



H1 2015 Results



↑ Bologna, August 28th 2015



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1. COMPANY DESCRIPTION



WEALTHY CATCHMENT AREA

- # 7 airport in Italy by passengers⁽¹⁾
- #4 airport in Italy by global connectivity
- #5 airport by cargo movements
- Strong industrial presence
- A 23.4% market share

STRONG GROWTH TRACK RECORD AND MOMENTUM

- Impressive growth of passengers
- Among top 50 airports in Europe
- #1 airport in Europe by connectivity growth over the decade 2004-2014⁽²⁾

WELL BALANCED MULTISERVICE BUSINESS MODEL

- Balanced mix of 48 airlines; 45% Legacy vs. 52% of LCC
- Non aviation revenues at approx.40% of total
- Concession agreement until 2044

SOLID ECONOMIC AND FINANCIAL PERFORMANCE

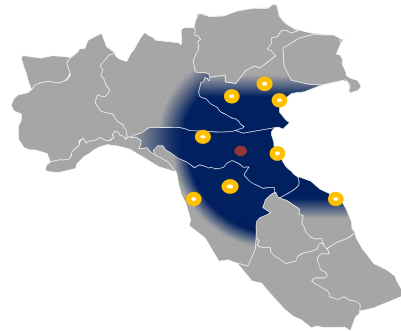
- Excellent revenue⁽³⁾ and EBITDA⁽³⁾ growth (4,3 and 19.2% CAGR)
- High cash flow generation
- Low leverage (2014: D/EBITDA <1x D/CE 0.12x)

(1) Piano Nazionale degli Aeroporti, Italian Ministry of Infrastructure and Transportation (2014)
 (2) ACI Europe Airport Connectivity Report 2004-2014
 (3) 2012-2014 data, net of construction works (IFRIC 12)

A STRATEGIC LOCATION IN THE CENTER-NORTH OF ITALY



Catchment area includes approx. 11 m residents,
18% of population in Italy



Higher GDP compared to
Italian average⁽¹⁾

Approx. 47,000 companies operating in key sectors
with export at ~€26.2 bn⁽²⁾



Relevant gateway to both high speed rail networks
and highway in Centre-North



BOLOGNA - FLORENCE

35 minutes - 68 trains/day
FRECCIAROSSA www.trenitalia.com
.italo www.italotreno.it



BOLOGNA - VERONA

49 minutes - 7 trains/day
FRECCIAROSSA www.trenitalia.com



BOLOGNA - MILAN

1 hour - 40 trains/day
FRECCIAROSSA www.trenitalia.com
.italo www.italotreno.it



BOLOGNA - VENICE

1h 25 minutes - 24 trains/day
FRECCIAROSSA www.trenitalia.com
.italo www.italotreno.it



BOLOGNA - ROME

1h 54 minutes - 65 trains/day
FRECCIAROSSA www.trenitalia.com
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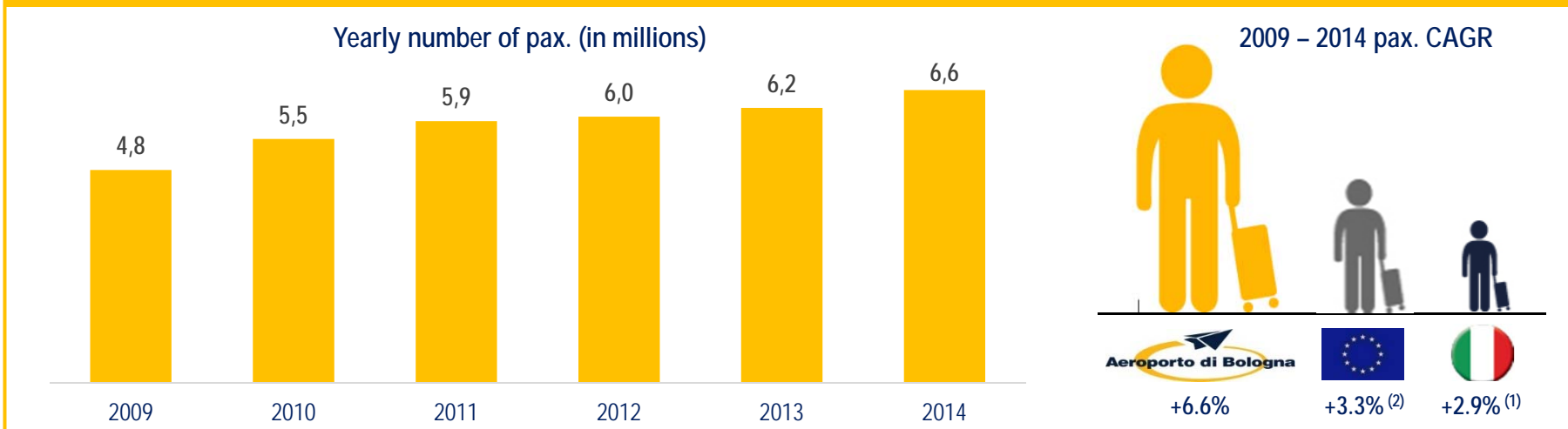
(1)Source: GDP Eurostat

(2)Source: <http://www.osservatoriodistretti.org/> 2012 data – figures related to industrial districts

73% passengers to international destinations



Traffic growth outpaces the Italian and EU average



Source:

(1) Number of average daily international flights, first 8 most popular destinations

(2) Including charter, general aviation and interlining

Aviation Revenues – 60% of total



Passengers (avg. / day)

Approx 18,000

Flights / day

Approx. 170

Airlines

48 carriers

Destinations

99, of which 86 international

Non Aviation Revenues – 40% of total



Parking

5,100 parking slots

Retail & Advertising

More than 40 shops

Passenger Services

10 car rental companies, Business Lounge

Real estate

70,000 sqm indoor & 200,000 sqm outdoor

- Both business units showed growing trends in the previous years, in terms of revenues , EBITDA and EBIT margins
- Parking services has the highest margins, thus the airport is focusing on providing easily accessible and a growing number of parking slots
- Investment in infrastructure were carried out so that the actual size of the airport can serve the growing number of passengers for the next years

