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# Gruppo Toscana Aeroporti

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## INTERIM FINANCIAL REPORT AT 30 June 2016

This report is available in the Investor Relations section  
of Toscana Aeroporti's website at [www.toscana-airports.com](http://www.toscana-airports.com)

**Toscana Aeroporti S.p.A.**

Via del Termine, 11 - 50127 Firenze - [www.toscana-aeroporti.com](http://www.toscana-aeroporti.com)

R.E.A. FI-637708 - Fully paid-up Share Capital € 30,709,743.90

VAT Number and Tax Code: 00403110505

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Dear Shareholders,

The Consolidated Interim Financial Report at 30 June 2016, approved by the Board of Directors of 15 September 2016, has been prepared pursuant to Leg. Decree no. 58/1998 and subsequent amendments, as well as to the Issuers' Regulation issued by CONSOB.

This Consolidated Interim Financial Report includes the Report on Operations, which contains the Directors' comments on operations and management trends for 2016, and the Condensed Consolidated Interim Financial Statement.

The valuation and measurement criteria adopted for the preparation of the Condensed Consolidated Interim Financial Statement included in the Consolidated Interim Financial Report at 30 June 2016 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 2015.

Toscana Aeroporti S.p.A. manages the Pisa "G. Galilei" airport and the Florence "A. Vespucci" airport and develops both airports in terms of air traffic, infrastructure and services for cargo and passenger carriers.

The limited auditing activity for the Condensed Consolidated Interim Financial Statement at 30 June 2016 has been carried out by the auditor "PricewaterhouseCoopers S.p.A."

The consolidated accounting data of the Toscana Aeroporti Group at 30 June 2016 include, in addition to the data regarding the Parent Company "Toscana Aeroporti S.p.A." (hereinafter also briefly referred to as "TA"), those of the subsidiaries Toscana Aeroporti Engineering S.r.l. (hereinafter also "TAE"), Parcheggi Peretola S.r.l., and Jet Fuel Co. S.r.l. (hereinafter also "Jet Fuel").

## 1. COMPOSITION OF THE SHARE CAPITAL OF THE PARENT COMPANY



We are providing below a list of the names of the parties which, at 15 September 2016, held, directly and indirectly, a portion of more than 5% of the subscribed share capital of the parent company 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 integrated by the notices served pursuant to art. 120 of Legislative Decree no. 58/1998.

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

The share capital of Toscana Aeroporti S.p.A. consists of €30,709,743.90, subscribed and fully paid-up, represented by 18,611,966 ordinary shares without nominal value.

We point out that the whole of TA's shares owned by Corporación America Italia S.p.A. have been pledged until December 2019 as guarantee of the debenture loan issued by the shareholder in question.

## 2. THE PARENT COMPANY'S SHAREHOLDERS

### Shareholder Agreements

The following Shareholder Agreements were in force at the date of this document:

- a Shareholder Agreement between Corporación America Italia S.p.A. and SO.G.IM. S.p.A. signed on 16 April 2015 with a duration of three years, renewable upon expiry;
- an *addendum* to the original Shareholder Agreement between Corporación America Italia S.p.A. and SO.G.IM. S.p.A. signed on 13 May 2015 for adjustments required as a consequence of the effectiveness of the merger by incorporation of AdF (Aeroporto di Firenze S.p.A.) into SAT (Società Aeroporto Toscano Galileo Galilei S.p.A.) from 1 June 2015.

Further details and contents are available on the official website of the company: [www.toscana-aeroporti.com](http://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 Borsa Italiana S.p.A.

At 30 June 2016, the TA share (TYA) was listed for €14.29 in the Standard segment (Class 1).

## 4. MACROSTRUCTURE OF THE TOSCANA AEROPORTI GROUP

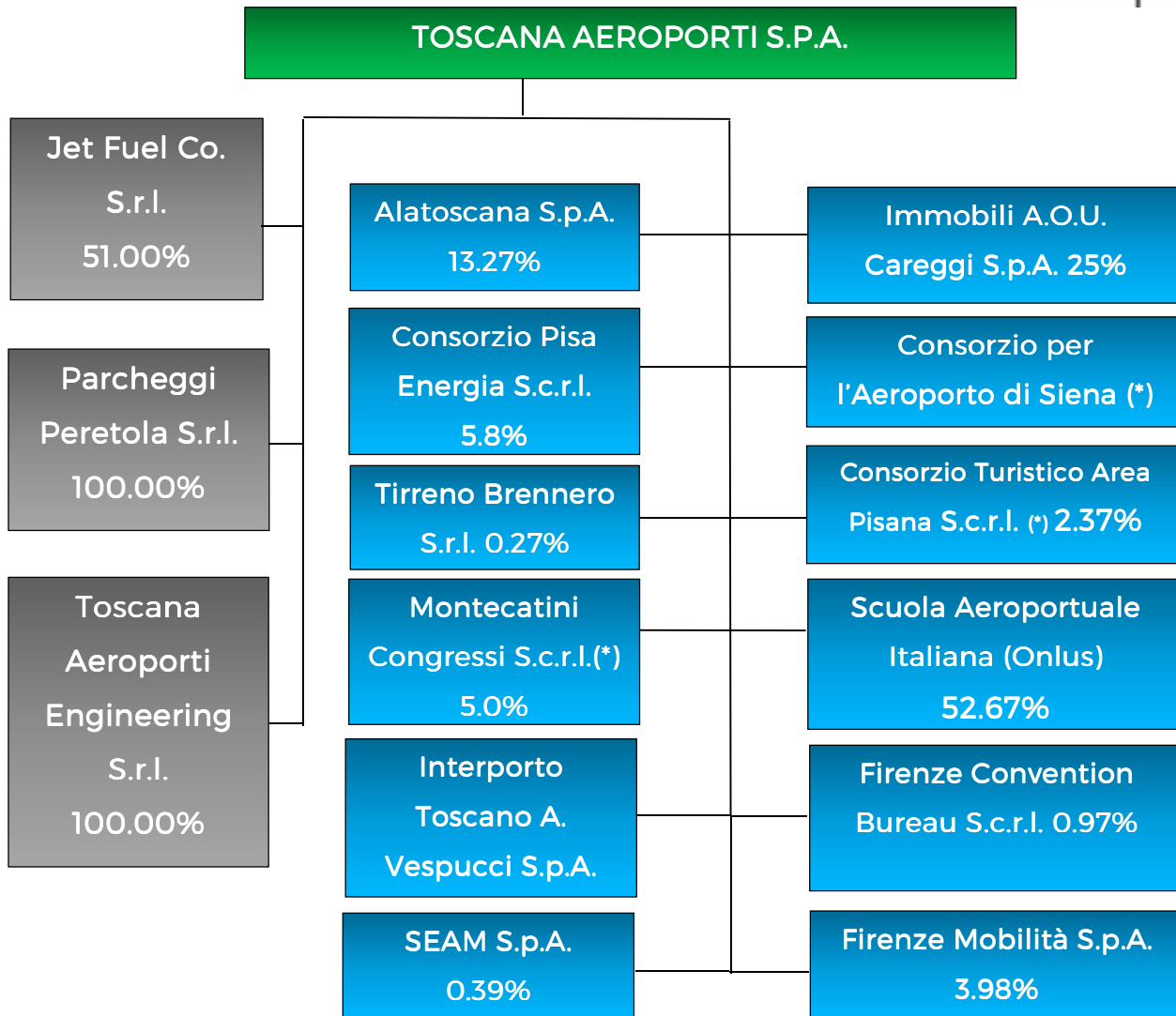
### Legal details of the Parent Company

Company name: Toscana Aeroporti S.p.A., briefly "TA".

Registered office of the company: Florence, Via del Termine n. 11 - Tax Code: 00403110505

Registration number with the Company Register of Florence - Economic and Administrative index: n. 366022 FI no. 637708

Fully paid-up share capital: Euro 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. For more considerations on the consolidation area, see specific section in the Explanatory Notes.

**Third Parties** - (\*) Winding-up entities.

## Line-by-line consolidation

Company	Registered Office	Share Capital (€)	Shareholders' Equity (€K)	%
Toscana Aeroporti S.p.A.	Florence	30,709,743.90	103,124	Parent Company
Toscana Aeroporti Engineering S.r.l. Florence		80,000.00	82	100.00
Parcheggi Peretola S.r.l.	Florence	50,000.00	2,421	100.00
Jet Fuel Co. S.r.l.	Pisa	150,000.00	220	51.00

## Full consolidation<sup>1</sup>

Company	Registered Office	Share Capital (€)	Shareholders' Equity (€K)	%
Immobili A.O.U. Careggi S.p.a.	Florence	200,000.00	586	25.00
Alatoscana S.p.A. Campo (LI)	Marina di	2,910,366.20	2,861	13.27

## 5. COMPOSITION OF CORPORATE GOVERNING BODIES

### Board of Directors

Marco CARRAI	President
Gina GIANI <sup>2</sup>	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

### Board of Statutory Auditors

Paola SEVERINI	President
Silvia BRESCIANI	Statutory Auditor
Tania FROSALI	Statutory Auditor
Roberto GIACINTI	Statutory Auditor
Antonio MARTINI	Statutory Auditor

### Secretary of the Board of Directors

Nico ILLIBERI<sup>3</sup>

<sup>1</sup> Data at 31-Dec-2015

<sup>2</sup> Corporate Manager qualified as Managing Director.

<sup>3</sup> Corporate Manager qualified as Director of the Legal Affairs and Compliance Area.

## Supervisory Board

Edoardo MARRONI

President

Michele GIORDANO

Member

Nico ILLIBERI

Member

## Financial Reporting Manager pursuant to Law 262/05

Marco GIALLETTI<sup>1</sup>

## Independent Auditor

PricewaterhouseCoopers S.p.A.

## 6. HIGHLIGHTS

<p><b>Consolidated operating results at 30 June 2016</b></p>	<ul style="list-style-type: none"> <li>- <b>Total revenues</b> totalled €57.702K, down by €5.540K compared to the Group's €63.242K at 30 June 2015. More specifically, €54.930K of <b>Operating Revenues</b> show a increase of €2.412K compared to the Group's €52.518K at 30 June 2015, while <b>Revenues from construction services</b> totalled €2.772K, down by €7.952K compared to the Group's €10.724K at 30 June 2015.</li> <li>- <b>The Gross Operating Margin</b> (EBITDA) - €11.463K, went up by €1.458K compared to the Group's €10.005K at 30 June 2015.</li> <li>- The <b>Operating Result</b> (EBIT) totalled €5,1573K, up by €1,421K from the Group's result of €4,152K at 30 June 2015.</li> <li>- <b>Profits Before Tax</b> (PBT) totalled €5.027K, up by €46K compared to the Group's PBT of €4.980K at 30 June 2015.</li> <li>- The <b>Group's profit for the period</b>, for a total of €2,937K, after deducting the year's taxes and profits attributable to minority interest, against Group profits for the period of €3.368K at 30 June 2016, down by €431K. We remind readers that the first half of 2015 had benefited from €1.6M of capital gains deriving from the sale of AdF shares before the merger, which had also benefited financial operations and the calculation of the year's taxes (lower tax rate). Leaving this event aside, the Group's profit for the first half of 2016 would have shown a 50% growth with respect to profits earned in the same period of 2015.</li> <li>- <b>Net Indebtedness</b> totalled €34,902K at 30 June 2016, compared to €12,739K of the Group at 31 December 2015 (€32,523K at 30 June 2015).</li> </ul>
<p><b>Investments at 30 June 2016</b></p>	<p>investments for approximately €3.9M had been made at 30 June 2016, of which ca. €1.3M in airport infrastructure and ca. €0.9M in the development of the Florence airport Master Plan.</p>
<p><b>Traffic</b></p>	<p>During the 6-month period examined, the Tuscan Airport System carried 3.4 million passengers, with an aggregate growth of 2.5% for</p>

<sup>1</sup> Corporate Manager qualified as Chief Financial Director (CFO)



	<p>the Passengers component (against a national average of +4.3%), and 1.6% for the Flights component, compared to the first 6-month period of 2015 (against a national average of +1.5%).</p> <p>During the first half of 2016, the Tuscan Airport System was confirmed at the 4th position in the Italian Airport System for number of transiting passengers.</p>
<b>Outlook</b>	<p>Considering the growth in traffic, both in terms of passengers (+2.5%) and cargo (+13.3%), recorded by the Tuscan Airport System over the first eight months of the year, compared to the same period of the previous year, we may predict a second half characterized by positive growth rates and improving profits for Gruppo Toscana Aeroporti.</p>

## 7. THE AIR TRANSPORT SCENARIO

There have been contradicting indications regarding trends in the first half of 2016 in the Euro Area. While a mild recovery has been confirmed, the feeling of instability increased, being also caused by the persistence of the geopolitical and terrorism risk. This, together with the results of the 23 June referendum in the United Kingdom, where votes in favour of the UK's exit from the European Union prevailed, opened a further front whose economic and social repercussions are difficult to evaluate at present.

At EU level, the Central Bank (ECB) is still promoting and implementing economic and financial expansion measures to spur the recovery of investments, also with policies that favour better indebtedness conditions for families and businesses, and to make the markets more stable. In the Euro Area, the recovery continued over the second quarter, although at a slower pace than in the first quarter, and inflation in consumption has gone back to slightly positive values in June.

In Italy, the economic growth remained unchanged from the first to the second quarter of 2016<sup>1</sup>, but continued gradually, encouraged by the internal demand (family consumption, employment and growth of investments); however, the confidence of businesses and families could be affected by risks deriving from strained financial markets<sup>2</sup> and the recent international events.

As reported by ACI Europe, passenger traffic in European airports increased by 4.9% on average in the first six months of 2016, with low-cost carriers remaining among the main expansion factors. However, the growth rate decreased between the first and the second quarter in almost all European Countries, and particularly in Belgium, after the Brussels terrorist attacks. The uncertain political scenario and the proliferation of terrorist attacks may represent the most significant market risk even in the future, in spite of the persistence of positive growth factors, such as fuel prices and an increasingly resilient tendency to use air transport that defies macroeconomic trends, since it has become a common habit for people.

<sup>1</sup> ISTAT - preliminary estimate of GDP - 12 August 2016

<sup>2</sup> BANK OF ITALY - Economic Bulletin - July 2016

In Italy, traffic data reported for the first six months of 2016<sup>1</sup> show a growth, with a 4.3% increase compared to the same period of the previous business year.

## 8. TRENDS IN THE TUSCAN AIRPORT SYSTEM'S TRAFFIC

In the first half of 2016, the Tuscan Airport System carried **approx. 3.4 million passengers**, with an aggregate growth of +2.5%, corresponding to +82.902 transiting passengers compared to the same period of 2015.

The different traffic components for the January-June 2016 period with the related comparison against 2015 are detailed below:

<b>TOSCANA AEROPORTI TRAFFIC</b>				
	YTD AT 3Q/06/2016	YTD AT 3Q/06/2015	2016/15 Δ FF.	2016/15 % Δ FF.
<b>Commercial Passengers</b>	<b>3.390.811</b>	<b>3.307.774</b>	<b>83.037</b>	<b>2,5%</b>
Domestic (Scheduled + Charter)	854.669	869.627	-14.958	-1,7%
International (Scheduled + Charter)	2.536.142	2.438.147	97.995	4,0%
<b>General Flight Passengers</b>	<b>8.637</b>	<b>8.772</b>	<b>-135</b>	<b>-1,5%</b>
<b>TOTAL PASSENGERS</b>	<b>3.399.448</b>	<b>3.316.546</b>	<b>82.902</b>	<b>2,5%</b>
	YTD AT 3Q/06/2016	YTD AT 3Q/06/2015	2016/15 Δ FF.	2016/15 % Δ FF.
<b>Commercial Flights</b>	<b>30.468</b>	<b>29.978</b>	<b>490</b>	<b>1,6%</b>
Domestic (Scheduled + Charter)	7.187	7.618	-431	-5,7%
International (Scheduled + Charter)	22.636	21.887	749	3,4%
Cargo	645	473	172	36,4%
<b>General Flights</b>	<b>4.776</b>	<b>4.708</b>	<b>68</b>	<b>1,4%</b>
<b>TOTAL FLIGHTS</b>	<b>35.244</b>	<b>34.686</b>	<b>558</b>	<b>1,6%</b>
	YTD AT 3Q/06/2016	YTD AT 3Q/06/2015	2016/15 Δ FF.	2016/15 % Δ FF.
<b>Commercial Tonnage</b>	<b>1.798.579</b>	<b>1.752.661</b>	<b>45.918</b>	<b>2,6%</b>
Domestic (Scheduled + Charter)	400.017	433.117	-33.100	-7,6%
International (Scheduled + Charter)	1.337.326	1.280.572	56.754	4,4%
Cargo	61.236	38.972	22.264	57,1%
<b>General Aviation Tonnage</b>	<b>65.225</b>	<b>62.418</b>	<b>2.807</b>	<b>4,5%</b>
<b>TOTAL TONNAGE</b>	<b>1.863.804</b>	<b>1.815.079</b>	<b>48.725</b>	<b>2,68%</b>
	YTD AT 3Q/06/2016	YTD AT 3Q/06/2015	2016/15 Δ FF.	2016/15 % Δ FF.
Air cargo (kg)	4.682.527	4.303.569	378.958	8,8%
Ground cargo (kg)	323.608	255.610	67.998	26,6%
Mail (kg)	43.398	44.137	-739	-1,7%
<b>TOTAL CARGO AND MAIL</b>	<b>5.049.533</b>	<b>4.603.316</b>	<b>446.217</b>	<b>9,7%</b>
	YTD AT 3Q/06/2016	YTD AT 3Q/06/2015	2016/15 Δ FF.	2016/15 % Δ FF.
<b>TOTAL TRAFFIC UNITS</b>	<b>3.449.943</b>	<b>3.362.579</b>	<b>87.364</b>	<b>2,6%</b>

The comparison with the Italian Airport System, detailed below, shows an average growth of 4.3% for the period.

<sup>1</sup> Source: Assaeroporti.

January- June			
Nb.	Ai r port	Passengers	% 16/15
	Rome (System)	0	0,0
	Milan (System)	0	0,0
	Venice (System)	0	0,0
1	Bologna	3.590.527	13,2
2	Catania	3.484.525	6,5
3	Napoli	2.977.810	5,5
4	Palermo	2.402.931	12,4
5	Pisa	2.245.528	3,5
6	Bari	1.986.130	7,6
7	Turin	1.955.364	7,7
8	Cagliari	1.568.266	-1,0
9	Verona	1.201.178	5,8
10	Florence	1.153.920	0,6
11	Lanezia Terme	1.121.190	8,4
12	Brindisi	1.063.968	1,7
13	Catania	790.333	13,7
14	Trapani	695.466	-4,4
15	Alghero	601.849	-18,4
<b>TOTAL ITALIAN AIRPORT SYSTEM</b>		<b>75.345.714</b>	<b>4,3</b>
<b>Tuscan Airport System</b>		<b>3.399.448</b>	<b>2,5</b>

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, the Venice airport system includes the Venice and Treviso airports.

During the same period, Tuscan airports have been connected with 92 destinations, of which 13 domestic and 79 international (17 operated in both airports), and have been served by 35 airlines (of which 5 operating in both airports), 23 IATA and 12 Low-Cost airlines (hereinafter also briefly "LC").

The table below provides details on these destinations and airlines.

Airlines that operated from January to June 2016 Tuscan Airport System			
1	Aegean Airlines	19	Finnair
2	Aer Lingus	20	Hop
3	Air Berlin	21	Iberia
4	Air Dolomiti	22	Jet2.com
5	Air France	23	KLM
6	Air Moldova	24	Lufthansa
7	Alitalia	25	Niki
8	Austrian Airlines	26	Norwegian A.S.
9	Blue Air	27	Ryanair
10	Blue Panorama	28	SAS
11	British Airways	29	Silverair
12	Brussels Airlines	30	Swiss
13	CityJet	31	Transavia
14	CSA - Czech Airlines	32	Turkish Airlines
15	Delta Air Lines	33	Votea
16	EasyJet	34	Vueling
17	Etihad Regional	35	Wizzair
18	Eurowings		

No. of destinations served January-June 2016 - Tuscan Airport System					
<b>Domestic destinations:</b>					
1	Alghero	31	Chania	62	London LHR
2	Bari	32	Chisinau	63	London LTN
3	Briandisi	33	Cologne/Bonn	64	London STN
4	Cagliari**	34	Copenhagen	65	Madrid
5	Catania	35	Corfu	66	Malta
6	Comiso	36	Krakow	67	Manchester
7	Crotone	37	Dublin	68	Marrakesh
8	Lanuzi a T.	38	Düsseldorf	69	Mykonos
9	Is. Elba Island (M. Campo)	39	Düsseldorf VEEZE	70	Munaco
10	Ciabi a**	40	Edinburgh	71	Nantes
11	Palermo	41	Eindhoven	72	New Castle
12	Rome FCO	42	East Midlands	73	New York JFK
13	Trapani	43	Fez	74	Orio
		44	Frankfurt	75	Paris CDG
		45	Frankfurt HAN	76	Paris CDG
<b>International destinations:</b>					
14	Hamburg	46	Fuerteventura	77	Paris ORY
15	Amsterdam	47	Cdansk	78	Prague
16	Atenas	48	Geneva	79	Rhodes
17	Barcelona	49	Ci asgow PI K	80	Santorini
18	Barcelona GRO	50	Cotcheborg	81	Seville
19	Basel	51	Hel sinki	82	Sofia
20	Bel fast	52	Kos	83	Stuttgart
21	Berlin SXF	53	I biza	84	StockholmARN
22	Berlin TXL	54	Istanbul	85	StockholmNVO
23	Billund	55	Las Palmas	86	Tenerife
24	Bordeaux	56	Leeds-Bradford	87	Tel Aviv**
25	Bristol	57	Lyon	88	Tirana
26	Brussels	58	Lisbon	89	Valencia
27	Brussels CRL	59	Liverpool	90	Varsaw MCD
28	Bucharest	60	London LCY	91	Vinna
29	Budapest	61	London LGW	92	Zurich
30	Cephalonia				

\*\* Airlines are listed alphabetically.

\*\* Operated since the end of June

## 8.1 Traffic trends in the Pisa "Galileo Galilei" airport

The table below compares January-June 2016 traffic trends against 2015, broken down into its different components:

PI SA AI RPORT TRAFFI C				
	YTD AT 30/06/2016	YTD AT 30/06/2015	2016/15 Δ FF.	2016/15 % Δ FF.
<b>Commercial Passengers</b>	<b>2.242.164</b>	<b>2.165.958</b>	<b>76.206</b>	<b>3,5%</b>
Domestic (Scheduled + Charter)	678.432	693.722	-15.290	-2,2%
International (Scheduled + Charter)	1.563.732	1.472.236	91.496	6,2%
<b>General Flight Passengers</b>	<b>3.364</b>	<b>3.143</b>	<b>221</b>	<b>7,0%</b>
<b>TOTAL PASSENGERS</b>	<b>2.245.528</b>	<b>2.169.101</b>	<b>76.427</b>	<b>3,5%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	Δ FF. 2016/15	% Δ ff. 2016/15
<b>Commercial Flights</b>	<b>17.022</b>	<b>16.574</b>	<b>448</b>	<b>2,7%</b>
Domestic (Scheduled + Charter)	5.380	5.725	-345	-6,0%
International (Scheduled + Charter)	10.997	10.376	621	6,0%
Cargo	645	473	172	36,4%
<b>General Flights</b>	<b>1.574</b>	<b>1.476</b>	<b>98</b>	<b>6,6%</b>
<b>TOTAL FLIGHTS</b>	<b>18.596</b>	<b>18.050</b>	<b>546</b>	<b>3,0%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	Δ FF. 2016/15	% Δ ff. 2016/15
<b>Commercial Tonnage</b>	<b>1.110.494</b>	<b>1.074.587</b>	<b>35.907</b>	<b>3,3%</b>
Domestic (Scheduled + Charter)	298.778	328.558	-29.780	-9,1%
International (Scheduled + Charter)	750.480	707.057	43.423	6,1%
Cargo	61.236	38.972	22.264	57,1%
<b>General Aviation Tonnage</b>	<b>24.973</b>	<b>24.419</b>	<b>554</b>	<b>2,3%</b>
<b>TOTAL TONNAGE</b>	<b>1.135.467</b>	<b>1.099.006</b>	<b>36.461</b>	<b>3,32%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	Δ FF. 2016/15	% Δ FF. 2016/15
Air cargo (kg)	4.643.339	4.264.661	378.678	8,9%
Ground cargo (kg)	189.397	168.294	21.102	12,5%
Mail (kg)	43.386	44.048	-662	-1,5%
<b>TOTAL CARCO AND MAIL</b>	<b>4.876.122</b>	<b>4.477.003</b>	<b>399.118</b>	<b>8,9%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	Δ FF. 2016/15	% Δ FF. 2016/15
<b>TOTAL TRAFFIC UNITS</b>	<b>2.294.289</b>	<b>2.213.871</b>	<b>80.418</b>	<b>3,6%</b>

A total of 2,245,528 passengers transited in the Pisa airport in January-June 2016, up by 3.5% compared to the same period of 2015. **In the first six months of 2016**, passenger traffic reached **record levels for the airport**, and the number of 500,000 in the month was exceeded for the first time of June. This refers to the increase in international traffic (+6.2%, with +91,496 passengers), while domestic traffic is slightly decreasing (-2.2%, with -15,290 passengers).

