
Gruppo Toscana Aeroporti - Toscana Aeroporti Group



INTERIM FINANCIAL REPORT AT 30 June 2018

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

Toscana Aeroporti S.p.A.

Via del Termine, 11 - 50127 Florence - 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 2018 (hereinafter also “Interim Report”), approved by the Board of Directors on 6 August 2018, has been prepared in compliance with Legislative Decree no. 58/1998 and subsequent amendments, as well as with CONSOB Issuers’ Regulation.

This Consolidated Interim Financial Report includes the Report on Operations, which contains the Directors’ comments on operations and management trends for the first half of 2018, and the Condensed Consolidated Interim Financial Statements.

The valuation and measurement criteria adopted for the preparation of the Condensed Consolidated Interim Financial Statements included in the Consolidated Interim Financial Report at 30 June 2018 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 and with the exception of standards IFRS 15 “Revenue from Contracts with Customers” and IFRS 9 “Financial Instruments” adopted from 1 January 2018, better detailed in the Explanatory Notes.

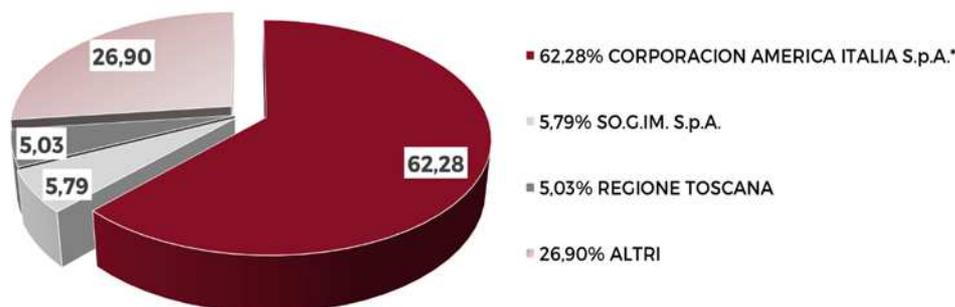
Toscana Aeroporti S.p.A. manages the G. Galilei Pisa airport and the A. Vespucci Florence airport. The Group takes care of the development of both airports in terms of air traffic, infrastructures and services for cargo and passenger carriers.

Accounting information as at 30 June 2018 includes data regarding the Parent Company “Toscana Aeroporti S.p.A.” and its subsidiaries Toscana Aeroporti Engineering S.r.l. (hereinafter “TAE”), “Parcheggi Peretola S.r.l.”, Toscana Aeroporti Handling S.r.l. (hereinafter “TAH”), and “Jet Fuel Co. S.r.l.”, processed according to the full consolidation method.

The limited auditing activity for the Condensed Consolidated Interim Financial Statements at 30 June 2018 has been carried out by the auditor “PricewaterhouseCoopers S.p.A.”

1. COMPOSITION OF THE SHARE CAPITAL OF THE PARENT COMPANY

We are providing below a list of the names of the parties who, at 06 August 2018, directly or indirectly held an interest greater than 5% of the subscribed share capital of Toscana Aeroporti S.p.A. (hereinafter also briefly referred to as “TA” or the “Parent Company”), consisting of shares with voting rights, according to the Shareholders’ Register, as supplemented by the information disclosed pursuant to art.120 of Legislative Decree 58/1998 and by any other information held by the Company.



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

During the first half of 2018, Corporación America Italia S.p.A. purchased further shares of Toscana Aeroporti S.p.A., thus increasing its equity interest from 51.13% to 62.28%.

The subscribed and fully paid-up share capital of Toscana Aeroporti S.p.a. is € 30,709,743,90 and consists of 18,611,966 ordinary shares without nominal value.

The whole of TA's shares owned by Corporación America Italy S.p.a. have been pledged until December 2019 as collateral to secure the debenture loan issued by the shareholder in question.

2. THE OWNERS OF THE PARENT COMPANY

Shareholder Agreements

At the date of this report, a three-year Shareholder Agreement is in place between Corporación America Italia S.p.a. and SO.G.IM. S.p.a., signed on 16 April 2014, supplemented with an Addendum signed on 13 May 2015 for compliance with the requirements of the merger by incorporation of AdF - Aeroporto di Firenze S.p.a. into SAT - Società Aeroporto Toscano Spa (today Toscana Aeroporti S.p.a.) effective from 1 June 2015, renewed on 10 April 2017 for three more years effective from 16 April 2017, amended with an agreement signed on 29 September 2017.

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

3. THE "TOSCANA AEROPORTI S.P.A." STOCK (ISIN IT0000214293)

The Toscana Aeroporti stock (code ISIN IT0000214293 - Bloomberg ticker: TYA.MI) is listed in the MTA, the Italian equity market, since 1 June 2015, the effective date of the merger by incorporation of AdF S.p.A. into SAT S.p.A.

As of 30 June 2018, the stock is traded for Euro 14.70 per share, for a corresponding capitalization of approx. Euro 273.6 million.

4. MACROSTRUCTURE OF THE TOSCANA AEROPORTI GROUP

Legal details of the Parent Company

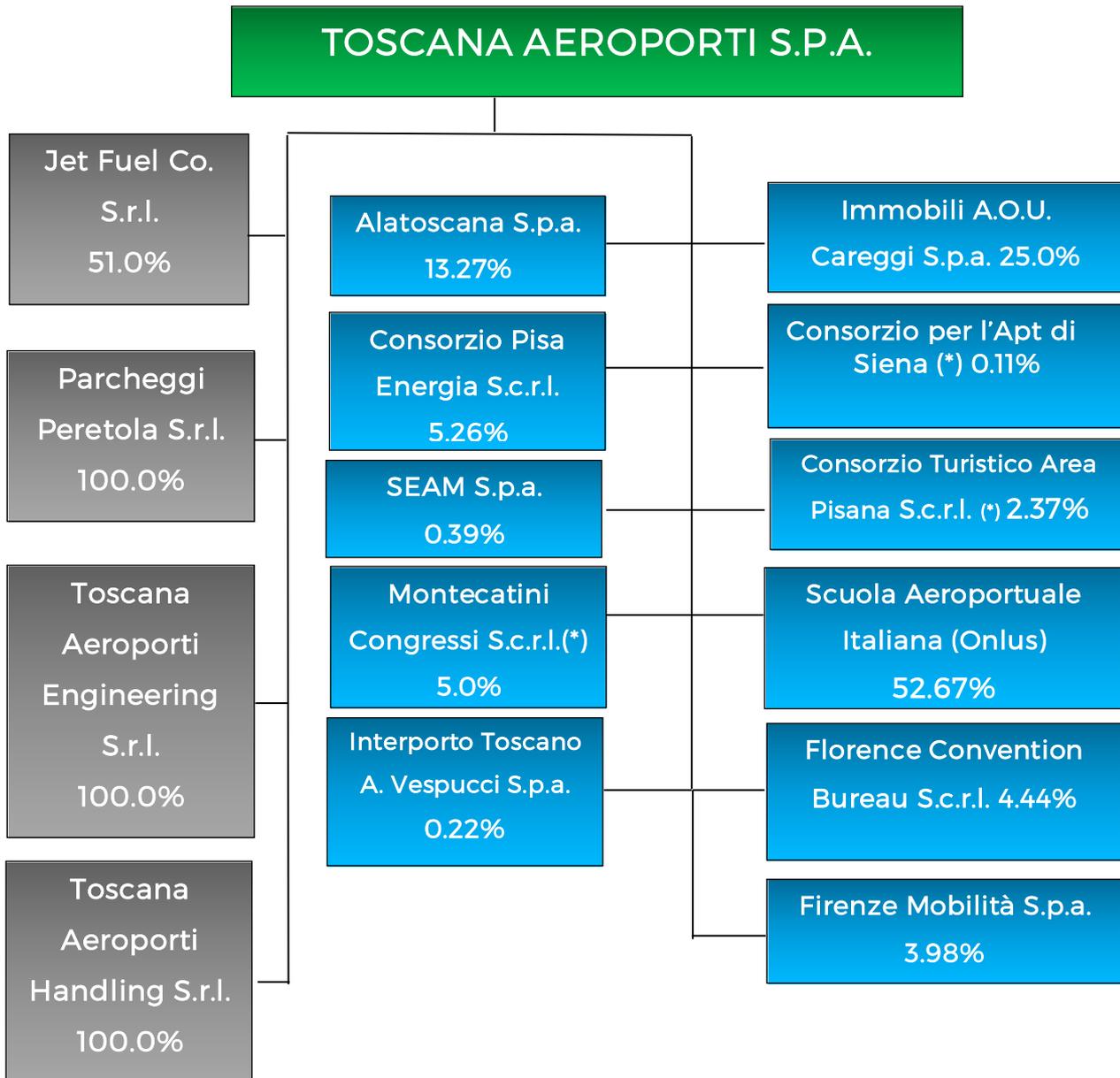
Company name: Toscana Aeroporti S.p.a., briefly "TA".

Registered office of the company: Firenze, Via del Termine n. 11

Tax Code: 00403110505

Company Register of Florence registration and REA [Economic and Administrative Index] no. 366022 FI no. 637708.

Fully paid-up share capital: € 30,709,743.90=.



 **Parent Company**- Toscana Aeroporti (hereinafter "TA").

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

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

Line-by-line consolidation¹

¹ Data as of 30 June 2018

Company	Registered Office	Share Capital (€K)	Shareholders' Equity (€K)	%
Toscana Aeroporti S.p.a.	Florence	30,710	107,432	Parent Company
Toscana Aeroporti Engineering S.r.l.	Florence	80	195	100.00
Parceggi Peretola S.r.l.	Florence	50	2,589	100.00
Toscana Aeroporti Handling S.r.l.	Florence	750	750	100.00
Jet Fuel Co. S.r.l.	Pisa	150	252	51.00

Full Consolidation¹

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

¹ Data as of 31 December 2017

5. COMPOSITION OF CORPORATE GOVERNING BODIES

Board of Directors

Marco CARRAI

Gina GIANI¹

Roberto NALDI

Pierfrancesco PACINI

Vittorio FANTI

Elisabetta FABRI

Giovanni Battista BONADIO

Stefano BOTTAI

Martin Francisco Antranik EURNEKIAN BONNARENS

Anna GIRELLO

Niccolò MANETTI

Iacopo MAZZEI

Ylenia ZAMBITO²

Saverio PANERAI

Ana Cristina SCHIRINIAN

Office held

President

CEO

Executive Vice-President

Vice-President

Delegated Board Member

Board of Auditors

Paola SEVERINI

Silvia BRESCIANI

Roberto GIACINTI

Elena MAESTRI

Antonio MARTINI

Office held

President

Statutory Auditor

Statutory Auditor

Statutory Auditor

Statutory Auditor

Secretary of the Board of Directors

Nico ILLIBERI³

Supervisory Board

Edoardo MARRONI

Michele GIORDANO

Nico ILLIBERI

President

Member

Member

Financial Reporting Manager pursuant to Law 262/05

Marco GIALLETTI⁴

¹ Corporate Manager qualified as Managing Director.

² Board Member resigned on 20 July 2018.

³ Corporate Manager qualified as Director of the Legal Affairs and Compliance area.

⁴ Corporate Manager qualified as Director of the Accounting, Finance and Control areas.

Independent Auditor

PricewaterhouseCoopers S.p.a.

6. HIGHLIGHTS

<p>Consolidated operating profit at 30 June 2018</p>	<p>Revenues totalled € 61,046 K, up by € 5,741 K (+10.4%) compared to € 55,304 K of the TA Group at 30 June 2017.</p> <p>The EBITDA totalled € 15,351 K, up by € 3,842 K (+33.4%) compared to € 11,509 K of the TA Group at 30 June 2017. If we compare the <i>adjusted</i> GOM¹ of the first half of 2018 with the <i>adjusted</i> GOM of the first half of 2017, the gross operating margin has decreased by € 80 K, i.e. -0.7%.</p> <p>The EBIT is € 9,448 K, up by € 3,571 K compared to the TA Group's EBIT of € 5,877 K at 30 June 2017.</p> <p>The Profit Before Tax (PBT) is € 8,936 K compared to a PBT of € 5,393 K for the TA Group in the first half of 2017.</p> <p>The Group's net profit for the period, totalled € 5,880 K of profits against Group period profits of € 3,572 K in the first half of 2017.</p> <p>The <i>adjusted</i>² Group's net profit for the first half of 2018, if compared with the <i>adjusted</i> Group's net profit for the first half of 2017, shows a decrease of € 288 K.</p> <p>The Net Indebtedness totalled € 40,733 K at 30 June 2018, against € 28,506 K at 31 December 2017 (+42.9%) and € 38,813 K in the first half of 2017 (+4.9%).</p>
<p>Investments at 30 June 2018</p>	<p>Investments for an aggregate amount of € 6,903 K have been made at 30 June 2018, of which € 681 K for the purchase of capital goods (motor vehicles, equipment, operating systems and machinery), € 5,903 K of intangible fixed assets, including € 1,539 K for projects designed within the framework of the development of the Florence airport Master Plan; € 871 K for the Florence terminal; € 1,775 K for expansion works in the Pisa terminal, and € 533 K for the flooring of the Florence airport west apron.</p>
<p>Traffic</p>	<p>In the first six months of 2018, the Tuscan Airport System carried approx. 3.8 million passengers, with an overall growth of +3.1% in the Passenger component, a -1.5% decrease in Flights, a +1.3% increase in Tonnage, and a +5% increase in Cargo & Mail, compared to the aggregate data on passengers, flights and tonnage of the Pisa and Florence airports in the first half of 2017.</p>
<p>Outlook</p>	<p>In the first seven months of 2018, the Tuscan Airport System recorded a total traffic of over 4.7 million passengers, up by 3% compared to the same period of 2017.</p> <p>This result and the present scheduling of summer flights suggest positive growth rates for the Toscana Aeroporti Group in 2018 compared to 2017.</p>

¹ See details provided in section 10.1.

² See details provided in section 10.1.

7. THE MACROECONOMIC SCENARIO AND THE AIR TRANSPORT INDUSTRY

In the context of continuous expansion, global economy trends have decreased compared to the end of 2017. Global growth perspectives are generally favourable, but significant bearish risks remain due to uncertain economic policies, such as the escalation of trade conflicts between the U.S. and its main economic partners, the increasingly protectionist approach of the main economic areas, the permanence of geopolitical tensions, and the uncertainties connected with Brexit.

Growth continued in the Euro Area throughout 2018 (+0.4% in the first 6-month period), although at a slower pace compared to last year (+2.4% in 2017). The downward revision of the GDP growth shows that external unfavourable contexts, such as the growing trade conflicts with the U.S. and the related protectionist measures, may erode confidence and negatively affect the economic expansion.

The Italian economy slowed down a bit, but kept growing over the first few months of 2018 (+0.3% at mid-year), with a stationary industrial production in the first half-year and a constant growth in services.

In Italy, traffic exceeded 85 million passengers in the 38 Italian airports monitored by Assaeroporti^[1] during the first half of 2018, with a growth rate of 6% compared to the same period of the previous year. This increase involved almost all Italian airports located in all the regions of our Country. Both aircraft movements (+2.5%) and the cargo sector (+0.5%) showed higher rates at 30 June 2018.

8. TRENDS IN THE TUSCAN AIRPORT SYSTEM'S TRAFFIC

During the 6-month period considered, the Tuscan Airport System carried 3.76 million passengers, with an aggregate growth of +3.1%, corresponding to an increase of +113,403 transiting passengers compared to the same period of 2017.

The different components for the January-June 2018 period are detailed below, compared against 2017:

^[1] Source: Assaeroporti.

	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Passengers	3,756,776	3,643,885	112,891	3.1%
Domestic (Scheduled + Charter)	885,597	866,594	19,003	2.2%
International (Scheduled + Charter)	2,871,179	2,777,291	93,888	3.4%
General Flight Passengers	9,530	9,018	512	5.7%
TOTAL PASSENGERS	3,766,306	3,652,903	113,403	3.1%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Flights	30,920	31,568	-648	-2.1%
Domestic (Scheduled + Charter)	6,924	7,210	-286	-4.0%
International (Scheduled + Charter)	23,298	23,674	-376	-1.6%
Cargo	698	684	14	2.0%
General Flights	5,010	4,922	88	1.8%
TOTAL FLIGHTS	35,930	36,490	-560	-1.5%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Tonnage	1,907,630	1,883,853	23,777	1.3%
Domestic (Scheduled + Charter)	418,512	400,487	18,025	4.5%
International (Scheduled + Charter)	1,440,326	1,418,974	21,352	1.5%
Cargo	48,792	64,392	-15,600	-24.2%
General Aviation Tonnage	68,535	66,508	2,027	3.0%
TOTAL TONNAGE	1,976,165	1,950,361	25,804	1.3%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Air cargo (kg)	5,386,679	5,062,450	324,229	6.4%
Ground cargo (kg)	266,014	298,115	-32,101	-10.8%
Mail (kg)	33,206	42,683	-9,477	-22.2%
TOTAL CARGO AND MAIL	5,685,899	5,403,248	282,651	5.2%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
TOTAL TRAFFIC UNITS	3,823,165	3,706,935	116,230	3.1%

Below is the comparison with the Italian Airport System, which shows an average 6% growth:

No.	Airport	Passengers	%
	Rome (System)	22,988,989	3.9
	Milan (System)	22,071,938	6.6
	Venice (system)	6,571,105	8.2
1	Naples	4,475,396	24.7
2	Catania	4,458,341	9.0
3	Bologna	4,029,949	5.3
4	Palermo	2,968,515	16.9
5	Pisa	2,474,750	2.9
6	Bari	2,220,318	4.0
7	Turin	2,033,435	-3.3
8	Cagliari	1,852,303	5.6
9	Verona	1,482,099	9.6
10	Florence	1,291,560	3.5
11	Lamezia Terme	1,193,241	6.6
12	Brindisi	1,129,554	8.3
13	Olbia	1,030,537	12.7
14	Genoa	640,886	12.2
15	Alghero	564,052	1.6
	other minor airports	1,861,399	
	TOTAL ITALIAN AIRPORTS	85,338,367	6.0

Italian Airport System	3,766,310	3.1
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Note: The Rome airport system includes the Fiumicino and Ciampino airports, the Milan airport system includes the Malpensa, Linate, Bergamo Orio al Serio and Parma airports, and the Venice airport system includes the Venice and Treviso airports.

During the six-month period considered, Tuscan airports have been connected with 95 destinations, of which 12 domestic and 83 international (22 operated in both airports), and served by 37 airlines (7 of which operating in both airports), including 21 IATA and 12 Low-Cost (hereinafter briefly “LC”) airlines.

The table below provides details on these destinations and airlines.

No. of destinations served January-June 2018					
Tuscan Airport System*					
Domestic destinations:		32	Corfu	65	Marrakesh
1	Alghero	33	Krakow	66	Munich
2	Bari	34	Crete	67	Moscow (Domodedovo)
3	Brindisi	35	Gdańsk	68	Moscow (Vnukovo)
4	Cagliari	36	Doha	69	Mykonos
5	Catania	37	Dublin	70	Nantes
6	Comiso	38	Düsseldorf	71	Newcastle
7	Crotone	39	Düsseldorf (Weeze)	72	Oslo
8	Lamezia Terme	40	East Midlands	73	Palma de Mallorca
9	Olbia	41	Edinburgh	74	Paris (Beauvais)
10	Palermo	42	Eindhoven	75	Paris (Charles de Gaulle)
11	Roma (Fiumicino)	43	Fez	76	Paris (Orly)
12	Trapani	44	Frankfurt (Hahn)	77	Prague
International destinations:		45	Frankfurt (Main)	78	Rhodes
13	Amsterdam	46	Fuerteventura	79	Rotterdam
14	Antwerp	47	Geneva	80	Saint Petersburg
15	Athens	48	Glasgow	81	Santorini
16	Barcelona	49	Goteborg	82	Seville
17	Barcelona (Girona)	50	Gran Canaria	83	Sofia
18	Basel	51	Helsinki	84	Split
19	Berlin	52	Ibiza	85	Stuttgart
20	Billund	53	Istanbul	86	Stockholm (Arlanda)
21	Birmingham	54	Leeds	87	Stockholm (Skavsta)
22	Bordeaux	55	Lisbon	88	Tel Aviv
23	Bristol	56	Liverpool	89	Tenerife
24	Brussels	57	London (City)	90	Tirana
25	Brussels (Charleroi)	58	London (Gatwick)	91	Toulouse
26	Bucharest	59	London (Heathrow)	92	Valencia
27	Budapest	60	London (Luton)	93	Warsaw
28	Kefalonia	61	London (Stansted)	94	Vienna
29	Chisinau	62	Madrid	95	Zurich
30	Cologne	63	Malta		
31	Copenhagen	64	Manchester		

Airlines that operated from January to June 2018			
Tuscan Airport System*			
1	Aegean Airline	20	Jet2.com
2	Aer Lingus	21	KLM
3	Air Dolomiti	22	Laudamotion
4	Air France	23	Lufthansa
5	Air Moldova	24	Norwegian Air Shuttle
6	Albawings	25	Pobeda
7	Alitalia	26	Qatar
8	Austrian Airlines	27	Ryanair
9	Blue Air	28	S.A.S.
10	Blue Panorama	29	S7 Airlines
11	British Airways	30	Swiss
12	Brussels Airlines	31	Tap-Air Portugal
13	City Jet	32	Transavia
14	CSA - Czech Airlines	33	Tui Fly Belgium
15	Easy Jet	34	Turkish Airlines
16	Ernest	35	Volotea
17	Eurowings	36	Vueling
18	Finnair	37	Wizz Air
19	Iberia		

* Airlines are listed alphabetically.