Network extension and increase in passengers



Infrastructure development



Non Aviation business enhancement



Efficiency and process optimization



Main infrastructural investment on Terminal boarding area and Accessibility



Italian regulation in place

- **Intercontinental hub** (Rome, Milano, Venice):
 - Specific 10 years regulation until 2022
- **Other Airports**
 - New Regulatory System since September 2014, in line with EU Directive on Airport Charges
 - New Transport Regulation Authority (ART)
 - Dual till system
 - Proactive role by the airport
 - Smoother process with shorter and clearer timing and implementation

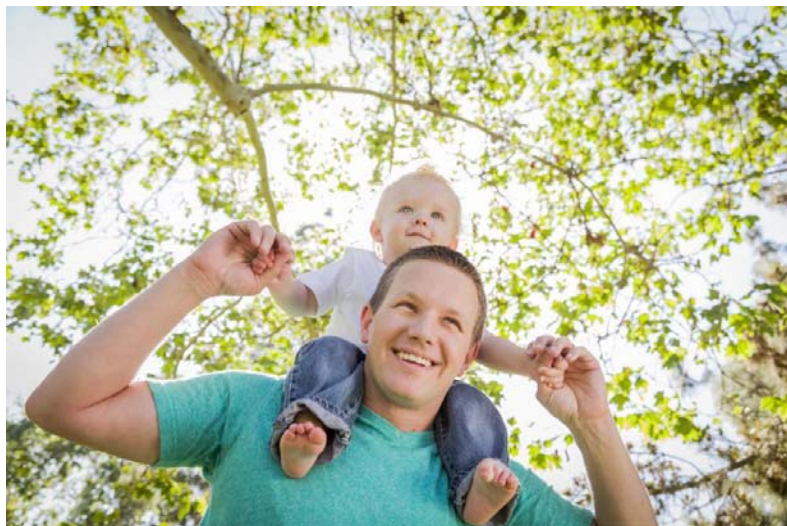


Regulation applicable to Bologna Airport

- **Airport regulation applicable to Bologna**
 - ART Model 1 ruling Airport with passenger traffic above 5 million per year
 - Definition of Capex Plan, SLA on quality and environment for period 2015-2019 - Closed
 - Consultation with airlines closed on July 17th
 - On August 7th, 2015, ART deliberated the compliance of Bologna Airport 2016-2019 charges proposal according to the reference model
 - The resolution is subject to corrective actions, among which service level agreements on quality with the airlines, that Bologna Airport must take within 90 days.

**New charges definition expected by 4Q 2015,
application from January 2016,
4 years regulatory period**

Service quality



Customer Satisfaction Index:

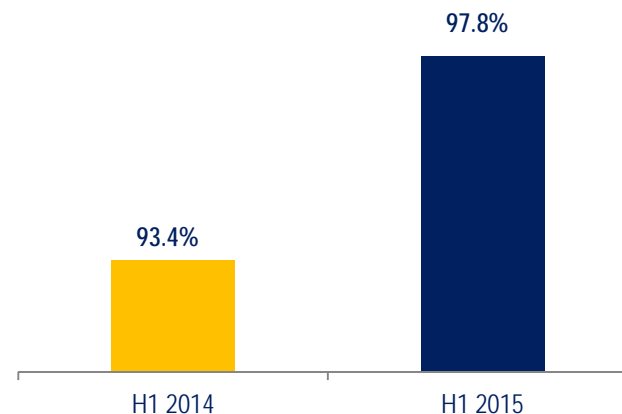
- ENAC (Italian Civil Aviation Authority) indicators (Carta dei Servizi)
- comparison with Italian regional airports
- focus on airport services performance

Airport Service Quality:

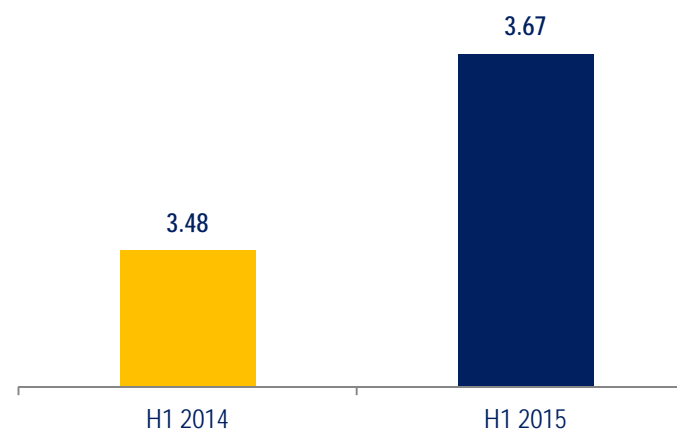
- ACI World project
- panel includes more than 250 airports worldwide
- focus on airport passenger experience

Improvement in both quality indicators

Customer Satisfaction Index



Airport Service Quality





2. H1 FINANCIALS



Transition period to the new regulatory system is impacting 2015 charges, which are calculated as 2014 charges plus inflation adjustment (+0.6% vs 2014)



Increase of low cost traffic share as a result of the substitution of some domestic routes closed by legacy airlines



Good non aviation performance also thanks to leverage on traffic increase



Snow storms during February 2015 negatively affected H1 operating costs



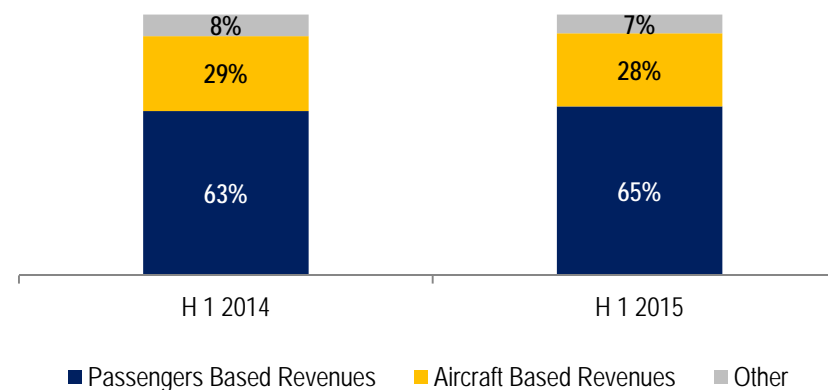
New National airport labor contract in place since September 2014