The load factor of scheduled flights grew by 1.9 p.p. (with 80.3% for the first half of 2015 and 82.2% for the first half of 2016, respectively). Against a +1.0% growth in the number of seats offered, scheduled air traffic grew by 3.4%.

Passenger traffic on rerouted flights, included in commercial traffic, is 0.9% of the total traffic (with 23,212 passengers). The share coming from Florence represents approximately 87.4% (20,375 pax) over the total number of rerouted flights.

Compared to the first half of 2015, charter traffic<sup>1</sup> recorded a decrease of 14.6% (-1.761 passengers) due again to the suspension of outgoing flights towards Egypt (-5,559 passengers), which restarted during 2015.

In the January-June 2016 period, General Aviation flights recorded a slight 7% growth, with +221 passengers carried compared to the same period of 2015.

The table below shows the main factors that characterised scheduled passengers' traffic trends in the Pisa Galilei airport in the first 6-month period of 2016:

<sup>1</sup> Commercial traffic data.

- **Ryanair:** the Irish carrier recorded a substantial increase in its load factor (+3.0 p.p), with a slight increase in operations (+1% flights). More specifically, the new routes served starting from April are to/from Catania (1 daily flight), Sofia (2 weekly flights) and Berlin Schoenefield (3 weekly flights). The new seasonal flight for Corfu was operated since June.
- **easyJet:** full operations for flights to Hamburg and Manchester since April 2015 and 17 June 2015, respectively. And finally we point out the new 3 flights per week to Geneva starting from 1 February 2016 and to Basel starting from 28 March 2016.
- **Blue Panorama:** This airline increased its operations on Tirana (from 4 to 7 weekly flights) after the cancellation of these flights by Alitalia. In addition to that, its load factor increased and reached 81.7% in the first half of 2016.
- **Aer Lingus:** three new flights per week are operated by this airline to/from Dublin from 18 May to 11 September.
- **Czech Airlines:** three seasonal new flights per week to/from Prague from 4 May to 28 September.
- **Delta Air Lines:** the flight for New York JFK was again operated this year, from 28 May to 6 September, with a slight increase in the number of flights.
- **Eurowings:** two new seasonal flights per week to/from Hamburg operated since 27 March 2016.
- **Alitalia:** the flights operated by Airone to Catania, Berlin, Prague, and Tirana were interrupted. The same routes remained in the Galilei airport network, operated by Ryanair (Berlin and Catania), Blue Panorama (Tirana with increased flights), Czech Airlines (Prague). Alitalia continued operations on Rome Fiumicino with 24 weekly flights.

In the first 6 months of 2016, the Pisa airport has been connected with 78 scheduled destinations operated by 21 airlines, of which 11 IATA and 10 LC.

Airlines that operated from January to June 2016 Pisa Airport*			
1	Aegean Airlines	12	Lufthansa
2	Aer Lingus	13	Norwegian ASA
3	Alitalia	14	Ryanair
4	Blue Panorama	15	SAS
5	British Airways	16	SilverAir
6	CSA - Czech Airlines	17	Transavia
7	Delta Airlines	18	Turkish Airlines
8	EasyJet	19	Vototea
9	Eurowings	20	Vueling Airlines
10	Finnair	21	Wizzair
11	Jet2.com		

\*\* Airlines are listed alphabetically.

Nb. of destinations served January-June 2016 - Pisa Airport					
<b>Domestic destinations:</b>		25	Brussels CRL	52	Lisbon
1	Alghero	26	Bucharest	53	Liverpool
2	Bari	27	Budapest	54	London LGW
3	Brindisi	28	Cephalonia	55	London LHR
4	Cagliari	29	Chania	56	London LTN
5	Catania	30	Cologne/Bonn	57	London STN
6	Comiso	31	Copenhagen	58	Madrid
7	Crotone	32	Krakow	59	Malta
8	Lamezia T.	33	Corfu	60	Manchester
9	Elba Island (M. Campo)	34	Cdańsk	61	Marrakesh
10	Palermo	35	Dublin	62	Monaco
11	Rome FCO	36	Düsseldorf Weeze	63	Nantes
12	Trapani	37	Edinburgh	64	New Castle
<b>International destinations:</b>		38	Eindhoven	65	New York JFK
13	Hamburg	39	East Midlands	66	Oslø
14	Amsterdam	40	Fez	67	Paris CDG
15	Athens	41	Frankfurt HHN	68	Paris ORY
16	Barcelona	42	Fuerteventura	69	Prague
17	Barcelona GRO	43	Glasgow PIK	70	Rhodes
18	Basel	44	Geneva	71	Seville
19	Belfast	45	Goteborg	72	Sofia
20	Berlin SXF	46	Helinski	73	StockholmARN
21	Berlin TXL	47	Ibiza	74	StockholmNYO
22	Billund	48	Istanbul	75	Tenerife
23	Bordeaux	49	Kos	76	Tirana
24	Bristol	50	Las Palmas	77	Valencia
		51	Leeds-Bradford	78	Warsaw MCD

### Scheduled passenger traffic by Country

A total of 25 markets have been regularly connected with the Pisa airport with scheduled flights in the course of the first 6 months of 2016.

The international traffic accounts for 69.5% of the total scheduled passenger traffic of the Galilei airport, while the domestic traffic accounts for 30.5%.

The table below shows the percentage incidence of each European country over the total number of scheduled passenger traffic recorded by the Galilei airport in the January-June 2016 period and the difference, both in absolute and percentage terms, compared to the first semester 2015:

Passenger line traffic	2016	2015	Diff.	Diff. %	% over TOT
Italy	673.549	689.638	-16.089	-2,3%	30,5%
United Kingdom	437.184	389.023	48.161	12,4%	19,8%
Spain	266.213	251.357	14.856	5,9%	12,0%
Germany	146.523	123.769	22.754	18,4%	6,6%
France	139.146	160.821	-21.675	-13,5%	6,3%
The Netherlands	97.473	101.775	-4.302	-4,2%	4,4%
Belgium	77.653	75.577	2.076	2,7%	3,5%
Albania	53.165	63.588	-10.423	-16,4%	2,4%
Morocco	38.674	38.543	131	0,3%	1,8%
Ireland	31.282	25.061	6.221	24,8%	1,4%
Poland	26.845	25.682	1.163	4,5%	1,2%
Portugal	26.380	24.770	1.610	6,5%	1,2%
Sweden	23.435	24.002	-567	-2,4%	1,1%
Greece	22.880	15.087	7.793	51,7%	1,0%
Malta	22.492	21.561	931	4,3%	1,0%
Hungary	21.863	19.867	1.996	10,0%	1,0%
Romania	20.743	25.234	-4.491	-17,8%	0,9%
Switzerland	18.548		18.548		0,8%
Turkey	18.259	18.870	-611	-3,2%	0,8%
Denmark	15.698	17.961	-2.263	-12,6%	0,7%
Norway	10.469	8.729	1.740	19,9%	0,5%
Bulgaria	8.037		8.037		0,4%
United States	6.294	2.624	3.670	139,9%	0,3%
Czech Republic	5.923	9.783	-3.860	-39,5%	0,3%
Finland	905	646	259	40,1%	0,0%
Latvia		575	-575	-100,0%	0,0%
Russian Federation		3.083	-3.083	-100,0%	0,0%
<b>Total</b>	<b>2.209.633</b>	<b>2.137.814</b>	<b>71.819</b>	<b>3,4%</b>	<b>100,0%</b>

In the January-June 2016 period, domestic traffic decreased by 2.3% compared to 2015 due to the cancellation of Alitalia's flights and the seasonal reduction in the winter of some routes by Ryanair.

The British market has been the first among foreign markets, with 473,184 passengers (19.8% of total markets), i.e. a 12.4% increase. This was achieved thanks to the full operation of the new flight bi-weekly for Manchester operated by easyJet starting from 17 June 2015 and increased flights to London LGW (up to 11 weekly flights against the 9 flights of the same period in 2015).

The Spanish market grew by 5.9% (with 14,856 transiting passengers in the semester). This result is mainly due to an increased load factor for Ryanair (hereinafter also briefly "LF") on Spanish routes (+3.0 p.p.) and to increased operations on Ibiza and Madrid.

The French market decreased by 13.5% compared to the January-June 2015 period due to the suspension of Transavia France flights to Paris Orly during the winter and to the reduction by Ryanair of its flights to Paris Beauvais, passing from 9 weekly flights to 1 daily flight.

The German market has grown (+18.4%) thanks to the new flights to Hamburg operated by easyJet and Eurowings, to Berlin Schoenefeld by Ryanair and to Munich by Transavia.

We point out the presence of the new Swiss market with the opening of a 3 flights a week route to Geneva and Basel operated by easyJet.



## Cargo & Mail Traffic

Cargo traffic data recorded in the first 6-month period of 2016 in the Pisa airport show a +8.9% growth (with 399,118 kg of cargo and mail carried). This result is mainly due to the **new DHL operations in Pisa (+1,500 tons of goods carried)**: since 3 November 2015, DHL increased its operations in Pisa by opening a cargo import service.

We also remind readers that, during the first half of 2015, 12 all-cargo flights had been operated (of which 9 for the transport of marble), for a total of 1,117 tons of goods carried, which have not been made in the first half of 2016.

## 8.2 Traffic trends in the Florence "Amerigo Vespucci" airport

The previous table shows the traffic trends of the January-June 2016 period with the related comparison against the same period of 2015, subdivided into its different components:

<b>FLORENCE AIRPORT TRAFFIC</b>				
	YTD AT 30/06/2016	YTD AT 30/06/2015	DI FF. 2016/15	% DI ff. 2016/15
<b>Commercial Passengers</b>	<b>1.148.647</b>	<b>1.141.816</b>	<b>6.831</b>	<b>0,6%</b>
Domestic (Scheduled + Charter)	176.237	175.905	332	0,2%
International (Scheduled + Charter)	972.410	965.911	6.499	0,7%
<b>General Flight Passengers</b>	<b>5.273</b>	<b>5.629</b>	<b>-356</b>	<b>-6,3%</b>
<b>TOTAL PASSENGERS</b>	<b>1.153.920</b>	<b>1.147.445</b>	<b>6.475</b>	<b>0,6%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	DI FF. 2016/15	% DI ff. 2016/15
<b>Commercial Flights</b>	<b>13.446</b>	<b>13.404</b>	<b>42</b>	<b>0,3%</b>
Domestic (Scheduled + Charter)	1.807	1.893	-86	-4,5%
International (Scheduled + Charter)	11.639	11.511	128	1,1%
<b>General Flights</b>	<b>3.202</b>	<b>3.232</b>	<b>-30</b>	<b>-0,9%</b>
<b>TOTAL FLIGHTS</b>	<b>16.648</b>	<b>16.636</b>	<b>12</b>	<b>0,1%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	DI FF. 2016/15	% DI ff. 2016/15
<b>Commercial Tonnage</b>	<b>688.085</b>	<b>678.074</b>	<b>10.011</b>	<b>1,5%</b>
Domestic (Scheduled + Charter)	101.239	104.559	-3.320	-3,2%
International (Scheduled + Charter)	586.846	573.515	13.331	2,3%
<b>General Aviation Tonnage</b>	<b>40.252</b>	<b>37.999</b>	<b>2.253</b>	<b>5,9%</b>
<b>TOTAL TONNAGE</b>	<b>728.337</b>	<b>716.073</b>	<b>12.264</b>	<b>1,7%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	DI FF. 2016/15	% DI ff. 2016/15
Air cargo (kg)	39.188	38.908	280	0,7%
Ground cargo (kg)	134.211	87.316	46.896	53,7%
<b>TOTAL CARGO AND MAIL</b>	<b>173.411</b>	<b>126.313</b>	<b>47.099</b>	<b>37,3%</b>
	YTD AT 30/06/2016	YTD AT 30/06/2015	DI FF. 2016/15	% DI ff. 2016/15
<b>TOTAL TRAFFIC UNITS</b>	<b>1.155.654</b>	<b>1.148.708</b>	<b>6.946</b>	<b>0,6%</b>

In the first semester of 2016, the Florence airport recorded 1,153,920 passengers, with a 0.6% increase (+6,475 passengers) compared to the same period of 2015.

This result was affected by the high percentage of rerouting and cancellations recorded in the period, markedly higher than that of the first half of the previous year.

In fact, 655 flights were cancelled/rerouted in the period, up by 76.5% compared to 2015 and with an estimated loss of approximately 60,000 passengers. A significant share of these flights was cancelled/rerouted due to adverse weather conditions in Florence, precisely 484 flights, corresponding to 73.8% of the total number of flights, up by 138.4% compared to 2015. Without this loss, traffic in the Florence airport would have recorded a

4% growth in flights and a 5.8% growth in passengers. Only a part of that traffic was recovered by the Pisa airport (20,375 passengers and 270 flights).

The main factors that determined traffic changes in 2016 are described below:

- **Iberia:** full operation of the Spanish carrier to Madrid (in 2015 its flights started only from April 1st) and increase in summer flights.
- **Blue Air:** full operation of flights to Bucarest. The Romanian carrier has been operating 3 weekly flights with 141-seat B737-500 aircraft since 20 March 2015.
- **Swiss Airlines** - full operation with 4 weekly flights to Geneva starting from 30 March 2015 on 76-seat Dash Q400 aircraft.
- **Vueling:** this airline operated its flights to Madrid even in the winter and increased its weekly flights to Barcelona and Catania.
- **KLM:** this carrier increased weekly flights to Amsterdam passing from 14 to 16 flights in the winter and from 28 to 30 flights in the summer.
- **Alitalia:** the national carrier used a mix of larger aircraft (A321) during the period at issue.
- **Air Berlin:** during the summer, it restarted flights to Dusseldorf and Stuttgart. In addition to that, the German carrier increased the total number of flights, passing from 1 to 3 daily flights for the Florence-Dusseldorf route, thus ensuring a veritable feeding service to the Tuscan and German business customer base to and from the destinations of its network.
- **Air Moldova:** the new bi-weekly connection to Chisinau started on 14 June 2016.

In 2015, the Pisa airport has been connected with 31 scheduled destinations operated by 19 airlines (of which 16 Full Service).

No. of destinations served January-December 2016 - Florence Airport			
<b>Domestic destinations:</b>		16	Frankfurt
1	Bari	17	Geneva
2	Cagliari	18	Ibiza
3	Catania	19	Lyon
4	Elba Island (M. Campo)	20	London LCY
5	Ciampino	21	London LGW
6	Palermo	22	Madrid
7	Rome FCO	23	Monaco
<b>International destinations:</b>		24	Mykonos
8	Amsterdam	25	Paris CDG
9	Barcelona	26	Paris ORY
10	Berlin TXL	27	Santorini
11	Brussels	28	Stuttgart
12	Bucharest	29	Tel Aviv
13	Chisinau	30	Vienna
14	Copenhagen	31	Zurich
15	Dusseldorf		

Airlines that operated from January to June 2016 Florence Airport*			
1	Air Berlin	11	Eti had Regional
2	Air Dolomiti	12	Hop
3	Air France	13	Iberia
4	Alitalia	14	KLM
5	Air Moldova	15	Lufthansa
6	Austrian Airlines	16	Niki
7	Blue Air	17	Silver Air
8	British Airways	18	Swiss
9	Brussels Airlines	19	Vueling Airlines
10	CityJet		

\*\* Airlines are listed alphabetically.

### Scheduled passenger traffic by Country

In the first 6 months of 2016, international traffic accounted for 77% of the total passenger traffic. The Florence airport is connected with 14 countries.

Passenger line traffic	2016	2015	Diff.	Diff. %	% over TOT
France	263.986	268.340	-4.354	-1,6%	23,0%
Germany	255.881	272.492	-16.611	-6,1%	22,3%
Italy	175.503	175.173	330	0,2%	15,3%
Spain	112.294	82.688	29.606	35,8%	9,8%
The Netherlands	100.043	87.756	12.287	14,0%	8,7%
Switzerland	91.029	94.187	-3.158	-3,4%	7,9%
United Kingdom	85.215	91.368	-6.153	-6,7%	7,4%
Austria	21.409	22.535	-1.126	-5,0%	1,9%
Romania	16.610	7.451	9.159	122,9%	1,4%
Belgium	15.867	21.196	-5.329	-25,1%	1,4%
Denmark	6.645	7.751	-1.106	-14,3%	0,6%
Greece	1.552	1.228	324	26,4%	0,1%
Moldova	835		835	100,0%	0,1%
Czech Republic	159	394	-235	-59,6%	0,0%
Israel	105	2.204	-2.099	-95,2%	0,0%
Albania		3.742	-3.742	-100,0%	0,0%
Croatia		306	-306	-100,0%	0,0%
<b>TOTAL</b>	<b>1.147.133</b>	<b>1.138.811</b>	<b>8.322</b>	<b>0,7%</b>	<b>100,0%</b>

The Italian market has been substantially stable compared to 2015 (+0.2%).

The Spanish market shows a 35.8% growth thanks to the full operation of the Iberia flight to Madrid and to the higher number of flights to Barcelona and Madrid operated by Vueling.

The French market has been confirmed to be the main market, with a slight decrease compared to the same period of 2015 (-1.6%, with -4,354 passengers carried), due to a 1% reduction in the LF.

The German market is the second largest, but had a 6.1% decline mainly due to the suspension by Air Berlin of its winter flights to Stuttgart and Düsseldorf, with a generalized reduction of the average LF (-3 p.p.).

On the other hand, the Dutch market grew by 14.0%, with increased flights operated by KLM to Amsterdam and the Romanian market grew by 122.9% after fully operating a flight to Bucarest. The British market decreased by 6.7%, affected by the suspension of FlyBe's operations with Birmingham (4 weekly flights in the January-March 2015 period).

## 9. NON-AVIATION BUSINESS

### Commercial Services

Commercial Services are the whole of the following Non-Aviation activities: Retail (shops), Food (bars & restaurants), Car Rental, sub-concession of areas (spaces for rent), Other Sub-Concessions (minor activities), management of Advertising Spaces and management of Parking Lots.

### Main Non-Aviation initiatives in the first half of 2016 for the Pisa and Florence airports

#### Car Rental business

**Pisa:** for the first semester 2016 the Pisa airport was confirmed to be an important logistic hub for the car rental segment. During the period considered, the new area with 10 fully-equipped dry cleaning workstations has been completed. The service is directly marketed by TA to the car rental companies, which provide it on a self-service basis.

**Florence:** based on projects agreed with the Municipality of Florence for the use of a parking lot in front of the airport terminal, negotiation were initiated during the first half of 2016 with the Association of the Car Rental industry with the purpose of reintroducing certain rent-a-car activities in the airport area within the current year.

#### The Parking business

The first half of 2016 has been characterised by increasing global profits (€2.75M, up by 4.1% from the first quarter 2015). More specifically, we point out the excellent performance obtained with the activation of the TELEPASS system for access to the parking lots in front of both airports. This system, [which has been selected by 26.6% of users in the short-term parking and by 43.8% of customers using the medium/long-term parking lots "P2"](#), allows for a faster management of the entrance and exit of cars from the parking lots;

**Pisa:** the different hour fraction fees charged in the short-term parking lot "P3" since February 2016 generated an 8.3% increase in revenues in the first semester 2016 compared to the same period of 2015.

**Florence:** parking rates have been reviewed since 10 January 2016 and aligned to those of the other national airports. In detail:

- the change in the parking fees charged in the "P1" Short-Term Parking lot generated, in the first half of 2016, a 34.1% increase in revenues;

- the different rates charged even in the long-term parking lot "P2" in the first half of 2016 generated a 10.1% increase in revenues.

#### The Retail & Food business

The number of retail & food activities has remained substantially unvaried in both airports. In the Florence airport, the duty-free area is operated under a sub-concession; in addition, in January, the food & wine shop at the ground floor of the Departures area has been renewed. Both retail shops are managed by the company "Dufry".

## **10. SIGNIFICANT EVENTS THAT TOOK PLACE DURING THE FIRST 6-MONTH PERIOD OF THE YEAR**

### **- Infrastructural development of the Florence airport**

The 2015-2029 Master Plan, prepared consistently with the Domestic Airport Plan approved by the Council of Ministers after the 30 September 2015 meeting, which adds the Florence airport to strategic Italian airports, was approved from a technical perspective by ENAC on 03 November 2015. The 2015-2029 Master Plan is subject to the Environmental Impact Assessment procedure (in It. "Valutazione di Impatto Ambientale" or "VIA") required by Legislative Decree no. 152/2006 and to the requirement of issuing 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 2015-2029 Master Plan contemplates the requalification of the present Florence airport with the development of a new runway for flights, related connections and aircraft apron areas, the development of a new passenger terminal, the related access road network and parking lots, the development of a logistic area in the west area of the airport, and the necessary preliminary works for the development of the new airport system.

Within the framework of the "VIA" procedure, following the request for supplements by the Ministry of the Environment and Protection of the Territory and the Sea on 21 July 2015, all the project insights and clarifications requested have been prepared and submitted on 4 September 2015, to be simultaneously submitted to all the competent bodies.

During the first half of 2016, technical support activities for the preparation of the "VIA procedure" have continued and are still ongoing at present; the conclusion of the procedure is expected within the current business year.

In the meantime, the Company is working to assess the best financial structure to be selected for the project.

### **- Infrastructural development of the Pisa airport**

The 2015-2028 Master Plan for the Galilei Pisa airport, which received ENAC's technical approval in April 2015, positively concluded its environmental compatibility assessment procedure during the first half of 2016, thus obtaining the exclusion, with some indications for changes to be made, from the Environmental Impact Assessment required by the Ministry of the Environment DGVA Director's Decision ("Determina Direttoriale del

Direttore Generale della DGVA del Ministero dell'Ambiente") prot. no. 158/DVA of 19 April 2016.

## **11. RESULTS OF OPERATIONS FOR GRUPPO TOSCANA AEROPORTI**

### **11.1 Consolidated Income Statement**

The table below compares the data of the Consolidated Income Statement of the first 6-month period of 2016 with those of the first 6-month period of 2015.

**GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT**

Amounts shown in thousands of Euro (€K)	I SEM 2016	2015 I NTERI M REPORT	2016/2015 Abs. Diff.	% Diff.
<b>REVENUES</b>				
<b>Operating income</b>				
Aviation revenues	40.739	38.182	2.558	6,7%
Non-Aviation revenues	11.848	11.454	394	3,4%
Other revenue and income	2.343	2.882	-540	-18,7%
<b>Total operating revenues</b>	<b>54.930</b>	<b>52.518</b>	<b>2.412</b>	<b>4,6%</b>
Revenues from construction services	2.772	10.724	-7.952	-74,2%
<b>TOTAL REVENUES (A)</b>	<b>57.702</b>	<b>63.242</b>	<b>-5.540</b>	<b>-8,8%</b>
<b>COSTS</b>				
<b>Operating Costs</b>				
Consumables	535	610	-75	-12,2%
Cost of Personnel	20.142	19.374	768	4,0%
Costs for services	19.495	20.000	-505	-2,5%
Sundry operating expenses	1.060	919	141	15,4%
Airport fees/leases	2.750	2.122	628	29,6%
<b>Total operating costs</b>	<b>43.982</b>	<b>43.024</b>	<b>958</b>	<b>2,2%</b>
Costs for construction services	2.257	10.213	-7.956	-77,9%
<b>TOTAL COSTS (B)</b>	<b>46.239</b>	<b>53.237</b>	<b>-6.998</b>	<b>-13,1%</b>
<b>GROSS OPERATING MARGIN (A-B)</b>				
incidence % on total revenue	19,9%	15,8%		
incidence % on operating revenue	20,9%	19,1%		
Amortization and write-downs	4.244	4.000	244	6,1%
Provision for risks and repairs	1.584	1.774	-190	-10,7%
Bad debt reserve	63	79	-16	-20,7%
<b>OPERATING EARNINGS</b>	<b>5.573</b>	<b>4.152</b>	<b>1.421</b>	<b>34,2%</b>
incidence % on total revenue	9,7%	6,6%		
incidence % on operating revenue	10,1%	7,9%		
<b>ASSET MANAGEMENT</b>				
Financial income	101	1.695	-1.595	-94,1%
Financial expenses	-653	-878	225	-25,6%
Profit (loss) from equity investments	6	10	-5	-45,8%
<b>TOTAL ASSET MANAGEMENT</b>	<b>-546</b>	<b>828</b>	<b>-1.374</b>	<b>N.S.</b>
<b>PROFIT (LOSS) BEFORE TAX</b>				
	<b>5.027</b>	<b>4.980</b>	<b>46</b>	<b>0,9%</b>
Taxes for the year (*)	-2.071	-1.605	-466	29,0%
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>2.955</b>	<b>3.375</b>	<b>-420</b>	<b>-12,4%</b>
Minority Interest's loss (profit) for the period	-19	-7	-12	180,7%
<b>GROUP'S PROFIT/(LOSS) FOR THE PERIOD</b>	<b>2.937</b>	<b>3.368</b>	<b>-431</b>	<b>-12,8%</b>
Earnings per share (€)	0,1578	0,1810	-0,0232	-0,1281

(\*) We remind readers that the tax rate - 32.2% in the first half of 2015 against 41.1% in the first half of 2016 - had been positively affected by the lower estimated taxation for the period, because the financial income of €1.6M derived from the sale of former AdF shares, which took place before the merger, was taxed under the separate so-called "PEX" regime.

In compliance with Consob's Notice no. 6064293 of 28 July 2006 and subsequent amendments and supplements (Consob Notices no. 0092543 of 3 December 2015, which transposes ESMA/2015/1415 Guidelines), we specify that the summarised income statement information provided herein can be easily reconciled with the information contained in the various tables of the financial statements. As regards 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 Result shown in the Income Statement;
- the interim PBT (*Profit Before Taxes*) coincides with the Profit before taxes shown in the Income Statement.

During the first half of 2016, the Company deemed it useful to disclose the so-called "Adjusted PBT" for the assessment of the Group's profits. This indicator has been determined by adjusting the PBT, as described above, of the capital gains deriving from the sale of AdF shares before the merger finalized during the first half of 2015.

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 results indicated in this document are not defined as an accounting measure under IFRS and that, consequently, the criteria for the definition of said interim results 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, down by 8.8%, passed from €63.24M at 30 June 2015 to €57.7M at 30 June 2016. This difference is the result of the €2.41M increase in Operating Revenues and of the €7.95M decrease in Revenues from 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 design, coordination and control activities carried out during the first half of 2016.

## OPERATING INCOME

At 30 June 2016 consolidated operating revenues totalled €54.93M, up by 4.6% compared to 30 June 2015. An analysis of operating revenue trends is given below for the two Group's business units - Aviation and Non-Aviation.

### Aviation revenues

At 30 June 2016, Aviation revenues totalled a €40.74M, up by 6.7% compared to 30 June 2015, when they totalled €38.18M.



The table below shows Aviation Revenues items at 30 June 2016 and the absolute and percentage differences compared to 30 June 2015:

<b>GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT - DETAILS REVENUES</b>				
Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	% Diff.
<b>AVIATION REVENUES</b>				
Passenger boarding fees	13.876	12.134	1.742	14,4%
Landing/ departure fees	6.333	4.751	1.582	33,3%
Stopover fees	522	398	125	31,4%
PRM assistance fees	1.136	983	153	15,5%
Cargo fees	269	287	-18	-6,4%
Passenger security fees	3.224	3.234	-10	-0,3%
Baggage security fees	1.892	2.453	-561	-22,9%
Handling	12.773	12.099	674	5,6%
Centralised infrastructures	716	1.843	-1.128	-61,2%
<b>TOTAL AVIATION REVENUES</b>	<b>40.739</b>	<b>38.182</b>	<b>2.558</b>	<b>6,7%</b>
incidence % on operating revenue	74,2%	72,7%		

The overall increase (+6.7%) recognized for Group's Aviation revenues is mainly due to the increase in revenues from rights, consideration and airport taxes, which, compared to the first half of 2016, increased by 7.2% both for the increase in managed traffic (+2.6% traffic units) and for the positive impact of higher rates in the Florence airport on revenues (+5.5%) obtained after 25 May 2015, when the new rates were imposed (which affected the first half of 2015 only for one month).

Handling revenues increased by +5.6% as a consequence of both the greater global traffic of the first semester of 2016 in the two airports (flights +1.6%, tonnage +2.68%) and the signature, in January 2016, of new and more remunerative assistance agreements.

### Non-Aviation revenues

At 30 June 2016, Non-Aviation revenues totalled €11.85M, up by 3.4% compared to 30 June 2015, when they totalled €11.45M. This increase confirms the positive outcome of the non-aviation strategies implemented by the Group, in spite of the persistent negative impact of the difficult global economic context, which kept negatively affecting consumption even in the first half of 2016.

As to property and commercial activities, the Non-Aviation business in the two airports is managed as specified below:

- i. under a sub-concession to third parties (Retail, Food, Car Rental, areas in sub-concession and other sub-concessions);
- ii. directly managed (Advertising, Parking Lots, Business Centre, Welcome Desk and VIP Lounge, Ticket Office and Cargo Agents).

In the first 6 months of 2016, revenues from sub-concessions accounted for 61.7% of the Non-Aviation business, while those derived from directly managed activities accounted for the remaining 38.3%. During the first 6-month period of 2015, these percentages were respectively 60.3% and 39.7%.

The table below compares revenues from non-aviation activities of the first 6-month period of 2016 against the same period of 2015:

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	% Diff.
<b>NON-AVIATION REVENUES</b>				
Parking lots	2.754	2.646	109	4,1%
Food	1.354	1.328	26	2,0%
Retail	2.004	2.035	-32	-1,6%
Advertising	965	1.064	-100	-9,4%
Real Estate	1.075	980	95	9,7%
Car rentals	1.971	1.801	170	9,4%
Other subconcessions	903	766	137	17,8%
VIP Lounge	434	390	44	11,3%
Air tickets	220	233	-13	-5,8%
Cargo agency	169	211	-42	-19,7%
<b>TOTAL NON-AVIATION REVENUES</b>	<b>11.848</b>	<b>11.454</b>	<b>394</b>	<b>3,4%</b>
incidence % on operating revenue	21,6%	21,8%		

The €109K increase in revenues from “Parking” was €2.75M at 30 June 2016 (up by +4,1% compared to the first half of 2015), due to the greater passenger traffic totalled by the two Tuscan airports (+2.5%) and to the higher rates applied in the first half of 2016.

Non-Aviation revenues deriving from the Food business, which totalled €1.35M in the first semester of 2016, show a 2% increase, substantially in line with the increased passenger traffic.

Revenues from Retail activities, which totalled €2M at 30 June 2016, decreased by 1.6% mainly due to the renegotiation of the guaranteed minimum for some sub-concessionaires at lower amounts.

Revenues from the direct management of Advertising, which totalled €965K at 30 June 2016, decreased by 9.4% compared to 30 June 2015, mainly due to the fact that some temporary arrangements (events) existing in the first half of 2015 were not repeated in 2016 and an important institutional advertising campaign for both airports was recontracted at lower economic conditions over the semester.

Real Estate revenues totalled €1.07M at 30 June 2016, up by 9.7% mainly due to the higher revenues obtained from the revision of some sub-concession contracts for some areas in the Florence airport.

Income from Car Rentals totalled €1.97M in the first half of 2016, up by €170K (+9.4%) compared to the total of the first six months of 2015. This difference is mainly due to the renewals of the agreements signed with the car rental companies operating in the Pisa airport.

Revenues generated by “Other Sub-Concessions”, which totalled €903K in the first half of 2016, increased by 17.8% compared to 30 June 2015. This difference is mainly due to the higher revenues obtained from renewed agreements, one of which was signed by the Pisa airport for the sub-concession of an area to be used for baggage wrapping and the other by the Florence airport for the sub-concession of an area to be used as a Change office.

The increased revenue from the VIP Lounge (+11.3%) is partly due to the higher passenger traffic (+2.5%), while the rest comes from higher intakes in the lounges of the two Tuscan airports.

The reduced revenues obtained by the air ticket office (-5.8%) is due to the increased independence of passengers in buying tickets using online booking systems.

Revenues from the Cargo Agents (only in the Pisa airport) decreased by 19.7% compared to the first half of 2015, affected by the lack of some charter cargo flights that had positively affected revenues in the first half of 2015 (Saudi Arabian Airlines).

### Other revenue and income

The table below provides details on “Other revenue and income” for the first 6 months of 2016 and 2015:

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	% Diff.
<b>OTHER REVENUE AND INCOME</b>				
Contingent assets	1.779	2.303	-524	-22,7%
Services and consulting	92	91	0	0,4%
Cost recoveries	446	465	-20	-4,2%
Mnors	26	23	3	14,2%
<b>TOTAL REVENUES AND INCOME</b>	<b>2.343</b>	<b>2.882</b>	<b>-540</b>	<b>-18,7%</b>
incidence % on operating revenue	4,3%	5,5%		

“Contingent Assets” regard revenues of past periods or provisions of costs recognised in previous business years; they decreased by 22.7% in the first half of 2016 compared to the same period in 2015. More specifically, the first half of 2015 had been mainly affected by contingent assets related to the use of risk provisions for €0.9M recognised as a consequence of the updates made during the “Fire Brigade Protection Service” litigation<sup>1</sup>.

“Services and Consulting” (administrative staff services debited to the associated entities Immobili AOU Careggi SpA and Alatoscana SpA by the Parent Company) and “Cost recoveries” (debiting of common centralized services such as utilities and equipment, canteen paid by employees, insurance reimbursements, etc.) are substantially in line with the same period of the previous business year.

### REVENUES FROM CONSTRUCTION SERVICES

At 30 June 2016, Revenues from construction services totalled €2.77M against €10.72M at 30 June 2015. The lower balance revenues of €7.95M shown mainly reflect the greater investments made during the first half of 2015 in the Pisa airport for the improvement and enhancement of the flight infrastructure (runways and connections) for approximately €8.7M.

### COSTS

At 30 June 2016, costs totalled €46.24M, down by 13.1% compared to 30 June 2015, when they totalled €53.26M. This is the result of decreased costs for construction services (which passed from €10.21M in the first half of 2015 to €2.26M in the first half of 2016 (-77.9%)) and of +2.2% operating costs (which passed from €43.02M in the first half of 2015 to €43.98M in the first half of 2016).

<sup>1</sup> For further details, see the “Additional information” section of the Explanatory Notes.

Amounts shown in thousands of Euro (€K)	2016 I N T E R I M R E P O R T	2015 I N T E R I M R E P O R T	2016/2015 Abs. D i f f .	% D i f f .
<b>COSTS</b>				
<b>Operating Costs</b>				
Consumables	535	610	-75	-12,2%
Cost of Personnel	20.142	19.374	768	4,0%
Costs for services	19.495	20.000	-505	-2,5%
Sundry operating expenses	1.060	919	141	15,4%
Airport fees/leases	2.750	2.122	628	29,6%
<b>Total operating costs</b>	<b>43.982</b>	<b>43.024</b>	<b>958</b>	<b>2,2%</b>
Costs for construction services	2.257	10.213	-7.956	-77,9%
<b>TOTAL COSTS</b>	<b>46.239</b>	<b>53.237</b>	<b>-6.998</b>	<b>-13,1%</b>

## OPERATING COSTS

Operating costs totalled €43.98M in the first half of 2016, up by 2.2% compared to the balance of €43M of the first half of 2015.

“Consumption materials” totalled €535K at 30 June 2016, down by €75K compared to €610K in the first half of 2015, mainly due to savings on fuels and lubricants that benefited from the lower unit cost of oil.

The Group's cost of personnel in the first half of 2016 was €20.14M, up by €768K compared to the first 6-month period of 2015 (+4%). This difference is mainly due to the greater average unit cost of remuneration, also caused by the increases set forth in the new collective agreement (“CCNL”) of the category.

“Costs for services” totalled €19.5M in the first half of 2016, down by 2.5% compared to the same period of the previous business year, when they totalled €20M (-€505K). The lower costs recognised in the period in spite of an increased traffic is mainly due to the lower trade spend (-€308K), professional services (-€277K), Toscana Aeroporti start-ups (-€386 K), maintenance of infrastructure (-€162 K) and utilities (-€170 K), partly offset by increases in costs for external portorage (+€305 K), surveillance (+€149 K) services, rental of machines and equipment (+€165 K) and institutional costs (+€179K).

During the first half of 2016, “Sundry operating expenses” totalled €1,060K, up by 15.4% compared to the same period of 2015. The difference is mainly due to higher administrative costs and expenses for trade associations.

“Airport Leases” in the first half of 2016 totalled €2,750K, up by 29.6% compared to the same period of 2015. The difference is mainly due to the greater global traffic of the first half of 2016 and to the application of new airport fees in the Florence airport since 25 May 2015, terminated the application of the provisions of Law 248/05, which required a 75% reduction of airport fees to offset the use of lower fees of the same amount for users.

## COSTS FOR CONSTRUCTION SERVICES

At 30 June 2016 “Costs for construction services” totalled €2.26M, down by €7.96M (-77.9%) compared to the first half of 2015 for the same reasons indicated in the comment on the corresponding revenue item.

## YEAR'S DIFFERENCES

As a consequence, the **EBITDA** (Gross Operating Margin) totalled **€11.46M** in the first half of 2016, up by €1.46M **(+14.6%)** compared to the same period of 2015, when the total was €10M.

“Amortization and provisions”, totalling €5.89M for the first half of 2016, substantially confirm the amount of the first half of 2015 (+0.6%), which showed €5.85M. The difference is due to a greater amortization (+€244K) partly offset by the decrease in the Provision for liabilities and charges (-€190K) and in the Provision for bad debt (-€16K).

The **EBIT** (Operating Result), at 30 June 2016, reached **€5.57M, up by 34.2% YTD** at 30 June 2015, when it was €4.15M.

Financial operations passed from a positive value of €828K in the first half of 2015 to a negative value of -€546K in the first half of 2016. The difference of €1.37M is mainly due to the capital gains for the sale of Aeroporto di Firenze S.p.A.'s shares (€1.6M) recognised in the first half of 2015. Net of this financial income, financial operations in the first half of 2015 would have been a negative value of -€810K, thus improving the value by 32.6% in the first half of 2016.

**Profit Before Tax (PBT)** reached **€5.03M** in the first half of 2016, corresponding to **+0.9%** on the PBT of the first half of 2015 (€4.98M).

Net of the positive effect on the first half of 2015 due to the aforesaid capital gains, the **Adjusted PBT** would have grown by 50.4%. A summarised reconciliation table is given below.

Amounts shown in thousands of Euro (€K)	2016	2015	2016/2015	
	INTERIM REPORT	INTERIM REPORT	Abs. Diff.	% Diff.
<b>PROFIT (LOSS) BEFORE TAX (PBT)</b>	<b>5.027</b>	<b>4.980</b>	<b>46</b>	<b>0.9%</b>
Capital gains from sale of AdF shares	-	- 1.638	1.638	-100.0%
<b>ADJUSTED PBT</b>	<b>5.027</b>	<b>3.342</b>	<b>1.684</b>	<b>50.4%</b>

The tax burden for the period corresponds to 41.2% of the PBT and reflects the calculation method established by IAS/IFRS standards, which require the application of the tax rate specified at the end of the current business year. We remind readers that taxation in the first half of 2015 was determined at 32.2% on the PBT and had benefited from the lower tax burden of the financial income generated by the sale of AdF shares under the separated “PEX” taxation regime.

Therefore, in the light of the information provided above, the first 6 months of 2016 were closed with **Net Group Profits of €2,937K**, down by €431K compared to the first 6 months of 2015. In homogeneous conditions, by determining the net Group profit for the first half of 2015 without the positive effect of the capital gains and the lower tax rate specified above, the net profit of the Group for the first half of 2016 would have grown by 50%.

## 11.2 Consolidated Statement of Financial Position

The table below provides a comparison between the **Consolidated Statement of Financial Position** at 30 June 2016 and at 31 December 2015.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in €K)**

<b>ASSETS</b>	<b>30. 06. 2016</b>	<b>31. 12. 2015</b>	<b>DI FFERENCE</b>
<b>NON-CURRENT ASSETS</b>			
- Intangible assets	155.616	155.100	516
- Tangible assets	25.221	26.344	-1.124
- Equity investments	684	678	6
- Financial Assets	2.099	2.407	-308
- Prepaid taxes recoverable beyond the year	2.572	2.162	410
<b>TOTAL NON-CURRENT ASSETS</b>	<b>186.191</b>	<b>186.692</b>	<b>-500</b>
<b>CURRENT ASSETS</b>			
- Receivables from customers	29.763	19.188	10.575
- Receivables from associated companies	224	181	43
- Tax receivables	972	2.359	-1.387
- Receivables from others, due within the year	2.870	1.809	1.060
- Cash and cash equivalents	13.970	32.296	-18.327
<b>TOTAL CURRENT ASSETS</b>	<b>47.799</b>	<b>55.835</b>	<b>-8.036</b>
<b>TOTAL ASSETS</b>	<b>233.990</b>	<b>242.526</b>	<b>-8.536</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30. 06. 2016</b>	<b>31. 12. 2015</b>	<b>DI FFERENCE</b>
<b>CAPITAL AND RESERVES</b>			
- Group Shareholders' Equity	105.026	110.399	-5.373
- Minority interest	91	127	-37
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>105.117</b>	<b>110.526</b>	<b>-5.409</b>
<b>MEDIUM LONG TERM LIABILITIES</b>			
- Provisions for liabilities and charges	3.490	3.815	-325
- Provisions for repair and replacement	19.350	18.759	591
- Termination benefits and other personnel-re	7.026	6.473	552
- Financial liabilities	38.396	40.534	-2.137
- Other payables due beyond the year	40	805	-765
<b>TOTAL MEDIUM LONG TERM LIABILITIES</b>	<b>68.302</b>	<b>70.386</b>	<b>-2.084</b>
<b>CURRENT LIABILITIES</b>			
- Financial liabilities	10.476	4.502	5.974
- Tax liabilities	12.225	10.008	2.217
- Total trade and sundry receivables	37.870	47.104	-9.235
<b>TOTAL CURRENT LIABILITIES</b>	<b>60.571</b>	<b>61.614</b>	<b>-1.043</b>
<b>TOTAL LIABILITIES</b>	<b>128.873</b>	<b>132.000</b>	<b>-3.127</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>233.990</b>	<b>242.526</b>	<b>-8.536</b>

The difference in Total Assets, down by €8.54M compared to total Assets at 31 December 2015, is mainly due to the reduction in Cash and Cash Equivalents (-€18.32M) and in Non-Current Assets (-€500K), partly offset by the increase in trade and sundry receivables (+€10.29M) which are affected by seasonal trends. The reduction in liquid assets is mainly due to the payment of dividends and suppliers, particularly for the supplies connected with investments.

Liabilities and Shareholders' Equity decreased by €8.34M, like the other items of the Assets. More specifically, the Shareholders' Equity decreased by €5.41M, mainly due to the distribution of dividends, partly offset by the period's profit.

Medium-long term liabilities also include a lower "Financial liabilities" item by approximately €2.14M due to the return of the capital instalments and other payables due beyond the year (-€765K) mainly after the time prescription of advance payments received on airport investments financed by the State<sup>1</sup>.

Current liabilities (-€1.04M) also include a reduction of trade and sundry receivables for €9.23M, partly offset by increased tax liabilities (+€2.2M) and by the opening of short-term bank loans (+€6M).

### 11.3 Analysis of financial flows

The consolidated cash flow statement 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.

As can be inferred, cash flow operations were positive for €13.97M at 30 June 2016, down by €11.14M compared to 30 June 2015 (€25.1M).

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<sup>1</sup> Ministry of Transport Law no. 299/1979 – Enac-SAT Convention no. 3580.

**CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in €K)**

<i>Euro K</i>	<b>2016</b>	<b>2015</b>
<b>OPERATING ACTIVITY</b>		
<b>Net result for the period</b>	<b>2.955</b>	<b>3.375</b>
<i>Adjusted for:</i>		
- Amortization	4.244	4.000
- Other provisions and impairment losses	952	1.146
- Change in the provision for liabilities and expenses	(325)	(1.670)
- Net change in termination benefit and other provisions	472	(583)
- Financial expenses for the period	653	878
- Investment income	0	-
- Investment income	0	(1.638)
- Net changes in (prepaid)/deferred taxes	(410)	(669)
- <i>Taxes for the period</i>	<i>2.071</i>	<i>1.605</i>
- Changes in inventories	0	0
- (Increase)/decrease in trade receivables	(10.575)	(7.670)
- (Increase)/decrease in other accounts receivable and current assets	284	2.542
- Increase/(decrease) in payables to suppliers	(11.804)	(1.333)
- <i>Increase/(decrease) in other payables</i>	<i>3.713</i>	<i>(346)</i>
Cash generated by investment activities	(7.770)	(362)
- Interest payable paid	(370)	(575)
- <b>Taxes paid</b>	<b>(2.760)</b>	<b>(2.017)</b>
<b>INVESTMENT ACTIVITIES</b>		
- Cash and cash equivalents brought in with the incorporation of AdF	0	11.754
- Purchase of tangible assets	- 628	- 1.192
- Sale of tangible assets	273	118
- Sale of intangible assets	-	0
- Interests collected	-	-
- <b>Realizable value from sale of stakes</b>	<b>0</b>	<b>1.766</b>
Cash generated by investment activities	(3.333)	1.504
<b>CASH FLOW FROM OPERATIONS</b>	<b>(14.232)</b>	<b>(1.450)</b>
- Dividends paid	- 7.932	- 6.830
- Short-/long-term loans taken out	6.000	10.000
- <b>(Repayment of) short-/long-term loans</b>	<b>(2.163)</b>	<b>(1.700)</b>
<b>Net cash flow generated by/(used for) investments</b>	<b>(4.095)</b>	<b>1.470</b>
<b>Increase/(decrease) in available cash and cash equivalents</b>	<b>(18.327)</b>	<b>20</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>32.296</b>	<b>25.091</b>
<b>Cash and cash equivalents at end of period</b>	<b>13.970</b>	<b>25.111</b>



More specifically, the items of the Consolidated Financial Report at 30 June 2016 include:

- The repayment in principal of €3.9M for the medium/long-term loans obtained by the Group;
- The creation of a short-term loan (so-called “hot money”) for €6M;
- In the months of May and June 2016 the Group distributed dividends for a total of €7.93M after the profit earned in 2015 by Toscana Aeroporti and Jet Fuel.
- In the first half of 2016, approximately €4M were invested, of which €1.3M in airport infrastructure and approximately €0.9M for the development of the Florence Airport's Master Plan.
- During the first half of 2016, suppliers have been paid for €11.8M for both current operation expenses and investment expenses of the period.
- Finally, we specify that the first half of 2015 had benefited from the cash flows brought in by the incorporation of AdF for approximately €11.8M and that the investments for that period had been of approximately €12M.