8.1 Traffic trends in the Pisa "Galileo Galilei" airport

The table below compares January-June 2018 traffic trends against 2017, broken down into its different components:

	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Passengers	2,471,050	2,401,659	69,391	2.9%
Domestic (Scheduled + Charter)	697,116	690,010	7,106	1.0%
International (Scheduled + Charter)	1,773,934	1,711,649	62,285	3.6%
General Flight Passengers	3,696	3,196	500	15.6%
TOTAL PASSENGERS	2,474,746	2,404,855	69,891	2.9%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Flights	17,753	17,638	115	0.7%
Domestic (Scheduled + Charter)	5,044	5,222	-178	-3.4%
International (Scheduled + Charter)	12,011	11,732	279	2.4%
Cargo	698	684	14	2.0%
General Flights	1,802	1,678	124	7.4%
TOTAL FLIGHTS	19,555	19,316	239	1.2%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Tonnage	1,172,126	1,158,187	13,939	1.2%
Domestic (Scheduled + Charter)	303,037	294,263	8,774	3.0%
International (Scheduled + Charter)	820,297	799,532	20,765	2.6%
Cargo	48,792	64,392	-15,600	-24.2%
General Aviation Tonnage	30,531	29,152	1,379	4.7%
TOTAL TONNAGE	1,202,657	1,187,339	15,318	1.29%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Air cargo (kg)	5,351,837	5,032,771	319,066	6.3%
Ground cargo (kg)	1,775,542	221,582	-44,040	-19.9%
Mail (kg)	33,005	42,674	-9,669	-22.7%
TOTAL CARGO AND MAIL	5,562,384	5,297,027	265,357	5.0%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
TOTAL TRAFFIC UNITS	2,530,370	2,457,825	72,545	3.0%

2,474,746 passengers passed through the Pisa airport during the January-June 2018 period, up by +2.9% compared to the same period of 2017.

The increase in the number of seats offered on scheduled flights (+2.4%) has been accompanied by a 2.8% increase in scheduled passenger traffic (+66,484 pax) compared to 2017 generated by the 0.3 percentage point increase in the Load Factor ("LF") (LF: 85.6% in the first half of 2018 and 85.3% in 2017).

The number of passengers on rerouted flights, included in commercial traffic, is 0.7% of the total traffic (with 16,738 passengers, -0.1% compared to the same period of 2017). The portion coming from Florence is approx. 63.5% (10,629 pax).

General Aviation flights increased in the January-June 2018 period (+16.6%) compared to 2017 (+500 pax).

The table below shows the main factors that affected scheduled passenger traffic trends in the Pisa Galilei airport during the first half of 2018:

- **Pobeda:** the new flight for Saint Petersburg (LED) was operated 3 times a week since 18 February 2018 and the flight to Moscow (VKO) was increased up to 7 times a week;
- **Alitalia:** capacity and frequencies for the Rome Fiumicino flight and start of the flight to Olbia since 16 June 2018 (started on July 1st in 2017);

- **Ernest:** full operation of the flight to Tirana since June 2017;
- **S7:** full operation of the flight to Moscow launched in April 2017 and start of the new connection for Saint Petersburg since 30 April 2018 with 1 weekly flight;
- **Volotea:** launch of a new flight to Toulouse since 12 April 2018 with 2 weekly flights;
- **Jet2.com:** new two-weekly flight to Birmingham since 6 May 2018;
- **LaudaMotion:** this carrier was introduced in the Pisa airport on 1 June 2018 for a direct flight to Vienna 3 times a week;
- **Blue Panorama/Albawings:** starting from the summer 2018, Albawings was replaced in the Pisa-Tirana flight operated by Blue Panorama, with a reduction of the daily flight operated by Blue Panorama down to 4 weekly flights since May 2018;
- **Ryanair:** cancellations scheduled due to the labour disputes with pilots and flight crews, suspension of the flight to Trapani, partly recovered by the full operation of the Pisa- Frankfurt flight, by the resumed connection with Crotona, and by the increased flights mainly to Palermo and other destinations such as Krakow, Ibiza, Berlin, Corfu, Crete, Budapest, Cagliari, Rhodes;
- **Eurowings:** cancellation of the flight to Vienna;
- **Easyjet:** cancellation of the flight to Hamburg, suspension of the flights to Basel and Geneva only for the winter, partly recovered by increases on London Luton, Bristol and Paris Orly.

During the first half of 2017, the Pisa airport has been connected with 84 scheduled destinations operated by 25 airlines, of which 11 IATA and 14 LC.

No. of destinations served January-June 2018					
Pisa Airport*					
Domestic destinations:		28	Copenhagen	57	Madrid
1	Alghero	29	Corfu	58	Malta
2	Bari	30	Krakow	59	Manchester
3	Brindisi	31	Crete	60	Marrakesh
4	Cagliari	32	Gdańsk	61	Munich
5	Catania	33	Doha	62	Moscow (Domodedovo)
6	Comiso	34	Dublin	63	Moscow (Vnukovo)
7	Crotone	35	Dusseldorf (Weeze)	64	Nantes
8	Lamezia Terme	36	East Midlands	65	Newcastle
9	Olbia	37	Edinburgh	66	Oslo
10	Palermo	38	Eindhoven	67	Palma de Mallorca
11	Roma (Fiumicino)	39	Fez	68	Paris (Beauvais)
12	Trapani	40	Frankfurt (Hahn)	69	Paris (Orly)
International destinations		41	Frankfurt (Main)	70	Prague
13	Amsterdam	42	Fuerteventura	71	Rhodes
14	Athens	43	Geneva	72	Rotterdam
15	Barcelona	44	Glasgow	73	Saint Petersburg
16	Barcelona (Girona)	45	Goteborg	74	Seville
17	Basel	46	Gran Canaria	75	Sofia
18	Berlin	47	Helsinki	76	Stuttgart
19	Billund	48	Ibiza	77	Stockholm (Arlanda)
20	Birmingham	49	Istanbul	78	Stockholm (Skvasta)
21	Bordeaux	50	Leeds-Bradford	79	Tenerife
22	Bristol	51	Lisbon	80	Tirana
23	Brussels (Charleroi)	52	Liverpool	81	Toulouse
24	Bucharest	53	London (Gatwick)	82	Valencia
25	Budapest	54	London (Heathrow)	83	Warsaw
26	Kephalonia	55	London (Luton)	84	Vienna
27	Cologne	56	London (Stansted)		

Airlines that operated from January to June 2018 Pisa Airport*			
1	Aegean Airline	14	Lufthansa
2	Aer Lingus	15	Norwegian Air Shuttle
3	Albawings	16	Pobeda
4	Alitalia	17	Qatar
5	Blue Panorama	18	Ryanair
6	British Airways	19	S.A.S.
7	CSA - Czech Airlines	20	S7 Airlines
8	Easy Jet	21	Transavia
9	Eurowings	22	Turkish Airlines
10	Finnair	23	Volotea
11	Ernest	24	Vueling
12	Jet2.com	25	Wizz Air
13	Laudamotion		

* Destinations and airlines are listed alphabetically.

Scheduled passenger traffic by Country

A total of 27 markets have been regularly connected with the Pisa airport with scheduled flights during the first half of 2018.

The international market accounts for 71.5% of the total scheduled passenger traffic of the Galilei airport, while domestic traffic accounts for 28.5%.

The table below shows the percentage incidence of each European country over the total number of scheduled traffic passengers recorded by the Galilei airport during the January-June 2018 period and the difference, both in absolute and percentage terms, compared to 2017:

Country	2018	2017	Diff.	Diff. %	% over TOT
Italy	693,634	686,344	7,290	1.1%	28.5%
United Kingdom	494,249	491,949	2,300	0.5%	20.3%
Spain	264,475	272,680	-8,205	-3.0%	10.9%
Germany	180,293	160,099	20,194	12.6%	7.4%
France	125,193	124,532	661	0.5%	5.1%
The Netherlands	119,788	116,452	3,336	2.9%	4.9%
Belgium	74,707	76,074	-1,367	-1.8%	3.1%
Russian Federation	68,740	27,716	41,024	148.0%	2.8%
Albania	61,159	55,213	5,946	10.8%	2.5%
Poland	36,615	28,740	7,875	27.4%	1.5%
Qatar	33,104	35,115	-2,011	-5.7%	1.4%
Ireland	29,254	26,257	2,997	11.4%	1.2%
Sweden	29,159	28,312	847	3.0%	1.2%
Morocco	28,219	27,790	429	1.5%	1.2%
Hungary	26,507	23,141	3,366	14.5%	1.1%
Greece	26,343	18,162	8,181	45.0%	1.1%
Malta	24,109	22,763	1,346	5.9%	1.0%
Portugal	22,663	22,617	46	0.2%	0.9%
Denmark	21,948	18,077	3,871	21.4%	0.9%
Romania	18,944	21,008	-2,064	-9.8%	0.8%
Switzerland	18,280	31,364	-13,084	-41.7%	0.8%
Norway	15,110	11,818	3,292	27.9%	0.6%
Bulgaria	9,169	19,489	-10,320	-53.0%	0.4%
Turkey	8,052	6,859	1,193	17.4%	0.3%
Austria	3,185	12,414	-9,229	-74.3%	0.1%
Czech Republic	2,076	3,343	-1,267	-37.9%	0.1%
Finland	959	1,111	-152	-13.7%	0.0%
TOTAL	2,435,934	2,369,450	66,484	2.8%	100.0%

Over the January-June 2018 period, domestic traffic increased by 1.1% compared to 2017 mainly due to the increased Ryanair flights to Palermo and Brindisi, as well as to the resumption of the flight to Crotona by the same carrier and to the increased Alitalia capacity and flights on the Pisa-Fiumicino route.

During the first half of 2018, the British market was confirmed as the first foreign market with approx. 494,000 passengers (+ 0.5% compared to the same period of 2017 and 20.3% of total markets).

The second place is occupied by the Spanish market, which had a -3.0% decrease mainly due to the reduced Ryanair flights to Madrid and reduced Vueling flights to Barcelona, partly offset by increased Ryanair operations on Ibiza.

The German market has grown (+12.6%) thanks to the full operation of the flight to Frankfurt am Main (started in September 2017) and to the increased Lufthansa flights to Munich, which, together, offset the suspension of easyJet's flight to Hamburg.

The French market was confirmed in the fourth position, with a consistent traffic compared to the last 6-month period (+0.5%).

We point out the strong growth of the Russian market (+148%), due to the new connection with Saint Petersburg operated both by Pobeda (3 times a week since February 18th) and S7 (1 weekly flight since April 30th), but also to the increased frequency of flights to/from Moscow (Vnukovo) operated by Pobeda and to/from Moscow (DME) operated by S7.

The Greek and Polish markets have also grown thanks to increased Ryanair flights to/from Crete, Corfu and Rhodes and to the full operation of the Pisa-Krakow flight, respectively, operated on an annual basis by the same carrier starting from the winter 2017/2018.

We highlight contractions in the following markets: Swiss (-41.7%), due to the suspension of flights for Basel and Geneva by easyJet during the winter 2017/2018, Bulgarian (-53%), due to the suspension of the flight for Sofia during winter 2017/2018, and Austrian (-74.3%), due to the suspension of the flight for Vienna by Eurowings since October 2017 (resumed since June 1st, 2018 by LaudaMotion).

Cargo & Mail Traffic

Cargo traffic data recorded in the first 6-month period of 2018 in the Pisa airport show a 5.0% growth (with +265,357 kg of cargo and mail carried). This result is mainly due to the additional day-stop flights operated by DHL on Mondays with B737 aircraft and to a higher LF.

8.2 Traffic trends in the Florence "Amerigo Vespucci" airport

The table below compares January-June 2018 traffic trends with those for the same period in 2017, broken down into their different components:

	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Passengers	1,285,726	1,242,226	43,500	3.5%
Domestic (Scheduled + Charter)	188,481	176,584	11,897	6.7%
International (Scheduled + Charter)	1,097,245	1,065,642	31,603	3.0%
General Flight Passengers	5,834	5,822	12	0.2%
TOTAL PASSENGERS	1,291,560	1,248,048	43,512	3.5%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Flights	13,167	13,930	-763	-5.5%
Domestic (Scheduled + Charter)	1,880	1,988	-108	-5.4%
International (Scheduled + Charter)	11,287	11,942	-655	-5.5%
General Flights	3,208	3,244	-36	-1.1%
TOTAL FLIGHTS	16,375	17,174	-799	-4.7%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Commercial Tonnage	735,504	725,666	9,838	1.4%
Domestic (Scheduled + Charter)	115,475	106,224	9,251	8.7%
International (Scheduled + Charter)	620,029	619,442	587	0.1%
General Aviation Tonnage	38,004	37,356	648	1.7%
TOTAL TONNAGE	773,508	763,022	10,486	1.37%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
Air cargo (kg)	34,842	29,679	5,163	17.4%
Ground cargo (kg)	88,472	76,533	11,939	15.6%
Mail (kg)	201	9	192	2133.3%
TOTAL CARGO AND MAIL	123,515	106,221	17,294	16.3%
	YTD at 31-06-2018	YTD at 31-06-2017	Diff. 2018/17	% Diff. 2018/17
TOTAL TRAFFIC UNITS	1,292,795	1,249,110	43,685	3.5%

In the first half of 2018, a total of 1,291,560 passengers transited through the Florence airport, with a 3.5 % increase (+43,512 passengers) compared to the same period of 2017. The higher number of seats offered (+3.2%) brought about a growth in passenger traffic (+3.7%). The Load Factor of scheduled flights increased by 1.6 percentage points (79.3% in the first half of 2018 and 78.9% in 2017).

The main factors that contributed to 2018 traffic results are described below:

- **Vueling:** full annual operation of the flight for Amsterdam, London Luton and Tel Aviv, and increased flights for Barcelona, London Gatwick;
- **Alitalia:** this carrier operated with a larger aircraft fleet and increased its winter flights from 3 to 4 daily flights to Rome Fiumicino.
- **Lufthansa:** increased capacity on Frankfurt am Main thanks to a larger aircraft fleet;
- **Tap-Air Portugal:** new Florence-Lisbon flight operated since 10 June 10 times a week;
- **British Airways:** new flights for Edinburgh and Manchester starting from 19 and 20 May, respectively (both once a week);
- **TUI Fly Belgium:** new seasonal flight for Antwerp operated twice a week;
- **Swiss:** increased capacity of the flight for Zurich, with different aircraft fleets, to offset the suspension of the winter flight for Geneva, resumed since 29 March 2018;
- **Air Berlin/Eurowings:** interruption of the Florence-Düsseldorf route operated by Air Berlin since 28 October 2017, not fully recovered by Eurowings with the flight operated from 18 January 2018 to 24 March 2018;
- **Mistral Air:** suspension of operations since 5 November 2017 with the cancellation of flights for Bari, Cagliari, Marseille, Nice, Olbia, and Tirana.

In 2017, the Florence airport has been connected with 34 destinations operated by 19 airlines (6 of which LC).

No. of destinations served January-June 2018			
Florence Airport*			
Domestic destinations:		17	Lisbon
1	Catania	18	London (City)
2	Palermo	19	London (Gatwick)
3	Rome FCO	20	London (Luton)
International destinations		21	London (Stansted)
4	Amsterdam	22	Madrid
5	Antwerp	23	Manchester
6	Barcelona	24	Munich
7	Birmingham	25	Mykonos
8	Bristol	26	Palma de Mallorca
9	Brussels	27	Paris (Charles de Gaulle)
10	Bucharest	28	Paris (Orly)
11	Chisinau	29	Santorini
12	Copenhagen	30	Split
13	Düsseldorf	31	Tel Aviv
14	Edinburgh	32	Tirana
15	Frankfurt	33	Vienna
16	Geneva	34	Zurich

Airlines that operated from January to December 2018			
Florence Airport*			
1	Air Dolomiti	11	Ernest
2	Air France	12	Eurowings
3	Air Moldova	13	Iberia
4	Albawings	14	KLM
5	Alitalia	15	Lufthansa
6	Austrian Airlines	16	Swiss
7	Blue Air	17	Tap-Air Portugal
8	British Airways	18	Tui Fly Belgium
9	Brussels Airlines	19	Vueling
10	City Jet		

* Destinations and airlines are listed alphabetically.

Scheduled passenger traffic by Country

During the first half of 2018, international traffic accounted for 85.3% of the total passenger traffic, while domestic traffic accounted for 14.7%. The Florence airport is connected with 17 markets.

Country	2018	2017	Diff.	Diff. %	% over TOT
Germany	260,552	282,619	-22,067	-7.8%	20.3%
France	256,570	274,654	-18,084	-6.6%	20.0%
Italy	188,239	175,491	12,748	7.3%	14.7%
Spain	142,280	121,530	20,750	17.1%	11.1%
The Netherlands	130,197	116,446	13,751	11.8%	10.1%
United Kingdom	104,695	93,243	11,452	12.3%	8.1%
Switzerland	94,695	87,120	7,575	8.7%	7.4%
Belgium	26,907	19,694	7,213	36.6%	2.1%
Albania	23,264	20,342	2,922	14.4%	1.8%
Romania	20,328	18,643	1,685	9.0%	1.6%
Austria	13,701	11,809	1,892	16.0%	1.1%
Moldavia	6,820	7,127	-307	-4.3%	0.5%
Portugal	5,400		5,400	-	0.4%
Denmark	5,372	5,457	-85	-1.56%	0.4%
Greece	3,142	3,268	-126	-3.86%	0.2%
Israel	1,911	167	1,744	1044.31%	0.1%
Croatia	686	734	-48	-6.54%	0.1%
Total	1,284,759	1,238,854	35,960	7.4%	100.0%

As shown in the table above, the leading positions of the German and French markets are confirmed with 260,552 and 256,570 passengers carried, respectively (40.3% of the total number).

Traffic in the German market decreased (-7.8%) due to the suspension of the Florence-Düsseldorf route by Air Berlin since 28 October 2017, not fully recovered by Eurowings with the flight operated from 18 January 2018 to 24 March 2018.

The French traffic also decreased (-6.6%) mainly due to the cancellation of Air France flights due to operating problems and crew strikes.

The Italian market (188,239 passengers) had a strong 7.3% growth compared to the first 6-month period of 2017 thanks to the extra daily flight added by Alitalia and to the use of a larger aircraft fleet.

It is worthwhile highlighting the strong growth of the following markets: the Spanish market (+17.1%), with the increase of Vueling flights to Barcelona; the Dutch market (+11.8%), with the full operation of the Vueling flight to Amsterdam; the British market (+12.3%), with the new British Airways flights to Edinburgh and Manchester, the increased frequency of Vueling flights to London Gatwick, and the full operation of the flight for London Luton.

In addition, since June 10th, we entered the Portuguese market with a scheduled TAP Portugal flight to Lisbon (10 flights a week).

9. SIGNIFICANT EVENTS OF THE FIRST 6 MONTHS OF 2018

For details on the Tuscan airport system traffic, see Section 8 above.

On 19 February 2018, Corporación America Italia S.p.A. (“CAI”) announced the purchase of 850,235 shares of Toscana Aeroporti S.p.A. and the consequent increase of its ownership stake from 51.13% to 55.7%; on 25 June 2018, CAI bought further 1,225,275 shares (representing about 6.58% of the share capital) from Fondazione Cassa Risparmio Firenze. After these two acquisitions, at the date of this Interim Report CAI owns 11,592,159 TA shares, corresponding to 62.28% of the share capital.

On 28 February 2018, the time limit expired for the Financial Administrations to file their appeal against the favourable judgement no. 6528/2016 with which the Court of Appeal of Rome ordered the Ministry of Transport (“MIT”) to pay Toscana Aeroporti (former Aeroporto di Firenze S.p.A.) the compensation for the damages suffered in the years 2006-2008 as a result of the non-adjustment of airport fees to inflation, consisting in the amount of € 1.6 M, determined by the expert witness during the first degree of trial. In addition, the Court of Appeal also admitted TA's right to receive compensation for lost profit damages, to be determined on an equity basis according to the indications provided in the reason of the judgement.