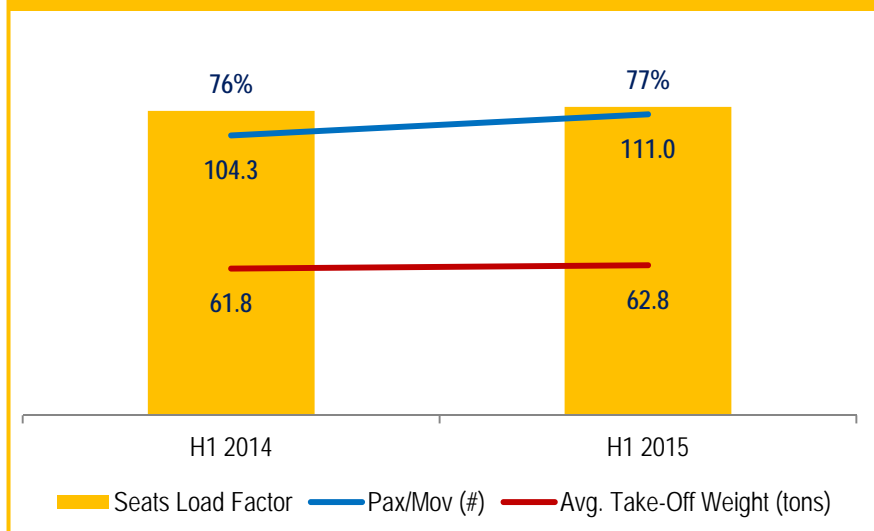
New agreement with Emirates to cover direct Dubai destination and eastern destinations. The first direct flight will depart on the 3rd of November, 2015

	H1 2015	H1 2014	Var % 2015-2014
Passengers	3,171,039	3,100,375	+2.3%
Movements	30,583	31,846	-4.0%
MTOW	1,815,860	1,859,570	-2.4%
Cargo	20,102,113	21,612,623	-7.0%

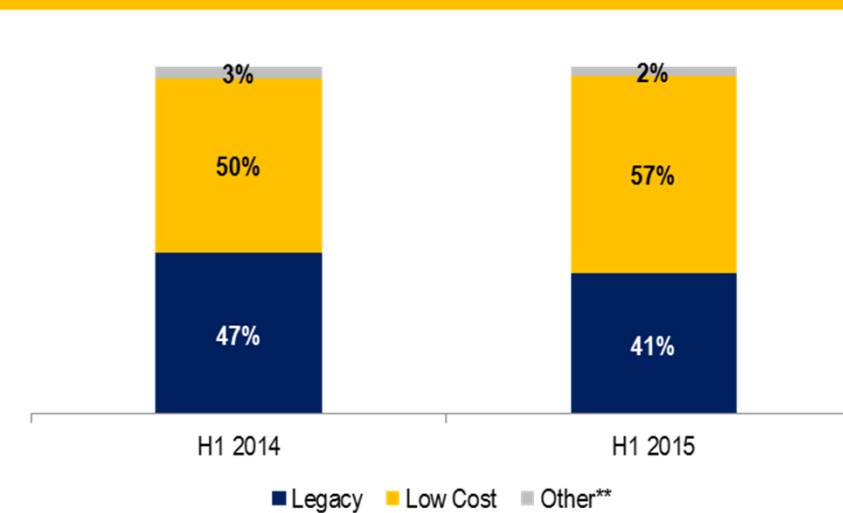
Aviation revenues generation % *



Aviation key metrics



Passengers' breakdown by carriers



* Passengers Based Revenues includes Passengers revenues, Aircraft Based Revenues includes Airlines revenues, Other includes Airport operators revenues and Other aviation revenues (excluding constructions)

** Other includes charter, general aviation and interlining

Security



- New layout in security queues area
- Technology for access
- Improvement in passengers information (i.e. monitor, totem)
- New ambience beyond security check area

Accessibility



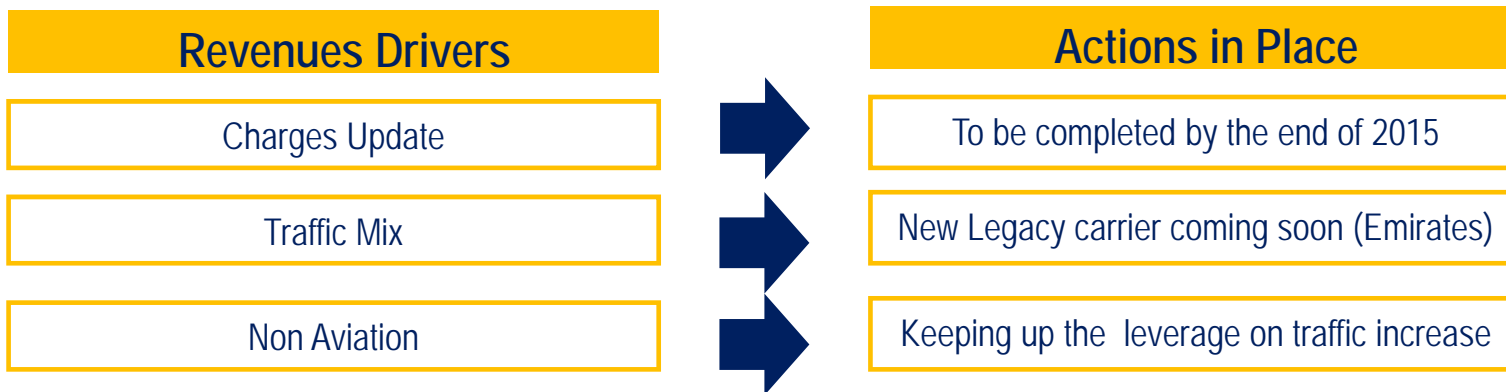
- New car access
- Access with fee for operators (taxi, bus)

