FINANZIARIA INTERNAZIONALE

Consolidated half year financial report
as at 30 June 2017

Meeting of the Board of Directors of 4 October 2017

Finanziaria Internazionale Holding S.p.A.
Via Vittorio Alfieri, 1 – 31015 Conegliano (TV)
www.finint.it

Corporate Bodies

Board of Directors

Enrico Marchi
Chairman

Giovanni Perissinotto
Director

Daniele Da Lozzo
Director

Mauro Sbroggiò
Director

Board of Statutory Auditors

Standing Auditors up to 26 September 2017

Lino De Luca - ***Chairman***

Denis Bozzetto

Lodovico Tommaseo Ponzetta

Standing Auditors from 27 September 2017

Mario Bonamigo - ***Chairman***

Denis Bozzetto

Alberto De Luca

Independent Auditors

Deloitte & Touche S.p.A.

Consolidated half year report as at 30 June 2017

The Finanziaria Internazionale Group in the first half of 2017

In the period in question, the Finanziaria Internazionale Group has confirmed its expansion in the sectors in which it operates and has continued its strategy of expanding into new markets and products.

Its vocation for innovation, territorial rooting and international orientation continue to form the strength that has allowed it to keep up its activities supporting companies and to consolidate a positive trend in the aftermath of the transition phase experienced in previous years.

In the six months herein analysed, the main business areas reported positive results, in line with expectations, despite strengthening and growth costs.

With regard to Group structure, with the exit of one of the two shareholders and the entry of new shareholders into the controlling stake in SAVE S.p.A. at the beginning of August, the ownership structure was altered, which made a positive impact on the net equity of the Parent Company by reducing and reshaping the financial debt.

General background

The macroeconomic scenario of the first half of 2017 was not particularly different from last year. Signs of a stable start-up of a global recovery of the economy were mixed with some uncertainty that makes any forecast riskier.

Volatility was very low in the financial markets. The uncertainty enveloping the economic policies worldwide is still high, and it might have negative repercussions on investors' evaluations.

In Europe, the Brexit issue continues to be unresolved in the aftermath of the French elections that strengthened the European Union, and its economic and political implications are still not entirely clear-cut. In view of the favourable economic activity growth signs and the surprising downward trends of inflation against forecasts, the ECB continues to retain a high degree of monetary accommodation as it considers it necessary in order to ensure a long-lasting adjustment of inflation to its objectives.

The upward trend of Italy's economy is surprising, and led its growth estimates for 2017 to be revised by ISTAT and prompted the Bank of Italy to fully revise the GDP growth estimates for 2017-2019 on an upward scale.

The expansion of loans granted to the private non-financial sector is boosted by household loans. The trend of loans to companies is still differentiated between sectors and company size. Loans are definitely increasing in services, are growing slightly in manufacturing, and continue to fall off in construction. Credit quality is further improving due to the more favourable economic situation. Non-performing loans have dropped off. For those groups classified as significant, the cover rate (52.8% at the end of the first quarter) is about 8% higher than the average rate of the major European banks.

As reported by ACI Europe, after a first quarter that closed with a good average increase of 6.9% (+7.2% EU airports and +5.9% Non-EU airports), European traffic continued its trend in April and May with the Non-EU airports particularly recovering due to the upswing in tourist flows from Russia (the two largest airports of the Russian capital grew by 19.1% and 17.2% in May)[1].

[1] Source: Bank of Italy Bulletin

Operating performance and key operations

The Group has continued along its innovative path to develop the various business areas, on the strength of the professionalism that distinguishes it and of the experience accumulated in decades of history.

Results of the Finanziaria Internazionale Group

The reclassified consolidated income statement and key capital and financial indicators for the first half of 2017 as compared to the period of reference of the previous year are illustrated below.

It should be noted that as from financial year 2016, as a result of the abrogation of Legislative Decree 87/92, the annual financial statements of the Company and the consolidated annual financial statements of the respective Group have been drawn up on the basis of IAS/IFRS. The six-month period of 2016 was therefore changed to take into account the different accounting standards.