#### 11.4 Consolidated Net Financial Position

For the sake of complete disclosure, we provide below the Consolidated Net Financial Position at 30 June 2016 and at 31 December 2015 in compliance with the provisions set forth in Consob's Notice prot. no. 6064293 of 28 July 2006.

<b>NET FINANCIAL INDEBTEDNESS</b>				
<i>Euro K</i>	Cons. FN 30.06.2016	Cons. FN 31.12.2015	2016/2015 Abs. Diff.	Consolidated at 30.06.2015
A. Cash on hand and at banks	13.970	32.296	(18.327)	25.111
B. Other cash and cash equivalents	-	-	-	-
C. Securities held for trading	-	-	-	-
<b>D. Liquid assets (A) + (B) + (C)</b>	<b>13.970</b>	<b>32.296</b>	<b>(18.327)</b>	<b>25.111</b>
<b>E. Current financial receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
F. Current bank payables	6.000	-	6.000	10.535
G. Current portion of non-current indebtedness	4.476	4.502	26	4.412
H. Other current financial payables due to leasing companies	-	-	-	-
<b>I. Current financial indebtedness (F) + (G) + (H)</b>	<b>10.476</b>	<b>4.502</b>	<b>5.974</b>	<b>14.946</b>
<b>J. Net current financial indebtedness (I) - (E) - (D)</b>	<b>(3.494)</b>	<b>(27.795)</b>	<b>24.301</b>	<b>(10.165)</b>
K. Non-current bank payables	38.396	40.534	(2.137)	42.687
L. Bonds issued	-	-	-	-
M. Other non-current payables due to leasing companies	-	-	-	-
<b>N. Non-current financial indebtedness (K) + (L) + (M)</b>	<b>38.396</b>	<b>40.534</b>	<b>(2.137)</b>	<b>42.687</b>
<b>Q. Net Financial Position (J) + (N) (NFP)</b>	<b>34.902</b>	<b>12.739</b>	<b>22.163</b>	<b>32.523</b>

We point out the presence, at 30 June 2016, of current bank payables for €6M regarding the short-term credit lines granted (so-called “hot money”) and the current portion of the medium/long-term indebtedness of the TA Group, for a global amount of €4.48M.

Non-current bank payables are to be added for €38.4M, as a non-current portion of the two loans of the Group. Furthermore, during the 6-month period examined, portions of

capital were repaid as established in the two loan agreements for a global amount of €2.16M.

For further details, see section "Financial Liabilities" in the Explanatory Notes of the Interim Financial Report.

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 rights 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 be reinvested, and not used until the final assignment to the Parent Company with the last level of justice.

The consolidated net financial indebtedness at the closing date (30 June 2016) is €34.9M, up by €22.16M compared to 31 December 2015. This increase is substantially linked to the absorption of cash by the Net Working Capital (-€18.38M), dividends distributed to Shareholders (-€7.93M) and investment activity (-€3.33), partly offset by the operating profit for the period (+€8.58M) and by the financial difference of credit institutions (+€3.84M).

Finally, we point out that, for a better comprehension of the economic-financial operations linked to the seasonal nature of the business, the Consolidated Financial Indebtedness at 30 June 2016, if compared to the same data at 30 June 2015 (€32.52M), shows an increase of €2.38M. The difference between the two periods examined can be summarised with the greater disbursement of dividends distributed (+€1.1M) and by the lack of cash generated by capital gains from the sale of AdF shares before the merger that took place in the first half of 2015 (+€1.6M).

## 12. THE GROUP'S INVESTMENTS

**The Group's investments at the end of the first six months of 2016 totalled 3.9 million euro**, of which 3.28 million euro in intangible assets and 628 thousand euro in tangible assets.

The table below details the investments made in the first half of 2016.

Amounts shown in €K		Airport	Sub-tot	Sub-tot	Sub-tot	Total
<b>Total Group Investments at 30 June 2016</b>						<b>3.909</b>
<b>A) Amortization of intangible assets</b>						<b>3.280</b>
- Software						38
- Concession fees						1.258
improvement of maneuvering areas	PSA		638			
Expansion of non-Schengen terminal area	FLR		505			
Extension of Fire Brigade barracks	PSA		33			
Other minors	PSA/ FLR		82			
- Assets under construction						1.985
Reformulation and development of 2014-2029	FLR		867			
Analysis, design and project management for SAP and purchase of licences (SW)	PSA/ FLR		278			
Design of new terminal for reconfiguration of passenger flows and new offices	FLR		235			
new East Terminal Lot 1 (Arrivals)	PSA		201			
New staff gate	FLR		262			
New lift on Arrivals hall	FLR		75			
Other minors	FLR		67			
<b>B) Tangible assets</b>						<b>628</b>
- Land and buildings (*)						98
delocalization of Borgo Cariola at PSA apt	PSA		97			
Other minors	PSA		1			
- Cars		PSA/ FLR				31
- Ind. and comm. equipm.		PSA/ FLR				10
- Plant and machinery						94
requalification of ramp vehicles	PSA/ FLR		87			
Other minors	PSA/ FLR		7			
- Assets under construction						319
Push-back towbarless (TBL)	FLR		126			
Powered aircraft tug	FLR		89			
Haul electric generator	FLR		39			
Other minors	FLR		64			
- Other assets						76
electronic machines (HW)	PSA/ FLR		41			
Furniture and fittings	PSA/ FLR		35			

(\*) Land and buildings owned by Toscana Aeroporti

Investments in **Intangible Assets** concerned Concession fees (royalties) for approximately €1.3M, including the improvement of manoeuvring areas (€638K) in the Pisa airport and the expansion of the Non-Schengen Boarding Area of the Florence airport (€505K) and work in progress for approximately €2M. These investments mainly implement the Master Plan of the Florence airport (€867K), the project for the unification of the administrative systems of the two airports (€278K), the design of the expansion of the Florence Terminal (€235K) and the new Arrivals Terminal of the Pisa airport (€201K).

Investments in **Tangible Assets** mainly concerned the purchase of ramp vehicles and equipment (€254K), works carried out in the surrounding areas for the so-called

delocalization of Borgo Cariola (€97K), the requalification of ramp vehicles (€87K) and the purchase of hardware (€41K).

Pursuant to art. 10 of Law 72/83, the Group informs the public that no revaluation was made to its assets pursuant to any special law in the first 6-month period of 2016.

### 13. HUMAN RESOURCES

#### THE GROUP'S STAFF

During the first half of 2016, the mean staff employed by TA was 688.4 EFT<sup>1</sup>, with a decrease of 4.9 EFT in absolute terms compared to the same period of 2015.

The number of employees of the subsidiary Jet Fuel, the company that operates the fuel storage tank in the airport, increased by 1 unit hired in the month of May, compared to the previous period.

We remind readers that the subsidiary Parcheggi Peretola S.r.l. has no directly hired employees, while TAE hired two units during the first half of 2016.

The Group's cost of personnel in 2016 was €20.14M, up by €768K compared to the first half of 2015 (+4%). This difference mainly derives from the increase in the remuneration of the "staff" (Executives and Employees) of TA/TAE and their average cost, which is partly affected by the increases deriving from the recent renewal of the collective contract (CCNL) of the category.

The table below provides details on the average annual staff (expressed in Equivalent Full Time) for the first 6-month period of 2016 and any difference from the same period of 2015:

	First 6 months of 2016	First 6 months of 2015	Δ+/-	Δ%
Executives	11.90	10.50	1.4	13.3%
Employees	500.60	491.00	9.6	2.0%
Workers	175.90	191.80	-15.9	-8.3%
<b>TOSCANA AEROPORTI</b>	<b>688.4</b>	<b>693.3</b>	<b>-4.9</b>	<b>-0.7%</b>
<b>Jet Fuel</b>	<b>10.2</b>	<b>10.0</b>	<b>0.2</b>	<b>2.0%</b>
<b>TAE</b>	<b>0.9</b>	<b>0.0</b>	<b>0.9</b>	<b>-</b>
<b>Group</b>	<b>699.5</b>	<b>703.3</b>	<b>-3.8</b>	<b>-0.5%</b>

<sup>1</sup> EFT (Equivalent Full Time): 2 part-time units are considered as 1 full-time unit.

During the first half of 2016, the mean staff of the Group decreased by 3.8 EFT in absolute terms compared to the same period of 2015 (-0.5%) as a result of the externalization of some activities in the two airports and of the new units hired in TAE and Jet Fuel.

For the development of the infrastructure indicated in the 2015-2029 Masterplans of Florence and Pisa, since 1st January 2016 TAE has also used 10 support technical staff members (engineers, land surveyors, etc.) seconded from the parent company "TA".

As specified above, the number of the subsidiary Jet Fuel's employees has increased by 1 unit and the subsidiary Parcheggi Peretola has no direct employees.

#### **14. RELATIONSHIPS WITH THE OTHER ENTITIES OF THE GROUP AND WITH RELATED PARTIES**

Revenues, costs, receivables and payables from parent companies, subsidiaries and associated entities at 30 June 2016 concern the assignment of assets or services that are part of the routine activities of the Group. Transactions are carried out at arm's length based on the characteristics of the assets and services rendered. Information on relationships with related parties, including those requested by Consob's Notice no. DEM/6664293 of 28 July 2006, is presented in the Explanatory Notes to the Condensed Consolidated Interim Financial Statement at 30 June 2016.

At 30 June 2016 the TA Group held interests in the following other associated companies:

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

A company incorporated to manage the commercial facilities installed in the new entrance of the Careggi Hospital of Florence (so-called "NIC"), the stake held by TA is 25.00% of the share capital (25% at 31 December 2015), while the remaining 75% is held by Azienda Ospedaliera Universitaria Careggi. It has its registered office in the Careggi Hospital of Florence and an administrative office at the Pisa Galilei airport.

At 30 June 2016, TA had an agreement with the associate for the provision of staff activities, for a total annual value of €28K, a variable consideration on revenues of approx. €50K.

**- Alatoscana S.p.A.**

Entity that manages the Elba Island airport. The stake held by TA is 13.27% (13.27% at 31 December 2015), whose majority is held by Regione Toscana (51%).

At 30 June 2016, TA, in continuity with previous years, had a service agreement in place with this associated company for staff activities, for an aggregate annual value of €20K.

At 30 June 2016, relationships existed with the following related parties:

**- Delta Aerotaxi S.r.l.**

A number of agreements are in force between the Parent Company and Delta Aerotaxi S.r.l., namely:

- the sub-concession of premises in the Florence airport for a value of €90K of revenues for TA at 30 June 2016;

- the sub-concession of offices and other types of premises in the Pisa airport for a global value in revenue of €49K at 30 June 2016;
- TA revenues €82K for the invoicing of airport fees and taxes concerning general aviation in the Pisa airport and approx. €2K regarding the provision of extra-handling services upon request.

Lastly, the interim report shows further ca. €3K of revenues for said related party regarding the charge-back of common services and insurance expenses due under the existing agreement, as well as for parking passes and airport permits in the two airports.

We also remind readers that the contract for the sub-concession of hangar and aircraft maintenance services, as well as other ancillary services, to third parties in the Florence airport, for global revenues of €21K at 30 June 2016, was terminated on 31 March 2016.

#### **- Corporate Air Services S.r.l.**

At 30 June 2016, TA accrued the following items from the related party Corporate Air Services S.r.l.:

- €309K of revenues for the invoicing of airport fees and taxes, handling and centralised infrastructure expenses concerning general aviation in the Florence airport, €11K for the Pisa airport, and approx. €2K for the provision of extra-handling services upon request and for the delivery of de-icing liquid for the Florence airport;
- the sub-concession of offices and other types of premises in the Pisa airport for global revenues of €16K for TA at 30 June 2016;
- revenues for €11K at 30 June 2016 regarding the sub-concession in the air-side area of 130 square metres (agreement in force since 1 April 2016).

Finally, we point out that the agreement between the Parent Company and Corporate Air Services S.r.l., the entity operating General Aviation activities in the Florence airport, which succeeded Delta Aerotaxi S.r.l. since 11 June 2007, also indirectly associated with TA through SO.G.IM. S.p.A., a Shareholder of TA, for sub-concession of that activity for a global value of €17K of revenues in the first half of 2016, was terminated on 31 March 2016.

#### **- Delifly S.r.l.**

On 13 June 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) will sub-lease to Delifly an area of approximately 122 square metres to be used exclusively by Delifly to install a removable handiwork to be used for the performance of General Aviation catering services in the Florence airport, for a value of €11K in revenues at 30 June 2016.

In return for the sub-concession of the area described above and the associated catering services, Delifly has been paying TA a sum determined on the basis of the agreed guaranteed minimum and the applicable Rates for assets under exclusive use, with revenues accrued for €4K during the first 6 months of 2016 (terminated on 31 March 2016). Lastly, the Group accrued a further €1K of revenues from Delifly S.r.l. for the charge-back of common utilities, third-party liability insurance coverage expenses and the assignment of parking passes and airport permits in the two airports.

#### **- ICCAB S.r.l.**

This is a related party of the Parent Company because TA's Board Member 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 how the Parent Company has given ICCAB premises covering a surface of approximately 40 sq. m. located in the Florence airport under sub-concession, to be used by ICCAB for sales activities, for a value of €25K in revenues for the first half of 2016.

In addition to that:

A contract is in place between the Parent Company and ICCAB for the sub-concession of advertising spaces in the Florence airport, with revenues of €18K at 30 June 2016;

A contract is in place for the sub-concession of premises located in an air-side area of the Pisa airport, used by ICCAB for sale activities, with €35K revenues at 30 June 2016.

Finally, in the first half of 2016, the Group accrued an additional €3K revenues from ICCAB S.r.l. for the charge-back of services shared by the two airports.

#### **- Corporación America Italia S.p.A.**

Approximately €1K in revenues are received by the Parent Company from this related party for the re-debiting of prepaid accommodation expenses for travelling personnel.

#### **- Comune di Firenze**

A contract is in place between the Parent Company and the Municipality of Florence for the sub-concession of 13 sq. m. of office premises at the land-side ground floor of the Florence airport, for a value of approximately €3K in revenues in the first half of 2016 for tourist information activities.

#### **- A.L.H.A. S.p.A.**

After the transaction that took place during the first half of 2016 between the Parent Company and ALHA, €75K were recognised as paid by the Parent Company. In addition, there is an agreement in place, due to expire on 31 October 2016, for the sub-concession of 264 sq. m. of office premises at the land-side ground floor of the Florence airport, for a value of approximately €7K in revenues in the first half of 2016. Further €2K of revenues were also recorded as charge-back of common services and parking passes.

#### **- PisaMo S.p.A.**

This is an in-house company of the shareholder "Comune di Pisa" [Municipality of Pisa]. At 30 June 2016, TA had residual receivables for €427K (€427K at 31 December 2015) 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 2016.

#### Equity investments of the members of the Governing and Auditing Boards

At the date of this Interim Report, we point out that the Board Member Mr. Saverio Panerai holds 2,403 shares of the Parent Company "TA".

## 15. MAIN INFORMATION ON THE SUBSIDIARIES AND THEIR RELATIONSHIPS

### 15.1 Parcheggio Peretola

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. In the Income Statement of the first half of 2016, the prevalent portion of revenues refers to parking lots, which have been recognised among revenues from sales and services for €723K.

On the cost side, for a total value of €364K, the most important component is the cost of the parking lot management and maintenance service provided by SCAF S.r.l.

### 15.2 Toscana Aeroporti Engineering

Toscana Aeroporti Engineering (hereinafter "TAE") was **incorporated on 15 January 2015** and started operations in the month of August of the same year as engineering associate and 100% subsidiary of Toscana Aeroporti, with the mission of providing Toscana Aeroporti with the necessary engineering services for the implementation of the development program for the two Florence and Pisa airports.

For the engineering activities aimed at designing Master Plan works, TAE uses, in addition to their own personnel, the support of:

1. seconded technical/engineering staff (10 employees) starting from 1 January 2016, from TA;
2. internal personnel (2 employees at 30 June 2016);
3. Helpport Uruguay SA (hereinafter, briefly, "Helpport"), a related party controlled by the Corporation America Group, specialized in the design and development of airport infrastructures, based on a framework agreement already signed with the purpose of using its extensive and long-term expertise in the design and development of airport infrastructures;
4. external specialized service companies.

Continuing after the past year 2015, design activities carried out by TAE on behalf of TA during the first half of 2016 concerned the reformulation and development of the Master Plan 2015-2029 for Florence and Pisa. More specifically:

- The environmental impact study, the assessment of the incidence and health impact of the new flight infrastructure and the new Florence terminal;
- The final design of the new flight infrastructure of Florence and the specialist inspections of the new airport flooring and related safety surfaces;
- The design of a new terminal for the reconfiguration of passenger flows and new offices in the Florence terminal;
- The preliminary design to expand the eastern side of the Pisa passenger terminal (Arrivals).

In the first half of 2016, TAE spent about €408K in contracted services for the projects described above. For the contracts mentioned above, during the first half of 2016 TAE did not recognise expenses in favour of the related party Helpport.



At 30 June 2016, the Company had 2 direct employees and, continuing after 2015, staff activities are carried out by the Parent Company based on a service agreement signed between the parties.

Revenues in the first half of 2016 totalled €944K, corresponding to the portion for the period of the projects commissioned by TA, as better described above.

Total costs during the first half of 2016 were €959K, with the main item being represented by external design costs for €408K and the cost of personnel seconded from TA for €292K.

### 15.3 Jet Fuel

Jet Fuel Co. s.r.l. is the entity 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. For the purpose of consolidating 2016 and 2015 interim reports, a 33% share was considered as portion of equity and result of the TA Group.

At 30 June 2016, Jet Fuel had a share capital of €150K, reported €9K of profits for the year and a Shareholders' Equity of €220K. At 30 June 2016, Jet Fuel had a sub-concession agreement in place with TA for the management of the centralized fuel storage facility for a global value of €290K and an administrative services agreement of €10K.

A total of 40,322 cubic metres of jet fuel passed through the storage facility in the first half of 2016, with a 6.9% volume decrease compared to the 37,713 cubic metres of the first half of 2015. The company provided into-plane services for 29,406 cubic metres of fuel, with a 1.5% reduction compared to the 29,869 cubic metres of the first half of 2015.

The main revenues of Jet Fuel (Aviation) in the first half of 2016 consisted of €572K for the fuel storage service (€535K in the first half of 2015) and €392K for the into-plane service (€398K in the first half of 2015).

The main costs of the first 6-month period of 2016 have been the cost of labour (€404K), the airport sub-concession (€290K), the rental of vehicles (€84K), vehicle maintenance and fuel (€39K), professional services (€43K) and industrial insurance (€20K).

## 16. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The main risk factors that may affect the management trends of the Group are explained below:

### - RISKS ASSOCIATED WITH THE GENERAL CONDITIONS OF THE ECONOMY AND THE RELATED 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 second half of 2008 has continued and its

effects were still felt in the first 6 months of 2016. More specifically, the international 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 adversely affected the demand for air transport. Should this weak economy persist, we cannot exclude a negative impact on the economic situation of the Group.

However, recent traffic trends in the two airports, with significant growths in the number of passengers registered in the three-year period 2013-2015, confirmed in the first half of 2016, show the particular attractiveness of our territory, which mitigates the existing risk.

#### **- 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 2016, revenues generated by the handling business accounted for 22.0% of total revenues (23.1% over the total, net of revenues for 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 the competitive pressure, on the one hand, and the reduced margins that characterize the business segment, on the other hand, might negatively affect the economic, equity and financial situation of TA.

#### **- 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 TA Group.

A potential risk factor of 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, during the first half of 2015, the preliminary stages for the definition with the new Transport Authority of the new rate levels for the regulatory period 2015-2018 have been positively concluded for both the Pisa and Florence airports. The annual consultation with end-users (of Florence and Pisa) took place during October 2015 and the new 2016 pricing effective from January 1st was notified.

#### **- 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.

In the recent past of Toscana Aeroporti no significant block of the service due to strikes occurred at either Pisa or Florence airports. In order to avoid the risk of these disruptions as far as possible, TA is taking a stance aimed at fostering an open discussion and dialogue with trade unions.

In witness of this attitude, even before the birth of Toscana Aeroporti, two specific agreements were signed in April 2015, after a discussion which took place pursuant to art. 47 of Law 428/1990 between the incorporating entities SAT and AdF and Trade Unions, related to the merger, namely a report on a joint review and complementary corporate agreement with the trade unions CGIL-CISL-UGL-UIL and a report on a joint review with the independent trade union "USB", which allowed for an efficient and effective management of the merger and post-merger stages without the risk of strikes or service interruptions.

Even some recent reorganization actions regarding corporate processes (both in Pisa and Florence), which had been opposed against by Trade Unions, ended with a strike in both airports on 29 February this year, did not threaten the relationships between the Company and the same Trade Unions. The unrest ended in a few weeks and agreements were signed to produce new stable permanent contracts and the extension of work times for many employees of the airport management operating, security and handling functions.

#### **- RISKS ASSOCIATED WITH DECREASING AIRPORT TRAFFIC AND WITH THE CONCENTRATION OF CERTAIN CARRIERS**

As for the other operators of the sector, even for the Parent Company the possible reduction or termination of flights by one or more carriers, even as a consequence of a possible economic/financial crisis of their business organizations, might significantly impact the bottom line of the TA Group.

In the first half of 2016, TA ha registered 3,399,448 passengers. The total incidence of the first three carriers is 59.5%. More specifically, the incidence of the first carrier is 43.7%, while the incidences of the second and third carriers are 8.6% and 7.3%, respectively.

The Parent Company also signed with said carriers multi-year trade agreements that contemplate a commitment from the carrier to promote marketing and advertising campaigns and achieve pre-established objectives in terms of passengers and flights against the Parent Company' commitment to contribute to their 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.

On the other hand, the Parent Company, based on past experience - even though there can be no certainty in this field - is convinced that the risk of a reduction or interruption in flights by one or more carriers could be faced with a probable redistribution of passenger traffic among the various airlines operating in the airport and with its capacity to attract new carriers, as recently demonstrated, during the first half of 2016, in the Pisa airport, with the replacement of other carriers on certain routes previously operated by Alitalia.

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.

Referring to the outcome of the 23 June referendum in the United Kingdom, where votes in favour of the UK's exit from the European Union prevailed, it is difficult today to predict all the possible economic and social repercussions and impacts on air traffic in the medium-long term.

## - RISKS ASSOCIATED WITH DEPENDENCE ON KEY PERSONNEL

The Parent Company believes that its operating and management structure is such as to ensure continuity in 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 should underline that the recent merger between the Pisa and Florence airports contributed, in organizational terms, a wider management layout for the TA Group, based on which we may reasonably assume a lower risk of dependence on key personnel.

## - ENVIRONMENTAL RISKS

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.