H1 2015 TOTAL REVENUES



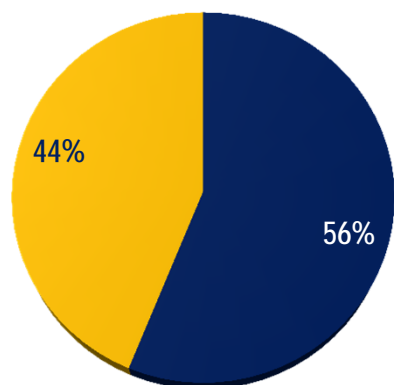
<i>Euro thousands</i>	H1 2015	H1 2014	Var H1 15/14
Aeronautical Revenues	18,639	19,843	-6%
Non Aeronautical Revenues	15,136	14,561	4%
Revenues for Construction Services*	1,237	1,194	4%
Other Revenues	450	482	-7%
Ricavi	35,462	36,080	-2%

- **Aeronautical revenues:** decrease mainly due to no charges update and substitution on domestic routes (i.e. Catania) from national (i.e. Alitalia and Meridiana) legacy with low cost carriers (i.e. Ryanair)
- **Non aeronautical revenues:** good performance especially in parking and retail



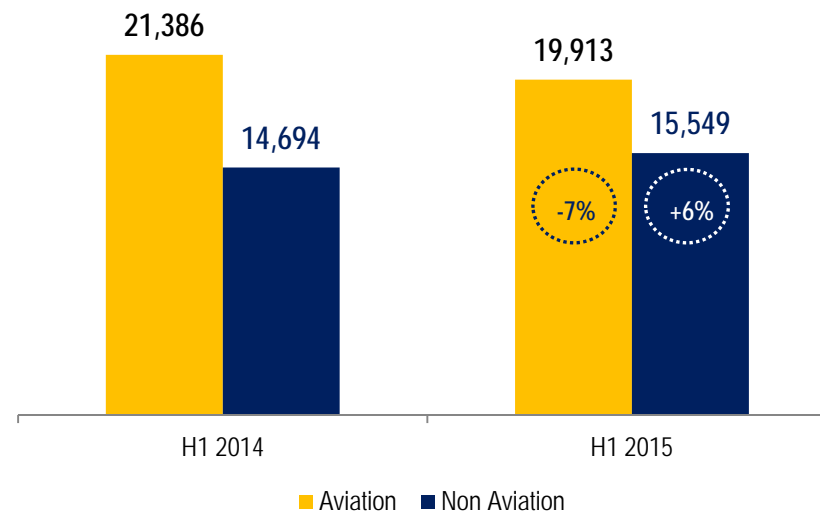
* IFRIC 12. Not relevant difference in EBITDA adjusted due to low level of IFRIC 12 revenues and costs in H1 2015

Segment share in revenues H1 2015



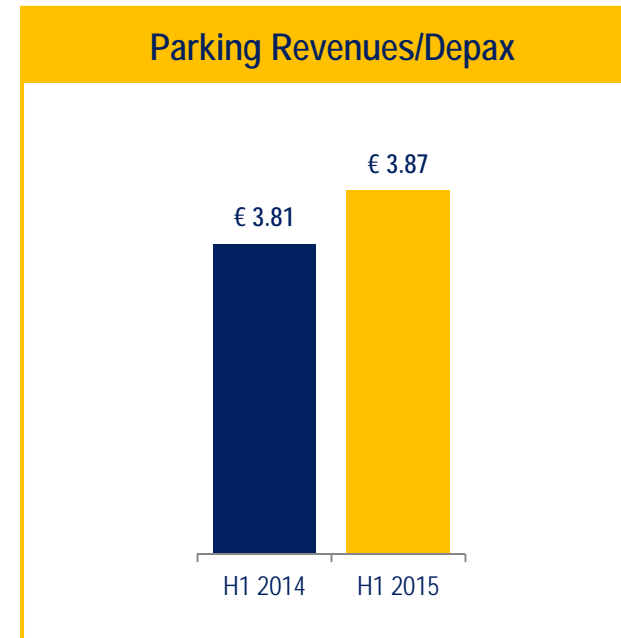
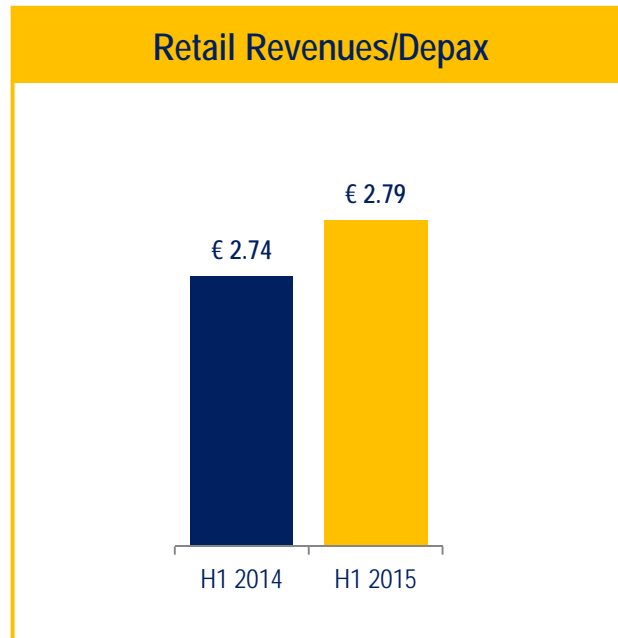
■ Aviation ■ Non Aviation

Aviation & Non Aviation Revenues H1 2015 /2014 ('000€)