As a consequence, judgement no. 2403/2012, with which the MIT was ordered to pay Toscana Aeroporti (former Aeroporto di Firenze S.p.A.) an amount of approx. € 2.2 M, can be considered final, and in fact said amount was collected on 18 March 2013 as compensation for the damages suffered for the non-adjustment to inflation of airport fees in the years 1999-2005, increased by the relevant monetary reassessment and legal interests due.

On 1 March 2018, the subsidiary “Toscana Aeroporti Handling S.r.l.” was incorporated, 100% owned by Toscana Aeroporti, with the purpose of managing the handling company branch of the two airports. On June 25th, TA contributed the handling company branch to its 100% subsidiary Toscana Aeroporti Handling S.r.l. (hereinafter also briefly “TAH”). The new company started its operations on July 1st, 2018 with the business purpose of providing the services described in Legislative Decree no. 18 of 13 January 1999, and subsequent amendments and supplements.

The Municipality of Pisa issued a Municipal Ordinance on 6 February 2018, which entered into force on 19 April 2018, to “regulate the circulation of buses in the city of Pisa – specifically in the San Giusto/San Marco districts – supplement to Ordinance no. 505 of 18 December 2012” to establish limits to the circulation of buses in the areas around the Galilei airport. Toscana Aeroporti filed a lawsuit before the TAR (Regional Administrative Court) of Tuscany to obtain the cancellation of that Ordinance. TA also requested a stay order, which was not admitted. At the hearing of 27 June 2018, the President of the TAR put off the discussion of the case to a date to be established.

On 20 April 2018, Ente Nazionale Aviazione Civile (the National Civil Aviation Agency), with Note no. 41829-P, asked the MIT to start a town-planning audit procedure pursuant to Art. 2 of D.P.R. no. 383 of 18 April 1994 regarding the 2014-2029 Master Plan for the Florence “Amerigo Vespucci” airport, already technically approved by the same Agency with Note no. 115557 of 3 November 2014 and accompanied by the positive opinion on its environmental compatibility with VIA Decree no. 377 of 28 December 2017 of the Ministry of the Environment and Protection of the Territory and the Sea (*Ministero dell’Ambiente e della Tutela del Territorio e del Mare*, “MATTM”) in cooperation with the Ministry of Cultural Assets and Activities (Ministero dei Beni e delle Attività Culturali, “MIBAC”). Also, during the first half of 2018, works began for the opening of the Environmental

Observatory on the works included in the 2014-2029 Florence airport Master Plan after the conclusion of the Environmental Impact Assessment ("VIA").

On 9 July 2018, the MIT, with Note no. 0011013, called the first gathering of the Conference of Services for 7 September 2018 to finalize the State-Region of Tuscany agreement described in D.P.R. no. 383/94.

On 30 May 2018, TA's Shareholders Meeting renewed its Board of Directors, with fifteen new members who shall remain in office for three financial years, until the date of adoption of the Financial Statement for the year ending 31 December 2020.

On 1 June 2018, TA finalized the preliminary agreement for the acquisition from NIT - Nuove Iniziative Toscane S.r.l., a real property company controlled by the Unipol Group, of an area called "Piana di Castello", plain land located in the north-west of the Municipality of Florence, covering approx. 123 hectares. The price of the land is € 75 million, plus applicable taxes.

The agreement is subject to the following conditions precedent:

- final approval of the Florence airport Master Plan after the conclusion of the Conference of Services to obtain the "Conformità Urbanistica" (town-planning approval);
- the adoption of the "PUE Castello" variant, the Executive Planning Scheme for the Piana di Castello area, according to the guidelines given by the City Council of the Municipality of Florence in December 2017.

The term established for the preliminary agreement is 18 months, with the option to extend the term for further 6 months. The purchase of the Castello area is a strategically important step to favour both the development of the new runway and the new airport terminal, but also for the general development of the area located north-west of the City of Florence.

10. TOSCANA AEROPORTI GROUP'S OPERATING RESULTS

10.1 Consolidated Income Statement

The table below compares the data of the Consolidated Income Statement of the first 6-month period of 2018 with those of the first 6-month period of 2017.

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in € K	INTERIM 201 8	INTERIM 201 7 (*)	Diff. Abs. 201 8/201 7	% Diff.
REVENUES				
Operating income				
Aviation revenues	43,384	43,512	-129	-0.3%
Non-Aviation revenues	14,003	12,724	1,279	10.1%
Oneri Sviluppo network	-6,771	-7,396	625	-8.4%
Total operating revenues	50,616	48,841	1,776	3.6%
Other revenues and proceeds	4,835	771	4,064	527.2%
Revenues from construction services	5,595	5,693	-98	-1.7%
TOTAL REVENUES (A)	61,046	55,304	5,742	10.4%
COSTS				
Operating Costs				
Consumables	588	512	76	14.9%
Cost of Personnel	21,270	20,768	503	2.4%
Costs for services	14,690	13,334	1,356	10.2%
Sundry operating expenses	1,235	1,130	105	9.3%
Airport leases	2,977	2,903	74	2.6%
Total operating costs	40,760	38,647	2,114	5.5%
Costs for construction services	4,935	5,149	-214	-4.2%
TOTAL COSTS (B)	45,695	43,796	1,899	4.3%
GROSS OPERATING MARGIN (A-B)	15,351	11,509	3,842	33.4%
% incid. over total revenue	25.1%	20.8%		
% incid. over operating revenue	30.3%	23.6%		
Amortization and impairment	4,864	4,210	653	15.5%
Provision for risks and repairs	979	915	64	7.0%
Value write-ups (write-downs) net of trade receivables and other receivables	60	506	-446	-88.1%
OPERATING EARNINGS	9,448	5,877	3,571	60.8%
% incid. over total revenue	15.5%	10.6%		
% incid. over operating revenue	18.7%	12.0%		
ASSET MANAGEMENT				
Financial income	36	60	-24	-40.6%
Financial expenses	-584	-579	-4	0.7%
Profit (loss) from equity investments	36	35	1	N.S.
TOTAL ASSET MANAGEMENT	-512	-484	-28	5.8%
PROFIT (LOSS) BEFORE TAX	8,936	5,393	3,543	65.7%
Taxes for the period	-3,019	-1,789	-1,230	68.7%
PROFIT/(LOSS) FOR THE PERIOD	5,917	3,603	2,313	64.2%
Minority Interest's loss (profit) for the period	-37	-32	-5	15.9%
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	5,880	3,572	2,308	64.6%
Earnings per share (€)	0.316	0.192	0.1240	64.6%

(*) Comparative data regarding the first half of 2017 have been booked again after the adoption of IFRS 15, for which details we refer the reader to section "New reporting standards, amendments and interpretations applicable from 1 January 2018".

The consolidated economic data of first half of 2018 are summarised below and compared with those of the same period of 2017.

In compliance with the content of CONSOB Notice no. DEM/6064293 of 28 July 2006 and subsequent amendments and supplements (CONSOB Notice no. 0092543 of 3 December 2015 implementing ESMA/2015/1415 guidelines), we specify that the summarised income statement details reported can be easily reconciled with those indicated in financial statements. As to alternative performance indicators, in these

Condensed Consolidated Interim Financial Statements, TA will provide, in addition to the financial measures prescribed by IFRS, some ratios 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. In particular:

- the interim EBIT (Earnings Before Interests and Taxes) coincides with the Operating profit shown in the Income Statement;
- the interim PBT (*Profit Before Taxes*) coincides with the Profit before taxes shown in the Income Statement.

As regards the EBITDA (Earnings Before Interests, Taxes, Depreciation, Amortization) or Gross Operating Margins, we point out that it reflects the EBIT before amortization and provisions.

In general terms, we point out that the interim profits indicated in this document are not defined as an accounting measure under IFRS and that, consequently, the criteria for the definition of said interim profits might not be consistent with those adopted by other companies.

For a better evaluation of the operating profits of the Group, the Group, in this Interim Financial Report, considered it useful to compare some intermediate results of the first half of 2018 with the adjusted results of the first half of 2017 called "**Adjusted GOM or EBITDA**" and "**Adjusted Group's net profit for the period**". For details on the determination of the aforesaid results, see the following sections.

The table below shows the main income statement results for the period examined.

REVENUES

Total consolidated revenues, up by 10.4%, passed from the € 55.3 M at mid-2017 to € 61.05 M at mid-2018. This difference is the result of the € 1.78 M increase in Operating Revenues, of the € 4.06 M increase in "Other revenues and proceeds", and in the € 98 K decrease in "Revenues for construction services". The latter have been recognised against the external and internal costs incurred for the construction and expansion of assets under concession, as well as for the related design, coordination and control activities carried out during the period examined.

We point out that operating revenues have been recognised after deducting the *network development expenses* deriving from *marketing support agreements*, in compliance with accounting standard IFRS 15 adopted retrospectively and by re-posting the comparative data of the first half of 2017.

For further details, see the section "New accounting standards, amendments and interpretations in force since 1 January 2018" in the Explanatory Notes.

OPERATING INCOME

Consolidated operating revenues totalled € 50.62 M at mid-2018, up by 3.6% compared to the same period of 2017.

Aviation revenues

Aviation revenues totalled € 43.38 M at mid-2018, down by 0.3% compared to mid-2017, when they totalled € 43.51 M.

More specifically, revenues from duties, fees and airport taxes slightly decreased by -0.3% as a consequence of the greater traffic managed during the 6-month period (+3.1% TUs),

mitigated by the negative impact on revenues of the reduction of regulated tariffs in the two airports (-3.7%) after the use of the applicable tariff models. Handling revenues slightly decreased by -0.1% as a consequence of the decrease in movements in the two airports (-1.53%), partly offset by more remunerative assistance agreements.

Non-Aviation revenues

The Non-Aviation business consisting in commercial and real estate operations in the two Florence and Pisa airports are carried out:

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

At 30 June 2018, revenues deriving from subcontracted activities accounted for 58.4% of Non-Aviation revenues, while those deriving from directly managed activities accounted for the remaining 41.6%. During the first 6 months of 2018, these percentages were respectively 61.3% and 38.7%.

Year-to-date Non-Aviation Revenues at 30 June 2018 totalled € 14 M, down by 10.1% compared to the first half of 2018, when they totalled € 12.72 M.

The € 1,279 K increase, which exceeds the increased passenger traffic recorded in the period examined (+3.1%), confirms the positive results of the *non-aviation* strategies implemented by the Group.

More specifically, advertising revenues (+€161K, +16.5%), parking lots (+€233K, +7.9%), VIP Lounges (+€548K, +88.1%), activities in sub-concession (+€275K, +25.4%) had good performances during the 6-month period examined.

Network development expenses

Network development expenses totalled € 6.77 M at 30 June 2018, down by € 625 K compared to 30 June 2018, when they totalled € 7.4 M.

OTHER REVENUE AND INCOME

Year-to-date "Other revenues and proceeds" at 30 June 2018 totalled € 4.83 M, a higher amount compared to the first half of 2017, when they totalled € 771 K. These mainly include proceeds from the MIT - Toscana Aeroporti final judgement which brought in € 4.2 M. In fact, on 28 February 2018 the time limit expired for the Financial Administrations to file their appeal against the favourable judgement no. 6528/2016 with which the Court of Appeal of Rome ordered the Ministry of Transport ("MIT") to pay Toscana Aeroporti (former Aeroporto di Firenze S.p.A.) the compensation for the damages suffered in the years 2006-2008 as a result of the non-adjustment of airport fees to inflation, consisting in the amount of € 1.6 M, determined by the expert witness during the first degree of trial. In addition, the Court of Appeal also admitted TA's right to receive compensation for lost profit damages, to be determined on an equity basis according to the indications provided in the reason of the judgement.

As a consequence, judgement no. 2403/2012, with which the MIT was ordered to pay Toscana Aeroporti (former Aeroporto di Firenze S.p.A.) an amount of approx. € 2.2 M, can be considered final, and in fact said amount was collected on 18 March 2013 as compensation for the damages suffered for the non-adjustment to inflation of airport fees in the years 1999-2005, increased by the relevant monetary reassessment and legal interests due. Pursuant to IAS 37, the amount collected had not been booked to the Income Statement until the conclusion of the dispute and had been reported as an account payable; in addition, that amount had been entirely deposited on a separate deposit account not to be used until the final judgement was issued.

REVENUES FROM CONSTRUCTION SERVICES

During the first half of 2018, revenues from construction services amount to € 5.6 M, substantially in line with the data of the first half of 2017 (€ 5.69 M).

COSTS

At mid-2018, the total amount of costs is € 45.7 M, up by 4.3% compared to mid-2017, when they totalled € 43.8 M. This result has been mainly determined by the +5.5% increase in operating costs (passed from € 38.65 M in the first half of 2017 to € 40.76 M during the first half of 2018).

OPERATING COSTS

Operating costs in the first half of 2018 totalled € 40.76 M, up by 5.5% compared to € 38.65 M reported at mid-2017.

“Consumables” totalled € 588 K at mid-2018, up by € 76 K compared to the first half of 2017.

The Group’s “Cost of personnel” item totalled € 21.27 M in the first half of 2018, up by € 503 K compared to the first half of 2017 (+2.4%).

This increase, which, however, is lower than the traffic growth recorded during the period examined (+3.1% TUs), is mainly due to the growing staff, specifically related to the increase in the number of passengers, and consequently in operating activities and, to a lesser extent, to the increase in the incidence of variable remuneration items.

“Costs for services” totalled € 14.69 M at mid-2018, up by 10.2% compared to the same period of 2017, when they totalled € 13.33 M (€ +1,36 M). The higher costs of the period examined are mainly related to the increased costs paid for operating services (€ +595 K), maintenance (€ +159 K) and utilities (€ +93 K) related to the greater traffic managed during the period, and to increased costs for professionals (consulting services € +386 K) partly required by new corporate projects, particularly for preparatory activities for the separation of the handling business.

During the first half of 2018, “Sundry operating expenses” totalled € 1,23 M, up by € 105 K (+9.3%) compared to the same period of 2017. The change is mainly due to a greater incidence of administrative costs (€ +72 K) recorded during the period examined.

“Airport fees” totalled € 2.98 M at mid-2018, up by 2.6% compared to the same period of 2017. The difference is mainly due to the greater traffic recorded in the 6-month period examined (+3.1% of TUs).

COSTS FOR CONSTRUCTION SERVICES

“Costs for construction services” totalled € 4.94 M at mid-2018, substantially in line with the same period of 2017, when they totalled € 5.15 M.

YEAR'S PROFIT

As a consequence, the **EBITDA** or Gross Operating Margin (GOM) totalled **€ 15.35 M** in the first half of 2018, up by **€ 3.84 M (+33.4%)** compared to 30 June 2017, when it was € 11.51 M.

As reported in the summarised table below, the *adjusted* EBITDA/GOM of the first half of 2018, calculated by correcting the mid-2018 GOM with the proceed recorded after the aforesaid conclusion of the MIT - Toscana Aeroporti case (details in Section 10.1) and other minor revenue adjustments (for a total adjustment amount of € 3.9 M), is substantially in line with the *adjusted* EBITDA/GOM of the same period of 2017.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. % Diff.	
			2018/2017	
Gross Operating Margin (GOM)	15,351	11,509	3,842	33.4%
Adjustments (*)	-3,922	0	-3,922	
Adjusted GOM	11,429	11,509	-80	-0.7%

“Amortization and provisions” totalled € 5.9 M at mid-2018, down by € 271 K compared to the same period of 2017. This is due to the higher amortization (€ +653 K), higher provision for risks (€ +252 K) partly offset by minor provisions for repair (€ -188 K) and for bad debt (€ -446 K).

The **EBIT** (operating profit) totalled **€ 9.45 M** at mid-2018, up by € 3.57 M compared to the first half of 2017, when it was € 5.88 M.

Financial operations passed from a negative amount of € (484) K the first half of 2017 to a negative amount of € (512) K in the first half of 2018. The € 28 K difference is mainly due to minor financial income (€ -24 K).

Profit Before Tax (PBT) totalled **€ 8.94 M** at mid-2018, up by € 3.54 M compared to the same period in 2017, when it was € 5.39 M.

The tax burden for the period is calculated based on the best estimate of the weighted average tax rate expected for the entire period.

Therefore, based on the data disclosed above, the first half of 2018 was closed with **Net Group Profits of € 5.88 million**, up by € 2.31 M compared to mid-2017, when the total was € 3.57 M.

As reported in the summarised table below, the *adjusted* net Group profit for the period, calculated by adjusting the net Group profit of the first half of 2018 with the proceeds collected after the aforesaid final judgement of the MIT - Toscana Aeroporti case, net of the related tax burden (by applying the Group tax rate of 33.79%), shows a € 288 K reduction compared to the *adjusted* net Group profit of the first half of 2017.

Amounts in € K	INTERIM 201 8	INTERIM 201 7	Diff. Abs.	% Diff.
			201 8/201 7	
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	5,880	3,572	2,309	64.6%
Adjustments (*)	-3,922	0	-3,922	
Taxation	1,325	0	1,325	
GROUP'S adjusted PROFIT/(LOSS) FOR THE PERIOD	3,283	3,572	-288	-8.1 %

10.2 Consolidated Statement of Financial Position

The table below provides a comparison between the **Consolidated Statement of Financial Position** of the TA Group at 30 June 2018 and the same value at 31 December 2017.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)

ASSETS	30 JUN. 2018	31 DEC. 2017	DIFFERENCE
NON-CURRENT ASSETS			
- Intangible assets	1 67,796	1 65,155	2,641
- Tangible assets	25,997	26,650	-653
- Equity investments	71 8	683	36
- Financial Assets	5,524	2,499	3,025
- Prepaid taxes recoverable beyond the year	2,507	2,540	-33
TOTAL NON-CURRENT ASSETS	202,542	1 97,526	5,01 6
CURRENT ASSETS			
- Receivables from customers	22,083	28,328	-6,245
- Receivables from associated companies	264	263	1
- Tax receivables	1,799	781	1,01 8
- Receivables from others, due within the year	11,908	9,085	2,822
- Cash and cash equivalents	12,430	13,360	-930
TOTAL CURRENT ASSETS	48,483	51,81 7	-3,334
TOTAL ASSETS	251,025	249,343	1,682
SHAREHOLDERS' EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
- Group Shareholders' Equity	1 09,643	1 13,581	-3,939
MEDIUM-LONG TERM LIABILITIES			
- Provisions for liabilities and charges	4,029	3,997	32
- Provisions for repair and replacement	18,951	18,51 7	435
- Termination benefits and other personnel-related provisions	6,056	6,521	-465
- Financial liabilities	30,458	32,327	-1,869
- Other payables due beyond the year	1 83	142	41
TOTAL MEDIUM-LONG TERM LIABILITIES	59,677	61,504	-1,827
CURRENT LIABILITIES			
- Bank overdrafts	18,000	5,000	13,000
- Financial liabilities	4,705	4,538	167
- Tax liabilities	11,403	10,591	812
- Total trade and sundry receivables	47,597	54,128	-6,531
TOTAL CURRENT LIABILITIES	81,705	74,257	7,448
TOTAL LIABILITIES	141,382	135,761	5,621
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	251,025	249,343	1,682

The difference in total assets, up by € 1,682 K compared to total assets at 31 December 2017, mainly reflects the increase in non-current assets (€ +5.02 M) partly offset by the decrease in current assets (€ -3.33 M). More specifically, non-current assets have been mainly affected by the positive difference in intangible/tangible assets due to the investments, after deducting amortization for the period (€ +1.99 M) and financial assets (€ +3.03 M), the latter mainly connected with the contribution of € 3.66 M within the framework of the preliminary agreement signed with Nuove Iniziative Toscane S.r.l. (real property subsidiary of the Unipol Group) for the purchase of the Piano di Castello (Florence) land. Current assets are mainly affected by the decrease in receivables from customers (€ -6.24 M) partly offset by the increase in other current receivables (€ +3.84 M).

Liabilities and Shareholders' Equity decreased by € 1,682 K, as for the items of the Assets. More specifically, Shareholders' Equity decreased by € 3.94 M, mainly due to the effect of the distribution of dividends, partly offset by the year's profit.

Liabilities show a decrease in medium-long term liabilities for approx. € 1.83 M, due to the reduction of € 1.87 M in Financial liabilities for the effect of the repayment of principal instalments.

Current liabilities (€ +5.62 M) include lower trade and sundry payables for € 6.53 M, partly offset by increased tax liabilities (€ +812 K) and by short-term bank loans (€ +13 M).

10.3 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 movements in cash and cash equivalents occurred during the reporting periods.

CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in €K)		
Euro K	INTERIM 2018	INTERIM 2017
OPERATIONS		
Net result for the period	5,917	3,603
<i>Adjusted for:</i>		
- Amortization	4,864	4,210
- Other provisions and impairment	(221)	275
- Change in the provision for liabilities and charges	32	(3)
- Net change in termination benefit and other provisions	(327)	(379)
- Financial expenses for the period	584	579
- Net changes in (prepaid)/deferred taxes	33	65
- Taxes for the period	2,987	1,789
<i>Cash flows of operating activities before changes in the working capital</i>	<i>13,868</i>	<i>10,140</i>
- (Increase)/decrease in trade receivables	6,245	(6,907)
- (Increase)/decrease in other accounts receivable and current assets	(3,144)	(3,464)
- Increase/(decrease) in payables to suppliers	(5,486)	(6,752)
- Increase/(decrease) in other payables	(1,812)	(70)
<i>Cash flows of operating activities before changes in the working capital</i>	<i>(4,198)</i>	<i>(17,192)</i>
Liquid assets generated by operating activities	9,670	(7,052)
- Interest payable paid	(163)	(297)
- Taxes paid	(1,115)	(891)
Cash flow generated by operating activities	8,392	(8,241)
INVESTMENT ACTIVITIES		
- Purchase of tangible assets	(999)	(1,843)
- Sale of tangible assets	50	25
- Purchase of intangible assets	(5,903)	(6,066)
- Equity investments and financial assets	(3,758)	(52)
Cash flow from investing activities	(10,610)	(7,936)
CASH FLOW FROM OPERATIONS	(2,218)	(16,177)
FINANCIAL ASSETS		
- Dividends paid	(9,993)	(9,369)
- Short-/long-term loans taken out	18,500	11,500
- (Repayment of) short-/long-term loans	(7,219)	(2,151)
Net cash flow generated by/(used for) investments	1,288	(20)
Net increase/(decrease) in available cash Cash equivalents	(930)	(16,196)
Cash and cash equivalents at beginning of period	13,360	27,448
Cash and cash equivalents at end of period	12,430	11,252

At 30 June 2018, primary liquidity is positive for approx. € 12.4 M, down by approx. € 930 K compared to primary liquidity at 31 December 2017, for approx. € 13.4 M.

More specifically, the items of the Consolidated Financial Statement at 30 June 2018 include:

- payments made to suppliers and other current payables for € 7.4 M;

- the repayment of principal for approx. € 2.2 M on medium-term loans obtained by the Group and € 5 M of “hot money”;
- the payment of an amount of € 3.66 M within the framework of the preliminary agreement signed with Nuove Iniziative Toscane S.r.l. (real property subsidiary of the Unipol Group) for the purchase of the Piano di Castello (Florence) land;
- short-term loans (“hot money”) obtained by TA for € 18 M and a five-year loan obtained by the subsidiary Jet Fuel for € 500 K.

10.4 Consolidated Net Financial Position

To complete the disclosure, we are providing the Consolidated Net Financial Position at 30 June 2018 and at 31 December 2017, in compliance with the provisions set forth in CONSOB’s Notice prot. no. 6064293 of 28 July 2006.

NET CONSOLIDATED FINANCIAL INDEBTEDNESS				
<i>Euro K</i>	30.06.2018	31.12.2017	Abs. Diff.	30.06.2017
A. Cash on hand and at banks	12,430	13,360	(930)	11,252
B. Other cash and cash equivalents	-	-	-	-
C. Securities held for trading	-	-	-	-
D. Liquid assets (A) + (B) + (C)	12,430	13,360	(930)	11,252
E. Current financial receivables	-	-	-	-
F. Current bank payables	18,000	5,000	13,000	11,000
G. Current portion of non-current indebtedness	4,705	4,538	167	4,340
H. Other current financial payables due to leasing companies	-	-	-	-
I. Current financial indebtedness (F) + (G) + (H)	22,705	9,538	13,167	15,340
J. Net current financial indebtedness (I) - (E) - (D)	10,275	(3,822)	14,097	4,088
K. Non-current bank payables	30,458	32,327	(1,869)	34,725
L. Bonds issued	-	-	-	-
M. Other non-current payables due to leasing companies	-	-	-	-
N. Non-current financial indebtedness (K) + (L) + (M)	30,458	32,327	(1,869)	34,725
O. Net Financial Position (J) + (N)(NFP)	40,733	28,506	12,227	38,813

At 30 June 2018, the current bank payables (use of short-term credit lines) is € 18 M and the current portion of the TA Group’s medium-long term indebtedness totals € 4.7 M.

In addition to these, non-current bank payables for € 30.5 M reflect the non-current portion of the two existing loans which included an initial line of credit, for a maximum global amount of € 60 M, to be used for the investments scheduled in the Company’s Business Plan.

The Group’s liquidity at 30 June 2018 is € 12.43 M. We point out that the “Cash and Banks” item includes a minimum amount of € 1 M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated by the Florence airport with the Intesa-San Paolo-MPS bank pool.

The consolidated net financial indebtedness at the closing date of 30 June 2018 is € 40.73 M, up by € 12.23 M compared to 31 December 2017. We remind readers that the consolidated net financial indebtedness at 30 June 2018 is € 38.81 M.

At 30 June 2018, the Debt/Equity ratio is 0.37 (against 0.25 at 31 Dec. 2017), substantially in line with the similar ratio of 0.36 at 30 June 2017.

11. THE GROUP'S INVESTMENTS

The Group's investments amount to € 6.9 M at the end of the first six months of 2018, € 5.9 M of which related to intangible fixed assets and € 1 M to tangible fixed assets.

<i>Amounts shown in € K</i>		Airport	Sub-tot	Sub-tot	Sub-tot	TOTAL
Total TA GROUP Investments at 30 June 2018						6,903
A) Amortization of intangible assets						5,903
- Software	ANN.			141		
- concession rights (royalties)				891		
Works in new terminal for reconfiguration of passenger flows and new offices	FLR		871			
other minors	ANN.		20			
- Assets under construction				4,705		
New East Terminal Lot 1 (Arrivals)	PSA		1,775			
Development of 2014-2029 Master Plan	FLR		1,539			
West apron stand 200 300 flooring	FLR		533			
Drainage network in eastern strip area	FLR		156			
Requalification of "mini mall" retail area	FLR		123			
other minors	ANN.		578			
- current software:	ANN.			166		
B) Tangible assets						1,000
- Land and buildings	PSA			17		
- motor vehicles				151		
tanker trucks	PSA		107			
Requalification of ramp vehicles	ANN.		44			
- Ind. and comm. equipm.	ANN.			57		
- Plant and machinery				473		
hi-loader	PSA		189			
ACU for wide body aircraft	PSA		140			
Airport Surface Friction Tester (ASFT) with CFME device	FLR		119			
advertising systems	ANN.		20			
other minors	ANN.		5			
- Other assets	ANN.			302		

Investments in intangible fixed assets mainly consisted in the progress of works for € 1.77 M for the expansion of the Pisa terminal ("Phase Zero"), the development of the Florence airport Master Plan for € 1.54¹ M, ¹ and aircraft apron improvement works in the Florence airport for € 533 K.

¹That amount also includes internal and external costs for design, consulting engineering and outsourced technical work, also associated with the VIA procedure, regarding the new runway, the new terminal and

We remind readers that, during the first half of 2018, works began for the opening of the Environmental Observatory on the works included in the 2014-2029 Florence airport Master Plan after the conclusion of the Environmental Impact Assessment (“VIA”).

Investments in **tangible fixed assets** mainly consisted in the purchase of motor vehicles, equipment, operating systems and machinery for a global amount of € 681 K.

Pursuant to art. 10 of Law 72/83, the Group informs the public that no revaluation (write-up) was made to its assets pursuant to any special law in the first 6-month period of 2018.

12. HUMAN RESOURCES

THE GROUP'S STAFF

During the first half of 2018, the average number of employees working for TA has been € 721.7 EFTs, up by 15.8 EFT units in absolute terms compared to the same period of 2017.

The number of employees of the subsidiary Jet Fuel, the company that manages the fuel storage facility in the airport, remained unchanged (11 EFT units).

The subsidiary TAE increased its staff, for a total of 5 EFT units.

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

The Group's “Cost of Personnel” totalled € 21.3 M at mid-2018, up by approx. € 500 K compared to 2017 (+2.4%). This increase is mainly due to the growth in the number of staffs required by the increased number of passengers and consequent operations, as well as to the increase in the incidence of variable remuneration items.

	INTERIM 2018	INTERIM 2017	Δ+/-	Δ%
Executives	11.0	13.0	-2.0	-15.4%
Employees	545.9	525.4	20.5	3.9%
Workers	164.8	167.5	-2.7	-1.6%
TOSCANA AEROPORTI	721.7	705.9	15.8	2.2%

other airport infrastructure development projects in the Florence airport. Also, during the first half of 2018, works began for the opening of the Environmental Observatory on the works included in the 2014-2029 Florence airport Master Plan after the conclusion of the Environmental Impact Assessment (“VIA”).

¹We remind readers that the 2014-2029 Florence Airport Master Plan (hereinafter the “Master Plan”), which includes the development of the new 2,400 metre runway and the new terminal, has been approved from a technical perspective by ENAC on 3 November 2014. The Master Plan is required to undergo an Environmental Impact Assessment procedure (“Valutazione di Impatto Ambientale”, “VIA”) pursuant to Legislative Decree no. 152/2006 and must comply with town planning schemes (“Conformità Urbanistica”) pursuant to Art. 81 of DPR no. 616/1977. The VIA procedure was started by ENAC on 24 March 2015 at the MATTM. Technical support to the preliminary environmental impact assessment (“VIA”) has been provided throughout 2016 and, on 2 December 2016, the Technical Commission issued a “positive opinion with conditions”. On 28 December 2017, the MATTM, in cooperation with MiBACT, signed the VIA Decree for the new 2014-2019 Florence Airport Master Plan, thus defining the project as environmentally compatible. The signature was the positive result of the work done by the “VIA Technical Committee”, which, on 5 December 2017, had issued its supplemental opinion for the New 2014-2019 Florence Airport Master Plan (so-called “positive opinion with conditions”). We also point out that, on 16 February 2017, a framework agreement was signed with ENAC for the financing of the works contemplated in the Master Plan, through which the Airport Operator confirmed its commitment to make the significant investments described in the aforesaid Florence Airport Master Plan and ENAC, together with the MIT, committed to contribute their own financing portion, as required for the implementation of the plan, for a total amount of € 150 million.

Jet Fuel	11.0	11.0	0.0	0.0%
TAE	5.0	4.0	1.0	24.4%
Group	737.7	720.9	16.8	2.3%

The average Group staff has increased by 16.8 EFT units in absolute terms at mid-2018 compared to the same period of 2017 (+2.3%), as a result of TA managed air traffic trends and new hirings in TAE.

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

Revenues, costs, receivables and payables at 30 June 2018 from parent companies, subsidiaries, associates and other related parties concern the sale of assets or services that consist of the routine operations of the Group. Transactions are performed at an arm's length, based on the characteristics of the goods sold and the services delivered. Information regarding relationships with related parties, including the disclosures required by CONSOB communication no. DEM/6664293 of 28 July 2006, are provided in the Explanatory Notes to the Condensed Consolidated Interim Financial Statements at 30 June 2018.

At 30 June 2018, the TA Group holds interests in the following other associated companies:

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

- company incorporated to manage the commercial facilities installed in the new entrance of the Careggi Hospital of Florence (so-called "NIC"), with a 25% equity investment by TA (at 31 December 2017), while the remaining 75% is owned by Azienda Ospedaliera Universitaria Careggi. Its registered office is at the address of the Careggi Hospital of Florence and the administrative office is located in the Pisa Galilei airport.

At 30 June 2018, TA has a service agreement in place with this Associate for administrative/management staff activities, that are provided as a service for a period value of € 25 K and a variable payment based on revenues of € 50 K.

- Alatoscana S.p.a.

- the company that manages the Elba Island airport. TA owns a 13.27% share of Alatoscana (13.27% at 31 Dec. 2017), while the majority of its share capital is owned by Regione Toscana (51.05%) and the Maremma and Tirreno Chamber of Commerce (34.36%).

A service level agreement is in place with this associated company at 30 June 2018, continuing from previous years, for staff activities, for a global value of approx. € 32 K.

The main relationships with the other related parties at 30 June 2018 are:

- Delta Aerotaxi S.r.l.

A number of sales agreements between the Holding and Delta Aerotaxi S.r.l. are in place for:

- the sub-concession of premises in the Florence airport for a value of € 109 K in revenues for TA at 30 June 2018;

- the sub-concession of offices and other types of spaces in the Pisa airport for a value of € 70 K in revenues at 30 June 2018;
- Aviation revenues for € 70 K for the invoicing of airport duties and taxes, and Pisa airport General Aviation handling fees, plus approx. € 1 K regarding the provision of extra-handling services upon request.

In addition, the interim report shows a further € 5 K in revenues to said related party concerning the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Corporate Air Services S.r.l.

At 30 June 2018, the Parent Company had the following relationships with the related party Corporate Air Services S.r.l., the company that manages General Aviation at the Florence airport, indirectly connected with TA through SO.G.IM. S.p.a., a TA shareholder:

- € 300 K Aviation revenues for the invoicing of airport duties and taxes, handling and centralised infrastructure expenses concerning general aviation in the Florence airport, € 11 K for the same services in the Pisa airport, and approx. € 1 K for the provision of extra-handling services upon request and for the supply of de-icing liquid to the Florence airport;
- the sub-licensing of offices and other types of spaces in the Pisa airport for a value of € 17 K in revenues for TA at 30 June 2018;
- Non-aviation revenues for € 19 K at 30 June 2018 regarding the sub-concession of 130 square metres in the air-side area in the Florence airport.

In addition, the interim report shows a further € 1 K in revenues to said related party concerning the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- DeliflyS.r.l.

On 13 September 2007, AdF (today TA) and DeliflyS.r.l. (related party through SO.G.IM. S.p.A) signed an agreement by which AdF (today TA) committed to sub-lease Delifly an area of approx. 122 sq.m. that Delifly would use exclusively to install a removable object to be used for the delivery of General Aviation catering services in the Florence airport (€ 18 K of revenues for TA at 30 June 2018).

Lastly, the Group accrued a further € 1 K revenues from Delifly for the charge-back of common services, third-party liability insurance coverage expenses, and the assignment of parking passes and airport permits in the two airports.

- ICCAB S.r.l.

ICCAB S.r.l. is a related party of TA since the Member of TA's BoD, Mr. Saverio Panerai, has a significant influence on ICCAB S.r.l. pursuant to the regulation on related-party transactions adopted by CONSOB.

We point out that the Parent Company gave ICCAB in sub-concession approx. 40 sq.m. of premises in the Florence airport to be used for retail activities (of € 25 K of revenues for TA at mid-2018).

In addition, an agreement 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, for a value of € 35 K in revenues at 30 June 2018.

Finally, during the first half of 2018, the Group accrued a further € 1 K in revenues from ICCAB S.r.l. for the charge-back of common services of the two airports.

- Corporación America Italia S.p.a.

We point out that, since 2016, the Parent Company adopted the Tax Consolidation option provided for by articles 117 to 129 of the Consolidated Text on Income Taxation ("Testo Unico delle Imposte sui Redditi" - T.U.I.R), whose consolidating entity is Corporación America Italia S.p.A. The consolidating entity calculates a single global income equalling the algebraic sum of the taxable bases (income or loss) realized by the individual entities that adopted this group taxation option.

The consolidating entity recognised an account receivable from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, la consolidating entity recorded an account payable to the companies that

contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income. Furthermore, as a result of participating in the National Tax Consolidation, pursuant to art. 96 of D.P.R. 917/86, companies can contribute the excessive interests payable that can no longer be deducted for one of them in order to reduce the global aggregate income of the Group until the Gross Operating Income amount produced in the same tax period by other consolidated entities is reached. At 30 June 2018, TA owes € 1,017 K to the subsidiary CAI generated by the IRES accrued on the result of the period.

- Comune di Firenze (Municipality of Florence)

The Municipality of Florence has an agreement in place with the Parent Company for the sub-concession of office premises covering a surface area of 13 sq.m. located at the ground floor land-side of the Florence airport, for a value of approx. € 3 K in revenues from tourist information activities at mid 2018.

Finally, we point out that no atypical transaction with related parties took place the first 6 months of 2018.

Stakes of the members of the management and control boards

At the date of this Interim Report, the following stakes are held in the Parent Company TA:

- board member Saverio Panerai with 2,403 shares;
- the statutory auditor Roberto Giacinti with 2,515 shares.

14. INFORMATION ON THE PARENT COMPANY, ITS SUBSIDIARIES AND THEIR RELATIONSHIPS

14.1 Parcheggi Peretola s.r.l.

Parcheggi Peretola S.r.l. became a member of the TA Group in 2015 after the incorporation of AdF, which owned 100% of its shares.

The prevalent activity of this company is the management of a 640-slot payment car parking lot for the public in front of the Departures Terminal of the Florence airport.

We point out that the Subsidiary prepares its financial statements in compliance with the applicable legislation. For the consolidated financial statements, the financial statements of the subsidiary have been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

Book values in the first 6 months of 2018 show revenue accounts (value of production) of € 930 K, up by € 56 K compared to the first 6 months of 2017, mainly due to the increase in the number of passengers transiting the Florence airport in this period, and consequently of customers using the parking lot managed by the company.

On the cost side, the most important component is the cost of the parking lot management and maintenance service provided by SCAF S.r.l. We also remind readers of the 7% drawback of parking lot revenues from the Municipality of Florence under an agreement that also allowed the entity to readjust the Parent Company's parking rates.

The EBITDA (GOM) is € 532 K at mid-2018, up by 36 K compared to mid-2017, and the year's net profit is € 351 K, up by € 15 K compared to the first half of 2018.

14.2 Toscana Aeroporti Engineering s.r.l.

Toscana Aeroporti Engineering (hereinafter "TAE"), incorporated on 15 January 2015, has started operations in the month of August of that year as an engineering subsidiary 100% owned by Toscana Aeroporti with the mission of providing TA with the engineering services required for the implementation of the program for the development of the two airports - Florence and Pisa.

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

1. secondment of technical/engineering personnel by TA (10 units);
2. internal staff (5 units at 30 June 2018);
3. specialized service contractors.

In continuity with the last financial year (2017), the design activities carried out by TAE on behalf of TA during the first half of 2018 consisted in the development of the Florence and Pisa 2014-2029 Master Plans. In particular:

- the environmental impact study, the assessment of the incidence and of the health-related impact of the new flight infrastructure and of the new Florence terminal;
- the final design of the environmental mitigation works directly connected with the development of the new Florence flight infrastructure;
- the final design of the new Florence flight infrastructure and the specialists' inspections regarding the new airport flooring and related safety surfaces;
- the design of the new terminal for the reconfiguration of passenger flows and the new offices of the Florence Terminal;
- the design for the expansion to the east side of the Pisa passenger area (new Arrivals terminal);
- the final design of the aircraft Apron 400 of the Florence airport (west apron) and reclamation works.

Also, during the first half of 2018, works began for the opening of the Environmental Observatory on the works included in the 2014-2029 Florence airport Master Plan after the conclusion of the Environmental Impact Assessment ("VIA").

At 30 June 2018, the company has 5 direct employees and, in continuity with 2017, staff-related activities have been carried out by the Parent Company under a servicing agreement signed between the parties.

We point out that the Subsidiary prepares its financial statements in compliance with the applicable legislation. For the sole purpose of the consolidated financial statements, the financial statements of the subsidiary have been adjusted to take into account the impact deriving from the application of international accounting standards.

Revenues totalled € 1,525 K in the first 6 months of 2018, reflecting the year's portion of the projects commissioned by TA, as better described above.

Total costs for the first half of 2018 amount to € 1,468 K, mainly including € 162 K of personnel costs, € 873 K of external survey and design costs, and € 333 K of TA seconded personnel costs.

The period's G.O.M. is € 65 K (€ 42 K in the first half of 2018) and the net profit for the period is € 29 K (€ 24 K in the first half of 2018).

14.3 Jet Fuel Co. S.r.l.

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. So, for consolidation purposes, said equity investment has been considered as a 33% share and portion of profits pertaining to the TA Group.

We remind readers that the amount of avio fuel managed by the subsidiary is affected by the Pisa Galileo Galilei airport traffic trends.

A total of 44,883 cubic metres of jet fuel passed through the storage facility during the first 6 months of 2018, with a +2.8% volume increase compared to 43,679 cubic metres in the first half of 2018. The company provided into-plane services for 30,663 cubic metres of fuel, with a 3.7% increase compared to 31,845 cubic metres in the first half of 2018.

At 30 June 2018, Jet Fuel had a share capital of € 150 K, reported € 59 K of profits for the year, and a Shareholders' Equity of € 252 K. At 30 June 2018, Jet Fuel has a sub-licensing agreement in place with TA for the management of the centralized fuel storage facility for a global value of € 314 K in the first semester 2018, and an administrative services agreement for € 16 K.