## 17. SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE PERIOD AT 30 June 2016

### Main news on the operations of the Pisa airport

- **Qatar Airways:** on 2 August 2016 this carrier started operating a daily connection with the Doha hub (with 128-seat AB320 aircraft) allowing for multiple connections with its extensive network that includes over 150 business destinations in Asia.
- **Volotea** started a new connection with Palma de Maiorca. This carrier will operate up to 2 weekly flights from 7 July to 29 September.
- **Alitalia** - confirmation of 4 weekly flights to/from Olbia from July to September.
- **Mistral Air:** 2 new weekly flights to Tirana since 8 July.
- **Eurowings:** the new bi-weekly flight to Vienna operated from the winter season by the German carrier is on sale.

### Main news on the operations of the Florence airport

- **Meridiana:** 4 weekly flights to Olbia were operated in July and August.
- **Mistral Air:** 4 weekly flights for Tirana operated since 8 July.
- **Vueling:** seasonal flight for Split operated since the 4 of July (up to a maximum of 2 flights).

## Other significant events occurred after 30 June 2016

- **Russian market:** with the definition of the new bilateral Italy-Russia agreements in Moscow last 4-6 July, Pisa has been designated as a new possible hub by Russian airlines, for a total of 14 weekly flights. These flights will be available for the two Russian carriers (a maximum of 7 flights per carrier) that will be indicated at a later stage. TA is continuing business activities for the opening of the direct flight from Moscow for Tuscany.
- **Pisa Airport:** With a note issued last July 18, ENAC asked the Ministry of Infrastructures and Transports to initiate a procedure for the verification of the compliance of the works carried out under the airport development plan with town planning requirements, with the related declaration of public utility, after receiving by TA the technical drawings and deeds in support of the procedure.
- **Florence Airport:** On 8 August 2016, TA acknowledged the final decision of the Administrative Court of Tuscany ("TAR Toscana") to admit the claims filed by the various Committees and by the company "N.I.T." against the Variant to the P.I.T.<sup>1</sup> for the "Parco della Piana" park and the Florence Airport. Indeed, the TAR court identified no insurmountable obstacle to the development of the new runway (currently at the Environmental Impact Assessment stage), but simply asked for a more in-depth study of certain environmental problems, because there is no need to specify it correspondingly in the Region's planning documents (i.e. the "P.I.T.") and the Local Governments for the plan to be approved.

## 18. OUTLOOK

During the month of August 2016, the Tuscan Airport System recorded a total traffic of approximately 854,000 passengers, in line with the data regarding the same month of the year 2015 (+0.01%).

Year-to-date data regarding the first 8 months of the year show a 2.5% increase compared to the same period of 2015, for a total of over 5.1 million passengers passed 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 0.9 percentage points compared to the first 8 months of 2015 (from 81.3% to 82.2% in the first 8 months of 2016).

Considering the growth in traffic, both in terms of passengers (+2.5%) and cargo (+13.3%), recorded by the Tuscan Airport System over the first eight months of the year, compared to the same period of the previous year, we may predict a second half characterized by positive growth rates and improving profits for Gruppo Toscana Aeroporti.

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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 2016, did

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<sup>1</sup> "Piano di Intervento Territoriale" (Territorial Development Plan).

not own and did not buy or sell 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  
STATEMENT – SCHEDULES AT 30 JUNE 2016**

**GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT**

Amounts shown in thousands of Euro (€K)		2016 INTERIM REPORT		of which Related Parties	2015 INTERIM REPORT		of which Related Parties
<b>REVENUES</b>							
<b>Operating income</b>							
Aviation revenues	1	40.739	405		38.182	423	
Non-Aviation revenues	2	11.848	388		11.454	247	
Other revenue and income	3	2.343	29		2.882	70	
<b>Total operating revenues</b>		<b>54.930</b>	<b>821</b>		<b>52.518</b>	<b>740</b>	
Revenues from construction services	4	2.772			10.724		
<b>TOTAL REVENUES (A)</b>		<b>57.702</b>	<b>821</b>		<b>63.242</b>	<b>740</b>	
<b>COSTS</b>							
<b>Operating Costs</b>							
Consumables	5	535			610		
Cost of Personnel	6	20.142			19.374		
Costs for services	7	19.495	70		20.000	46	
Sundry operating expenses	8	1.060	75		919		
Airport fees/leases	9	2.750			2.122		
<b>Total operating costs</b>		<b>43.982</b>	<b>145</b>		<b>43.024</b>	<b>46</b>	
Costs for construction services	10	2.257			10.213		
<b>TOTAL COSTS (B)</b>		<b>46.239</b>	<b>145</b>		<b>53.237</b>	<b>46</b>	
<b>GROSS OPERATING MARGIN (A-B)</b>		<b>11.463</b>			<b>10.005</b>		
Amortization and write-downs	11	4.244			4.000		
Provision for risks and repairs	12	1.584			1.774		
Bad debt reserve	13	63			79		
<b>OPERATING EARNINGS</b>		<b>5.573</b>	<b>676</b>		<b>4.152</b>	<b>694</b>	
<b>ASSET MANAGEMENT</b>							
Financial income	14	101			1.695		
Financial expenses	15	-653			-878		
Profit (loss) from equity investments	16	6			10		
<b>TOTAL ASSET MANAGEMENT</b>		<b>-546</b>			<b>828</b>		
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>5.027</b>			<b>4.980</b>		
Taxes for the year	17	-2.071			-1.605		
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>2.955</b>			<b>3.375</b>		
Minority Interest's loss (profit) for the period	18	-19			-7		
<b>GROUP'S PROFIT/(LOSS) FOR THE PERIOD</b>		<b>2.937</b>			<b>3.368</b>		
Earnings per share (€)	19	0,1578			0,1810		
Diluted earnings per share (€)		0,1578			0,1810		



**GRUPPO TOSCANA AEROPORTI - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Amounts shown in thousands of Euro (€K)	N o t e s	2016 I N T E R I M R E P O R T	2015 I N T E R I M R E P O R T
<b>PROFIT (LOSS) FOR THE PERIOD (A)</b>		<b>2.955</b>	<b>3.375</b>
<i>Other comprehensive profits/(losses) that will not be subsequently reclassified to the Income Statement:</i>			
- Profit (loss) arising from the determination of the Termination Benefit after tax	44	- 435	263
<i>Other comprehensive profit/(loss) that will be subsequently reclassified to the Income Statement:</i>	24	0	0
<i>Total other profit (loss) before tax (B)</i>		- 435	263
<b>COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)</b>	41	<b>2.521</b>	<b>3.638</b>
Minority Interest's comprehensive profit (loss) for the period		4	-13
<b>GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD</b>		<b>2.524</b>	<b>3.625</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in €K)**

<b>ASSETS</b>	Notes	<b>30. 06. 2016</b>	<b>31. 12. 2015</b>
<b>NON-CURRENT ASSETS</b>			
<b>INTANGIBLE ASSETS</b>			
Concession fees	20	147.962	149.178
Industrial patent rights	21	232	320
Work in progress and advance payments	22	7.422	5.602
<b>Total Intangible Assets</b>		<b>155.616</b>	<b>155.100</b>
<b>TANGIBLE ASSETS</b>			
Land and buildings that can be freely assigned	23	1.914	2.122
Owned property, plant and equipment		23.306	24.222
<b>Total Tangible Assets</b>		<b>25.221</b>	<b>26.344</b>
<b>EQUITY INVESTMENTS</b>			
Equity investments in other entities	24	153	153
Investments in Associated Companies	25	531	525
<b>Total Equity investments</b>		<b>684</b>	<b>678</b>
<b>FINANCIAL ASSETS</b>			
Guarantee deposits	26	154	137
Receivables from others due beyond the year	27	1.945	2.271
<b>Total Financial Assets</b>		<b>2.099</b>	<b>2.407</b>
Prepaid taxes recoverable beyond the year	28	2.572	2.162
<b>TOTAL NON-CURRENT ASSETS</b>		<b>186.191</b>	<b>186.692</b>
<b>CURRENT ASSETS</b>			
Inventories	29	0	0
<b>ACCOUNTS RECEIVABLE</b>			
Other receivables from customers	30	29.763	19.188
Receivables from associated companies	31	224	181
Tax receivables	32	972	2.359
Receivables from others, due within the year <i>of which from Related Parties</i>	33	2.870 427	1.809 427
<b>Total trade and sundry receivables</b>		<b>33.829</b>	<b>23.538</b>
Cash and cash equivalents	34	13.970	32.296
<b>TOTAL CURRENT ASSETS</b>		<b>47.799</b>	<b>55.835</b>
<b>TOTAL ASSETS</b>		<b>233.990</b>	<b>242.526</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in €K)**

<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	Notes	<b>30.06.2016</b>	<b>31.12.2015</b>
<b>CAPITAL AND RESERVES</b>			
Share Capital	35	30.710	30.710
Capital reserves	36	72.374	71.951
IAS adjustments reserve	37	-3.229	-3.229
Profit/(Loss) carried forward	38	2.235	2.470
Group's profit (loss) for the year	39	2.937	8.498
<b>TOTAL GROUP SHAREHOLDERS' EQUITY</b>		<b>105.026</b>	<b>110.399</b>
<b>MINORITY INTEREST</b>	40	91	127
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>105.117</b>	<b>110.526</b>
<b>MEDIUM LONG TERM LIABILITIES</b>			
Provisions for liabilities and expenses	42	3.490	3.815
Provisions for repair and replacement	43	19.350	18.759
Termination benefits and other personnel-related	44	7.026	6.473
Financial liabilities	45	38.396	40.534
Other payables due beyond the year	46	40	805
<b>TOTAL MEDIUM LONG TERM LIABILITIES</b>		<b>68.302</b>	<b>70.386</b>
<b>CURRENT LIABILITIES</b>			
Bank overdrafts	47	0	0
Loans	48	10.476	4.502
Tax liabilities	49	12.225	10.008
Payables to suppliers	50	17.152	28.956
<i>of which from Related Parties</i>		<i>142</i>	<i>156</i>
Payables to associated companies		0	0
Payables to social security institutions	51	2.332	2.556
Other payables due within the year	52	14.676	12.760
<i>of which from Related Parties</i>		<i>24</i>	<i>0</i>
Provisions for repair and replacement	43	3.217	2.453
Advance payments	53	493	379
<b>Total trade and sundry receivables</b>		<b>37.870</b>	<b>47.104</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>60.571</b>	<b>61.614</b>
<b>TOTAL LIABILITIES</b>		<b>128.873</b>	<b>132.000</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>233.990</b>	<b>242.526</b>

## 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	FAIR VALUE RESERVE	PROFIT/ (LOSS) CARRIED FORWARD	YEAR'S RESULT	TOTAL RESULT RESERVES	TOTAL GROUP'S S. E.	MINORITY INT. S. E.	TOTAL SHAREHOLDERS' EQUITY
<b>S. E. at 31 December 2014</b>	<b>16.269</b>	<b>18.941</b>	<b>2.344</b>	<b>25.871</b>	<b>66</b>	<b>-3.229</b>	<b>1.595</b>	<b>105</b>	<b>4.201</b>	<b>4.306</b>	<b>66.598</b>	<b>138</b>	<b>66.736</b>
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	-	-	3.368	3.368	3.368	7	3.375
OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT	-	-	-	-	-	-	0	263	0	263	263	7	270
<b>TOTAL COMPREHENSIVE PROFIT (LOSS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>263</b>	<b>3.368</b>	<b>3.631</b>	<b>3.631</b>	<b>13</b>	<b>3.645</b>
PROFIT ALLOCATION DIVIDENDS	-	-	205	5	-	-	-	3.885	-4.095	-210	-	-	-
FAIR VALUE RES. FROM SALE OF ADF SHARES	-	-	-	-	-	-	-1.595	-	0	-3.885	-3.885	-50	-3.935
CAPITAL INCREASE FOR MERGER BY INCORPORATION OF ADF	14.441	-	-	-	-	-	-	-	-	-	14.441	-	14.441
OTHER DETAILS REGARDING MERGER BY INCORPORATION OF ADF	-	-	-	-	25.807	-850	-	2.007	-106	1.901	26.859	-	26.859
TO RESERVE FOR CAPITAL INCREASE COSTS	-	-	-	-	738	-	-	-	-	0	-738	-	-738
<b>TOTAL ITEMS DIRECTLY SHOWN IN S. E.</b>	<b>14.441</b>	<b>-</b>	<b>205</b>	<b>5</b>	<b>25.070</b>	<b>-850</b>	<b>-1.595</b>	<b>2.007</b>	<b>-4.201</b>	<b>-2.193</b>	<b>35.081</b>	<b>-50</b>	<b>35.031</b>
<b>S. E. AT JUNE 30, 2015</b>	<b>30.710</b>	<b>18.941</b>	<b>2.548</b>	<b>25.876</b>	<b>25.136</b>	<b>-4.079</b>	<b>0</b>	<b>2.376</b>	<b>3.368</b>	<b>5.744</b>	<b>105.311</b>	<b>101</b>	<b>105.412</b>
<b>S. E. AT 31 December 2015</b>	<b>30.710</b>	<b>18.941</b>	<b>2.548</b>	<b>25.876</b>	<b>24.585</b>	<b>-3.229</b>	<b>0</b>	<b>2.470</b>	<b>8.498</b>	<b>10.968</b>	<b>110.399</b>	<b>127</b>	<b>110.526</b>
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	-	-	2.937	2.937	2.937	19	2.955
OTHER ITEMS OF THE COMPREHENSIVE INCOME STATEMENT	-	-	-	-	-	-	-	-413	-	-413	-413	-22	-435
<b>TOTAL COMPREHENSIVE PROFIT (LOSS)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-413</b>	<b>2.937</b>	<b>2.524</b>	<b>2.524</b>	<b>-4</b>	<b>2.521</b>
PROFIT ALLOCATION DIVIDENDS	-	-	424	-	-	-	-	8.069	-8.498	-429	-5	5	0
<b>TOTAL ITEMS DIRECTLY SHOWN IN S. E.</b>	<b>-</b>	<b>-</b>	<b>424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177</b>	<b>-8.498</b>	<b>-8.321</b>	<b>-7.897</b>	<b>-33</b>	<b>-7.930</b>
<b>S. E. AT 30 June 2016</b>	<b>30.710</b>	<b>18.941</b>	<b>2.972</b>	<b>25.876</b>	<b>24.585</b>	<b>-3.229</b>	<b>0</b>	<b>2.235</b>	<b>2.937</b>	<b>5.171</b>	<b>105.026</b>	<b>91</b>	<b>105.117</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in €K)</b>		
<b>Euro K</b>	<b>2016</b>	<b>2015</b>
<b>OPERATING ACTIVITY</b>		
<b>Net result for the period</b>	<b>2.955</b>	<b>3.375</b>
<i>Adjusted for:</i>		
- Amortization	4.244	4.000
- Other provisions and impairment losses	952	1.146
- Change in the provision for liabilities and expenses	(325)	(1.670)
- Net change in termination benefit and other provisions	472	(583)
- Financial expenses for the period	653	878
- Investment income	0	-
- Investment income	0	(1.638)
- Net changes in (prepaid)/deferred taxes	(410)	(669)
- <i>Taxes for the period</i>	<i>2.071</i>	<i>1.605</i>
- Changes in inventories	0	0
- (Increase)/decrease in trade receivables	(10.575)	(7.670)
- (Increase)/decrease in other accounts receivable and current assets	284	2.542
- Increase/(decrease) in payables to suppliers	(11.804)	(1.333)
- <i>Increase/(decrease) in other payables</i>	<i>3.713</i>	<i>(346)</i>
Cash generated by investment activities	(7.770)	(362)
- Interest payable paid	(370)	(575)
- <b>Taxes paid</b>	<b>(2.760)</b>	<b>(2.017)</b>
<b>INVESTMENT ACTIVITIES</b>		
- Cash and cash equivalents brought in with the incorporation of AdF	0	11.754
- Purchase of tangible assets	- 628	- 1.192
- Sale of tangible assets	273	118
- Sale of intangible assets	-	0
- Interests collected	-	-
- <b>Realizable value from sale of stakes</b>	<b>0</b>	<b>1.766</b>
<b>Cash generated by investment activities</b>	<b>(3.333)</b>	<b>1.504</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>(14.232)</b>	<b>(1.450)</b>
- Dividends paid	- 7.932	- 6.830
- Short-/long-term loans taken out	6.000	10.000
- <b>(Repayment of) short-/long-term loans</b>	<b>(2.163)</b>	<b>(1.700)</b>
<b>Net cash flow generated by/(used for) investments</b>	<b>(4.095)</b>	<b>1.470</b>
<b>Increase/(decrease) in available cash and cash equivalents</b>	<b>(18.327)</b>	<b>20</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>32.296</b>	<b>25.091</b>
<b>Cash and cash equivalents at end of period</b>	<b>13.970</b>	<b>25.111</b>

**EXPLANATORY NOTES TO THE CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENT AT 30  
JUNE 2016**

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## EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT AT 30 JUNE 2016

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### INTRODUCTION

Gruppo Toscana Aeroporti (hereinafter also briefly the “Group” or the “TA Group”) consists of the parent company “Toscana Aeroporti S.p.A.” (hereinafter also briefly the “Parent Company” or “TA”, former “Società Aeroporto Toscano Galileo Galilei S.p.A.”), a joint-stock company headquartered in Florence, 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.

This Condensed Consolidated Interim Financial Statement of the TA Group shows amounts in thousand euro (€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 Statement at 30 June 2015 of the TA Group has been carried out by the auditor “PricewaterhouseCoopers S.p.A.”

### BASIS FOR CONSOLIDATION

The layout of the TA Group at 30 June 2016 is described in the Report on Operations and is recalled herein. There has been no change in the Group’s layout compared to 31 December 2015.

### STRUCTURE AND CONTENT OF STATEMENTS AND REPORTS

The Condensed Consolidated Interim Financial Statement at 30 June 2016 of the TA Group has been prepared in compliance with the international standards (IAS/IFRS) in force at the closing date, as issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the provisions issued under art. 9 of Legislative Decree no. 38/2005 (Consob's Resolution no. 15519 of 27 July 2006 concerning “Measures on Corporate Reporting”, Consob’s Resolution no. 15520 of 27 July 2006 concerning “Changes and Additions to the Issuers’ Regulation adopted with Resolution no. 11971/99”, Consob’s Notice no. 6064293 of 28 July 2006 concerning “Corporate information and disclosures pursuant 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").

This Condensed Interim Financial Statement has been prepared in compliance with IAS 34 - Interim Financial Reporting and with the same accounting standards adopted for the preparation of Consolidated Financial Statements at 31 December 2015, except for the contents of the section "New accounting standards, amendments and interpretations adopted since 1 January 2016".

The information provided in this Interim Financial Report must be read together with the Consolidated Financial Statement at 31 December 2015, 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 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 2015.

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 results 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 schedules used in the Condensed Consolidated Interim Financial Statement of the TA Group at 30 June 2016 have been prepared by using the updated version of IAS 1 "Presentation of Financial Statements" approved with Regulation no. 1274/2008 issued by the European Commission on 17 December 2008 and effective from 1 January 2009.

As regards the format of financial statements, the Company decided to present 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. As regards non-recurring operations, the Company interprets the notion of "non-recurrent" rather extensively by also including contingent assets and liabilities in the category.

### **- Statement of Comprehensive Income**

In order to present additional information on its earnings, the Company chose to prepare two separated statements: the "Income Statement", which includes the operating result for the period, and the "Statement of Comprehensive Income", which includes both the operating result 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. Since January 1, 2013, 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 Group TA 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 result 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 applied since 1 January 2016**

Effective from 1 January 2016, some amendments have been applied as introduced by International Accounting Standards and Interpretations, none of which, however, determined a significant effect on the Group's financial statements. The main differences are illustrated below:

- IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”: the amendments considered it inappropriate to adopt a revenue-based method of amortisation. As regards exclusively intangible assets, that indication is considered a relative assumption that can be overcome only if one of the following circumstances arise: (i) the right of use of an intangible asset and related to reaching a preset threshold of revenue to be produced; or (ii) when it can be demonstrated that realizing revenues and using the economic benefits of the asset are highly correlated.

- IFRS 11 “Joint Arrangements: Acquisition of Equity Investments in Joint Control Activities”: the amendments provide clarifications on how to account for acquisitions of interests in joint operations when the operations constitute a business. The amendments are retrospectively applicable for the fiscal years beginning on or after 1 January 2016.

- Annual Improvements to IFRS 2012-2015: these amendments concern:

- (i) IFRS 5 “Non-current assets held for sale and discontinued operations”;
- (ii) IFRS 7 “Financial Instruments: Additional Information”;
- (iii) IAS 19 “Employee Benefits”;
- (iv) IAS 34 “Interim Financial Reporting”.

As regards the first point, the amendment clarifies that balance sheet data do not need to be booked when an asset or a group of assets available for sale is reclassified as “held for distribution”, or vice versa.

As regards IFRS 7, the amendment establishes that if an entity transfers a financial asset “in such a way that part or all of the financial assets do not qualify for derecognition”, then the entity is required to disclose information concerning its involvement in the transferred asset.

The amendment proposed to IAS 19 clarifies that in determining the discount rate of the obligations arising after employment, it is the currency in which the obligations are denominated that matters rather than the State where they are located.

The amendment proposed to IAS 34 requires the indication of cross-references between the data disclosed in the interim financial reports and the associated information.

- IAS 1 “Presentation of Financial Statements”: the amendment to this standard provides clarifications on the aggregation or disaggregation of reporting items when their amount is relevant or “material”. More specifically, the amendment to the standard requires the entity not to aggregate items with different characteristics nor disaggregate items that make the information and reading of the balance sheet difficult. In addition, the amendment indicates the need to present titles, partial results and additional items, also by disaggregating the items listed in section 54 (Statement of financial position) and 82 (Income Statement) of IAS 1, when this presentation is significant for the purposes of the comprehension of the statement of financial position and of the statement of profit or loss of the entity.

Finally, we point out IAS 27 Revised “Separate Financial Statements”: this amendment will be effective from 1 January 2016 and will allow an entity to use the Equity Method of accounting for investments in subsidiaries, joint ventures and associated companies in the separated financial statement.

## **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:

- In May 2015, IASB and FASB jointly published IFRS 15 - “Revenue from Contracts with Customers”. The purpose of that principle is to improve the disclosure of revenues and their comparability between different balance sheets. The new principle can be applied

retrospectively for the fiscal years beginning on or after 1 January 2017. Anticipated application is permitted.

- On 24 July 2015, IASB finalized the project of revision of the accounting standard on financial instruments by issuing the complete version of IFRS 9 "Financial Instruments". More specifically, the new provisions of IFRS 9: (i) modify the model for the classification and assessment of investments; (ii) introduce a new method for the write down of investments, which keeps into account expected credit losses; and (iii) modify hedge accounting provisions. The provisions of IFRS 9 are effective starting from the periods that will start on or after January 1st, 2018.

- On 18 December 2015, IASB amended IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in associates and joint ventures".

As regards the first point, the amendment clarifies that the exemption from presenting consolidated financial statements applies to a parent company that is, in its turn, a subsidiary of an investment entity, when the latter measures all its subsidiaries at fair value. As to IAS 28, this principle was amended for interests held in associates or joint ventures that are "investment entities", which can be valued with the equity or fair value method. These amendments can be used from 1 January 2016.

- In January 2016, IASB published IFRS 16 "Leases". This new principle will supersede current IAS 17. The main change concerns accounting practices for lessees, who, in IAS 17, were required to distinguish between finance leases (in the balance sheet) and operating leases (off the balance sheet). With IFRS 16, the accounting of operating leases will be identical to that of finance leases. IASB included an optional exemption for certain lease contracts and low value and short-term leases.

This standard will be effective from 1 January 2019. Entities will be able to use it even before that date if they jointly adopt IFRS 15 "Revenues from Contracts with Customers."

- In February 2016, IASB issued an amendment to IAS 12 "Income Taxes". These amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

These amendments can be used from 1 January 2017.