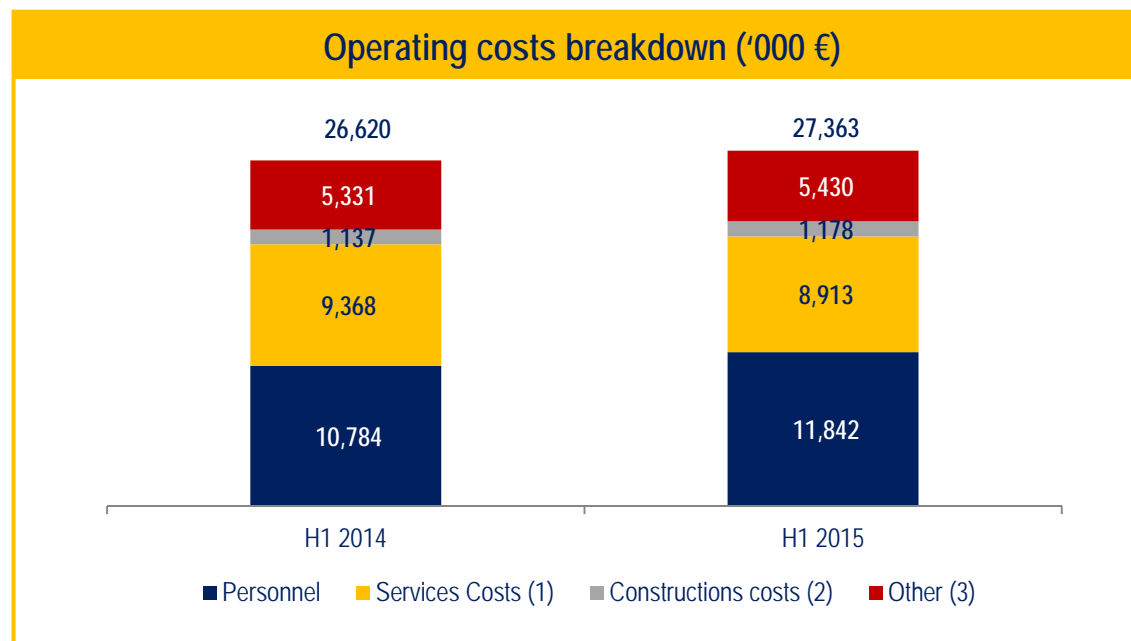
Business Unit Aviation ('000 €)	H1 2015	H1 2014	Var. % H1 15 – H1 14
Passengers	19,171	18,473	4%
Airlines	8,284	8,415	-2%
Airport operators	1,457	1,678	-13%
Traffic incentives	(10,397)	(8,932)	16%
Constructions revenues *	716	989	-28%
Other aviation revenues	682	763	-11%
Total revenues AVIATION	19,913	21,386	-7%

Business Unit Non Aviation ('000 €)	H1 2015	H1 2014	Var% H1 15 – H1 14
Retail and Advertising	5,097	4,866	5%
Parking	6,055	5,800	4%
Real estate	1,103	1,090	1%
Passenger services	1,952	1,779	10%
Constructions revenues *	522	205	154%
Other non aviation revenues	820	954	-14%
Total Revenues NON AVIATION	15,549	14,694	6%



- **Retail**: good results in H1 retail revenues in comparison with 2014 (+4,8%) thanks to a) good performance of Food & Beverage b) growth in *Duty Free* revenues given by traffic increase
- **Parking**: although some road works interesting car park area, in H1 parking revenues increase by 4,4% in comparison with 2014 thanks also to new car access operating since March and some extra services (Telepass access and online booking system)

OPERATING COSTS: TIGHT COST CONTROL IN PLACE



→ **Personnel:** increase in staff costs due to

- a) new National airport labor contract in place since September 2014,
- b) growth in headcount related to insourcing of information service, baggage trolleys collection, arrival PRM service. This effect of insourcing was more than offset by decrease in services costs.

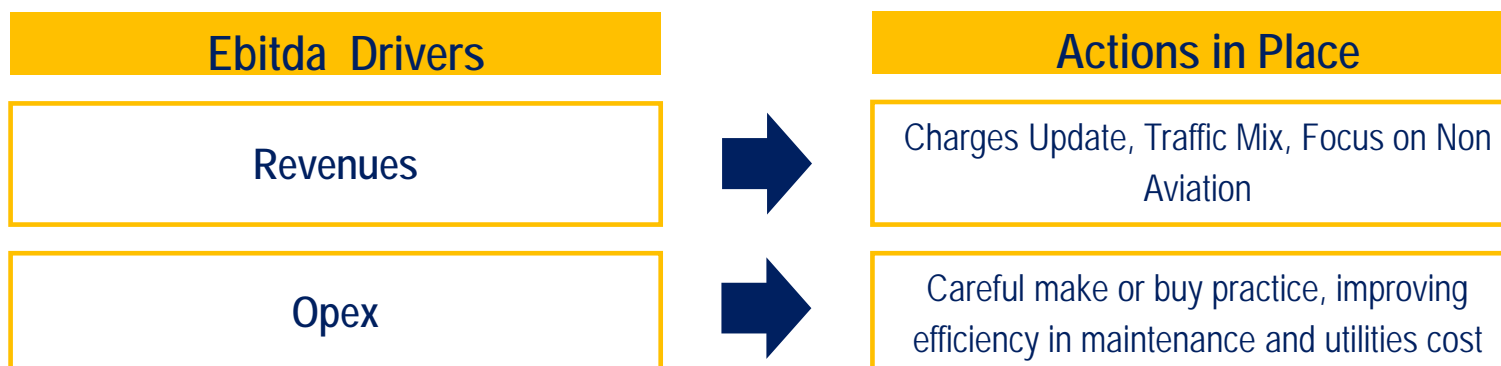
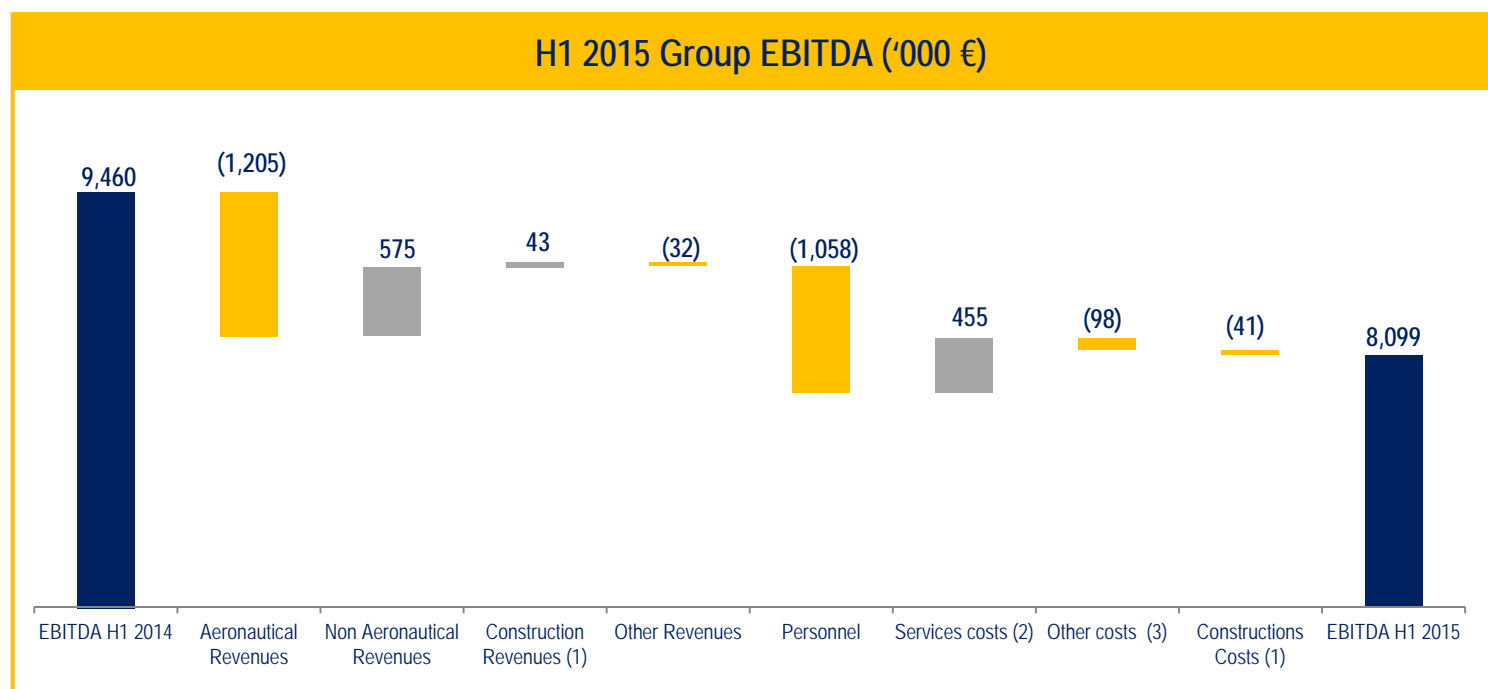
→ **Services costs:** decrease due to

