

(°) a company 100% owned by Comune di Pisa (a TA partner).

Annex C

Toscana Aeroporti

CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB'S REGULATION NO. 11971 OF 14 MAY 1999, AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

1. The undersigned Gina Giani (Chief Executive Officer) and Marco Gialletti (Financial Reporting Manager) of Toscana Aeroporti S.p.a., also considering the provisions contained in art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the appropriateness in connection with the distinguishing features of the company, and
- the actual implementation

of the administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Statements at 30 June 2017.

2. Furthermore, it is hereby certified that the Condensed Consolidated Interim Financial Statements at 30 June 2017:

- has been prepared in accordance with applicable accounting standards recognized within the European Community pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- reflects the contents of accounting books and records;
- provides a true and fair view of the assets, liabilities, and financial situation of the issuer and of the issuer.

3. The Report on Operations includes a reliable analysis of operating performance and income, as well as the situation of the issuer, along with a description of the primary risks and uncertainties to which it is exposed.

Florence, 04 August 2017

For the Board of Directors

Chief Executive Officer
Gina Giani

Financial Reporting Manager
Marco Gialletti

Toscana Aeroporti

REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of
Toscana Aeroporti SpA

pwc

Foreword
We have reviewed the accompanying condensed consolidated interim financial statements of Toscana Aeroporti SpA and its subsidiaries (the Toscana Aeroporti Group) as of 30 June 2017, comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in the consolidated shareholders' equity, consolidated statement of cash flows and related explanatory notes. The directors of Toscana Aeroporti SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review
We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.
2 of 2.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of the Toscana Aeroporti Group as of 30 June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Florence, 4 August 2017
PricewaterhouseCoopers SpA
Signed by
Luigi Necci
(Partner)

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

PricewaterhouseCoopers SpA

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