We point out that the Subsidiary prepares its financial statements in compliance with the applicable legislation. For the sole purpose of the Consolidated Financial Statements, the Financial Statements of the Subsidiary have been adjusted to take into account the impact deriving from the application of international accounting standards.

The main revenues of Jet Fuel (Aviation) for the first half of 2018 consist of € 636 K (€ 619 K at 30 June 2017) from the fuel storage service and € 409 K for the into-plane service (€ 424 K at 30 June 2017).

The main costs in the first half of 2018 have been the cost of labour (€ 372 K), the airport sub-lease (€ 314 K), tank truck rental (€ 43 K), maintenance and fuel for tank trucks (€ 27 K), professional services (€ 64 K), and industrial insurance (€ 31 K).

As a consequence, the result for the first half of 2018 is a profit of € 55 K for the period, compared to a profit for the period of € 47 K in the first 6 months of 2017.

14.4 Toscana Aeroporti Handling S.r.l.

The new company Toscana Aeroporti Handling S.r.l. started its operations on July 1st, 2018 with the business purpose of providing the services described in Legislative Decree no. 18 of 13 January 1999, and subsequent amendments and supplements.

Its share capital is € 750 K, of which € 495 K contributed with the company branch for the handling activities of the Florence and Pisa airports, and € 255 K contributed in cash.

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

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

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

The main factors that may affect operations in the transport sector where the Group operates are, *inter alia*, the gross domestic product (GDP), the business and consumer confidence level, the unemployment rate and the oil price. In general, the international political unrest, the credit crunch, the high unemployment rate, the reduction in the available income for families in real terms, and the consequent decrease in consumption may adversely affect the demand for air transport. Should this weak economy persist, we cannot exclude a negative impact on the economic situation of the Group.

In any case, the recent traffic trends of the two airports, with significant growths in the number of passengers recorded in the 5-year period from 2013 to 2017 and confirmed in the first half of 2018, reflect the special attractiveness of our territory, a risk mitigation factor in itself.

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

Airports with a traffic exceeding 2 M passengers or 50,000 tons of goods are recognised free access to the "ground assistance services" market (Leg. Dec. 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 2018, revenues generated by the handling business accounted for 22.7% over total revenues (25% of the total, after deducting revenues from construction services). The market where the providers of handling services operate is typically characterized by a high level of competitiveness, as well as by a limited profitability in terms of operating income.

The increase in competitive pressure, on the one hand, and the reduced margins that characterise these activities, on the other, could adversely affect TA's economic situation, equity and financial standing. To mitigate that risk, the Company concentrated handling activities by incorporating Toscana Aeroporti Handling s.r.l., operating since July 1st.

- REGULATORY RISK

The Group, within the framework of the two concessions for the global management of the Pisa and Florence airports, operates in a sector regulated by domestic and international legislation. Any unpredictable change in the regulatory framework might adversely impact the bottom line of the Group.

A potential risk factor in the airport sector is the constant evolution of the specific legislative and regulatory scenario where the Group, like the other airport operators, operates. The Company's financial results are affected by the developments in the regulatory framework, particularly as regards the airport services tariff regulations and the fee system for the services offered by airport operation companies. In this regard, we specify that the preliminary stages for the definition with the new Transport Authority of the new rate levels for the regulatory period 2015-2018 had been positively concluded during the first half of 2015 for both the Pisa and Florence airports. In October 2017, the annual consultations with users were positively conducted in Florence and Pisa, and were followed by the disclosure of the new 2018 tariffs effective from 1 January. As to the determination of tariff levels for the new regulatory period 2019-2022 in the two airports, the Parent Company started the preparatory process for the proposal of revision of airport fees, under the reference legislation ("tariff models").

- 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, within a changing corporate framework and with the implementation of strategic organizational changes (separation of handling activities), no significant strikes blocked the provision of services in the Florence or Pisa airport.

The Company holds regular meetings with Trade Unions for a stable and constructive relationship.

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

Like the other operators of the sector, a possible reduction or interruption of flights by one or more carriers due to an economic/financial crisis in their business organizations which might adversely impact the bottom line of the TA Group.

During the first half of 2018, the Group recorded over 3,8 million passengers in a system with 37 operating carriers. The total incidence of the first three carriers is 57.7%. More specifically, the incidence of the first carrier is 40.7%, while the incidences of the second and third carriers are 9.1% and 7.8%, respectively.

Based on past experience, although there can be no certainty in this regard, the Group believes that the risk of a reduction or interruption of the service by one or more carriers is generally offset by the probable redistribution of passenger traffic among the other airlines operating in the airport and by its overall capacity to attract new carriers.

In addition to that, the Group signed multi-year agreements with said carriers, with which they agree to promote marketing and advertising campaigns, and achieve pre-established objectives in terms of passengers and flights, in exchange for the Group's commitment to contribute to the related expenses and grant economic incentives for the achievement of the aforesaid objectives. These agreements also establish that penalties be imposed in case of cancellations not caused by force majeure events.

However, we may 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 Group.

In order to minimize the risk of traffic concentration on some carriers, the Group, albeit in the context of the air traffic sector, which is characterised by integration and merger processes between carriers, is pursuing an airline diversification strategy in the two airports.

As to the result of the 23 June "Brexit" referendum in the United Kingdom, where the decision to leave the European Union prevailed, it is difficult to predict all the possible economic and social repercussions, and particularly its impact on air traffic, at the present date. The Open Skies Agreement (liberalization of the air market) will be nullified and if alternative specific agreements are not signed, as solicited by airport and airline associations, new bilateral agreements between Countries will be required, with possible negative implications for the air traffic between the EU and the UK.

- RISKS ASSOCIATED WITH DEPENDENCE ON KEY PERSONNEL

The Group believes that its operating and management structure is capable of ensuring the continuity of the management of its corporate affairs. Furthermore, the Group started a process of development of human resources in view of a Succession Plan. However, should one or more key staff of the Group, such as the CEO or the General Director or other senior/top management members, terminate his or her cooperation with the company, the perspectives, business operations and economic/financial results of the Group might be negatively impacted.

- ENVIRONMENTAL RISK

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

- FINANCIAL RISK

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

16. SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE PERIOD AT 30 June 2018

Main news on the operations of the Pisa airport

- **Ryanair:** starting from the winter, a new flight to Prague was operated (3 times a week), the flight to Trapani was resumed (6 times a week), and the flight to Gdańsk was maintained on an annual basis (twice a week).

Main news on the operations of the Florence airport

- **Iberia:** starting from the winter, Iberia increased the frequency of its flights from 4 to 7 per week.

Significant events occurred after 30 June 2018

Toscana Aeroporti Handling S.r.l., the new fully-owned subsidiary of TA, started its operations on July 1st, 2018 with the business purpose of providing the services described in Legislative Decree no. 18 of 13 January 1999, and subsequent amendments and supplements.

On 9 July 2018, the Ministry of Infrastructure and Transportation (MIT) fixed the date of 7 September 2018 for the **Conference of Services** for the discussion of the Florence airport expansion project.

On 20 July 2018, the new board member of the Parent Company TA, Ylenia Zambito (appointed as director of TA with meeting resolution dated 30 May 2018 and representative of the member Municipality of Pisa), resigned from her office.

On 27 July 2018, the "Phase 0" expansion of the Pisa airport was officially inaugurated; this has been implemented by the Company before continuing with the expansion of the terminal contemplated in the Master Plan, in order to ensure the continuation of adequate levels of service in consideration of the growing passenger traffic expected. Expansion works mainly concern two separate functional areas:

- Area 1: Non-Schengen Departures Hall at the first floor, an area located in the west area of the airport (+32% of surface);
- Area 2: Schengen Arrivals Hall at the ground floor, an area located in the east area of the airport (+7% of surface).

In addition to that, the blocks dedicated to toilet services have been expanded to reach double capacity both in the Arrivals and in the Departures areas.

In May 2018, TA signed an agreement with Parcheggi Italia Spa for the purchase of the shares of Firenze Parcheggi SpA, the entity that manages public parking lots in Florence. On that occasion, TA presented said companies with a proposal for the purchase of the respective stakes in Firenze Parcheggi SpA, subject to the applicable legal pre-emption terms:

- Atlantia SpA: 5.47% of the share capital
- Unipolsai Ass. SpA: 0.78% of the share capital
- Ferservizi SpA: 1.61% of the share capital

- Confindustria: 0.3% of the share capital for a global amount of € 2,823 K (8.16% of the share capital). In July 2018, TA's offers were accepted by all the companies mentioned above and the finalization of the purchase is now subject to the relevant pre-emption terms (which must be exercised before 23 August 2018).

17. OUTLOOK

In the first seven months of 2018, the Tuscan airport system recorded a total traffic of over 4.7 million passengers, up by 3.0% compared to the same period of 2017, in spite of the impact of Air France, Ryanair staff and crews' strikes and other local and national strikes on passenger traffic.

The current scheduling of flights for the summer 2018 sets out the scenario for a 2018 characterized by positive growth rates compared to 2017 for the Toscana Aeroporti Group, in spite of the continuous criticality of the Alitalia situation, which is still under receivership.

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 2018, did not own and did not buy or sold treasury stock or shares of parent companies, including through the intermediary of trust companies or other persons.

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.

For the Board of Directors
The Chairman
(Marco Carrai)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
TABLES at 30-06-2018**

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in € K	N o t e s	INTERIM 2018	of which Related Parties	INTERIM 2017 (*)	of which Related Parties
REVENUES					
Operating income	1-2	50,616	790	48,841	879
Other revenues and proceeds	3	4,835	0	771	0
Revenues from construction services	4	5,595	0	5,693	0
TOTAL REVENUES (A)		61,046	790	55,304	879
COSTS					
Operating Costs					
Consumables	5	588	0	512	0
Cost of Personnel	6	21,270	0	20,768	0
Costs for services	7	14,690	0	13,334	70
Sundry operating expenses	8	1,235	0	1,130	0
Airport leases	9	2,977	0	2,903	0
Total operating costs		40,760	0	38,647	70
Costs for construction services	10	4,935	0	5,149	710
TOTAL COSTS (B)		45,695	0	43,796	779
GROSS OPERATING MARGIN (A-B)					
		15,351		11,509	
Amortization and impairment	11	4,864		4,210	
Provision for risks and repairs	12	979		915	
Value write-ups (write-downs) net of trade receivables and other receivables	13	60		506	
OPERATING EARNINGS		9,448		5,877	
ASSET MANAGEMENT					
Financial income	14	36		60	
Financial expenses	15	-584		-579	
Profit (loss) from equity investments	16	36		35	
TOTAL ASSET MANAGEMENT		-512		-484	
PROFIT (LOSS) BEFORE TAX		8,936		5,393	
Taxes for the period	17	-3,019		-1,789	
PROFIT/(LOSS) FOR THE PERIOD		5,917		3,603	
Minority Interest's loss (profit) for the period	18	-37		-32	
GROUP'S PROFIT/(LOSS) FOR THE PERIOD		5,880		3,572	
Earnings per share (€)	19	0.3159		0.1919	
Diluted earnings per share (€)		0.3159		0.1919	

(*) Comparative data regarding the first half of 2017 have been booked again after the adoption of IFRS 15, for which details we refer the reader to section "New reporting standards, amendments and interpretations applicable from 1 January 2018".

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in € K	N o t e s	INTERIM 2018	INTERIM 2017 (*)
PROFIT (LOSS) FOR THE PERIOD (A)		5,917	3,603
<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	138	270
COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)	41	6,055	3,873
Minority Interest's comprehensive profit (loss) for the period		-57	-45
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		5,998	3,828

(*) Comparative data regarding the first half of 2017 have been booked again after the adoption of IFRS 15, for which details we refer the reader to section "New reporting standards, amendments and interpretations applicable from 1 January 2018".

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)

ASSETS	Notes	30.06.2018	31.12.2017
NON-CURRENT ASSETS			
INTANGIBLE ASSETS			
Concession rights (royalties)	20	1 49,691	1 50,910
Industrial patent rights	21	1,149	1,419
Work in progress and advance payments	22	16,956	12,826
Total Intangible Assets		1 67,796	1 65,155
TANGIBLE ASSETS			
Land and buildings to be freely assigned	23	1,468	1,660
Owned property, plant and equipment		24,529	24,990
Total Tangible Assets		25,997	26,650
EQUITY INVESTMENTS			
Equity investments in other entities	24	123	123
Investments in Associated Companies	25	596	560
Total Equity investments		718	683
FINANCIAL ASSETS			
Guarantee deposits	26	256	195
Receivables from others due beyond the year <i>of which from Related Parties</i>	27	5,268 <i>259</i>	2,304 <i>259</i>
Total Financial Assets		5,524	2,499
Prepaid taxes recoverable beyond the year	28	2,507	2,540
TOTAL NON-CURRENT ASSETS		202,542	197,526
CURRENT ASSETS			
Rimanenze	29	0	0
ACCOUNTS RECEIVABLE			
Other receivables from customers <i>of which from Related Parties</i>	30	22,083 <i>495</i>	28,328 <i>434</i>
Receivables from associated companies	31	264	263
Tax receivables	32	1,799	781
Receivables from others, due within the year <i>of which from Related Parties</i>	33	11,908 <i>0.00</i>	9,085 <i>0</i>
Total trade and sundry receivables		36,053	38,457
Cash and cash equivalents	34	12,430	13,360
TOTAL CURRENT ASSETS		48,483	51,817
TOTAL ASSETS		251,025	249,343

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in € K)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	30.06.2018	31.12.2017
CAPITAL AND RESERVES			
Share Capital	35	30,170	30,710
Capital reserves	36	73,405	72,877
IAS adjustments reserve	37	-3,229	-3,229
Profit/(Loss) carried forward	38	2,710	2,452
Group's profit (loss) for the period	39	5,880	10,550
TOTAL GROUP SHAREHOLDERS' EQUITY		109,475	113,360
MINORITY INTEREST	40	168	221
TOTAL SHAREHOLDERS' EQUITY		109,643	113,581
MEDIUM-LONG TERM LIABILITIES			
Provisions for liabilities and charges	42	4,029	3,997
Provisions for repair and replacement	43	18,951	18,517
ETB and other personnel-related provisions	44	6,056	6,521
Financial liabilities	45	30,458	32,327
Other payables due beyond the year	46	183	142
TOTAL MEDIUM-LONG TERM LIABILITIES		59,677	61,504
CURRENT LIABILITIES			
Bank overdrafts	47	18,000	5,000
Loans	48	4,705	4,538
Tax liabilities	49	11,403	10,591
Payables to suppliers	50	23,053	28,539
<i>of which from Related Parties</i>		<i>36</i>	<i>0</i>
Payables to social security institutions	51	1,955	2,671
Other payables due within the year	52	15,410	15,941
<i>of which to Related Parties</i>		<i>1,017</i>	<i>1,438</i>
Provisions for repair and replacement	43	6,441	6,692
Advance payments	53	738	284
Total trade and sundry receivables		47,597	54,128
TOTAL CURRENT LIABILITIES		81,705	74,257
TOTAL LIABILITIES		141,382	135,761
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		251,025	249,343

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

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESER VE	STATUT ORY RESERV ES	OTHER RESERVE S	IAS ADJUST MENTS RESERVE	TOTAL RESULT RESERVE S	TOTAL GROUP'S S.E.	MINORI TY INT. S.E.	TOTAL SHAREHO LDERS' EQUITY
S.E. at 31 December	30,710	18,941	2,972	25,876	24,585	-3,229	12,201	112,055	190	112,245
2016										
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	3,572	3,572	32	3,603
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	250	250	20	270
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	3,822	3,822	51	3,873
PROFIT ALLOCATION DIVIDENDS	-	-	503	0	-	-	-503	-	-	-
	-	-	-	-	-	-	-9,261	-9,261	- 100	-9,361
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	503	0	-	-	-9,764	-9,261	- 100	-9,361
S.E. at 30 June 2017	30,710	18,941	3,475	25,876	24,585	- 3,229	6,258	106,616	141	106,757
S.E. at 31 December	30,710	18,941	3,475	25,876	24,585	-3,229	13,002	113,360	221	113,581
2017										
NET PROFIT (LOSS) FOR THE PERIOD	-	-	-	-	-	-	5,880	5,880	37	5,917
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	118	118	20	138
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	5,998	5,998	57	6,055
PROFIT ALLOCATION DIVIDENDS	-	-	528	-	-	-	-528	0	-	0
	-	-	-	-	-	-	-9,883	-9,883	- 110	-9,993
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	528	-	-	-	-10,411	-9,883	- 110	-9,993
S.E. at 30 June 2018	30,710	18,941	4,003	25,876	24,585	-3,229	8,590	109,475	168	109,643

CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in €K)

<i>Euro K</i>	INTERIM 2018	INTERIM 2017
OPERATIONS		
Net result for the period	5,917	3,603
<i>Adjusted for:</i>		
- Amortization	4,864	4,210
- Other provisions and impairment	(221)	275
- Change in the provision for liabilities and charges	32	(3)
- Net change in termination benefit and other provisions	(327)	(379)
- Financial expenses for the period	584	579
- Net changes in (prepaid)/deferred taxes	33	65
- Taxes for the period	2,987	1,789
<i>Cash flows of operating activities before changes in the working capital</i>	<i>13,868</i>	<i>10,140</i>
- (Increase)/decrease in trade receivables	6,245	(6,907)
- (Increase)/decrease in other accounts receivable and current assets	(3,144)	(3,464)
- Increase/(decrease) in payables to suppliers	(5,486)	(6,752)
- Increase/(decrease) in other payables	(1,812)	(70)
<i>Cash flows of operating activities before changes in the working capital</i>	<i>(4,198)</i>	<i>(17,192)</i>
Liquid assets generated by operating activities	9,670	(7,052)
- Interest payable paid	(163)	(297)
- Taxes paid	(1,115)	(891)
Cash flow generated by operating activities	8,392	(8,241)
INVESTMENT ACTIVITIES		
- Purchase of tangible assets	(999)	(1,843)
- Sale of tangible assets	50	25
- Purchase of intangible assets	(5,903)	(6,066)
- Equity investments and financial assets	(3,758)	(52)
Cash flow from investing activities	(10,610)	(7,936)
CASH FLOW FROM OPERATIONS	(2,218)	(16,177)
FINANCIAL ASSETS		
- Dividends paid	(9,993)	(9,369)
- Short-/long-term loans taken out	18,500	11,500
- (Repayment of) short-/long-term loans	(7,219)	(2,151)
Net cash flow generated by/(used for) investments	1,288	(20)
Net increase/(decrease) in available cash Cash equivalents	(930)	(16,196)
Cash and cash equivalents at beginning of period	13,360	27,448
Cash and cash equivalents at end of period	12,430	11,252

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AT 30- 06-2018

INTRODUCTION

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

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

These Condensed Consolidated Interim Financial Statements of the TA Group show amounts in Euro thousands (K) as this is the currency used by TA and its subsidiaries for most of 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 of the Consolidated Interim Financial Statements of the TA Group has been carried out by the company “PricewaterhouseCoopers S.p.A.”

BASIS FOR CONSOLIDATION

At 30 June 2018, the structure of the TA Group is the one described in the annex to the Report on Operations, which is recalled in this document. Compared to 31 December 2017, Toscana Aeroporti Handling S.r.l. (100% owned by TA) was added to the Group structure and started operating on July 1st, 2018.

STRUCTURE AND CONTENT OF STATEMENTS AND REPORTS

Condensed Consolidated Interim Financial Statements as at 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS/IFRS) in force to date, issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the measures issued to implement art. 9 of Leg. Dec. no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 concerning “Provisions on financial statements”, CONSOB Resolution no. 15520 of 27 July 2006 concerning “Amendments and additions to the Issuers’ Regulation adopted with Resolution no. 11971/99”, CONSOB Notice no. 6064293 of 28 July 2006 concerning “Company disclosures required by to art. 114, paragraph 5, of Leg. Dec. no. 58/98”). Furthermore, we considered the International Financial Reporting Interpretations Committee (“IFRIC”), formerly Standing Interpretations Committee (“SIC”).

In the preparation of these Condensed Interim Financial Statements, prepared in compliance with IAS 34 - Interim Financial Reporting, we applied the same accounting standards adopted for the preparation of the Consolidated Financial Statements at 31

December 2017, except for the contents of the section “New accounting standards, amendments and interpretations applied since 1 January 2018”.

The information provided in this Interim Financial Report must be read together with the Consolidated Financial Statements at 31 December 2017, 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 Statements at 31 December 2017.

Furthermore, we point out that some valuation processes, and particularly the most complex, such as the determination of any impairment of fixed assets, are generally made completely only during the preparation of the annual report, when all the necessary information is available, except for the rare case where there are indicators requiring an immediate assessment of any impairment.

Income taxes are recognised based on the best estimate of the weighted average tax rate expected for the entire period.