- a) insourcing of some services since October 2014,
- b) less maintenance works thanks to recent terminal restyling,
- c) lower utilities costs thanks to new tri-generation plant (since 31 March 2015). These savings allowed to offset higher service costs incurred for the snow storm in February, the new cleaning contract in place since August 2014, statutory bodies fee (more meetings due to IPO project)

(1) IFRIC 12. Not relevant difference in EBITDA adjusted due to low level of IFRIC 12 revenues and costs in H1 2015

(2) Services: includes outsourced services, maintenance, utilities costs, G&A, marketing agreements with airlines not linked to volumes

(3) Other: includes consumables and goods, rental fees and other costs and other operating expenses



(1) IFRIC 12. Not relevant difference in EBITDA adjusted due to low level of IFRIC 12 revenues and costs in H1 2015
 (2) Services: includes outsourced services, maintenance, utilities costs, G&A, marketing agreements with airlines not linked to volumes
 (3) Other: includes consumables and goods, rental fees and other costs and other operating expenses

NET PROFIT AFFECTED BY HIGHER NON CASH ITEMS AND LOWER TAXATION



<i>Euro thousands</i>	H1 2015	H1 2014	Var H1 15/14	Var % H1 15/14
Concession Rights Amortization	(2,578)	(2,501)	77	3%
Amortization & Depreciation	(937)	(867)	70	8%
Amortization and Depreciation	(3,515)	(3,368)	147	4%
Provision for Doubtful Accounts	(8)	159	(167)	-105%
Airport Infrastructure Provision	(1,550)	(1,257)	293	23%
Other Accruals	(15)	8	-23	-288%
Accruals	(1,573)	(1,090)	483	44%

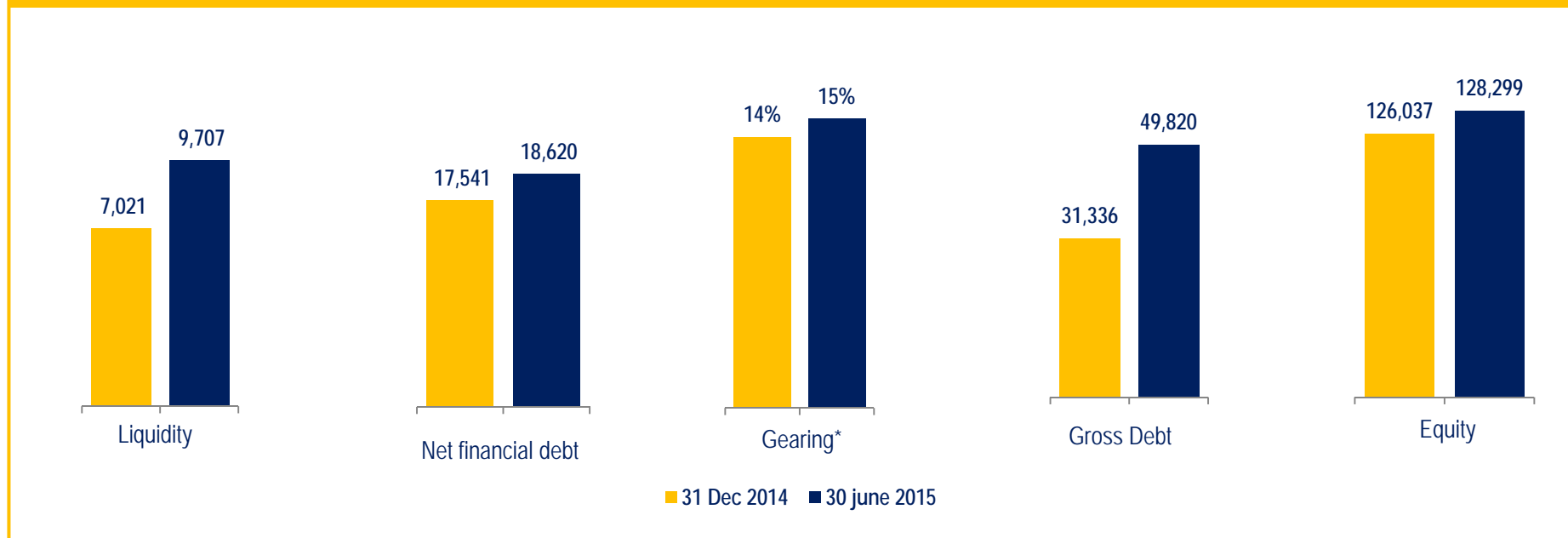
<i>Euro thousands</i>	H1 2015	H1 2014	Var H1 15/14	Var % H1 15/14
Taxes	(735)	(1,662)	(927)	-56%