- In February 2016, IASB issued an amendment to IAS 7 "Statement of Cash Flows". These amendments to IAS 7 introduce additional information to help the users of financial statements assess changes to liabilities deriving from financing assets. These amendments can be used from 1 January 2017.

- In June 2016, IASB issued an amendment to IFRS 2 "Share-Based Payment". These amendments clarify how to account for some share-based payments. These amendments can be used from 1 January 2018.

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-concessionaires or pre-payments (e.g. from unknown airlines). Starting from December 2011, the Parent Company took out an excess-of-loss type of insurance on credit positions to cover collection risks in case of insolvency proceedings for the customer (*de iure* insolvency). Furthermore, since January 2012, the Parent Company hired a contractor for long-term debt collection. If necessary, the Group also uses short-term bank loans to meet short-term requirements.

## 2) Liquidity risk

At 30 June 2016, the Group had a negative Net Financial Position for €34.9M (€12.74M at 31 December 2015). This is the result of a positive current NFP of €3.49M (€27.8M at 31 December 2015) and a negative non-current NFP of €38.4M (€40.53M at 31 December 2015) regarding two loans granted to the Parent Company by the banks "Intesa San Paolo" and "MPS Capital Service" for a total of €52M for important investments in infrastructures. 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 2016 there was no criticality. Financial covenants are presently also complied with in the year's predictions for the second 6-month period of 2016. The Group believes that the funds and medium/long-term credit lines available at present, in addition to those that will be generated by operations, will suffice to meet its requirements deriving from investments, management of working capital and repayment of debts at their natural maturity. If necessary, the Group also uses short-term bank loans to meet short-term 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 negatively or positively impact the Group's operating result, thereby indirectly impacting the costs and returns of loans and investments. The Net Financial Position at 30 June 2016 is €34.9M and the debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2016 was 0.33 (vs 0.12 at 31 December 2015), which confirm the financial soundness of the Group.

The potential impact in terms of annual growth of interest expense connected with interest rate trends, as a result of a hypothetical growth of 50 bp, would be approximately €230K.

The potential impact on the Provision for repair in terms of increase/decrease, as a consequence of a possible increase/decrease of 50 b.p. of interest rates on an annual basis, would be approx. +/- €460K.

For a sensitivity analysis of the Employee Severance Pay Fund, see the specific section.

## 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"

At 30 June 2016, TA reported 3,399,448 passengers. The total incidence of the first three carriers is 59.5%. More specifically, the incidence of the first carrier (Ryanair) is 43.7%, while the incidences of the second (Alitalia) and third (Vueling) carriers are 8.6% and 7.3%, respectively.

## OPERATING SEGMENT REPORTING

Since 1 January 2009, compliance with IFRS 8 - "Operating Segments" has become mandatory; it requires entities to identify operating segments based on internal reporting systems 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 segment includes air-side activities (after the security check), which are the core business of the airport activities. 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 Business:** this segment includes activities normally carried out in the land-side area (before the security check), which are not directly associated with the Aviation business. They include retail activities, catering, car parking, car rental, advertising, ticket office, VIP Lounge.

Revenues for the Non-Aviation business consists in the royalties due on sub-concession activities, in the direct management of certain activities (i.e. parking, ticket office and advertising), and in the leases of 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.

### Operating segment reporting: CONSOLIDATED FINANCIAL STATEMENT

(values in €K)	Aviation		Non-Aviation		Unallocated assets (Corporate)		Total	
<i>TA Group - Income Statement</i>	<i>2016 Interim Rep.</i>	<i>2015 Interim Rep.</i>	<i>2016 Interim Rep.</i>	<i>2015 Interim Rep.</i>	<i>2016 Interim Rep.</i>	<i>2015 Interim Rep.</i>	<i>2016 Interim Rep.</i>	<i>2015 Interim Rep.</i>
Operating income	18.235	38.182	5.118	11.454	-485	2.882	22.868	52.518
of which Pisa	18.235	22.878	3.673	7.459	664	1.571	22.572	31.908
of which Florence	0	15.304	1.445	3.996	-1.149	1.311	296	20.610
Revenues from construction	1.353	10.651	171	72	427	0	1.950	10.724
of which Pisa	-29	9.486	29	45	0	0	0	9.531
of which Florence	1.382	1.166	142	27	427	0	1.950	1.193
<b>Total Segment Income</b>	<b>19.587</b>	<b>48.833</b>	<b>5.288</b>	<b>11.526</b>	<b>-58</b>	<b>2.882</b>	<b>24.818</b>	<b>63.242</b>
Operating Costs (*)	26.722	22.647	9.187	10.161	8.827	10.215	44.735	43.024
of which Pisa	16.404	15.470	7.683	8.421	3.972	3.833	28.059	27.723
of which Florence	10.318	7.177	1.504	1.741	4.855	6.383	16.676	15.301
Cost of construction	942	10.144	156	69	405	0	1.504	10.213
of which Pisa	-18	9.034	18	43	0	0	0	9.077
of which Florence	960	1.110	139	26	405	0	1.504	1.136
Amortization and provisions	4.260	3.603	754	837	876	1.413	5.890	5.853
of which Pisa	2.827	2.554	515	582	211	282	3.552	3.419
of which Florence	1.433	1.049	239	254	666	1.131	2.338	2.434
<b>Operating Earnings</b>	<b>-12.337</b>	<b>12.439</b>	<b>-4.809</b>	<b>459</b>	<b>-10.166</b>	<b>-8.746</b>	<b>-27.311</b>	<b>4.152</b>
of which Pisa	-1.007	5.306	-4.514	-1.542	-3.518	-2.543	-9.040	1.220
of which Florence	-11.329	7.133	-295	2.002	-6.648	-6.203	-18.272	2.932
Asset management	0	0	0	0	-546	828	-546	828
<b>Profit before tax</b>	<b>-12.337</b>	<b>12.439</b>	<b>-4.809</b>	<b>459</b>	<b>-10.712</b>	<b>-7.918</b>	<b>-27.857</b>	<b>4.980</b>
Year's taxes	0	0	0	0	-2.071	-1.605	-2.071	-1.605
<b>Net year's result</b>	<b>-12.337</b>	<b>12.439</b>	<b>-4.809</b>	<b>459</b>	<b>-12.783</b>	<b>-9.523</b>	<b>-29.928</b>	<b>3.375</b>
Loss (profit) of minority interests	0	0	0	0	-19	-7	-19	-7
<b>Net Group result</b>	<b>-12.337</b>	<b>12.439</b>	<b>-4.809</b>	<b>459</b>	<b>-12.802</b>	<b>-9.530</b>	<b>-29.947</b>	<b>3.368</b>
<i>TA Group - Statement of financial position</i>	<i>2016 Interim Rep.</i>	<i>31-dic-15</i>	<i>2016 Interim Rep.</i>	<i>31-dic-15</i>	<i>2016 Interim Rep.</i>	<i>31-dic-15</i>	<i>2016 Interim Rep.</i>	<i>31-dic-15</i>
Current assets	21.583	12.671	7.397	5.437	18.819	37.727	47.799	55.835
Non-current assets	135.394	134.034	42.949	45.621	7.848	7.037	186.191	186.692
<i>IA Group - Additional information</i>	<i>2016 Interim Rep.</i>	<i>2015</i>	<i>2016 Interim Rep.</i>	<i>2015</i>	<i>2016 Interim Rep.</i>	<i>2015</i>	<i>2016 Interim Rep.</i>	<i>2015</i>
Investments	2.823	18.337	180	702	906	3.058	3.909	22.097

(\*) including Airport leases for €2,750K in the first half of 2016 (€2,122K in the first half of 2015).

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NOTES TO THE MAIN ITEMS OF THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENT: INCOME STATEMENT

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## VALUE OF PRODUCTION

On the whole, consolidated revenues at 30 June 2016 totalled €75.7M (€63.24M at 30 June 2015), with a negative change of €5.54M, and include:

Dati in migliaia di euro	I SEM 2016	I SEM 2015	Var. Ass. 2016/2015	VAR.%
<b>RICAVI</b>				
<b>Ricavi operativi</b>				
Ricavi aviation	40.739	38.182	2.558	6,7%
Ricavi non aviation	11.848	11.454	394	3,4%
Altri ricavi e proventi	2.343	2.882	-540	-18,7%
<b>Totale ricavi operativi</b>	<b>54.930</b>	<b>52.518</b>	<b>2.412</b>	<b>4,6%</b>
Ricavi per servizi di costruzione	2.772	10.724	-7.952	-74,2%
<b>TOTALE RICAVI (A)</b>	<b>57.702</b>	<b>63.242</b>	<b>-5.540</b>	<b>-8,8%</b>

For an analysis of the deviations of the two six-months periods at issue, see the Report on Operations at Section 11.1.

### 1. Aviation revenues

The table below shows the items of "Aviation revenues" at 30 June 2016 and the changes, both in absolute and percentage terms, compared to 30 June 2015:

Amounts shown in thousands of Euro (€K)	2016 I N T E R I M R E P O R T	2015 I N T E R I M R E P O R T	2016/2015 Abs. Diff.	% Diff.
<b>AVIATION REVENUES</b>				
Passenger boarding fees	13.876	12.134	1.742	14,4%
Landi ng/ departure fees	6.333	4.751	1.582	33,3%
Stopover fees	522	398	125	31,4%
PRM assistance fees	1.136	983	153	15,5%
Cargo fees	269	287	-18	-6,4%
Passenger security fees	3.224	3.234	-10	-0,3%
Baggage security fees	1.892	2.453	-561	-22,9%
Handli ng	12.773	12.099	674	5,6%
Centralised infrastructures	716	1.843	-1.128	-61,2%
<b>TOTAL AVIATION REVENUES</b>	<b>40.739</b>	<b>38.182</b>	<b>2.558</b>	<b>6,7%</b>
Incidence % on operating revenue	74,2%	72,7%		

## 2. Non-Aviation revenues

At 30 June 2016, Non-Aviation revenues totalled approximately €11.85M (€11.45M at 30 June 2015).

Non-Aviation activities relating to the management of property and business activities of the two airports, are:

- i. sub-concessions to third parties (Food, Retail, Real Estate, Car Rental and other sub-concessions);
- ii. Directly managed (Parking Lots, Advertising, VIP Lounge, Air Ticket Offices and Cargo Agency).

In the first 6 months of 2016, revenues deriving from sub-concession activities accounted for 61.7% of Non-Aviation revenues, while those deriving from directly managed activities accounted for the remaining 38.3%. During the first 6-month period of 2015, these percentages were respectively 60.3% and 39.7%.

The table below provides details on revenues from non-aviation activities carried out during the first 6-month period of 2016 and the corresponding months of 2015:

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	% Diff.
<b>NON-AVIATION REVENUES</b>				
Parking Lots	2.754	2.646	109	4,1%
Food	1.354	1.328	26	2,0%
Retail	2.004	2.035	-32	-1,6%
Advertising	965	1.064	-100	-9,4%
Real Estate	1.075	980	95	9,7%
Car rentals	1.971	1.801	170	9,4%
Other subconcessions	903	766	137	17,8%
VIP Lounge	434	390	44	11,3%
Air tickets	220	233	-13	-5,8%
Cargo agency	169	211	-42	-19,7%
<b>TOTAL NON-AVIATION REVENUES</b>	<b>11.848</b>	<b>11.454</b>	<b>394</b>	<b>3,4%</b>
incidence % on operating revenue	21,6%	21,8%		

## 3. Other revenue and income

Other revenue and income at 30 June 2016 totalled €2.34M (€2.82M at 30 June 2015), with a positive difference of €540K, as detailed below:

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	% Diff.
<b>OTHER REVENUE AND INCOME</b>				
Contingent assets	1.779	2.303	-524	-22,7%
Services and consulting	92	91	0	0,4%
Cost recoveries	446	465	-20	-4,2%
Mors	26	23	3	14,2%
<b>TOTAL REVENUES AND INCOME</b>	<b>2.343</b>	<b>2.882</b>	<b>-540</b>	<b>-18,7%</b>
incidence % on operating revenue	4,3%	5,5%		

## 4. Revenues from construction services



Revenues from construction services at 30 June 2016 totalled €2.77M (€10.72M at 30 June 2015), with a negative difference of €7.95M.

## COSTS

On the whole, consolidated costs at 30 June 2016 totalled €46.24M (€53.24M at 30 June 2015), with a negative difference of approx. €7M, as broken down below:

<b>GRUPPO TOSCANA AEROPORTI - I NCOME STATEMENT - COST DETAI LS</b>				
Amounts shown in thousands of Euro (€)	2016	2015	2016/2015	
	INTERIM REPORT	INTERIM REPORT	Abs. Diff.	% Diff.
<b>TOTAL CONSUMABLES</b>	<b>535</b>	<b>610</b>	<b>-75</b>	<b>-12,2%</b>
Incid. % on operating costs	1,2%	1,1%		
<b>PERSONNEL COSTS</b>				
Remuneration	19.913	19.229	685	3,6%
Other labour costs	230	145	84	57,9%
<b>TOTAL COSTS OF PERSONNEL</b>	<b>20.143</b>	<b>19.374</b>	<b>769</b>	<b>4,0%</b>
Incid. % on operating costs	45,8%	36,4%		
<b>COSTS FOR SERVICES</b>				
Sales services	6.723	7.030	-308	-4,4%
Institutional expenses	750	571	179	31,3%
Other services	1.691	2.365	-674	-28,5%
Services for the personnel	851	896	-45	-5,0%
Maintenance services	2.439	2.600	-161	-6,2%
Utilities	1.653	1.823	-170	-9,3%
Operating services	5.387	4.714	672	14,3%
<b>TOTAL COSTS FOR SERVICES</b>	<b>19.494</b>	<b>20.000</b>	<b>-506</b>	<b>-2,5%</b>
Incid. % on operating costs	44,3%	37,6%		
<b>SUNDRY OPERATING EXPENSES</b>	<b>1.060</b>	<b>919</b>	<b>141</b>	<b>15,4%</b>
Incid. % on operating costs	2,4%	1,7%		
<b>TOTAL AIRPORT FEES/LEASES</b>	<b>2.750</b>	<b>2.122</b>	<b>628</b>	<b>29,6%</b>
Incid. % on operating costs	6,3%	4,0%		
<b>TOTAL OPERATING COSTS</b>	<b>43.982</b>	<b>43.024</b>	<b>958</b>	<b>2,2%</b>
Incid. % over Costs	95,1%	80,8%		
<b>TOTAL COSTS FOR CONSTRUCTION SERVICES</b>	<b>2.257</b>	<b>10.213</b>	<b>-7.956</b>	<b>-77,9%</b>
Incid. % over Costs	4,9%	19,2%		
<b>TOTAL COSTS</b>	<b>46.239</b>	<b>53.237</b>	<b>-6.998</b>	<b>-13,1%</b>
Incid. % over Costs	100,0%	100,0%		

The main difference derives from the lower costs for construction services for €7.96M for the same reasons of the decrease in Revenues from construction services shown in the Report on Operations.

## 5. Raw and ancillary materials, consumables and goods

This item refers to costs of consumables, which totalled €535K (€610K at 30 June 2015), as broken down below:

**GRUPPO TOSCANA AEROPORTI - I NCOME STATEMENT - COST DETAI LS**

Amounts shown in thousands of Euro (€K)	2016 I NTERI M REPORT	2015 I NTERI M REPORT	2016/2015 Abs. Di ff.	2016/2015 5 % di ff.
<b>CONSUMABLES</b>				
Stationery	32	26	6	24,1%
Fuels, Lubricants	287	322	-35	-11,0%
Mat. financed courses	0	0	0	
Materials for car parking lots	5	3	3	111,7%
Small tools	7	6	2	29,3%
Security Serv. Contr. (nat.)	16	18	-2	-10,8%
Difference in Final Stock	0	0	0	
Clothing	123	139	-16	-11,6%
Mat. for operating services	65	97	-32	-32,9%
<b>TOTAL CONSUMABLES</b>	<b>535</b>	<b>610</b>	<b>-75</b>	<b>-12,2%</b>
Incid. % on operating costs	1,2%	1,4%		

## 6. Cost of Personnel

The Cost of Personnel (€20.14M at 30 June 2016) increased by €769K compared to 30 June 2015. This cost item is broken down below:

Amounts shown in thousands of Euro (€K)	2016 I NTERI M REPORT	2015 I NTERI M REPORT	2016/2015 Abs. Di ff.	2016/2015 5 % di ff.
<b>PERSONNEL COSTS</b>				
<b>Remuneration of which:</b>	<b>19.913</b>	<b>19.229</b>	<b>685</b>	<b>3,6%</b>
Wages	14.681	14.055	627	4,5%
Salaries				
Social security contributions	4.220	4.223	-3	-0,1%
Term Ben.	1.012	951	61	6,5%
<b>Other labour costs of which:</b>	<b>230</b>	<b>145</b>	<b>84</b>	<b>57,9%</b>
Contributions to CRAL	5	5	0	-0,9%
Social Fund	5	4	1	20,7%
Benefits to personnel	39	25	14	57,9%
Administered and sundry	181	112	69	61,6%
<b>TOTAL COSTS OF PERSONNEL</b>	<b>20.143</b>	<b>19.374</b>	<b>769</b>	<b>4,0%</b>
Incid. % on operating costs	45,8%	45,0%		

Remuneration includes salaries and wages, social security/pension contributions, and the amounts set aside in the Employee Severance Pay Fund.

The table below provides details on the **average annual staff** (expressed in *Equivalent Full Time*) for the first 6 months of 2016 and differences from the same period of 2015:

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

	2016 Interim Report	2015 Interim Report	Δ+/-	Δ%
Executives	11,9	10,5	1,4	13,3%
Employees	500,6	491,0	9,6	2,0%
Workers	175,9	191,8	-15,9	-8,3%
<b>TOSCANA AEROPORTI</b>	<b>688,4</b>	<b>693,3</b>	<b>-4,9</b>	<b>-0,7%</b>
Jet Fuel	10,2	10,0	0,2	2,0%
TAE	0,9	0,0	0,9	-
<b>Group</b>	<b>699,5</b>	<b>703,3</b>	<b>-3,8</b>	<b>-0,5%</b>

## 7. Costs for services

On the whole, costs for services in the first 6-month period 2016 and 2015 consist of:

Amounts shown in thousand euro	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	% Diff.
<b>COSTS FOR SERVICES</b>				
Sales services	6.723	7.030	-308	-4,4%
Institutional expenses	750	571	179	31,3%
Other services	1.691	2.365	-674	-28,5%
Services for the personnel	851	896	-45	-5,0%
Maintenance services	2.439	2.600	-161	-6,2%
Utilities	1.653	1.823	-170	-9,3%
Operating services	5.387	4.714	672	14,3%
<b>TOTAL COSTS FOR SERVICES</b>	<b>19.494</b>	<b>20.000</b>	<b>-506</b>	<b>-2,5%</b>
Incid. % on operating costs	44,3%	37,6%		

Commercial services total €6.7M (€7M at 30 June 2015) and mainly include network development costs. The difference for the half-year reflects the lower marketing support costs due to the failure to achieve the preset traffic objectives in the Pisa airport by an air carrier.

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Sales services of which:</b>	<b>6.723</b>	<b>7.030</b>	<b>-308</b>	<b>-4,4%</b>
Network development	6.537	6.915	-378	-5,5%
Advertising commissions	64	59	5	8,7%
Management of advertising systems	62	57	5	8,9%
Dry cleaning service	60	0	60	

"Institutional expenses" total €750K (€571K at 30 June 2015), mainly including Directors and Auditors' fees.

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Institutional expenses of which:</b>	<b>750</b>	<b>571</b>	<b>179</b>	<b>31,3%</b>
Directors' fees	493	333	160	48,0%
Auditors' fees	99	129	-30	-23,6%
Directors' business travels	153	93	61	65,6%
Legal, notarial, meeting expenses	5	16	-12	-71,7%

"Other services" total €1.69M (€2.37M at 30 June 2015) and mainly include professional services, industrial insurance and communication costs.

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Other services of which:</b>	<b>1.691</b>	<b>2.365</b>	<b>-674</b>	<b>-28,5%</b>
Professional services	880	1.159	-280	-24,1%
Industrial insurance	382	442	-60	-13,7%
Communications	252	192	60	31,4%
DNV audits	5	13	-8	-61,5%
Toscana Aeroporti Start Up	173	559	-386	-69,1%

The main difference in these costs (-€674K) is due to cost efficiencies on "Professional services" and to the lower costs associated with "Toscana Aeroporti start-up".

"Other personnel services" total €851K (€896K at 30 June 2015) and mainly include canteen, payroll service, employee travel and training costs.

Amounts shown in thousand euro	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Services for the personnel of which:</b>	<b>851</b>	<b>896</b>	<b>-45</b>	<b>-5,0%</b>
Canteen	541	591	-50	-8,4%
Insurance	53	58	-5	-9,3%
Preventive medicine and med. examinations	17	26	-9	-33,1%
Training	58	60	-2	-4,0%
Personnel recruitment	22	5	18	389,3%
Payroll services	28	80	-52	-64,8%
Journeys	132	76	56	73,1%

"Maintenance services" total €2.44M (€2.6K at 30 June 2015) and refer to the maintenance of airport infrastructures, systems, equipment and vehicles.

Amounts shown in thousand euro	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Maintenance services of which:</b>	<b>2.439</b>	<b>2.600</b>	<b>-161</b>	<b>-6,2%</b>
Maint. of equipm/vehicles	414	488	-73	-15,0%
BHS system maint.	452	432	20	4,6%
Maint. of infrastructures	1.065	1.227	-162	-13,2%
IT maintenance	508	454	54	11,9%

“Utility services” total €1.65M (€1.82M at 30 June 2015) and mainly include costs for electricity, gas, water and telephone services.

Amounts shown in thousand euro	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Utilities of which:</b>	<b>1.653</b>	<b>1.823</b>	<b>-170</b>	<b>-9,3%</b>
Electricity	725	754	-29	-3,8%
Water	209	211	-2	-0,8%
Telephones	121	103	18	17,3%
Mobile phones	58	52	5	10,4%
Gas	464	625	-160	-25,7%
Miscs	76	78	-2	-2,9%

“Operating services” total €5.39M (€4.71M at 30 June 2015) and mainly include external costs for porters, surveillance, cleaning, rentals, first aid care and other services typically associated with airport operations.

Amounts shown in thousand euro	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>COSTS FOR SERVICES</b>				
<b>Operating services of which:</b>	<b>5.387</b>	<b>4.714</b>	<b>672</b>	<b>14,3%</b>
Porterage	1.435	1.130	305	27,0%
Aircraft cleaning	356	330	26	7,9%
Agency/Vareh. service	128	155	-26	-17,1%
Cleaning	544	543	1	0,3%
PRM Support	127	128	-1	-1,1%
Surveillance service	1.126	977	149	15,3%
Services Centre	122	109	13	11,8%
Connection ? arco az	126	162	-36	-22,4%
Rental of mach. and equip.	500	334	165	49,4%
Management of parking lots	313	236	77	32,6%
Gardening	59	36	23	65,0%
VIP Lounge	176	157	18	11,7%
First Aid Service	220	268	-49	-18,1%
Shuttle bus	154	147	7	4,6%

## 8. Sundry operating expenses

“Sundry operating expenses” total €1.060K (€919K at 30 June 2015) and mainly include taxes and levies, membership fees, sundry administrative costs, non-recurring costs and other minor costs.

Amounts shown in thousand euro	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>SUNDRY OPERATING EXPENSES</b>				
Publications	12	11	0	1,0%
Ins. entities and sundry institutions	178	158	21	13,0%
Taxes and levies	322	311	11	3,6%
Entertainment	51	61	-11	-17,7%
Revenue stamps	32	12	20	166,0%
Non-recurring costs	270	225	45	20,1%
Post and telegraph	11	14	-3	-23,5%
Rebates and allowances	0	0	0	-42,8%
Sundry administrative costs	185	126	59	46,8%
<b>SUNDRY OPERATING EXPENSES</b>	<b>1.060</b>	<b>919</b>	<b>141</b>	<b>15,4%</b>
Incid. % on operating costs	2,4%	2,1%		

## 9. Airport leases

Airport leases total €2.75M (€2.12M at 30 June 2015) and include the rents paid for concessions and the Fire Brigade contribution. Both costs are variable depending on the final traffic data.