INFORMATION ON THE SEASONAL NATURE OF THE AIRPORT SECTOR

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

New accounting standards, amendments and interpretations in force since 1 January 2018

IFRS 15 “Revenues from Contracts with Customers”

IFRS 15 sets rules for the recognition of revenues by introducing an approach based on the recognition of income only when contractual obligations have been completely met. The standard defines the following five steps for the recognition of revenues:

- identification of the contract;
- identification of each individual obligation;
- determination of the transaction price;
- allocation of the transaction price to the individual obligations, based on their market prices (“stand-alone selling price”);
- recognition of revenues allocated to the individual obligation when this is settled, that is to say when the client obtains control over the assets or services.

The Group carried out an in-depth investigation on the different types of contract existing and of their possible impact on the accounts. This analysis concerned the different revenue streams identified, namely:

- Aviation revenues - which include regulated fees related to operations and airport infrastructures (terminals, flight infrastructures, aircraft parking aprons, etc.), centralized and security services fees, and revenues from handling services (deregulated according to Leg. Dec. 18/99);
- Non-Aviation revenues - which mainly include fees for the use of spaces and commercial and operating areas both inside and outside the airport plot of land;

- Revenues from construction services - which concern the development activities carried out by the Group in favour of the Grantor within the framework of the investments regarding concession rights;
- Other revenues - including income from items other than the previous.

Based on this analysis, the Group concluded that, as regards Aviation revenues, Revenues from construction services and Other revenues, the new standard had no significant impact on the year's operating result, on profits per share, and on the Shareholders' equity.

As to the impact on Network Development Expenses deriving from marketing support agreements, we point out that, in compliance with accounting standard IFRS 15 (specifically referring to the case of fees to be paid to customers, as regulated by the new standard), as well as in the light of the ongoing negotiations for the renewal of the aforesaid agreements with important carriers, which will be finalized during 2018, said expenses have been reclassified as a reduction of revenues.

The agreements regarding the use of commercial spaces and retail areas (non-aviation revenues) are excluded from the application of IFRS 15 because they fall under IAS 17 "Leasing", so they are to be considered based on the new IFRS 16, as explained below.

The Group adopted the new standard retrospectively by re-posting comparative data at 30 June 2017. A summary of the effects of the adoption of the new standard on comparative data is given below. They derive exclusively from the reclassification of Network Development Expenses in reduction of revenues.

Item	1 st semester 2017 - IAS	Reclassifications	1 st semester 2017 - IFRS 15
Revenue	62,700	(7,396)	55,304
Costs for services	(20,729)	7,396	(13,334)

IFRS 9 "Financial Instruments"

The new provisions of IFRS 9: (i) change the model for the classification and valuation of financial assets; (ii) introduce a new method for the impairment of financial assets, which keeps into account expected credit losses; (iii) change hedge accounting provisions, and (iv) define new criteria for the recognition of operations performed to amend financial liabilities. IFRS 9 provisions are to come into force starting from the periods beginning on or after January 1st, 2018.

The Group adopted IFRS 9 and all its amendments without detecting any effect due to the introduction of the new standard.

Referring to the classification and assessment of financial assets, we point out that the Group has adopted a business model essentially based on the possession of financial assets for the purpose of collecting contractual financial flows; considering that the contractual terms of existing financial assets contemplate financial flows at pre-determined dates, exclusively representing capital payments and interests on the principal amount to be repaid, the financial assets held by the Group are valued at amortized cost.

As to the introduction of the new model for the impairment of financial assets, since 1 January 2018 the Group reviewed its method for the determination of the bad debt provision by taking into account expected losses, as required by the new standard, and detected no significant impact on the year's profit or on equity after adopting IFRS 9.

More specifically, the Group calculated the bad debt provision for an amount equal to the losses expected throughout the life of the credit, with a method that keeps into consideration whether or not, at the balance date, the credit risk attached to a financial instrument has increased significantly after its initial recognition.

For trade receivables, the Group has adopted the simplified approach permitted by the new standard, according to which the provision for losses is valued for an amount equal to the losses expected throughout the life of the credit.

Furthermore, IFRS 9 amended IAS 1 (Section 82 ba) by requiring the separate statement of losses as impairment (including the recoveries of losses for impairment or profits for impairment), and the Income Statement form has been adjusted accordingly.

Finally, the new provisions regarding hedge accounting and the booking of transactions performed to modify financial liabilities had no effects because these issues are not relevant to the Group.

Amendment to IFRS 2 "Share-based payments"

These amendments clarify how to account for some payments based on shares.

Amendment to IAS 40 "Investment property"

These amendments clarify that the change of use is a precondition for the transfer of investment property.

Annual amendments to IFRS 2014-2016

The most important amendment regards IAS 28 "Investments in Associates and Joint Ventures".

The aforesaid amendments clarify, correct or remove the redundant text in the related IFRSs and had no significant impact on the financial statement or on our disclosures.

Interpretation IFRIC 22

This amendment deals with the exchange rate to be used in transactions and advance considerations paid or received in foreign currency.

Accounting standards, amendments and interpretations not yet adopted

At the date of these condensed consolidated financial statements, the competent bodies of the European Union completed the ratification process required for the adoption of the following accounting principles and amendments:

- IFRS 16 "Leasing". This new standard will replace the current IAS 17. The main change concerns leaseholder accounting practices, which had to distinguish between finance leases (booked by using the financial method) and operating leases (booked by using the equity method) according to IAS 17. With IFRS 16, the accounting treatment of operating leases will be the same as that required for finance leases. The IASB established the option of exemption for certain lease agreements and low-value / short-term leases. This standard will apply from 1 January 2019.

The Group believes that this analysis will be completed over the next six months.

Accounting standards, amendments and interpretations not yet applicable

At the date of these condensed consolidated financial statements, the competent bodies of the European Union have not yet concluded the ratification process required for the adoption of the following accounting standards and amendments:

in May 2017, the IASB issued the new IFRS 17 standard on “Insurance contracts”, which will replace IFRS 14 and will become effective on 1st January 2021.

In June 2017, the IASB published interpretation IFRIC 23 “Uncertainty over income tax treatments”, which provides indications on how to reflect the uncertainties related to the tax treatment of a certain transaction or circumstance in the accounting of income taxes. IFRIC 23 will become effective on 1st January 2019.

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

MAIN FINANCIAL RISKS

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

1) Credit risk

Over the last few years, the effects of the crisis of financial markets and the consequent recessive economy in the main industrialized Countries negatively affected the balance sheets of the airlines - the main clients of the Group. Hence, the risk of a partial non-collection of receivables accrued from airlines.

The Group believes that it has suitably controlled said risk through its constant monitoring of accounts receivable, also sometimes promptly initiating legal actions to protect said receivables, which are reflected in the allocation of a specific provision for bad debt, currently deemed to be adequate in connection with the amounts of the existing receivables. Always with the purpose of facing the credit risk, the Parent Company usually asks for sureties as guarantee (e.g. from sub-licensees) or pre-payments (e.g. from unknown airlines).

We point out that the Parent Company took out an excess-of-loss type of insurance on credit positions to cover collection risks should insolvency proceedings be opened against the assets of any customer. Furthermore, the Parent Company hired a company for its long-term debt collection activities.

2) Liquidity risk

At 30 June 2018, the Group has a negative Net Financial Position for € 40.7 M (€ 28.5 M at 31 December 2017). This is the result of a negative current NFP of about € 10.3 M (€ +3.8 M at 31 December 2017) and of a negative non-current NFP of € 30.5 M (€ 32.3 M at 31 December 2017) regarding two loans (expiring in 2022 and in 2027) granted to the parent company by the banks "Intesa San Paolo" and "MPS Capital Service" for the infrastructural development of the two airports. Two more medium-term loans for a nominal amount of € 500 K have been disbursed during 2017 and in 2018 by the banking group "Banco Popolare di Milano" to the subsidiary Jet Fuel to support the purchase of four new airplane fuel supply trucks required for into-plane activities at the Pisa airport.

Six-month EURIBOR interest rates are paid on said Group loans and financial covenants are to be complied with, for which there is no criticality at 30 June 2018.

The Group believes that the funds and the currently available medium/long-term credit lines, in addition to those that will be generated by operations, will suffice to meet its investment, working capital management and debt repayment at natural maturity requirements.

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 have a negative or positive impact on the Group's EBIT, thereby indirectly influencing the costs and returns of loans and investments.

The Net Financial Position at 30 June 2018 is € 40.7 M and the debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2018 is 0.37(vs. 0.25 at 31 December 2017), which confirms the financial soundness of the Group.

Based on the NFP at 30 June 2018, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical growth/reduction of 100 bp, would be approximately € +/-530 K.

In addition, the potential impact on the Provision for repairs in terms of growth, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would correspond to approx. € +535 K. Instead, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 bp in interest rates would be approx. € -500 K.

No further sensitivity analysis is provided, as it is considered immaterial.

4) Exchange rate risk

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

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

During the first half of 2018, TA recorded over 3,8 million passengers in a system with 37 operating carriers. The total incidence of the first three carriers is 57.7%. More specifically, the incidence of the first carrier (Ryanair) is 40.7%, while the incidences of the second (Vueling) and third (easyJet) carriers are 9.1% and 7.8%, respectively.

OPERATING SEGMENT REPORTING

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 affects the results of all the company's operations.

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

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

- **Aviation Business** this operating segment includes the so-called "air-side" activities (after the security check), which are the core business of an airport. They include: passenger and aircraft ground handling, landing, aircraft departure and stopover, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading.

Revenues for the Aviation segment are represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, take-off and stopover fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- **Non-Aviation business** this segment includes operations normally carried out in the landside area (before security gates), which are not directly associated with the core business (Aviation). They include retail activities, catering, car parking, car rental, advertising, ticket office, VIP Lounge.

Non-Aviation Business Revenues consist in the royalties earned from activities conducted under a sub-concession, in the direct management of certain activities (i.e. car parking, ticket office and advertising) and in the rents paid by sub-concessionaires.

- **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.

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.

Operating segment reporting: CONSOLIDATED FINANCIAL STATEMENT

(values in € K)	Aviation		Non-Aviation		Unallocated assets (Corporate)		Total	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
<u>TA Group - Income Statement</u>								
Operating income and other revenues (*)	43,384	43,513	7,231	5,326	4,836	773	55,451	49,612
of which Pisa	24,900	25,240	2,344	1,080	3,310	648	30,553	26,968
of which Florence	18,484	18,273	4,887	4,246	1,526	125	24,897	22,644
Revenues from construct.	4,517	4,707	343	568	734	417	5,595	5,692
of which Pisa	1,811	1,332	2	47	66	0	1,879	1,379
of which Florence	2,706	3,375	341	521	668	417	3,716	4,313
Total Segment Income	47,901	48,220	7,574	5,894	5,570	1,190	61,045	55,304
Operating Costs (*)-(**)	29,438	28,133	4,078	2,672	7,245	7,842	40,760	38,647
of which Pisa	18,232	16,611	3,129	1,369	3,842	3,801	25,203	21,781
of which Florence	11,206	11,522	948	1,303	3,403	4,041	15,557	16,866
Cost of construct. serv.	4,517	4,179	343	554	74	416	4,935	5,149
of which Pisa	1,811	1,298	2	47	46	0	1,858	1,345
of which Florence	2,706	2,881	341	507	28	416	3,076	3,804
Amortization and provisio	3,839	4,024	944	761	1,120	846	5,903	5,631
of which Pisa	2,026	2,563	530	498	402	622	2,958	3,683
of which Florence	1,813	1,461	414	263	718	224	2,945	1,948
Operating Earnings	10,107	11,884	2,210	1,907	-2,868	-7,914	9,448	5,877
of which Pisa	4,641	6,038	-1,315	-786	-913	-3,759	2,413	1,493
of which Florence	5,465	5,341	3,525	2,307	-1,955	-3,825	7,035	3,823
Asset management	0	0	0	0	-513	-484	-512	-484
Profit before tax	10,107	11,884	2,210	1,907	-3,381	-8,398	8,936	5,393
Year's taxes	0	0	0	0	-3,019	-1,789	-3,019	-1,789
Net year's result	10,107	11,884	2,210	1,907	-6,401	-10,187	5,917	3,604
Loss (profit) of minority in	0	0	0	0	-37	-32	-37	-32
Net Group result	10,107	11,884	2,210	1,907	-6,437	-10,219	5,880	3,572
<u>TA Group - Statement of financial position</u>								
	30/06/2018	31 Dec. 17	30/06/2018	31 Dec. 17	30/06/2018	31 Dec. 17	30/06/2018	31 Dec. 17
Current assets	16,006	22,177	5,328	7,064	27,149	22,576	48,483	51,817
Non-current assets	136,136	136,023	26,859	42,439	39,546	19,063	202,542	197,525
<u>TA Group - Additional information</u>								
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Investments	5,557	6,101	383	592	963	1,191	6,903	7,884

(*) Comparative data regarding the first half of 2017 have been booked again after the adoption of IFRS 15, for which details we refer the reader to section "New reporting standards, amendments and interpretations applicable from 1 January 2018".

(**) including Airport leases for € 2,977 K in the first half of 2018 (€ 2,903 K in the first half 2017).

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

VALUE OF PRODUCTION (REVENUE ITEMS)

On the whole, consolidated revenues at 30 June 2018 total € 61.05 M (€ 55.3 M at 30 June 2017), with a positive difference of € 5.74 M, and include:

Amounts in € K	INTERIM 2018	INTERIM 2017	Abs. Diff. 2018/2017	% Diff.
REVENUES				
Operating income				
Aviation revenues	43,384	43,512	-129	-0.3%
Non-Aviation revenues	14,003	12,724	1,279	10.1%
Network development expenses	-6,771	-7,396	625	-8.5%
Total operating revenues	50,616	48,841	1,776	3.6%
Other revenues and proceeds	4,835	771	4,064	527.2%
Revenues from construction services	5,595	5,693	-98	-1.7%
TOTAL REVENUES (A)	61,046	55,304	5,741	10.4%

For the analysis of the main deviations of the two six-month periods examined, see section 10.1 of the Report on Operations.

See the section on “New accounting standards, amendments and interpretations in force since 1 January 2018” for details on the reclassification of “Network Development Expenses” in compliance with the new IFRS 15 “Revenues from Contracts with Customers”.

1. Aviation revenues

The table below shows the items of “Aviation revenues” at 30 June 2018 and the changes, both in absolute and percentage terms, compared to 30 June 2017:

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2017/2016	Diff. %
AVIATION REVENUES				
Passenger boarding fees	13,932	14,633	-701	-4.8%
Landing/departure fees	7,214	6,791	423	6.2%
Stopover fees	539	547	-8	-1.4%
PRM assistance fees	1,226	1,200	27	2.3%
Cargo fees	267	258	9	3.5%
Passenger security fees	3,367	3,384	-18	-0.5%
Baggage security fees	1,990	1,959	31	1.6%
Handling	13,875	13,893	-18	-0.1%
Centralised infrastructures	974	848	126	14.8%
TOTAL AVIATION REVENUES	43,384	43,513	-129	-0.3%
% incid. over Operating Revenue	85.7%	89.1%		

2. Non-Aviation revenues

The table below provides details on revenues from non-aviation activities carried out during the first 6 months of 2018 and those of the first 6 months of 2017:

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2017/2016	Diff. %
NON-AVIATION REVENUES				
Parking facilities	3,159	2,927	233	8.0%
Food	1,519	1,424	95	6.7%
Retail	2,362	2,140	223	10.4%
Advertising	1,142	981	161	16.5%
Real Estate	939	1,069	-131	-12.2%
Car rentals	1,995	2,083	-88	-4.2%
Other subconcessions	1,361	1,086	275	25.4%
VIP Lounges	1,170	622	548	88.1%
Air tickets	199	208	-9	-4.4%
Cargo agency	157	184	-27	-14.8%
TOTAL NON-AVIATION REVENUES	14,003	12,724	1,279	10.1%
% incid. over Operating Revenue	27.7%	26.1%		

Network development expenses

Network development expenses totalled € 6.77 M at 30 June 2018, down by € 625 K compared to 30 June 2017, when they totalled € 7.4 M.

3. Other revenues and proceeds

The table below provides details on “Other revenues and proceeds” recognised during the first 6 months of 2018 and on those of the first 6 months of 2017:

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2017/2016	Diff. %
OTHER REVENUE AND INCOME				
Contingent assets	4,247	192	4,055	2110.3%
Services and consulting	96	86	10	11.2%
Cost recoveries	463	463	1	0.1%
Minors	29	30	-1	-4.1%
TOTAL REVENUES AND INCOME	4,835	771	4,064	527.2%
% incid. over Revenues	7.9%	1.4%		

4. Revenues from construction services

At 30 June 2018, Revenues from construction services total € 5.6 M (€ 5.7 M at 30 June 2017), with a negative difference of € 98 K.

COSTS

On the whole, at 30 June 2018 consolidated costs total € 45.7 M (€ 43.8 M at 30 June 2017), with a positive difference of € 1.9 M, and include:

Amounts in € K	INTERIM 2018	INTERIM 2017	Abs. Diff. 2018/2017	% Diff.
COSTS				
Operating Costs				
Consumables	588	512	76	14.9%
Cost of Personnel	21,270	20,768	503	2.4%
Costs for services	14,690	13,334	1,356	10.2%
Sundry operating expenses	1,235	1,130	105	9.3%
Airport leases	2,977	2,903	74	2.6%
Total operating costs	40,760	38,647	2,114	5.5%
Costs for construction services	4,935	5,149	-214	-4.2%
TOTAL COSTS (B)	45,695	43,796	1,899	4.3%

For the analysis of the main deviations of the two six-month periods examined, see section 10.1 of the Report on Operations.

5. Consumables

This item refers to the cost of consumable materials, which total € 588 K at 30 June 2018 (against € 512 K at 30 June 2017). More specifically, they consist in fuel costs (€ 328 K), clothing (€ 122 K) and materials for operating services (€ 67 K).

6. Cost of Personnel

The cost of personnel totals € 21.27 M at 30 June 2018, up by € 503 K compared to 30 June 2017. This cost item is broken down below:

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
PERSONNEL COSTS				
Remuneration	21,134	20,597	536	2.6%
of which:				
Wages	12,939	11,782	1,157	9.8%
Salaries	2,526	3,462	-936	-27.0%
Social security contributions	4,429	4,299	130	3.0%
ETB	1,240	1,054	186	17.6%
Other labour costs	137	170	-34	-19.9%
TOTAL COSTS OF PERSONNEL	21,270	20,768	503	2.4%
% incid. over Operating Costs	52.2%	53.7%		

The table below specified the average annual number of employees (expressed in *Equivalent Full Time*¹) regarding the first 6 months of 2018 and the difference compared to the same period of 2017:

	INTERIM 2018	INTERIM 2017	Δ+/-	Δ%
Executives	11.0	13.0	-2.0	-15.4%
Employees	545.9	525.4	20.5	3.9%
Workers	164.8	167.5	-2.7	-1.6%
TOSCANA AEROPORTI	721.7	705.9	15.8	2.2%
Jet Fuel	11.0	11.0	0.0	0.0%
TAE	5.0	4.0	1.0	24.4%
Group	737.7	720.9	16.8	2.3%

For the analysis of the main deviations of the two six-month periods examined, see section 12 of the Report on Operations.

7. Costs for services

On the whole, costs for services in the first 6-month period 2018 and 2017 consist of.

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

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2017/2016	Diff. %
COSTS FOR SERVICES				
Sales services	126	137	-12	-8.5%
Institutional expenses	804	742	62	8.3%
Other services	2,228	1,874	354	18.9%
Personnel services	987	882	105	12.0%
Maintenance services	2,700	2,541	159	6.3%
Utilities	1,667	1,574	93	5.9%
Operating services	6,178	5,584	595	10.7%
TOTAL COSTS FOR SERVICES	14,690	13,334	1,356	10.2%
% Incid. over Operating Costs	56.0%	54.5%		

“Commercial services”, for € 126 K at 30 June 2018 (€ 137 K at 30 June 2017) mainly include the following costs:

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Sales services	126	137	-12	-8.5%
of which:				
Advertising commissions	12	25	-13	-51.3%
Management of advertising systems	30	53	-23	-43.7%
Retail promotions	24	0	24	
Dry cleaning service	60	60	0	0.0%

“Institutional expenses”, for € 804 K (€ 742 K at 30 June 2017), mainly include the cost of control and auditing boards.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Institutional expenses	804	742	62	8.3%
of which:				
Directors' fees	580	459	121	26.5%
Auditors' fees	91	97	-6	-5.9%
Directors' business travels	100	168	-69	-40.8%
Legal, notarial, meeting expenses	28	4	24	589.3%
Participation in conferences	6	15	-9	-59.1%

“Other services”, for € 2.23 M (€ 1.87 K at 30 June 2017), mainly include professional services, industrial insurance and communication costs.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Other services	2,228	1,874	354	18.9%
of which:				
Professional services	1,313	927	386	41.7%
Industrial insurance	335	354	-19	-5.4%
Communication	553	529	24	4.5%
DNV audits	13	4	9	226.9%
Toscana Aeroporti Start Up	15	60	-46	-75.4%

The main difference in these costs (+354€K) is due to the greater communication costs incurred by the Parent Company for the new corporate projects.