- **Amortization and Depreciation:** in line with H1 results
- **Provision for Doubtful Accounts:** release in H1 2014 of part of Risk and Charges Provision
- **Airport Infrastructure Provision:** higher accruals for Airport Infrastructure Provision
- **Taxes:** decrease in taxes ought to tax benefit from new IRAP regulation

<i>Euro thousands</i>	H1 2015	H1 2014	Var H1 15/14	Var % H1 15/14
Revenues	① 35,462	36,080	(618)	-2%
Operating Costs	(27,363)	(26,620)	743	3%
EBITDA	② 8,099	9,460	(1,361)	-14%
EBITDA Adjusted*	8,040	9,403	(1,363)	-14%
Concession Rights Amortization	(2,578)	(2,501)	77	3%
Amortization & Depreciation	(937)	(867)	70	8%
Amortization, Depreciation and Write-Downs	(3,515)	(3,368)	147	4%
Provision for Doubtful Accounts	(8)	159	(167)	-105%
Airport Infrastructure Provision	(1,550)	(1,257)	293	23%
Other Accruals	(15)	8	-23	-288%
Accruals	③ (1,573)	(1,090)	483	44%
Total Costs	(32,451)	(31,078)	1,373	4%
EBIT	3,011	5,002	-1,991	-40%
Financial Income	87	76	11	14%
Financial Expenses	(332)	(920)	(588)	-64%
EBT	2,766	4,158	(1,392)	-33%
Taxes	④ (735)	(1,662)	(927)	-56%
Net Profit (loss)	⑤ 2,031	2,496	-465	-19%
Minority Interest	49	47	2	4%
Group Net Profit	1,982	2,449	(467)	-19%

- ① H1 2015 Revenues: revenues decrease (-2%) is due to low increase in aviation charges and substitution on some routes of legacy with low cost carriers
- ② H1 2015 EBITDA: decrease in EBITDA (-14%) is mainly due to reduction in aeronautical revenues and growth in staff costs
- ③ H1 2015 Accruals: increase by 44% mainly due to higher Accruals for Airport Infrastructure Provision and release H1 2014 of part of Risk and Charges Provision
- ④ H1 2015 Taxes: decrease in taxes (-56%) ought to tax benefit from new IRAP regulation
- ⑤ H1 2015 Net Profit: net profit shows a decrease (-19%) mainly due to lower operating margin

H1 2015 Consolidated Asset & Financial Situation ('000 €)

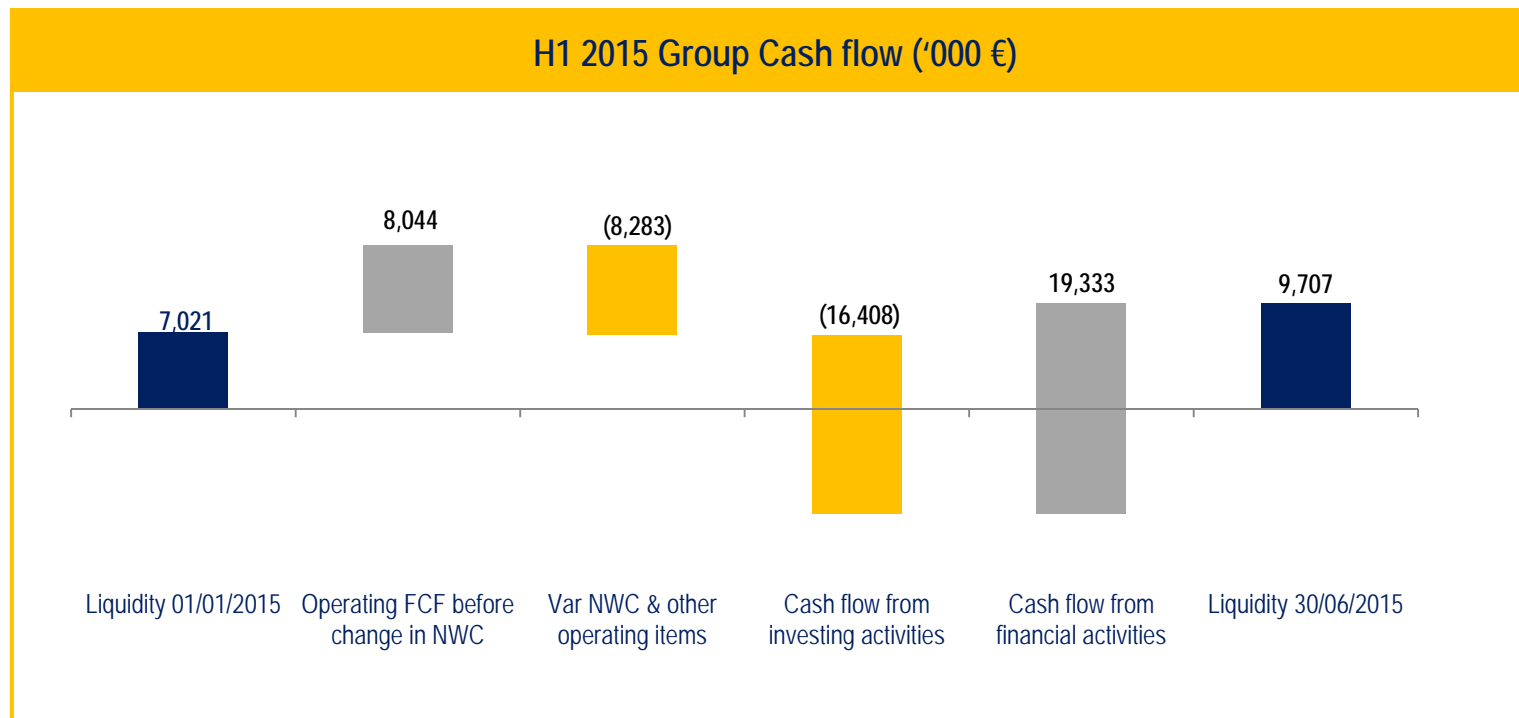


➔ Group Net Debt of Euro 18.6 million in line with Euro 17.5 million of December 31, 2014