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>Airport Fees/Leases</b>				
Concession and security fees	2.141	1.673	468	28,0%
Fire Brigade fee	610	449	161	35,7%
<b>TOTAL AIRPORT FEES/LEASES</b>	<b>2.750</b>	<b>2.122</b>	<b>628</b>	<b>29,6%</b>
Incid. % on operating costs	6,3%	4,9%		

## 10. Costs for construction services

“Costs for construction services”, totalling €2.26M (€10.2M at 30 June 2015), arise from investments in airport infrastructures under concession during the first 6 months of 2016. During the first half of 2016, the lower final costs recognised of €7,96M mainly reflect the higher investments made in the first half of 2015 in the Pisa airport to improve and enhance flight infrastructures (runways and connections) for approx. €8.8M.

Amounts shown in thousands of Euro (€K)	2016 INTERIM REPORT	2015 INTERIM REPORT	2016/2015 Abs. Diff.	2016/2015 % Diff.
<b>TOTAL COSTS FOR CONSTRUCTION SERVICES</b>	<b>2.257</b>	<b>10.213</b>	<b>-7.956</b>	<b>-77,9%</b>
Incid. % over Costs	4,9%	19,2%		

## **11. Amortization and write-downs**

This item totalled €4.24M in the first 6 months of 2016 (they were €4M at 30 June 2015). It includes intangible asset amortization for €2.6M (€2.4M at 30 June 2015) and tangible asset depreciation for €1.6M (€1.6M at 30 June 2015).

## **12. Provision for liabilities and charges**

This item, with a value of €1.58M (against €1.77M at 30 June 2015), essentially includes the amounts set aside in the provision for repair, which has been introduced in compliance with accounting standard IFRIC 12 starting from the year 2010, reflecting the year's accrual required for future maintenance expenses relating to repairs and replacements required to keep the assets used under the two ENAC concessions in adequate operating conditions.

## **13. Provision for bad debt**

This item totals €63K (€79K at 30 June 2015) and consists in the amount set aside based on an estimate of the realizable value of receivables existing at 30 June 2016.

## **14. Financial income**

This item totals €101K (€1.7M at 30 June 2015) and mainly refers to interests receivable accrued on cash held in current accounts, interests on arrears and dividends received by the associated company "Immobili AOU Careggi SpA". We remind readers that income for the sale of the shares of "Aeroporto di Firenze S.p.A." (€1.6M) was booked in the first half of 2015.

## **15. Financial expenses**

This item totals €653K (€878K at 30 June 2015) and is mainly composed of interests payable and commissions on bank current accounts for €370K (€574K at 30 June 2015), interest cost as defined in IAS 19 for €66K (€36K at 30 June 2015), financial expenses relating to the discounting of the provision for repair and replacement for €202K (€250K at 30 June 2015).

## **16. Profit (loss) of minority interest**

This item totals €6K (€10K at 30 June 2015) and indicates the valuation in the Shareholders' Equity of the interests in associated companies (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 a tax burden of €2.07M, corresponding to a tax rate of 41.2% of PBT (against 32.2% in the first 6 months of 2015). We remind readers that the tax rate was 32.2% on the PBT in the first half of 2015, when the Company benefited from a lower tax burden on the financial income generated by the sale of AdF shares under the separated "PEX" taxation regime.

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

This item shows the result of the subsidiary Jet Fuel owned by minority shareholders. Based on 2016 property and dividend rights, the profit for the period of the subsidiary Jet Fuel - approx. €28K - is a minority interest to a 66.67% extent, which corresponds to approx. €19K (€7K in the first 6 months of 2015). The overall minority interest's profit for the period shows a loss of €4K (against a profit of €13K at 30 June 2015).

## **19. Earnings per share**

Basic earnings per share at 30 June 2016 - €0.1578 (€0.181 at 30 June 2015) - have been determined by dividing the Group's profit for the period (€2.937K) by the weighted average of the ordinary shares outstanding during the period (18,661,996 shares), as there is no diluting factor.



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

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## NON-CURRENT ASSETS

Changes in non-current assets at 30 June 2016 are shown below.

Data in €/K 30. 06. 2016 31. 12. 2015 DIFF.

NON-CURRENT ASSETS	186.191	186.692	-500
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More specifically, this aggregate consists of the following categories:

### Intangible assets

Data in €/K 30. 06. 2016 31. 12. 2015 DIFF.

INTANGIBLE ASSETS	155.616	155.100	516
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In addition to the aforesaid, an aggregate amount of approximately €3.3M has been invested in intangible assets in the first 6 months of 2016, namely:

<i>(amounts shown in €K)</i>	Amount
Concession fees (royalties)	1,258
Work in progress	1,945
Software	38
<b>Total</b>	<b>3,280</b>

Investments in intangible assets mainly consisted in Concession fees (royalties) deriving from the improvement of manoeuvring areas (€638K) in the Pisa airport and from the expansion of the Non-Schengen Boarding Area in the Florence airport.

In addition to these, investments in intangible assets are ongoing in connection with the Master Plan (€867K), with the project for the unification of the administrative systems of the two airports (€278K), with the design of the expansion of the Florence Terminal (€235K) and with the new Arrivals Terminal in the Pisa airport (€201K).

No divestiture of assets was done in the first 6 months of 2016.

Details on intangible assets are provided in Annex A.

## 20. Concession fees (royalties)

The value of Concession fees (royalties) at 30 June 2016 is approximately €148M (€149,2M al 31 December 2015), down by €1.22M mainly due to period's amortization greater than the investments.

## 21. Industrial patent rights

The value of industrial patent rights at 30 June 2016 is approximately €232K (€320K al 31 December 2015), down by €88K due to period's amortization greater than the investments.

## 22. Work in progress and advance payments

At 30 June 2016, this item totalled €7.4M (€5.6M at 31 December 2015), up by €1.82M due to concession fees (royalties) being giroed for €125K, as well as to new ongoing investments.

## 23. Tangible assets

Data in €/K 30. 06. 2016 31. 12. 2015 DIFF.

TANGIBLE ASSETS 25. 221      26. 344      -1. 124

On the whole, investments for approximately €628M were made in the first 6 months of 2016, namely:

<i>(amounts shown in €K)</i>	Amount
Owned land and buildings	98
Plant and machinery	94
Ind. and comm. equipm.	10
Cars	31
Furniture and fittings	35
Hardware	41
Work in progress	319
<b>Total</b>	<b>628</b>

Investments in tangible assets mainly concerned the purchase of ramp vehicles and equipment (€254K), works related to the delocalization of Borgo Cariola (€97K), the requalification of ramp vehicles (€87K) and the purchase of hardware (€41K).

The values indicated in the Statement of Assets and Liabilities are net of the depreciation calculated based on the rates considered to be representative of the residual possibility of utilization of the related tangible assets.

Assets were disposed of for €273K during the first half of 2016.

Details on tangible assets are provided in Annex B.

## 24. Equity investments in other entities

At 30 June 2016, the Parent Company “TA” held other stakes valued at purchase cost for €153K (€153K at 31 December 2015), referring to:

- I.T. Amerigo Vespucci S.p.A. (0.22% of the share capital): €49.9K;
- Consorzio Turistico Area Pisana S.c.a.r.l. (2.4% of the share capital): €420;
- Scuola Aeroportuale Italiana Onlus (52.7% of the share capital): €13.2K;
- Tirreno Brennero S.r.l. (0.27% of the share capital): €620;
- Consorzio Pisa Energia S.c.r.l. (5.26% of the share capital): €831;
- Montecatini CB S.c.r.l. (5.0% of the share capital): €4K;
- Consorzio per l’Aeroporto di Siena (0.11% of the share capital): €18K;
- Firenze Convention Bureau S.c.r.l. (0.97% of the share capital): €1.3K;
- Firenze Mobilità S.p.A. (3.98% of the share capital): €54.6K;
- Società business year Aeroporto della Maremma S.p.A. (0.39% of the share capital): €10.2K.

Scuola Aeroportuale Italiana Onlus has been listed with the other entities because it is a non-profit organization.

Consorzio Turistico Area Pisana, Montecatini Congressi S.c.r.l., Tirreno Brennero S.r.l. and Consorzio per l’Aeroporto di Siena were winding up at the closing date of this Report.

## 25. Investments in Associated Companies

At 30 June 2016, the value of TA’s stakes in associates and related entities was €531K (€525K at 31 December 2015), as detailed in the table below.

Data in €/K	30. 06. 2016	31. 12. 2015	Diff.
Alioscana Spa	377	377	0
Immobili AQU Carreggi Spa	154	148	6
<b>Total</b>	<b>531</b>	<b>525</b>	<b>6</b>

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 2016 this item totalled €154K (€137K at 31 December 2015), 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 total €1,945K (€2,271K at 31 December 2015), with receivables deriving from:

- requests for IRES reimbursement due to IRAP non deducted from the Cost of personnel for €1,773K, as per art. 2, par. 1, of D.L. [Law Decree] no. 201/2011 (converted into Law no. 214/2011) – “Manovra Monti” [Monti Manoeuvre] - completed by D.L. no. 16 of 2 Mar. 2013 (so-called “Tax Simplification Decree”, converted, with amendments, by Law no. 44 of 26 April 2013), which established the possibility to enforce the new provisions on full deductibility effective also for tax periods before 2007-2011;
- €172K related to the loan granted to the associated company “Firenze Mobilità SpA” for works completed by this entity (to be repaid not earlier than 4 years after the 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 €2,572K (€2,162K at 31 December 2015). 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 fees/royalties) 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 €60,418K at 30 June 2015, with an increase of €18,759K compared to 31 December 2015.

Data in €/K	<u>30. 06. 2015</u> / <u>31. 12. 2014</u> / <u>Diff.</u>		
CURRENT ASSETS	47.799	55.835	- 8.036

More specifically, the main differences reflect:

## 29. Inventories

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

## Trade and Sundry Receivables

At 30 June 2015, this item shows €33,829K (€23,538K at 31 December 2015), as broken down below:

### 30. Receivables from customers

At 30 June 2016, Receivables from customers, net of the Provision for bad debt, totalled €29.763K (€19,188K at 31 December 2015), as detailed below:

Data in €/K	30. 06. 2016	31. 12. 2015	DI FF.
Toscana Aeroporti	32.559	22.265	10.294
Parceggi Peretola	0	0	0
Jet Fuel	396	197	199
gross receivables	32.955	22.462	10.493
Bad debt reserve	-3.192	-3.274	82
net receivables	29.763	19.188	10.575

The Provision for bad debt has been increased over the period by contributing €63K and decreased by using €145K. The details of this item are given below (in €K):

Data in €/K	31. 12. 2015	prov.	use	30. 06. 2016
Bad debt reserve	3.274	63	145	3.192

### 31. Receivables from associated companies

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

Data in €/K	30. 06. 2016	31. 12. 2015	DI FF.
Alatoscana Spa	49	35	14
Immobili AOJ Caraggi Spa	176	147	29
Tot al	224	181	43

### 32. Tax receivables

At 30 June 2016, this item totalled €972K (€2.359K at 31 December 2015), including:

- a VAT credit of the Parent Company relating to previous years, for which a reimbursement of €438K has been requested for the year 2013;
- an IRAP credit of the Parent Company relating to the past year for €416K;
- a tax credit of the subsidiaries Jet Fuel and TAE for €65K relating to advance payments;
- other minor tax credits for €53K.

### 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. 06. 2016	31. 12. 2015	DI FF.
Prepaid expenses	544	478	66
Advance payments made to suppliers	948	651	297
Receipts from monopoly products	309	309	0
Receipts from parking lots	77	77	0
Receivables from employees	54	54	0
Receivables from social sec. /pe	26	26	0
Receiv. for land expropriation	135	0	135
Other minors	777	214	563
<b>Total</b>	<b>2.870</b>	<b>1.809</b>	<b>1.060</b>

"Prepaid expenses" mainly referred to consumables such as airport uniforms (higher expense during the high season), supplies invoiced in advance, membership fees, insurance.

"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. 06. 2016	31. 12. 2015	DI FF.
Cash and cash equivalents	13.970	32.296	-18.327

For more details, see Statement of Cash Flows.

## SHAREHOLDERS' EQUITY AND LIABILITIES

The differences in the Shareholders' Equity occurred during the first 6-month period 2016 are detailed below:

Data in €/K	30. 06. 2016	31. 12. 2015	DI FF.
<b>CAPITAL AND RESERVES</b>	<b>105.117</b>	<b>110.526</b>	<b>-5.409</b>

The Shareholders' Equity decreased by €5.41M, mainly as a consequence of the payment of dividends (-€7.93M), partly offset by the profit earned in the period (+€2.94M). The unit dividend distributed by TA corresponds to 0.424 euro 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 2016, the fully paid-up share capital consisted of 18,611,966 ordinary shares without nominal value (18,611,966 shares at 31 December 2015).

For details on Shareholders, see the table and section "Shareholders of the Parent Company" in the Report on Operations.

### **36. Capital reserves**

Capital reserves consist of:

- A share premium reserve for €18,941K created with the paid capital increase performed when SAT S.p.A. was listed in the Stock Exchange in July 2007;
- A legal reserve for an amount of €2,972K. The increase of €424K compared to 31 December 2015 reflects the allocation of 2015 profit as deliberated during the Shareholders' Meeting for the approval of the 2015 Financial Statement;
- Statutory reserves for an amount of €25,876K;
- other reserves for €24,585K, mainly consisting in a reserve created after the merger by incorporation of AdF, of approximately €24M.

Pursuant to point 5 of the first paragraph of art. 2426 of the Civil Code, we specify that there is no restriction on available reserves.

### **37. IAS adjustments reserve**

This reserve, consisting of €3,229K, includes:

- (i) the IAS reserve (negative for €711K), after deducting the theoretical tax burden, created at 1 Jan. 2005 during *First Time Adoption*, so as to acknowledge the impact of the adoption of international accounting standards on the Shareholders' Equity;
- (ii) the IAS reserve (negative for €2,518K) created as a consequence of the implementation of the new international IFRIC standard # 12 since 1 January 2011.

### **38. Profit/(Loss) carried forward**

This item includes profits carried forward for €2,235K (€2,470K at 31 December 2015). The difference is mainly due to the actuarial effect of the recalculation of the Employee Severance Pay Fund according to IAS 19, partly offset by the allocation of the Group's profit earned in 2015.

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

This item contains the result (profit) of the TA Group at 30 June 2016, which is €2,937K (€8,498K at 31 December 2015).

### **40. Minority interest**

Based on interim 2016 financial statements, the 66.67% Minority Interest corresponds to €91K (€127K at 31 December 2015). 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 2016 is broken down below:

**SI TUATI ON AT 30. 06. 201 6**

	PROFI T/( LO SS) CARRI ED FORWARD	GRU P TOTAL	M NORI T Y I NT. S. E.	TOT. OTHER COMPON OF COMPREH I S
<i>Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:</i>				
- Profit (loss) arising from the determination of the Termination Benefit after tax	- 413	- 413	- 22	- 435
<i>Other comprehensive profit/(loss) that will be subsequently reclassified to the Income Statement:</i>	0	0	0	0
<b>COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>	<b>- 413</b>	<b>- 413</b>	<b>- 22</b>	<b>- 435</b>

**SI TUATI ON AT 30. 06. 201 5**

	PROFI T/( LO SS) CARRI ED FORWARD	GRU P TOTAL	M NORI T Y I NT. S. E.	TOT. OTHER COMPON OF COMPREH I S
<i>Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:</i>				
- Profit (loss) arising from the determination of the Termination Benefit after tax	256	256	7	263
<i>Other comprehensive profit/(loss) that will be subsequently reclassified to the Income Statement:</i>	0	0	0	0
<b>COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD</b>	<b>256</b>	<b>256</b>	<b>7</b>	<b>263</b>

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

**SI TUATI ON AT 30. 06. 201 6**

	Gross val ue	Tax ( charge) /benefit	Net Val ue
- Profit (loss) arising from the determination of the Termination Benefit after tax	- 600	165	<b>- 435</b>
<b>TOTAL</b>	<b>- 600</b>	<b>165</b>	<b>- 435</b>

**SI TUATI ON AT 30. 06. 201 5**

	Gross val ue	Tax ( charge) /benefit	Net Val ue
- Profit (loss) arising from the determination of the Termination Benefit after tax	363	-100	<b>263</b>
<b>TOTAL</b>	<b>363</b>	<b>-100</b>	<b>263</b>

**MEDIUM/LONG-TERM LIABILITIES**



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

Data in €/K	30. 06. 2016	31. 12. 2015	DIFF.
MEDIUM LONG TERM LIABILITIES	68.302	70.386	- 2.084

More specifically, this aggregate consists of the following categories:

#### 42. Provisions for liabilities and expenses

The provision for liabilities and expenses at 30 June 2016 consisted of €3,490K (€3,815K at 31 December 2015). The details of this Provision are given below; differences are mainly due to the release of €303K when the risk of a possible unfavourable outcome of the assessment resulting from the *Guardia di Finanza* (Tax Police) inspection conducted in 2003 on AdF taxes of previous years ceased to exist (after the favourable decision of the Court of Cassation).

Data in €/K	31. 12. 2015	pr ov.	use	30. 06. 2016
Provisions for liabilities	3.815	0	- 325	3.490

The composition of these provisions (entirely of the Parent Company, "TA") is detailed below:

##### - *Employee Severance Pay Fund and similar obligations*

It includes the provision of approx. €35K (€35K at 31 December 2015) relating to the supplemental customer allowance due under the Collective Economic Agreement of sales agents and representatives.

##### - *Others (provision for liabilities and future expenses)*

It includes the Provision for liabilities of approx. €3,455K, which is broken down into the main following amounts:

- 1) €2,351K relating to provisions connected with the "Fire Brigade Protection Service" dispute, better described in the "Additional information" section;
  - 2) €481K relating to provisions connected with the risk of potential labour dispute liabilities, better described in the "Additional information" section;
  - 3) €422K for potential liabilities that may derive from the renegotiation of an agreement with an air carrier operating in the Pisa airport;
  - 4) €113K as best estimate of the liability associated with risk of a disbursement for the doubling of general aviation rights - Art. 2 duodecies of Leg. Dec. of 30 September 1994.
- The amounts set aside by the Company to face potential risks deriving from ongoing litigation are deemed to be appropriate in connection with the predictable outcome of the legal proceedings.

The year's movements are detailed below:

Data in €/K	31.12.2015	pr ov.	use	30.06.2016
Provisions for liabilities	3.815	0	- 325	3.490

### 43. Provisions for repair and replacement

This Provision (valued according to the best estimate of the expense required to fulfil the obligation at the closing date of the report) includes the amounts spent 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 2016 was €22,567K, up by €1,355K with respect to 31 December 2015 as a result of the amount set aside in the first 6 months of 2016, partly offset by the uses of the period. Details are given below:

Data in €/K	31.12.2015	Fi nanci al expenses	pr ov.	use	30.06.2016
repl acement	21.212	202	1.584	- 431	22.567

depending on the estimated time of its use within the year, this provision is allocated to medium/long-term liabilities (€19,350K at 30 June 2016) and to current liabilities (€3,217K at 30 June 2016).

### 44. Employee Severance Pay (ESP) Fund

As indicated above, the ESP is considered as a defined benefit obligation to be recognised as recommended by IAS 19 - "Employee Benefits". The amount of the Employee Severance Pay Fund has been recalculated by using the so-called "Projected Unit Credit Method", by making actuarial valuations at the end of the reference period.

The amendment made to IAS 19 - "Employee Benefits" eliminates the option to defer the recognition of actuarial gains and losses with the corridor method and required, instead, that the deficit or surplus of the entire provision be presented in the statement of financial position, while the labour cost components and net financial expenses should be recognized separately in the income statement, with actuarial gains and losses deriving from the re-measurement of the liability and asset being recognized as items of the Statement of Comprehensive Income. Furthermore, the return on assets included in net financial expenses should be determined on the basis of the discount rate of the liabilities, and no longer on the return expected from them.

As regards the economic-financial scenario, the parameters used for the valuation of the Pisa and Florence staffs and of the Pisa staff for Jet Fuel at 30 June 2016 are:

- annual technical discount rate: 1.10%
- annual inflation rate: 1.50%
- annual ESP increase rate: 2.63%

As far as the discount rate is concerned, the iBoxx Eurozone Corporate AA 10+ index has been selected as criterion for the valuation of this parameter, as the duration of 10+ years is suitable for the average time of permanence in the two staffs being considered.

There is no defined benefit scheme for the executive personnel of the company.

The value of consolidated liabilities, as required by IAS 19, is €7,026K at 30 June 2016 (€6,473K at 31 December 2015). The Fund is posted net of the advance payments and

settlements made during the period examined and shows an increase of €522K compared to 31 December 2015, as specified below (in €K):

Data in € / K	31.12.2015	Actuarial (gain)/loss	prov.	use	30.06.2016
other personnel-related	6.473	600	54	-101	7.026

The difference shown in the Statement of Comprehensive Income (-€435K) corresponds to the actuarial loss of €600K, after a taxation of €165K.

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 Fund with varying assessment parameters.

Valuation parameter	Assumed differences	Aeroporto di Firenze	Aeroporto di Pisa	Jet Fuel
Annual discount rate	+0.5%	€ 2.824.165	€ 3.538.406	€ 272.016
	-0,50%	€ 3.215.590	€ 3.927.141	€ 305.079
Annual inflation rate	+0.25%	€ 3.072.889	€ 3.785.617	€ 290.911
	-0.25%	€ 2.952.481	€ 3.665.900	€ 284.748
Annual turnover rate	+1.00%	€ 2.940.559	€ 3.654.150	€ 271.761
	-1.00%	€ 3.046.741	€ 3.762.450	€ 291.844

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

	Aeroporto di Firenze	Aeroporto di Pisa	Jet Fuel
Disbursements expected in the 1st year	€ 40.612	€ 90.432	€ 7.745
Disbursements expected in the 2nd year	€ 37.204	€ 245.729	€ 8.996
Disbursements expected in the 3rd year	€ 43.161	€ 306.525	€ 8.010
Disbursements expected in the 4th year	€ 42.594	€ 105.308	€ 9.162
Disbursements expected in the 5th year	€ 69.077	€ 202.197	€ 15.524

#### 45. Financial liabilities

This item (entirely of the Parent Company "TA") shows €38,396K (€40,534K at 31 December 2015). The details of non-current and current financial liabilities are given below (in the "Loans" item of Current Liabilities). The amount of €10,476K refers to the portions due before the subsequent twelve months of the Long-Term Loans indicated in this section (€4,476K) and to the Short-Term Loans granted by credit institutions (€6M).

Data in €/K	31.12.2015	Increase	reimbursement	reclass.	30.06.2016
Liabilities	40.534	0	0	-2.137	38.396
Liabilities	4.502	6.000	-2.163	2.137	10.476
Total	45.036	6.000	-2.163	0	48.872

The total increase in Financial Liabilities, €3,837K, includes €6M of increases in short-term loans and €2.16M of repayments of portions of capital at the relevant due dates.

Non-current financial liabilities refer to two long-term loans granted by the banks “Banca Infrastrutture Innovazione e Sviluppo” (Intesa San Paolo Group) and “MPS Capital Service” to support the Group’s infrastructure investments. These loans must be repaid before June 2022 (€12M completely used up) and September 2027 (€40M completely used up), and a Euribor 6 months interest rate plus a spread<sup>1</sup>.

The aforesaid medium/long-term financial debt is required to comply with certain financial ratios defined in the related agreement, such as a certain 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 €40M loan and of the Group for the €20M loan.