“*Personnel services*”, for € 987 K (€ 882 K at 30 June 2017), are broken down below: They mainly refer to costs for the employees’ canteen.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Personnel services	987	882	105	12.0%
<u>of which:</u>				
Canteen	588	555	33	5.9%
Insurance	145	88	57	64.4%
Preventive medicine and med. examinations	31	40	-9	-22.9%
Training	74	79	-4	-5.6%
Personnel recruitment	20	19	2	8.1%
Payroll services	43	27	16	59.0%
Journeys	85	73	12	16.2%

“*Maintenance services*”, for € 2.7 M (€ 2.54 K at 30 June 2017), include airport maintenance ad infrastructures, systems and installations, equipment and trucks.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Maintenance services	2,700	2,541	159	6.3%
<u>of which:</u>				
Equipm./truck maint.	422	456	-35	-7.6%
BHS system maint.	451	468	-17	-3.6%
Maint. of infrastructures	1,139	1,078	61	5.7%
IT maintenance	688	539	149	27.6%

“*Utility services*”, for € 1.67 M (€ 1.57 M at 30 June 2017) and mainly include costs for electricity, gas, and water.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Utilities	1,667	1,574	93	5.9%
<u>of which:</u>				
Electricity	735	688	46	6.7%
Water	175	161	13	8.1%
Telephones	113	112	1	1.3%
Mobile phones	68	72	-3	-4.5%
Gas	483	468	15	3.2%
Minors	93	73	20.6	28.4%

“*Operating services*”, for € 6.18 M (€ 5.58 M at 30 June 2017) - mainly include external costs for porters, surveillance, cleaning, rentals, parking lots, first aid care and other services typically associated with airport operations. More specifically, the higher portage, surveillance, VIP Lounge, and shuttle bus costs are closely connected with the greater traffic managed during the semester considered.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
COSTS FOR SERVICES				
Operating services	6,178	5,584	595	10.7%
of which:				
Porterage	1,829	1,683	147	8.7%
Aircraft cleaning	326	352	-26	-7.4%
Agency/Wareh. service	97	128	-31	-24.5%
Cleaning	557	521	36	6.9%
PRM Support	173	140	32	22.9%
Surveillance service	1,271	1,157	114	9.8%
Services Centre	116	127	-11	-8.6%
Connection arco az	102	69	33	47.5%
Rental of mach. and equip.	472	509	-37	-7.3%
Management of parking lots	368	308	61	19.7%
Gardening	94	76	18	23.6%
VIP Lounge	271	145	125	86.1%
First Aid Service	244	210	34	16.2%
Shuttle bus	259	158	101	63.9%

8. Sundry operating expenses

“Sundry management expenses”, for € 1.23 K (€ 1.13 M at 30 June 2017), mainly include taxes and levies, membership fees, sundry administrative costs, and other minor entries.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
SUNDRY OPERATING EXPENSES				
Publications	9	12	-3	-22.2%
Ins. entities and sundry institutions	281	267	14	5.1%
Taxes and levies	299	298	1	0.4%
Entertainment	18	47	-29	-61.6%
Revenue stamps	7	20	-13	-63.2%
Non-recurring costs	326	263	63	24.1%
Post and telegraph	9	10	-1	-11.9%
Rebates and allowances	0.4	0.1	0	295.4%
Sundry administrative costs	285	214	72	33.5%
SUNDRY OPERATING EXPENSES	1,235	1,130	105	9.3%
% incid. over Operating Costs	3.0%	2.9%		

9. Airport leases

“Airport leases”, for € 2.98 M (€ 2.9 M at 30 June 2017), include the rents paid for the concessions and the contribution paid to the fire-protection fund. Both costs are variable over the finally reported traffic.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
AIRPORT LEASES				
Concession and security fees	2,359	2,277	82	3.6%
Fire Brigade fee	618	626	-8	-1.2%
TOTAL AIRPORT FEES/LEASES	2,977	2,903	74	2.6%
% incid. over Operating Costs	7.3%	7.5%		

10. Costs for construction services

Costs for construction services, totalling € 4.94 M (€ 5.15 M at 30 June 2017), arise from the investment made in the airport infrastructures under concession during the first 6 months of 2018. See section 11 of the Report on Operations for further details.

Amounts in € K	INTERIM 2018	INTERIM 2017	Diff. Abs. 2018/2017	Diff. % 2018/2017
TOTAL COSTS FOR CONSTRUCTION SERVICES	4,935	5,149	-214	-4.2%
Incid.% over Costs	10.8%	11.8%		

11. Amortization and impairment

This item totalled € 4.86 M at mid-2018 (against € 4.21 M at 30 June 2017). It includes intangible asset amortization for € 3.26 M (€ 2.68 M at 30 June 2017) and tangible asset depreciation for € 1.6 M (€ 1.53 M at 30 June 2017).

12. Provision for liabilities and charges

This item shows € 979 K (against € 915 K at 30 June 2017) and essentially includes the amounts set aside in the provision for repairs (€ 727 K), which consists of the year's portion required for future maintenance expenses relating to repairs/replacements of assets used under the two ENAC concessions to keep them in good operating conditions. The residual item is the Provision for risks (€ 252 K), mainly linked to the renewal of the National Collective Labour Agreement "CCNL" for the period (€ 194 K).

13. Value write-ups (write-downs) net of trade receivables and other receivables

This item amounts to € 60 K (€ 506 K al 30 June 2017) and consists of the provision set aside for bad debt.

	INTERIM 2018	INTERIM 2017
Bad debt reserve	60	505.7
Credit loss	-	0.6
Release of provision for bad debt	-	-
Total	60	506.3

14. Financial income

This item of € 36 K (€ 60 K at 30 June 2017) mainly refers to interest receivable accrued on bank current accounts, interest on arrears and dividends paid by the associate Immobili AOU Careggi Spa.

15. Financial expenses

This item amounts to € 584 K (€ 579 K al 30 June 2017) and mainly includes interests and commissions due on bank current accounts and loans, and financial charges regarding the discounting of the Provision for repair and replacements.

16. Profit (loss) from investment

This item shows € 36 K (€ 35 K at 30 June 2017), reflecting the recognition in the Shareholders' Equity of equity investment in associates (Immobili A.O.U. Careggi S.p.a. and Alatoscana S.p.a.).

17. Taxes for the period

Taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end. This approach led to an estimated tax burden of € 3.02 M, corresponding to a tax rate of 33.8% determined on the PBT (33.2% at mid-2017).

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

This item shows the profit of the subsidiary Jet Fuel owned by minority shareholders. Based on 2015 property and dividend rights, the profit for the period of the subsidiary Jet Fuel - approx. € 55 K - is a minority interest to a 66.67% extent, which corresponds to approx. € 37 K (€ 32 K for the first interim report of 2018). The overall minority interest's profit for the period is € 57 K (profit of € 45 K at 30 June 2017).

19. Earnings per share

Basic earnings per share at 30 June 2018 are € 0.316 (€ 0.192 at 30 June 2017), as calculated by dividing the Group's profit for the period (€ 5,880 K) by the weighted average of the ordinary shares outstanding during the period (18,661,996 shares). No diluting factor exists.

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

NON-CURRENT ASSETS

Changes in non-current assets at 30 June 2018 are shown below.

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
NON-CURRENT ASSETS	202,542	197,526	5,016

More specifically, this aggregate consists of the following categories:

Intangible assets

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
INTANGIBLE ASSETS	167,796	165,155	2,641

In addition to previous disclosures, an aggregate amount of approximately € 3.3 M has been invested in intangible assets during the first 6 months of 2018, specifically:

<i>(amounts shown in €K)</i>	Amount
Concession rights	891
Construction in Progress	4,871
Software	141
Total	5,903

For a detailed analysis of the main investments made during the six-month period examined, see Section 11 of the Report on Operations.

No divestiture of assets was done in the first 6 months of 2018.
Details on intangible assets are provided in Annex A.

20. Concession rights (royalties)

The value of this item at 30 June 2018 is € 149.7 M (€ 150.9 M at 31 December 2017), up by € 1.2 M mainly due to the higher value of the year's amortization compared to investments.

21. Industrial patent rights

This item totals € 1.15 M at 30 June 2018 (€ 1.42 M at 31 December 2017), down by € 270 K due to the higher value of the year's amortization compared to investments.

22. Work in progress and advance payments

At 30 June 2018, this item totals € 16.96 M (€ 12.83 M at 31 December 2017), up by € 4.13 M as a result of the new ongoing investments for € 5.78 M - a difference partly offset by the item "Concession rights" for € 1.65 M after the conclusion of the related projects.

23. Tangible assets

Data in € K

	30 Jun. 2018	31 Dec. 2017	Diff.
TANGIBLE ASSETS	25,997	26,650	-653

On the whole, investments of approximately € 1,000 K have been made in the first 6 months of 2018, specifically:

<i>(amounts in €K)</i>	Amount
Owned land and buildings	17
Plant and machinery	473
Ind. and comm. equipm.	57
motor vehicles	151
furniture and fittings, hardware	302
Work in progress	0
Total	1,000

For a detailed analysis of the main investments made during the six-month period examined, see Section 11 of the Report on Operations.

Divestments of assets for € 688 K have been made during the first half of 2018.

Details on tangible assets are provided in Annex B.

24. Equity investments in other entities

At 30 June 2018, the Parent Company "TA" held other equity investments valued at cost for € 123 K (€ 123 K at 31 Dec. 2016), relating to:

- I.T. Amerigo Vespucci S.p.a. (with a 0.22% share in the capital): € 40.6 K;
- Consorzio Turistico Area Pisana S.c.a.r.l. (with a 2.4% share in the capital): € 420;
- Scuola Aeroportuale Italiana Onlus (with a 52.7% share in the capital): € 13.2 K;
- Consorzio Pisa Energia S.c.r.l. (with a 5.26% share in the capital): € 831;
- Montecatini Congressi S.c.r.l. (with a 5.0% share in the capital): € 0;
- Consorzio per l'Aeroporto di Siena (with a 0.11% share in the capital): € 8.5 K;

- Florence Convention Bureau S.c.r.l. (with a 4.44% share in the capital): € 6.3 K;
- Firenze Mobilità S.p.a. (with a 3.98% share in the capital): € 42.5 K;
- Società Esercizio Aeroporto della Maremma S.p.a. (with a 0.39% share in the capital): € 10.2 K.

Scuola Aeroportuale Italiana Onlus has been classified among “Other entities” because it is a non-profit organization.

Consorzio Turistico Area Pisana, Montecatini Congressi S.c.r.l., and Consorzio per l’Aeroporto di Siena are winding up at the date of these Condensed Consolidated Interim Financial Statements.

25. Investments in Associated Companies

At 30 June 2018, the value of TA’s equity interests in associates and related entities is € 596 K (€ 560 K at 31 December 2017), as shown in the table below.

Data in € K	30 Jun. 201 8	31 Dec. 201 7	Diff.
Alatoscana Spa	387	381	6
Immobili AOU Careggi Spa	209	179	30
Total	596	560	36

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 2018, this item totals € 256 K (€ 195 K at 31 December 2017), and mainly refers to guarantee deposits issued in favour of utility providers (for connections), tobacco products, cash floats given to ticket offices and parking fees.

27. Receivables from others, due beyond the year

Receivables from others totalled € 5,268 K (€ 2,304 K at 31 December 2017) and mainly include:

- a receivable consisting in the guarantee deposit paid as advance on the price of € 3.66 M paid in June 2018 upon signing the preliminary agreement for the purchase from NIT - Nuove Iniziative Toscane S.r.l. (a real property subsidiary of the Unipol Group) of the "Piana di Castello" area in the vicinity of the Florence airport for Master Plan development purposes;
- a receivable consisting in request for IRES reimbursement due to a non-deduction of IRAP related to the cost of personnel for € 1,077 K, under Art. 2, par. 1, of Law Decree no. 201/2011, concerning the past taxation periods 2007-2011;
- receivables from customers for € 410 K related to agreed repayment plans;
- € 120 K related to the loan granted to the Associate "Firenze Mobilità S.p.a." for works competed by this entity (to be repaid not earlier than 4 years after the final testing of the works).

28. Prepaid taxes recoverable beyond the year

Deferred tax assets and liabilities have been posted in their net amount when they could be offset in the same jurisdiction. The net balance is € 2,051 (€ 2,147 K at 31 December 2017). This amount mainly includes taxes determined on the temporary differences due to taxed provisions (for repair, bad debt, etc.) and to the accounting of intangible assets (concession rights) according to IFRIC 12. We remind the reader that taxes for the period have been determined, as required by IAS 34 and IAS 12, by applying the best estimate of the expected weighted average tax rate at period-end.

CURRENT ASSETS

As shown in the table, current assets totalled € 42,987 K at 30 June 2018, down by € 5,825 K compared to 31 December 2017.

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
CURRENT ASSETS	48,483	51,817	-3,334

The item is broken down below:

29. Inventories

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

Trade and sundry receivables

At 30 June 2018, this item is € 36,053 K (€ 38,457 K at 31 December 2017), including:

30. Receivables from customers

At 30 June 2018, receivables from customers, net of the Provision for bad debt, total € 22,083 K (€ 28,328 K at 31 December 2017), as detailed below.

Data in € K	30 Jun. 201 8	31 Dec. 201 7	Diff.
Toscana Aeroporti	25,625	32,1 63	-6,537
Parcheggi Peretola	22	20	2
Jet Fuel	546	226	320
Total gross receivables	26,1 94	32,409	-6,21 6
Bad debt reserve	-4,111	-4,082	-29
Total net receivables	22,083	28,328	-6,245

The provision for bad debt has been increased over the period by contributing € 60 K and decreased by € 31 K for uses. The details of this item are given below (in €K):

Data in € K	31 Dec. 201 7	prov.	use	30 Jun. 201 8
Bad debt provision	4,082	60	(31)	4,111

31. Receivables from associated companies

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

Data in € K	30 Jun. 201 8	31 Dec. 201 7	Diff.
Alatoscana Spa	76	77	-1
Immobili AOU Careggi Spa	234	1 86	48
Total	31 0	263	47

32. Tax assets

At 30 June 2018, this item consists of € 1,799 K (€ 781 K at 31 December 2017) and mainly consists of VAT credits of the Parent Company for € 1,734 K.

33. Receivables from others, due within the year

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

Data in € K

	30 Jun. 2018	31 Dec. 2017	Diff.
municipal income tax on passenger boarding			
fees	7,797	7,135	662
MIT - Court Ruling no. 6528/2016	1,988	0	1,988
Advance payments made to suppliers	506	682	-176
Prepaid expenses	648	491	157
Receivables for land expropriation compensation	135	135	0
Receipts from parking lots	243	161	82
White certificates (EEC)	188	188	0
Receipts from monopoly products	70	93	-23
Advance paym. to Carriers	113	108	5
Other minors	221	92	129
Total	11,908	9,085	2,823

The receivable for the additional Municipal tax in passenger boarding fees, established by Art. 2, par. 11, of Law no. 350 of 24 December 2003, increased in connection with the seasonal nature of turnover from carriers. This item has the same trend of the item "Tax liabilities" in the current Liabilities (Note #49) because the amount collected is paid to the State.

The item includes the receivable arising from judgement no. 6528/2016, with which the Court of Appeal of Rome ordered the Ministry of Transport ("MIT") to pay Toscana Aeroporti (former Aeroporto di Firenze S.p.A.) the compensation for the damages suffered in the years 2006/2008 as a result of the non-adjustment of airport fees to inflation (also see Sect. 10.1 "Other revenues and proceeds").

"Prepaid expenses" mainly refers to consumable materials such as airport uniforms, supplies invoiced in advance, membership fees, insurance. The increase exclusively reflects the seasonal nature of the business.

"Receivables for collections" are due from the providers of tobacco points of sale and for the management of the receipts of parking lots (including the Telepass service).

34. Cash and cash equivalents

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
Cash and cash equivalents	12,430	13,360	-930

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 2018 are detailed below:

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
CAPITAL AND RESERVES	109,643	113,581	-3,938

The Shareholders' Equity shows a decrease of € 3.94 M, mainly as a consequence of the payment of dividends (€ -9.99 M), partly offset by the year's profit (€ +4.67 M). The unit dividend distributed by TA in May was € 0.531 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 2018, the fully paid-up share capital consisted of 18,611,966 ordinary shares without nominal value (18,611,966 shares at 31 December 2017).

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

36. Capital reserves

Capital reserves consist of € 73,405 K at 30 June 2018 (€ 72,877 K at 31 December 2017), including:

- a share premium reserve for € 18,941 K created with the paid capital increase determined upon listing SAT S.p.a. on the Stock Exchange in July 2007;
- a legal reserve of € 4,003 K. The € 528 K increase compared to 31 December 2017 arises from the allocation of 2017 profits as deliberated by the Shareholders' Meeting during their meeting for the adoption of the 2017 Financial Statement.
- statutory reserves for € 25,876 K;
- other reserves mainly consisting of the reserve deriving from the merger by incorporation of AdF, for approx. € 24 M.

37. IAS adjustments reserve

This reserve contains € (3,229) K, including:

- (i) the IAS reserve (negative for € 711 K) after deducting the theoretical tax burden created at 1-Jan-2005 upon First Time Adoption, so as to include the impact of international accounting standards on the Shareholders' Equity;

(ii) the IAS reserve (negative for € 2,518 K) created after adopting the new international standard IFRIC 12 from 1 January 2011.

38. Profit/(Loss) carried forward

This item includes profits carried forward for € 2,710 K (€ 2,452 K at 31 December 2017). The difference mainly reflects the discounting effect of the recalculation of the provision for Employees' Indemnity [Fondo TFR] according to IAS 19, partly offset by the allocation of the Group's year profits for 2017.

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

This item shows TA Group's profits at 30 June 2018, consisting of € 5,880 K (€ 10,550 K at 31 December 2017).

40. Minority interest

Based on the equity interests existing in the first half of 2018, the 66.67% Minority Interest corresponds to € 168 K (€ 221 K at 31 December 2017). 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 2018 is broken down below:

	PROFIT (LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
SITUATION AT 30 JUNE 2018				
<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	108	108	30	138
SITUATION AT 30 JUNE 2017				
<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	250	250	20	270

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

SITUATION AT 30 JUNE 2018

- Profit (loss) arising from the determination of the Termination Benefit after tax

Gross value	Tax (charge)/ benefit	Net Value
182	-44	138

SITUATION AT 30 JUNE 2017

- Profit (loss) arising from the determination of the Termination Benefit after tax

Gross value	Tax (charge)/ benefit	Net Value
355	-85	270

MEDIUM/LONG-TERM LIABILITIES

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

Data in € K

	30 Jun. 2018	31 Dec. 2017	Diff.
MEDIUM-LONG TERM LIABILITIES	59,677	61,504	-1,827

More specifically, this aggregate consists of the following categories:

42. Provisions for liabilities and charges

The Provision for liabilities and charges consists of € 4,029 K at 30 June 2018 (€ 3,997 K at 31 December 2017).

At 30 June 2018, the provision mainly includes the following amounts:

- 1) € 2,351 K set aside for the "Fire Brigade Service" dispute, better described in the section "Additional information";
- 2) € 1,426 K of contributions paid in connection with potential labour dispute risks, better described in the section "Additional information";
- 3) € 200 K regarding a dispute initiated on 3 February 2017, where TA was summoned by the company that had been awarded the contract for the expansion works in the west apron of the Florence airport concerning problems identified by TA related to the execution of the contract.

For further information, see Section "Information on the main items of the Provision for liabilities and charges at 30 June 2018".

The amounts set aside by the Company to face potential risks deriving from ongoing disputes are deemed appropriate for the predictable outcome of the legal proceedings.

The details of the year are provided below.

Data in € K	31 Dec. 2017	prov.	use	30 Jun. 2018
Provisions for liabilities and charges	3,997	252	(220)	4,029

43. Provisions for repair and replacement

This provision includes the amounts required for the maintenance and repair of infrastructures in the Florence and Pisa airports, to be returned in perfect maintenance conditions to the Grantor at the end of the concession period. The global value of this item at 30 June 2018 is € 25,392 K, up by € 183 K with respect to 31 December 2017, due to the effect of the contribution made during the first half of 2018, partly offset by the uses of the period. Details are given below:

Data in € K	31 Dec. 2017	Financial expenses	prov.	use	30 Jun. 2018
Provisions for repair and replacement	25,209	346	727	(890)	25,392

Depending on the estimated time of its use within the 12 months of the year, this provision is allocated to medium/long-term liabilities (€ 18,951 K at 30 June 2018) and to current liabilities (€ 6,441 K at 30 June 2018).