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

(Euro/000)

	30/06/2017	30/06/2016*	Change	% Change
Earnings for servicing	8,994	8,412	582	6.9%
Earnings for advisory and structuring activities	2,363	4,581	(2,218)	-48.4%
Management fees	4,156	3,680	476	12.9%
Earnings from performance of services	20,746	20,002	744	3.7%
Other income	2,462	1,493	969	64.9%
Operating revenue and other income	**38,721**	**38,168**	**553**	**1.4%**
Raw and ancillary materials, consumables and goods	182	209	(27)	-12.9%
Services	13,288	13,413	(125)	-0.9%
Lease and rental costs	1,346	1,142	204	17.9%
Personell costs	18,027	16,783	1,244	7.4%
Other charges	1,607	1,306	301	23.0%
Total operating costs	**34,450**	**32,853**	**1,597**	**4.9%**
EBITDA (**)	**4,271**	**5,315**	**(1,044)**	**-19.6%**
Amortisation and write-downs of intangible fixed assets	179	277	(98)	-35.4%
Amortisation and write-downs of tangible fixed assets	694	643	51	7.9%
Write-down of current assets	619	447	172	38.5%
Total amortisation, depreciation and write-downs	**1,492**	**1,367**	**125**	**9.1%**
EBIT	**2,779**	**3,948**	**(1,169)**	**-29.6%**
Financial income (expenses)	813	(9,927)	10,740	-108.2%
Profit (loss) from associates and joint venture's carried at equity	89	(15,297)	15,386	-100.6%
PROFIT (LOSS) BEFORE TAXES	**3,681**	**(21,276)**	**24,957**	**-117.3%**
Taxes	1,517	857	660	77.0%
PROFIT (LOSS) ON CONTINUING OPERATIONS	**2,164**	**(22,133)**	**24,297**	**-109.8%**
Profit (loss) from discontinued operations/held-for-sale	8,178	6,247	1,931	30.9%
NET PROFIT (LOSS)	**10,342**	**(15,886)**	**26,228**	**n.a.**
Group net profit (loss)	**2,132**	**(20,261)**	**22,393**	**n.a.**
Minority interest	8,210	4,375	3,835	n.a.

(*) The statements of reconciliation between the income statement according to the Italian standards and the IAS/IFRS income statement for the first half of 2016 are found at the end of this report.

(**) It should be noted that "EBITDA" means the result before amortisation/depreciation, losses on loans, financial management and taxes.

The first half of 2017 ended with a significant **total consolidated profit** of €10,342 thousand; the profit of the Group was equal to €2,132 thousand, the minority interests' share of profit was equal to €8,210 thousand. It is pointed out that non-recurring components, such as losses and assessment of the Monte dei Paschi di Siena stock for €6,237 thousand and valuation at equity of the investee Ferak S.p.A. for €15,360 thousand, made a negative impact in the previous half-year.

The value of the **operating revenue and other income** rose by 1.4% compared to the previous half-year, going up from €38,168 thousand to €38,721 thousand.

EBITDA amounted to €4,271 thousand compared to €5,315 thousand at 30 June 2016. Group operating costs followed the development of the activities in the various business areas and reflected the increase in resources employed. At 30 June 2017, the Group had 710 employees and contract staff (without considering 1,230 employees and contract staff of the proprietary investments business held for sale) as compared to the 679 of the same period the year before.

EBIT amounted to €2,779 thousand compared to the €3,948 thousand of the previous half-year period.

The **result of financial operations** was positive in the amount of €902 thousand (-€25,224 thousand at 30 June 2016). As previously mentioned, the first half of 2016 was affected by non-recurring components, such as the losses from valuation of securities and equity investments. More specifically, Ferak S.p.A. suffered from the negative performance of the Assicurazioni Generali stock, which fell from a stock exchange listing at 31 December 2015 of €16.92 per share to €10.55 per share at 30 June 2016. The stock exchange listing at 30 June 2017 amounted to €14.41 per share compared to €14.12 per share at 31 December 2016.

Taxes amounted to €1,517 thousand compared to the €857 thousand of the previous half-year period. Advance taxes fell as a result of the decreased current taxes on the result for the period, which fell from €1,793 thousand to €1,008 thousand.

Profit from discontinued operations/assets held for sale refers to the chain of command of SAVE S.p.A. The result includes the profit of SAVE S.p.A. made during the first half, amortisation for the concessions recorded in the consolidated financial statements and financial charges of the company structure of reference.

Consolidated Group profit amounted to €2,132 thousand, minority shareholders' profit equalled €8,210 thousand, mainly in relation to other SAVE shareholders, and the consolidated total result amounted to €10,342 thousand compared to the €15,886 thousand loss in the previous six-month period.