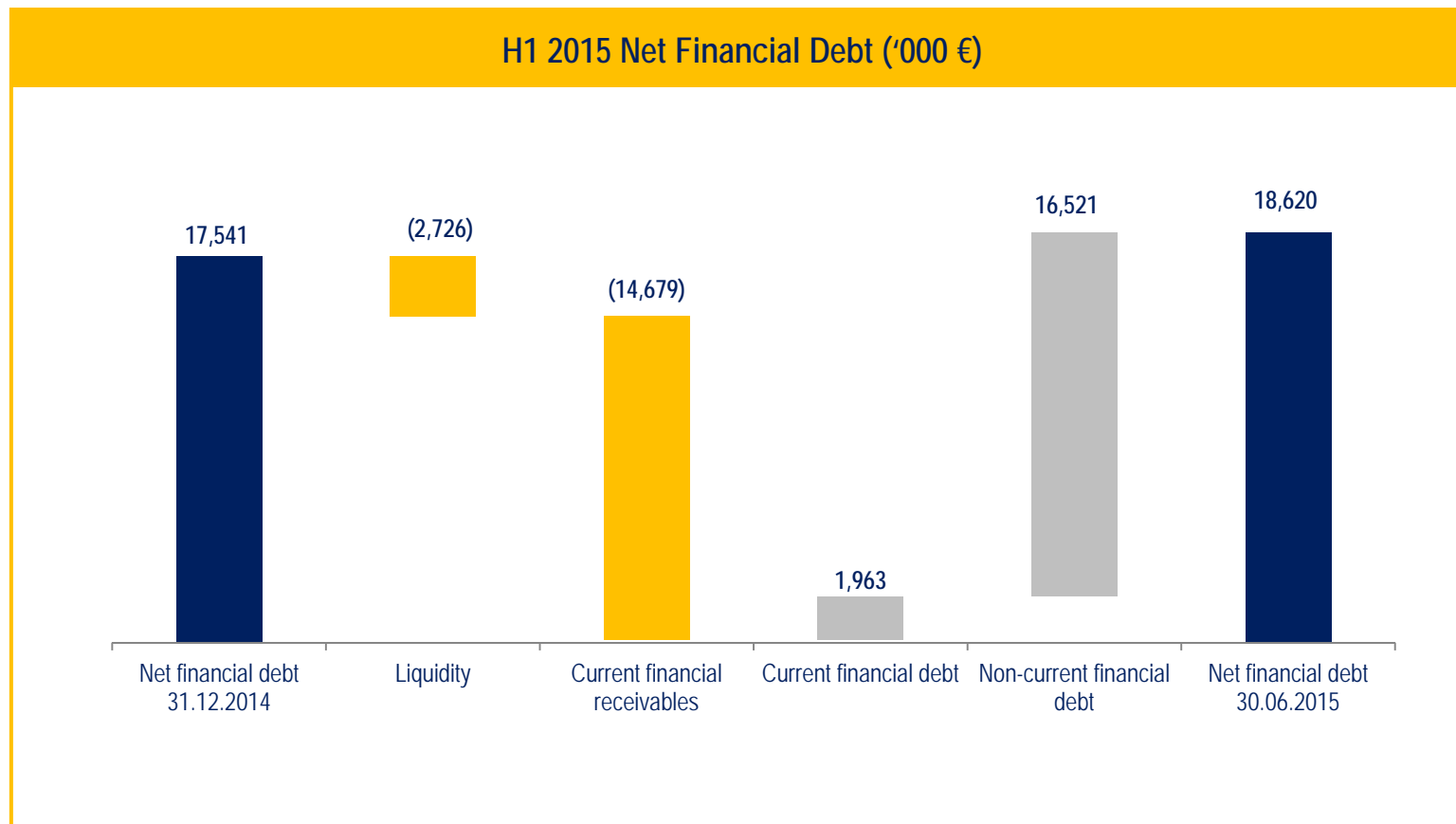
➔ Solid Capital Structure

* Net financial debt / Equity

CASH-FLOW – AFFECTED BY NEW LOAN AND INVESTMENT



- **Group liquidity** as of June 30, 2015 increases by Euro 2.7 mln vs 31.12.2014 thanks to cash (Euro 23 million) generated by the new loan agreement aimed to support the infrastructure development plan.
- **Operating FCF** before change in NWC amounts to Euro 8 million in H1 2015 (- 1.4 mln Euro vs 2014)
- **NWC** is affected by a) decrease in cash flows from operating activities (-1.4 million Euro compared to H1 2014), b) payment of income taxes in the first half of 2015 by cash (3.9 million), while in 2014 the payment was in 2H of the year and the amount was much lower due to a tax credit for the year 2013.
- **Cash flow from investing activities** concerned a) short term liquidity investment (Euro 15 mln coming from the new loan), b) investments realized in the period (approx Euro 2 mln), c) collection of Euro 0.6 mln credit mainly due to 2012 transfer of ground handling company shares
- **Cash flow from financial activities** is due to the collection of Euro 23 million (new loan), net of H1 2015 debt repayments.



→ Group Net Debt of Euro 18.6 million in line with Euro 17.5 million of December 31, 2014

- New flight (2 weekly flights) to **Chisinau** operated by **Wizzair** since 30th September 2015
- New frequencies to **Moscow**: the flight operated by **Aeroflot** from actual 7 flights per week to 11 flights per week since 25th October 2015
- New daily flight to **Berlin** operated by **Ryanair** since 27th October 2015
- New flight (2 f weekly flights) to **Copenhagen** operated by **Ryanair** since 5th November 2015
- New daily flight to **Dubai** since 3rd November 2015 operated by **Emirates** through Boeing 777-300ER in a three class configuration. Emirates will offer the only long-haul wide-bodied service to and from Bologna. The new flight will add 5,040 international seats per week to and from the city, enabling customers in Bologna and the surrounding region to conveniently access key Emirates destinations in the Far East, Middle East, Africa and West Asia.





Next step

3rd quarter 2015 results:

13th November 2015



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↑ Bologna, August 28th 2015