44. Termination benefits and other personnel-related provisions (24)

The ETB is considered as a defined benefit obligation to be recognised as recommended by IAS 19 - "Employee Benefits".

As regards the economic-financial scenario, the parameters used for actuarial valuations at 30 June 2018 are:

- annual technical discount rate: 1.46%
- annual inflation rate: 1.50%

- annual ETB increase rate: 2.63%

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

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

The Provision for liabilities and charges consists of € 6,056 K at 30 June 2018 (€ 6,521 K at 31 December 2017). This provision is posted net of the advance payments and settlements made during the period examined and shows a decrease of € 465 K compared to 31 December 2017, as specified below (in €K):

Data in € K	31 Dec. 2017	Actuarial (gain)/loss	prov.	use	30 Jun. 2018
ETB and other personnel-related provisions	6,521	(182)	66	(349)	6,056

The difference shown in the Statement of Comprehensive Income (€ 138 K) equals the actuarial loss for € 182 K, after taxation for € 44 K.

The valuation of future benefits is obviously affected by all the assumptions required for its identification; therefore, in order to obtain the sensitivity shown by the actual value as determined above compared to said assumptions, some tests have been conducted to provide the difference in the actual value against a given difference in some of the assumptions adopted, which may mostly affect that value. The table below provides the sensitivity analysis of the provision with certain changing valuation parameters.

<i>Gruppo Toscana Aeroporti - Toscana Aeroporti Group</i>						
	Annual technical discount rate		Annual technical inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
	Employee Termination					
Indemnity	5,726	6,363	6,125	5,941	5,956	6,337

Finally, the table below provides a prediction of disbursement of the provision.
Future Cash Flows (€)

Year	Aeroporto di Firenze	Aeroporto di Pisa	Jet Fuel
0 - 1	62,936	249,347	9,554
1 - 2	61,190	105,196	9,454
2 - 3	88,745	200,335	9,924
3 - 4	86,220	164,251	12,595
4 - 5	61,460	238,059	66,229
5 - 6	131,678	49,767	10,451
6 - 7	88,513	83,601	9,498
7 - 8	143,829	237,027	10,502
8 - 9	90,634	278,296	23,839
9 - 10	308,448	199,244	70,827

45. Financial liabilities

This item (mainly referring to the Parent Company "TA") shows € 30,458 K (against € 32,327 K at 31 December 2017). The details of non-current and current financial liabilities are given below:

<i>Details in €K</i>	<i>31-Dec-2017</i>	<i>Loans</i>	<i>Repayment</i>	<i>Other movements</i>	<i>30-Jun-2018</i>
Non-current liabilities	32,327	451	-	(2,320)	30,458
Current financial liabilities					
<i>Bank overdrafts (short-term loans)</i>	5,000	18,000	(5,000)	-	18,000
<i>Current portion of the medium/long-term indebtedness</i>	4,558	49	(2,219)	2,557	4,705
Total current financial liabilities	9,538	18,049	(7,219)	2,337	22,705
Total financial liabilities	41,865	18,500	(7,219)	17	53,163

The total increase in Financial Liabilities, amounting to € 18,500 K, refers to increased short-term bank loans (“hot money”) for € 18 M, and to a new medium-term loan granted to the subsidiary Jet Fuel for the purchase of airplane fuel supply trucks for € 500 K. That increase has been partly offset by the repayment of the principal amount instalments due on long- (€ 2.22 M) and short-term loans (€ 5 M).

The amount of current financial liabilities, € 22,705 K, includes the instalments on long-term loans due within the next twelve months (for € 4,705 K) and payables for short-term loans (for € 18 M).

The value of non-current financial liabilities refers to:

- the amounts due over the next twelve months for long-term loans granted to the Parent Company TA by the banks “Banca Infrastrutture Innovazione e Sviluppo” (of the Intesa San Paolo Group) and “MPS Capital Service” for the Group's infrastructure investments. These loans have to be repaid as detailed: the € 12 M loan disbursed by MPS Capital Service, completely used up, within June 2022, and the € 40 M loan disbursed by Intesa San Paolo, also completely used up, within September 2027, both at a Euribor rate with a maturity of 6 months, plus a spread. The amortization plans for these loans define 6-monthly repayments of approx. € 2.3 M in total.
- the amounts due over the next twelve months of the two 5-year € 500 K loans each, respectively disbursed during the first quarter 2017 and during the first quarter 2018, to the subsidiary Jet Fuel by Banco Popolare di Milano for the purchase of the four airplane fuel supply trucks for Into-plane activities in the Pisa airport.

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

We finally point out that, in addition to the aforesaid parameters, the € 12 M loan agreement requires a minimum amount of € 1 M to be made available and deposited in a current account pledged as security for the same loan and requires that no non-recurring transaction be performed with third parties (entities that are not members 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 2018, the Company is compliant with all the above-mentioned parameters.

46. Other payables due beyond the year

Payables due beyond the subsequent year consist of € 183 K (€ 142 K at 31 December 2017). This amount refers to guarantee deposits received from customers as performance bonds for services provided.

CURRENT LIABILITIES

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

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
CURRENT LIABILITIES	81,705	74,257	7,448

More specifically, this aggregate consists of the following categories:

47. Bank overdrafts

At 30 June 2018, the TA Group has bank overdraft for € 18 M (€ 5 M at 31 December 2017). These short-term lines of credit (so called "hot money"¹) have been requested for liquidity requirements connected with the seasonal nature of the business.

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
Credit lines granted	71,850	56,850	15,000
<i>of which TA</i>	<i>71,550</i>	<i>56,550</i>	<i>15,000</i>
<i>of which subsidiaries</i>	<i>300</i>	<i>300</i>	<i>0</i>
Credit lines used	18,000	5,000	13,000
<i>% used</i>	<i>25%</i>	<i>9%</i>	<i>87%</i>

48. Loans

At 30 June 2018, the TA Group has short-term bank loans for € 4,705 K (€ 4,538 K at 31 December 2017); this amount includes the repayment instalments that will fall due over the next twelve months of long-term loans (therefore, they are also shown in the related table in the comments to non-current financial liabilities in Note #45).

The **Net Financial Position** at 30 June 2018, as shown in the Report on Operations in compliance with Consob Resolution prot. no. 6064293 of 28 July 2006, is specified below:

¹ Reimbursement due within a maximum term of 18 months; interest rate applied lower than 50 bp.

NET CONSOLIDATED FINANCIAL INDEBTEDNESS			
<i>Euro K</i>	30.06.2018	31.12.2017	Abs. Diff.
A. Cash on hand and at banks	12,430	13,360	(930)
B. Other cash and cash equivalents	-	-	-
C. Securities held for trading	-	-	-
D. Liquid assets (A) + (B) + (C)	12,430	13,360	(930)
E. Current financial receivables	-	-	-
F. Current bank payables	18,000	5,000	13,000
G. Current portion of non-current indebtedness	4,705	4,538	167
H. Other current financial payables due to leasing companies	-	-	-
I. Current financial indebtedness (F) + (G) + (H)	22,705	9,538	13,167
J. Net current financial indebtedness (I) - (E) - (D)	10,275	(3,822)	14,097
K. Non-current bank payables	30,458	32,327	(1,869)
L. Bonds issued	-	-	-
M. Other non-current payables due to leasing companies	-	-	-
N. Non-current financial indebtedness (K) + (L) + (M)	30,458	32,327	(1,869)
O. Net Financial Position (J) + (N)(NFP)	40,733	28,506	12,227

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 this item at 30 June 2018 is € 11,403 K (€ 10,591 K at 31 December 2017), as broken down below:

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
Addit. Mun. fees due to Rev. Ag.as mu Pax boarding	9,558	8,950	608
IRES/IRAP due	896	230	666
IRPEF due for employees and self-employed prof.	560	1,140	-581
Higher fees due for private flights	245	136	108
Local taxes	144	135	10
Total	11,403	10,591	812

Accounts payable to the Revenue Agency for the municipal surtax on passenger boarding fees, presently consisting of € 9.56 M, established by Art. 2, par. 11, of Law no. 350 of 24 December 2003 starting from 1 June 2004, has increased mainly as a consequence of the seasonal nature of the business, which - compared to December 31st - led to higher turnovers from air carriers.

50. Payables to suppliers

At 30 June 2018, payables to suppliers total € 23.05 M (€ 28.54 M at 31 December 2017), down by € 5.49 M as a consequence of the payment of invoices for current operations and for the investments made by the Group during the period.

51. Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL) at 30 June 2018, for a total amount of € 1,955 K (€ 2,671 K at 31 December 2017).

52. Other payables due within the year

Other payables due within the year at 30 June 2018 consist of € 15.41 M (€ 15.94 M at 31 December 2017), and include the following debit items:

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
Concession fees	2,476	2,393	83
Ministry of Transport	0	2,205	-2,205
Air/bus/train ticket office receipts	603	704	-101
Employees and contractors for accrued fees	7,435	6,358	1,077
Insurance policies and damage excesses	175	150	25
Due to Directors and Auditors	511	399	112
Payables to Foundations/Associations/Social Sec. Inst./Local Bodies	406	145	261
Deferred income	623	177	446
Payables to Holding CAI	1,017	1,438	-421
Other minors	929	702	227
Total	15,410	15,941	-531

Specifically:

- higher year-end concession fees due to the seasonal nature of the business and to a higher final traffic reported;
- balance of accounts payable to the Revenue Agency for the portion related to 30 June 2018 of the contribution paid for the Fire Brigade fire protection service introduced by the 2007 Finance Law has been paid by the Company. This account payable also includes the amounts set aside while waiting for the outcome of the pending case initiated by the same Ministry against the Company for the collection of arrears for the years 2007-2009. 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.

For details on the decrease of the account payable to the Ministry, see Section 9 in the Report on Operations "Significant events of the first 6 months of 2018".

53. Advance payments

Advance payments total € 738 K (€ 284 K at 31 December 2017), mainly consisting of advances from customers.

COMMITMENTS AND GUARANTEES

At 30 June 2018, total commitments and guarantees (regarding the Parent Company) include € 13,215 K of third party suretyships in favour of TA and € 6,270 K of suretyships given by third parties on behalf of TA.

Data in € K	30 Jun. 2018	31 Dec. 2017	Diff.
Third-party guarantee in favour of Company	12,982	12,819	163
Third-party guarantee on behalf of Company	7,596	10,547	-2,951

Suretyships provided by third parties in the favour of TA (€ 13 M) mainly refer to performance bonds for contract works, for compliance with agreements by sub-concessionaires, air carriers and other customers.

Suretyships provided to third parties on behalf of TA (€ 7.6 M) mainly refer to performance bonds in favour of ENAC to ensure full and exact fulfilment of the obligations established with the two 40-year Conventions signed; of *Agenzia delle Entrate* as a guarantee for 2013 VAT reimbursement; of the Municipalities of Pisa and Florence, to ensure compliance with municipal regulations in the execution of works for the expansion of the airport infrastructures by TA; and minor entries.

ADDITIONAL INFORMATION

Information on the main items of the Provision for liabilities and charges at 30 June 2018

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

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

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

We point out that the Constitutional Court, with decision no. 167/2018, deposited on 20 July 2018, stated the constitutional unlawfulness of Art. 1, par. 478, of Law no. 208 of 28 December 2015 "Provisions for the preparation of the State's annual and long-term budget (Stability Law 2016)".

The amounts set aside by the company, also with the support of independent advisors, are consistent with the predictable outcome of the dispute, also considering the developments of the period.

2. Provision for the risk of potential labour dispute liabilities (€ 1,466 K)

At 30 June 2018, TA shows a Provision for risks of € 228 K for the persistence of the probability of new disputes with shift workers in connection with a wrong determination of the contract and remuneration percentages regarding their so-called horizontal part-time working time in the period before 2015.

The provisions for risks existing at 30 June 2018 also include € 542 K of liabilities from ongoing mediation negotiations with employees and labour disputes with a probable unfavourable outcome.

Finally, the Group set aside a provision of € 657 K corresponding to the estimate of the liabilities deriving from the non-renewal of the National Collective Labour Contract ("CCNK") in 2017 and 2018.

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

3. Other potential liabilities

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

- a) the dispute for the return of the fees for fuel supplies requested by certain airlines from oil companies, where the Group has been summoned as third party;
- b) the appeal proposed on 31 Dec. 2017 by Regione Toscana¹ against judgement no.1310/2016, with which the "TAR" (Regional Administrative Court) of Tuscany, in August 2016, had admitted the petitions lodged by several Committees and by the company "N.I.T." against the "Variant to the PIT" (territory planning scheme)² for the "Parco della Piana" and the Florence airport. Indeed, the TAR saw no insurmountable obstacle against the construction of the new runway, but simply asked for a more in-depth investigation on certain environmental issues - which have already been exhaustively assessed during the "VIA" - because its approval does not require a corresponding specification in the planning acts of the Region (i.e. the "PIT") and Local Bodies. For the sake of full disclosure, we inform readers that appeals have been lodged with the TAR in 2018 against VIA Decree no. 377 of 28 December 2017 and the discussion of some of the claims has been fixed for 7 November 2018.
- c) TA's dispute concerning a claim for damages brought by a board member who left the BoD before the merger and against which the Company lodged a counterclaim. For the aforesaid disputes, the Company did not consider it appropriate to set aside provisions in the light of the related progress status.

Relationships with related parties

See the specific section in the Report and Annex C to these Condensed Consolidated Interim Financial Statements at 30 June 2018 for a summary of the main effects on the financial statement of the transactions performed by the Parent Company with related parties, whose amount is scarcely significant.

Significant events and non-recurring transactions

Pursuant to CONSOB's Notice of 28 July 2006, we specify that no significant non-recurring transaction was performed during the first half of 2018.

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

²Piano di Intervento Territoriale [Territory Planning Scheme].

Subsequent events

For the main events occurred after 30 June 2018, see point 17 in the Report on Operations.

Atypical or unusual transactions

According to Consob's Notice no. 6064293 of 28 July 2006, we disclose the information that no significant non-recurring events and transactions took place during 2018.

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

Authorization to publication

This document has been approved by the Board of Directors on 6 August 2018 and will be made available to the public on the same date as required by the applicable legislation.

For the Board of Directors
The Chairman
(Marco Carrai)

**ANNEXES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS 2018**

TABLE OF CHANGES IN INTANGIBLE ASSETS FOR THE FIRST HALF OF 2018
(amounts shown in €K)

	CONCESSION RIGHTS (ROYALTIES)	PATENT AND INTELLECTUAL PROPERTY RIGHTS	WORK IN PROGRESS AND ADVANCE PAYMENTS	TOTAL
Historical cost	1 84,870	11,671	20,121	21 6,661
Accumulated depreciation	-33,960	-1 0,252	-7,295	-51 ,506
A - Value as at 31 -12-17	1 50,910	1,419	12,826	1 65,155
<i>CHANGES FOR THE PERIOD</i>				
Purchases		120	5,783	5,903
Reclassification	1,626	27	-1,653	0
Depreciation	-2,845	-417	0	-3,262
B - Balance of changes	-1,219	-270	4,130	2,641
Historical cost	1 86,496	11,818	24,251	222,564
Accumulated depreciation	-36,805	-1 0,669	-7,295	-54,768
Value as at 30-06-2018 (A+B)	1 49,691	1,149	1 6,956	1 67,796

TABLE OF CHANGES IN TANGIBLE ASSETS FOR THE FIRST HALF OF 2018
(amounts in €K)

	LAND, BUILDINGS AND RUNWAY INSTALLATIONS		PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUC TION	OTHER ASSETS	TOTAL
	to be freely assigned	owned by the Company					
Historical cost	1 2,562	1 6,600	30,819	1,240	734	1 8,010	79,965
Accumulated depreciation	-1 0,902	-2,060	-24,043	-899	-734	-1 4,677	-53,315
A - Value as at 31-12-17	1,660	14,540	6,776	341	0	3,333	26,650
<i>CHANGES FOR THE PERIOD</i>							
Purchases	3	18	603	55		321	1,000
Reclassification	-71	-78	-325	97		377	0
Disinvestimenti/Decrementi					0	-688	-688
Depreciation	-124	-65	-1,032	-1		-380	-1,602
Reversal of previous years' accum. depr.						638	638
B - Balance of changes	-192	-125	-754	151	0	268	-652
Historical cost	1 2,565	1 6,618	31,422	1,295	734	17,643	80,277
Accumulated depreciation	-11,097	-2,203	-25,400	-803	-734	-1 4,042	-54,279
Value as at 31-03-2018 (A+B)	1,468	14,415	6,022	491	0	3,601	25,998

RELATIONSHIPS WITH RELATED PARTIES

balance sheet item	30 JUNE 2018			30 JUNE 2017		
	Values in € K	% incidence on balance	Book item (€K)	Values in € K	% incidence on balance	Book item (€K)
Associated companies						
<i>Immobili A.O.U. Careggi Spa</i>						
Partecipazioni in imprese Collegate	209.3	35.13%	596	179.2	32.00%	560
Receivables from associated companies	234.2	88.78%	264	159.2	65.54%	243
Non-Aviation revenues	50.0	0.36%	14,003	50.0	0.39%	12,724
Other revenues and income	24.5	0.51%	4,835	24.5	3.18%	771
<i>Alatoscana Spa</i>						
Partecipazioni in imprese Collegate	386.5	64.87%	596	380.8	68.00%	560
Receivables from associated companies	76.2	28.90%	264	83.7	34.46%	243
Other revenues and income	31.6	0.65%	4,835	31.2	4.05%	771
Other related parties						
<i>Comune di Pisa</i>						
Payables to suppliers	12.2	0.05%	23,053	12.2	0.06%	19,277
<i>Pisamo Spa (*)</i>						
Crediti verso altri esigibili entro l'anno	-	0.00%	11,908	426.8	5.57%	7,657
Payables to suppliers	23.7	0.10%	23,053	23.7	0.12%	19,277
<i>Delta Aerotaxi srl</i>						
Aviation revenues	70.3	0.16%	43,384	85.5	0.20%	43,512
Non-Aviation revenues	178.1	1.27%	14,003	180.3	1.42%	12,724
Other revenues and income	5.0	0.10%	4,835	8.2	1.07%	771
Costs for services	-	0.00%	21,270	69.5	0.34%	20,729
Receivables from customers	232.7	1.05%	22,083	208.8	2.36%	22,058
Crediti verso altri esigibili oltre l'anno	258.9	4.91%	5,268	311.9	2.36%	2,304
Payables to suppliers	-	0.00%	23,053	69.5	0.36%	19,277
<i>Corporate Air Services srl</i>						
Aviation revenues	310.9	0.72%	43,384	345.4	0.79%	43,512
Non-Aviation revenues	36.0	0.26%	14,003	45.0	0.35%	12,724
Other revenues and income	0.9	0.02%	4,835	2.8	0.37%	771
Receivables from customers	218.4	0.99%	22,083	109.2	0.50%	22,058
<i>Delify srl</i>						
Non-Aviation revenues	18.3	0.13%	14,003	18.6	0.15%	12,724
Other revenues and income	0.5	0.01%	4,835	0.5	0.06%	771
Receivables from customers	7.7	0.03%	22,083	7.9	0.04%	22,058
<i>ICCAB srl</i>						
Non-Aviation revenues	60.3	0.43%	14,003	70.5	0.55%	12,724
Other revenues and income	0.6	0.01%	4,835	1.4	0.18%	771
Other receivables from customers	33.3	0.15%	22,083	38.0	0.17%	22,058
<i>Corporación America Italy srl</i>						
Receivables from customers	0.9	0.00%	22,083	0.9	0.00%	22,058
Other payables due within the year	1,017.3	6.60%	15,410	328.7	2.01%	16,379
<i>Helpport Uruguay S.A.</i>						
Totale costi operativi	-		40,760	709.5	13.78%	5,149
<i>Comune di Firenze</i>						
Non-Aviation revenues	3.0	0.02%	14,003	2.9	0.02%	12,724
Crediti verso clienti	1.5	0.01%	22,083	-		22,058

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

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

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

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

of the administrative and accounting procedures for the preparation of the Condensed Consolidated Interim Financial Statements at 30 June 2018.

2. Furthermore, it is hereby certified that the Condensed Consolidated Interim Financial Statements at 30 June 2018:

- have 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;
- reflect the contents of accounting books and records;
- provide 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, 06 August 2018

For the Board of Directors

Chief Executive Officer
Gina Giani

Financial Reporting Manager
Marco Gialletti

LIMITED AUDITING ACTIVITY REPORT BY PWC

**REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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 2018, comprising the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, statement of changes in the consolidated shareholders' equity, consolidated statement of cash flows and related explanatory notes. The directors of Toscana Aeroporti SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

PricewaterhouseCoopers SpA

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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 2018 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, 6 August 2018

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.