GROUP RECLASSIFIED BALANCE SHEET

(Euro/000)

	30/06/2017	31/12/2016	Change
Property, plant and equipment	19,600	19,607	(7)
Intangible fixed assets	19,673	19,315	358
Financial fixed assets	55,432	55,889	(457)
Deferred tax assets	8,087	8,694	(607)
TOTAL FIXED ASSETS	**102,792**	**103,505**	**(713)**
Reserve for termination indemnities and other employee provisions	(6,143)	(6,034)	(109)
Provision for risks and charges and deferred taxes liabilities	(3,561)	(3,586)	25
Other non-current financial assets	9,135	8,314	821
Assets held-for-sale	1,044,180	1,083,008	(38,828)
FIXED CAPITAL	**1,146,403**	**1,185,207**	**(38,804)**
Inventories	9,447	9,441	6
Trade receivables	54,761	40,261	14,500
Tax assets	5,467	6,121	(654)
Trade payables	(27,872)	(21,016)	(6,856)
Tax payables	(2,711)	(2,247)	(464)
Social security payables	(2,586)	(2,679)	93
Other payables	(7,306)	(7,347)	41
Liabilities related to assets held-for-sale	(263,642)	(266,889)	3,247
TOTAL NET WORKING CAPITAL	**(234,442)**	**(244,355)**	**9,913**
TOTAL CAPITAL EMPLOYED	**911,961**	**940,852**	**(28,891)**
Total Group's net equity	47,024	64,396	(17,372)
Minority interests	277,347	312,029	(34,682)
TOTAL NET EQUITY	**324,371**	**376,425**	**(52,054)**
Cash and cash equivalents	(89,974)	(89,508)	(466)
Bank payables - current portion	104,393	85,891	18,502
Bank payables - non-current portion	80,642	84,212	(3,570)
Equity securities and bonds	35,763	35,682	81
Financial receivables	(73,816)	(51,127)	(22,689)
Financial payables	136,120	90,720	45,400
Other financial assets	(90,962)	(55,732)	(35,230)
Financial assets/liabilities related to assets held-for-sale	485,424	464,289	21,135
NET FINANCIAL POSITION	**587,590**	**564,427**	**23,163**
TOTAL FINANCING SOURCES	**911,961**	**940,852**	**(28,891)**

If analysed as a whole, and therefore without considering the effects of the reclassifications in applying IFRS 5, the Group’s equity structure during the first half of 2017 was affected by the sale of the equity investment held in Centostazioni S.p.A. for roughly €40 million.

Consolidated net equity dropped from €376,425 thousand to €324,371 thousand. The main changes are:

- payment of dividends by subsidiaries;
- the purchase of minority interests in Archimede 1 S.p.A. and Sviluppo 35 S.p.A., which caused a reduction in minority interests.

NET FINANCIAL POSITION

(Euro/000)	30/06/2017	31/12/2016	Change
Cash and cash equivalents	(89,974)	(89,508)	(466)
Bank payables - current portion	104,393	85,891	18,502
Bank payables - non-current portion	80,642	84,212	(3,570)
Equity securities and bonds	35,763	35,682	81
Financial receivables and financial payables	62,258	39,527	22,731
Other financial assets	(90,962)	(55,732)	(35,230)
Net financial position before *Discontinued Operations*	**102,120**	**100,072**	**2,048**
Financial assets of Discontinued Operations	(16,471)	(24,299)	7,828
Financial liabilities of Discontinued Operations	501,941	488,654	13,287
Net financial position	**587,590**	**564,427**	**23,163**

The Group net financial position showed debt of€587,590 thousand as compared to €564,427 thousand at 31 December 2016.

The complex transaction between the Parent Company's shareholders in August involved the sale of the control interest in SAVE, and this significantly reduced financial exposure.

Operating results by business area

We provide below the six-month consolidated results compared with that for the same period of the previous year, by sub-holding:

- Agenzia Italia S.p.A. for the Business Process Outsourcing area;
- Finint S.p.A. for the Investment Banking & Asset Management area;
- SAVE S.p.A. Group for the Proprietary Investments area.

Business Process Outsourcing

The performance of the Agenzia Italia Group (also BPO Group) in the first half of 2017 was as follows.