We finally point out that, in addition to the aforesaid parameters, the €20M loan agreement requires a minimum amount of €1M 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 2016 the Company was compliant with all the above-mentioned parameters.

#### 46. Other payables due beyond the year

Payables due beyond the subsequent year (entirely of the Parent Company “TA”) consist of €40K (€805K at 31 December 2015). This amount refers to guarantee deposits received from customers as performance bonds for services provided to them. The difference of €765K compared to 31 December 2015 is mainly due to the definitive write-off from the financial statement of the advance payments received from the Ministry of Transports under Law no. 299/79 (ENAC-SAT Convention no. 3580), consisting in €774K, for the final prescription. This debt had, as a contraentry, the reversal of a “Receivable from others” of €301K due beyond the year (credit for infrastructure investments made in the Pisa airport with the advance payments received) and contingent assets for €473K.

#### CURRENT LIABILITIES

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

Data in €/K	30.06.2016	31.12.2015	DIFF.
CURRENT LIABILITIES	60.571	61.614	-1.043

More specifically, this aggregate consists of the following categories:

<sup>1</sup> Six-monthly instalments of approx. €2.2M are paid under the amortization schedules of these loans.

## 47. Bank overdrafts

At 30 June 2016, the TA Group had no bank overdrafts.

## 48. Loans

At 30 June 2016, the TA Group had short-term bank loans of €10,476K (€4,502K at 31 December 2015), an amount inclusive of €6M of short-term lines of credit (so-called "Hot Money"<sup>1</sup>) for current operations and €4.48M with a scheduled reimbursement over the next twelve months of long-term loans (which are, therefore, also recognised in the related scheduled published as a comment to Non-Current Financial Liabilities in Explanatory Note #45).

The **Net Financial Position** at 30 June 2016, as shown in the Report on Operations in compliance with Consob Resolution prot. no. 6064293 of 28 July 2006, is specified below:

<b>NET FINANCIAL INDEBTEDNESS</b>			
<i>Euro K</i>	<b>Cons. FN 30. 06. 2016</b>	<b>Cons. FN 31. 12. 2015</b>	<b>2016/2015 Abs. Diff.</b>
A Cash on hand and at banks	13.970	32.296	(18.327)
B Other cash and cash equivalents	-	-	-
C Securities held for trading	-	-	-
<b>D Liquid assets (A) + (B) + (C)</b>	<b>13.970</b>	<b>32.296</b>	<b>(18.327)</b>
<b>E Current financial receivables</b>	<b>-</b>	<b>-</b>	<b>-</b>
F Current bank payables	6.000	-	6.000
G Current portion of non-current indebtedness	4.476	4.502	26
H Other current financial payables due to leasing companies	-	-	-
<b>I Current financial indebtedness (F) + (G) + (H)</b>	<b>10.476</b>	<b>4.502</b>	<b>5.974</b>
<b>J Net current financial indebtedness (I) - (E) - (D)</b>	<b>(3.494)</b>	<b>(27.795)</b>	<b>24.301</b>
K Non-current bank payables	38.396	40.534	(2.137)
L Bonds issued	-	-	-
M Other non-current payables due to leasing companies	-	-	-
<b>N Non-current financial indebtedness (K) + (L) + (M)</b>	<b>38.396</b>	<b>40.534</b>	<b>(2.137)</b>
<b>Q Net Financial Position (J) + (N) (NFP)</b>	<b>34.902</b>	<b>12.739</b>	<b>22.163</b>

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

## 49. Tax liabilities

The aggregate amount of €12,225K at 30 June 2016 (€10,008K at 31 December 2015) is broken down below:

<sup>1</sup> Reimbursement scheduled before the end of the current business year, interest rate applied below 50 bp.

Data in €/K

	30. 06. 2016	31. 12. 2015	DIFF.
Addit. Mun. fees due to Rev. Ag	10.417	7.153	3.264
IRES/IRAP due	348	1.489	-1.141
IRPEF due for employees and sel	223	328	-106
Due to Revenue Agency for mark-	162	155	6
Local taxes	190	132	57
VAT due	886	749	138
Other minors	0	1	-1
Total	12.225	10.008	2.219

The account payable to the Revenue Agency for the municipal surtax on passenger boarding fees, presently consisting of €10.42M, established by art.2, paragraph 11, of Law no. 350 of 24 December 2003 starting from 1 June 2004, has been increased by further €3.26M mainly as a consequence of the increase of €2.50 per boarded passenger starting from 1 January 2016 established by the State's Finance Act 2016 and partly for the increase in passenger traffic at the end of the first half of 2016 compared to the traffic of the first half of 2015.

The difference of indebtedness to the Revenue Agency for IRES/IRAP mainly reflects the lower profit earned in the period compared to the year's result.

### ***50. Payables to suppliers***

At 30 June 2016, Payables to suppliers totalled €17.15M (€28.96M at 31 December 2015), down by €11.8M as a result of the payment of invoices relating to current operations, as well as of the investments made by the Group in the period.

### ***51. Payables to social security institutions***

This item includes accounts payable to Social Security and Pension Institutions (INPS, INAIL) for a total of €2,332K at 30 June 2016 (€2,556K at 31 December 2015).

### ***52. Other payables due within the year***

Other payables due within the year at 30 June 2016 consisted of €14.68M (€12.76M at 31 December 2015), and included the following items:

Data in €/K

	30. 06. 2016	31. 12. 2015	DI FF.
			0
Concession fees	2.148	2.066	82
Ministry of Transport	2.205	2.205	0
Air/bus/train ticket office rec	864	922	-58
Due to employees	6.085	6.050	35
excesses	142	92	50
Due to Directors and Auditors	391	332	60
Fire-protection service	1.278	577	700
Due to banks on a quarterly basis	137	3	134
Deferred income	1.155	248	907
Other minors	271	266	5
Total	14.676	12.760	1.916

More specifically:

- Concession fees have increased due to the higher traffic reported for the first 6 months of 2016 compared to the same period of the previous year.
- Accounts payable to the Ministry of Transport, €2,2M, 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, on a precautionary basis, had not been 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's fire protection service introduced by the 2007 Finance Act 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 €493K against €379K at 31 December 2015, substantially consisting in advance payments made to Customers.

## COMMITMENTS AND GUARANTEES

At 30 June 2016, total commitments and guarantees (regarding the Parent Company) were €19,772K (€21,005K at 31 December 2015), consisting of €12,933K of third party suretyships in favour of TA and €6,839K of suretyships given by third parties on behalf of TA. The difference is mainly related to a suretyship of approx. €1.1M no longer renewed as guarantee of a VAT reimbursement for the year 2011.

Data in €/K

	30. 06. 2016	31. 12. 2015	D I F F.
Third-party guarantee in favour of Company	12.933	12.862	71
Third-party guarantee on behalf of Company	6.839	8.143	-1.304
Total commitments and guarantees	19.772	21.005	-1.233

Suretyships provided by third parties in the favour of TA (€12.9M) mainly refer to performance bonds for contract works, for compliance with agreements by sub-concessionaires, air carriers and other customers.

The suretyships provided to third parties on behalf of TA (€6.8M) mainly refer to performance bonds issued in favour of ENAC as a guarantee for the full and exact fulfilment of the obligations established with the two 40-year Conventions signed, performance bonds issued in favour of the Municipalities of Pisa and Florence as a guarantee of compliance with municipal regulations in the execution of works for the expansion of the airport infrastructures by TA, and minor entries.

## ADDITIONAL INFORMATION

### Disclosure regarding the main items of the Provision for liabilities and expenses at 30 June 2016

#### 1. Provision for liabilities connected with the Fire Brigade Protection Service dispute (€2,351K)

As far as the Fire Brigade fire-protection service is concerned, Toscana Aeroporti initiated the appropriate legal actions over time by filing petitions in both administrative and tax courts, with the main purpose of challenging the constitutional legitimacy of the provisions set forth in paragraph 3-bis of Article 4 of Legislative Decree No. 185/2008, entered into force on 29 January 2009, which allocated the resources of the provision to purposes totally unrelated to those initially envisaged by the 2007 Finance Act. It is indeed believed that any obligation for airport operators to contribute to the fund would represent an asset tax imposed in breach of the principle of taxpaying capacity set out in Article 53 of the Constitution, as well as in evident violation of the principles of equality and reasonableness, as set out in Article 3 of the Constitution.

After the positive judgements of the Administrative Court of the Region Lazio (TAR Lazio no. 045588/2013) and of the Tax Court of Rome (CTP Roma no. 10137/51/14), now even a Civil Judge pronounced a positive opinion on the matter and fully admitted the petition of an airport management company who opposed against the court order issued by the competent Administrations and confirmed that the Fire Protection Fund is a special-purpose tax and therefore falls under the jurisdiction of the Tax Court.



On 2 February 2016, the *Avvocatura dello Stato* [Attorney General] filed an appeal with the Regional Tax Commission of Lazio, in the interest of the Ministry of the Economy and Finance, the Ministry of Internal Affairs and the Ministry of Infrastructure and Transports, against decision no. 10137/51/14 of the Provincial Tax Commission of Rome (which became final on 30 December 2014) that had fully admitted the appeal filed by many airport management companies after establishing its own jurisdiction and identifying the contribution for the so-called "Fire Protection Fund" as a tax matter.

In this appeal, the Attorney General asked that the case be brought before the Judge of First Instance for a possible error made in notifying the introductory appeal of decision RGR no. 24725/2010 to the Ministry of the Economy and Finance.

The entry of appearance and statement of defence were lodged to make the case on the non-admissibility of the late appeal of the Administrations and the Section President of the Regional Tax Commission was asked to declare its non-admissibility on a preliminary basis, even before the proceeding.

Below is a synthesis of the positions of the legal actions already initiated before the merger, summarised by operating airport:

#### - Florence airport

The Court of Florence, on 16 June 2015, issued judgement no. 2139/2015 and ascertained that a joinder is possible between the warning proceeding and the previous judgement pending before the Court of Rome RG no. 43796/2012. Furthermore, the Court of Florence: i) declared that the Court of Florence has no jurisdiction, but the Court of Rome has; ii) nullified the opposed court order no. 4412/12 for a value of € 934,309.00 plus interests; iii) fixed as term for the re-opening of the trial before the Court of Rome 19 October 2015; iv) shared the legal expenses equally between the parties.

#### - Pisa airport

As regards the position of the Pisa airport (former SAT), the company has been regularly paying the aforesaid contribution since 2010, as it had included it in its tariff. For the years 2007-2009, the company accordingly posted the aggregate debt in its balance sheet as account payable to the Revenue Agency while waiting for the conclusion of the petition submitted by the Ministry of the Interiors (classified as "Other accounts payable due within the year" at 31 December 2014). The Court of Florence passed positive sentence no. 2975 of 15 September 2015, with which it overturned its previous decision (after which an agreement on €700K had been accepted by the Company) and admitted that the Company was right, annulled the injunction opposed by reason of the "jurisdictional defect of the ordinary court, since the case at issue could be perfectly identified as a special tax" and establishing the exclusive jurisdiction of the Fiscal Judge.

The Administrations lodged an appeal with the Court of Appeal of Florence against said decision no. 2975/2015. The hearing date fixed is 17 April 2018, with 17 June 2016 as deadline to lodge the necessary documents to appear before the court. Toscana Aeroporti regularly appeared before the court within the aforesaid deadline.

On 31 May 2016, many airport companies (including TA) lodged their petitions against the draft Framework Agreement between Airport Operator and National Fire Corps defined and transmitted to the Ministry of Internal Affairs (Fire Corps Department) by ENAC on 1 April 2016. The main requirement was to avoid an inappropriate imposition through negotiations of the outlined supply agreement by the Fire Corps onto airport management companies, with all the negative repercussions this may have, as specified, on the related litigation cases concerning the Fire Protection Fund.

We remind readers that the Administrations, in order to overturn the negative outcome of the ongoing litigation, solicited a specific legislative action aimed at amending *ab origine* the regulation of the Fire Protection Fund and replacing it with favourable regulations for the Administrations.

In fact, Law no. 208 of 28 December 2015 was published in the Official Journal on 30 December 2015, with article 1, paragraph 478, providing for an innovative supplement to art. 39-bis, paragraph 1, of Law Decree no. 159 of 1st October 2007 converted with amendments into Law no. 222 of 29 November 2007, with the introduction, effective from 1st January 2016, of the sentence "and fees to be paid by airport management companies for fire protection services in airports, as per article 1, paragraph 1328, of Law no. 296 of 25 December 2006" in order to allow for their interpretation "in the sense that no tax obligation arises from them".

In this regard, we point out that a Judge's Order was filed on 1st March 2016 to decide on the pending issue dealt with in the hearing of 18 February before the Court of Rome RG n. 43796/22012 concerning the constitutional lawfulness of art.1, paragraph 478, of Law no. 208 of 28 December 2015, concerning art. 39-bis, paragraph 1, of Law Decree no. 159 of 1st October 2007.

The Court of Rome specified that "certainly the effects of the final judgement cannot be challenged, as they are not affected by the new provisions being issued, whose effectiveness is retroactive" and therefore "the censored provision (paragraph 478) could not be highlighted" "at least as regards the entities that are parties in the cases that reached a final judgement (and theoretically also regarding the others, if the extension of the judgement is recognised in their favour)".

The Court of Rome, based on said preliminary considerations, deemed that "at present the applicability of the provision suspected of being unconstitutional for the case at issue is not certain" with reference to the airport management companies that claimed a final judgement, such as Toscana Aeroporti.

The hearing date fixed for the specification of the conclusions is 29 March 2017.

Within the framework of the aforesaid trial pending before the Court of Cassation, in order to obtain as soon as possible a final decision on the claimed illegitimacy of the new paragraph 478, art. 1, of Law no. 208 of 28 December 2015 and an assessment by the Supreme Court on the issue of jurisdiction before and after 1 January 2016, a petition was lodged pursuant to art. 1 of Law no. 1/1948 and art 23 of Law no. 87/1953 for an assessment of constitutional legitimacy, and we are waiting for a date to be fixed for the hearing.

The amounts set aside by the Company, also with the support of external independent professionals, are appropriate for the expected outcome of the controversy.

## 2. Provision for potential labour dispute liabilities (€481K)

The Company deemed it necessary to create, in the 2015 financial statement, a Provision for Liabilities of a total of €505K for disputes that may be possibly initiated by shift personnel of the company in connection with an alleged wrong calculation in a contract and salary percentage concerning their "horizontal part-time" working hours in years before 2015.

The Company estimated the amount of this provision with the support of independent consultants.

During the first half of 2016 the Company started and closed a discussion with Florence Trade Unions, where an agreement was reached. At the date of these Financial Statements, about one hundred individual voluntary agreements have been signed in the Trade Unions' offices to settle the outstanding matters with the employees affected by the alleged errors. Therefore, the litigation risk associated with the FLR airport for the possible wrong calculation of the percentages of part-time work only consists in a small residue (regarding a few units) or is non-existent. A potential risk remains in connection with the PSA airport, but there is no claim at the moment. The Provision for potential labour dispute liabilities has been used during the first half of 2016 for €24K to settle the first employees based on the agreements achieved.

Finally, further potential liabilities have also been considered with the help of independent consultants in connection with the dispute regarding the return of fuel supply fees requested by some airlines from oil companies, where the Company has been summoned as third party. For all the disputes described above, the Company did not consider it necessary to create provisions based on the indications of the independent consultants appointed for defence.

### **Relationships with related parties**

See the specific section in the Report on Operations and Annex C to this Condensed Consolidated Interim Financial Statement at 30 June 2016 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 non-recurring events and transactions**

Pursuant to Consob's Notice of 28 July 2006, we specify that no significant non-recurring transaction was performed.

### **Events occurred after the end of the financial period at issue**

For the main events occurred after at 30 June 2016, see point 17 in the Report on Operations.

### **Atypical and/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 2016.

### **Fair value measurement hierarchy**

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 do not apply to the Condensed Consolidated Interim Financial Statement of the TA Group.

### **Authorization to publication**

This document has been approved by the Board of Directors on 15 September 2016 and made available for the public on 19 September 2016 upon the Chairman's authorization.

For the Board of Directors  
**The Chairman**  
(Marco Carrai)

**ANNEXES TO THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT 2016**

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**TABLE OF CHANGES IN INTANGIBLE ASSETS FOR THE FIRST HALF OF 2016**  
(amounts shown in €K)

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**TA GROUP'S CONSOLIDATED FINANCIAL STATEMENT**

	CONCESSION FEES	PATENT AND INTELLECTU AL PROPERTY RI GHTS	WORK IN PROGRESS AND ADVANCE PAYMENTS	TOTAL
Historical cost	172.398	9.989	12.897	195.284
Accumulated depreciation	-23.221	-9.669	-7.295	-40.184
<b>A - Value as at 31-Dec-15</b>	<b>149.178</b>	<b>320</b>	<b>5.602</b>	<b>155.100</b>
<i>YEAR'S DIFFERENCES</i>				
Purchases	1.258	38	1.985	3.280
Previous years' work in progress	165	0	-165	0
Disinvestments/Decreases	-133	0	0	-133
Historical cost of assets deriving from the merger by incorporation of the Florence Airport (ex-AdF)	0	0	0	0
Accumulated depreciation of asset from merger by incorporation of the Florence Airport (ex-AdF)	0	0	0	0
Depreciation	-2.505	-126	0	-2.631
<b>B - Balance of changes</b>	<b>-1.215</b>	<b>-88</b>	<b>1.820</b>	<b>516</b>
Historical cost	173.688	10.027	14.717	198.432
Accumulated depreciation	-25.726	-9.795	-7.295	-42.816
<b>Value as at 30-06-16 (A+B)</b>	<b>147.962</b>	<b>232</b>	<b>7.422</b>	<b>155.616</b>

**TABLE OF CHANGES IN TANGIBLE ASSETS FOR THE FIRST HALF OF 2016**  
(amounts in €K)

**TA GROUP'S CONSOLIDATED FINANCIAL STATEMENT**

	LAND, BUILDINGS AND RUNWAY INSTALLATIONS		PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUCTION	OTHER ASSETS	TOTAL
	that can be	owned by the					
Historical cost	12.546	16.411	27.303	1.044	402	14.933	<b>72.640</b>
Accumulated depreciation	-10.425	-1.500	-20.508	-806	-164	-12.891	<b>-46.294</b>
A - Value as at 31-Dec-15	2.122	14.911	6.794	238	238	2.042	<b>26.345</b>
<i>YEAR'S DIFFERENCES</i>							
Purchases	0	98	94	10	319	107	<b>628</b>
Disinvestments/Decreases	0	-285	0	0	0	-11	<b>-297</b>
Depreciation	-208	-103	-703	-22	-103	-474	<b>-1.612</b>
Reversal of previous years	0	155	0	0	0	2	<b>157</b>
B - Balance of changes	-208	-135	-609	-12	216	-376	<b>-1.124</b>
Historical cost	12.546	16.510	27.397	1.055	720	15.040	<b>73.268</b>
Accumulated depreciation	-10.632	-1.733	-21.211	-828	-267	-13.375	<b>-48.046</b>
<b>Value as at 30-06-2016 (A)</b>	<b>1.914</b>	<b>14.776</b>	<b>6.185</b>	<b>226</b>	<b>454</b>	<b>1.665</b>	<b>25.221</b>

## RELATIONSHIPS WITH RELATED PARTIES

balance sheet item	30 JUNE 2016			30 June 2015		
	values in EuroK	% incidence on	Balance sheet item (€K)	values in EuroK	% incidence on	Balance sheet item (€K)
<b>Associated companies</b>						
<i>Inmobili AOU Careggi Spa</i>						
Investments in Associated Companies	153,5	28,94%	531	115,9	23,53%	492
Receivables from associated companies	175,9	78,35%	224	260,1	79,99%	325
Non-Aviation revenues	78,2	0,66%	11.848	-	-	-
Other revenue and income	-	-	-	45,5	1,58%	2.882
<i>Alatoscana Spa</i>						
Investments in Associated Companies	377,0	71,06%	531	376,6	76,47%	492
Receivables from associated companies	48,6	21,65%	224	65,1	20,01%	325
Other revenue and income	20,0	0,85%	2.343	20,0	0,69%	2.882
<b>Other related parties</b>						
<i>Comune di Pisa</i>						
Costs for services	10,0	0,05%	19.495	-	-	-
Payables to suppliers	10,0	0,06%	17.152	-	-	-
<i>Pisano Spa (°)</i>						
Receivables from others, due within the year	426,8	14,87%	2.870	427,0	15,56%	2.744
Payables to suppliers	23,7	0,14%	17.152	23,7	0,11%	22.314
<i>Alha - Air Lines Handling Agents Spa</i>						
Non-Aviation revenues	9,1	0,08%	11.848	17,2	0,15%	11.454
Other revenue and income	0,2	0,01%	2.343	-	-	-
Receivables from customers	1,0	0,00%	29.763	63,2	0,23%	27.945
Other payables due within the year	5,7	0,04%	14.676	-	-	-
Sundry operating expenses	75,0	7,08%	1.060	-	-	-
Payables to suppliers	-	-	-	80,5	0,36%	22.314
<i>Delta Aerotaxi srl</i>						
Aviation revenues	83,7	0,21%	40.739	199,0	0,52%	38.182
Non-Aviation revenues	160,3	1,35%	11.848	69,0	0,60%	11.454
Other revenue and income	2,5	0,11%	2.343	2,7	0,09%	2.882
Costs for services	60,1	0,31%	19.495	17,3	0,09%	20.000
Receivables from customers	576,2	1,94%	29.763	631,5	2,26%	27.945
Payables to suppliers	59,8	0,35%	17.152	-	-	-
<i>Corporate Air Services srl</i>						
Aviation revenues	321,4	0,79%	40.739	224,2	0,59%	38.182
Non-Aviation revenues	43,8	0,37%	11.848	69,1	0,60%	11.454
Other revenue and income	1,5	0,06%	2.343	1,7	0,06%	2.882
Receivables from customers	113,5	0,38%	29.763	116,6	0,42%	27.945
<i>Delifly srl</i>						
Non-Aviation revenues	15,5	0,13%	11.848	10,8	0,09%	11.454
Other revenue and income	0,4	0,02%	2.343	-	-	-
Receivables from customers	11,7	0,04%	29.763	5,4	0,02%	27.945
<i>ICAB srl</i>						
Non-Aviation revenues	77,8	0,66%	11.848	79,7	0,70%	11.454
Other revenue and income	3,3	0,14%	2.343	-	-	-
Other receivables from customers	51,2	0,17%	29.763	78,2	0,28%	27.945
Other payables due within the year	18,5	0,13%	14.676	-	-	-
<i>Corporacion America Italia srl</i>						
Receivables from customers (**)	39,9	0,13%	29.763	-	-	-
Payables to suppliers	48,7	0,28%	17.152	-	-	-
Other revenue and income	0,9	0,04%	2.343	-	-	-
Costs for services	-	-	-	28,9	0,14%	20.000
<i>Comune di Firenze (Municipality of Florence)</i>						
Non-Aviation revenues	2,9	0,02%	11.848	1,5	0,01%	11.454
<i>Pacini Editore Spa</i>						
Receivables from customers	-	-	-	11,3	0,04%	27.945

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

(\*\*) Receivables for invoices to be issued

## CERTIFICATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT PURSUANT TO ART. 81-TER OF CONSOB 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 Statement at 30 June 2016.

2. Furthermore, it is hereby certified that the Condensed Consolidated Interim Financial Statement at 30 June 2016:

- 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, 15 September 2016

For the Board of Directors

**Chief Executive Officer**  
Gina Giani - CEO

**Financial Reporting Manager**  
Marco Gialletti



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## REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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To the shareholders of  
Toscana Aeroporti SpA

### **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 2016, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, 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.

### **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 2016 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, 15 September 2016  
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.*