(Euro/000)

BPO Business	30/06/2017	30/06/2016	2016	% change
Operating revenue	**20,926**	**20,152**	**42,122**	**4%**
Operating expenses	**(19,356)**	**(18,864)**	**(38,572)**	**3%**
of which goodwill amortisation	*(515)*	*(515)*	*(1,030)*	*0%*
Operating profit	**1,570**	**1,288**	**3,550**	**22%**
Investment income	0	0	262	n.a.
Other financial income	448	225	762	99%
Financial expenses	(162)	(214)	(429)	-24%
Write-down/up of financial assets	14	(3)	(116)	n.a.
Financial result	**300**	**8**	**479**	**n.a.**
Extraordinary items	0	956	739	-100%
Profit (loss) gross	**1,870**	**2,252**	**4,768**	**-17%**
Taxes	(866)	(856)	(1,985)	1%
Consolidated net profit (loss)	**1,004**	**1,396**	**2,783**	**-28%**
Group interest profit (loss)	1,119	1,612	3,047	-31%
Minority interests' profit (loss)	(115)	(216)	(264)	-47%
Consolidated net equity	**32,745**	**31,831**	**33,354**	**3%**
Group's shareholders' equity	31,928	30,834	32,308	4%
Minority interests' net equity	817	997	1,046	-18%

The BPO Group ended the first half of 2017 with a net profit of €1,004 thousand (€1,396 thousand at 30 June 2016) and net equity of €32,745 thousand (€33,354 thousand at 31 December 2016). Extraordinary components, such as capital gains on the sale of 10% of Finanziaria Internazionale Investments SGR S.p.A., made a positive impact on the previous six-month period.

Operating revenue was €20,926 thousand, up 4% with respect to the first half of 2016. Operating costs amounted to €19,356 thousand, against €18,864 thousand in the comparison period. Operating profit was €1,570 thousand, showing a 22% increase compared to 30 June 2016. Profit before tax amounted to €1,870 thousand. Upon comparison, the profit of the first half of 2016 benefited from the effect of the extraordinary components that for the most part included the capital gains on the sale of 10% of Finanziaria Internazionale Investments SGR S.p.A.

The Group's share of the profit amounted to €1,119 thousand and the Group consolidated net equity amounted to €31,928 thousand.

Investment Banking & Asset Management

The six-month performance of the companies in the Investment Banking & Asset Management area, which have Finint S.p.A. as Parent Company, was as follows.

(Euro/000)

Investment Banking & Asset Management Business	30/06/2017	30/06/2016
Net interest income (expenses)	1,422	708
Net commission income (expenses)	17,568	18,165
Total financial and service margin	**18,990**	**18,873**
Other financial income	323	(50)
Net value adjustments/revaluations due to impairment of receivables	(208)	(354)
Net profit (loss) form financial activities	**19,105**	**18,469**
Personell costs	(9,823)	(8,714)
Other administrative expenses	(5,546)	(5,759)
Amortisation, depreciation and write-downs	(181)	(130)
Other operating income (charges)	85	(142)
Total operating costs	**(15,465)**	**(14,745)**
Profit (loss) gross	**3,640**	**3,724**
Taxes	**(1,637)**	**(856)**
Consolidated net profit (loss)	**2,003**	**2,868**
Group interest profit (loss)	1,836	2,093
Minority interests' profit (loss)	(167)	(775)
	30/06/2017	**31/12/2016**
Consolidated net equity	**85,242**	**84,560**
Group's net equity	73,572	73,062
Minority interests' net equity	11,670	11,498

In the first half of 2017, the companies under the control of Finint S.p.A. continued to operate in the sectors of structured finance and securitisation services, asset & wealth management, private equity, and corporate finance. Through the Banca Finint S.p.A. subsidiary, the sub-Group operates in the private banking and wealth management sectors.

In the six-month period, there was a slight increase in the financial and services margins, which in the period in question reached €18,990 thousand, against €18,873 thousand of the first half of 2016, with a 0.6% increase. Total operating costs were equal to €15,465 thousand (€14,745 thousand at 30 June 2016), mainly representing personnel costs and other administration costs incurred to strengthen the new organisational structure. At 30 June 2017, the employees of the Finint S.p.A. group were 247, against 225 in the corresponding previous period. In the six-month period ended 30 June 2017, the area reported a consolidated profit equal to €2,003 thousand, of which €1,836 thousand attributable to the Group.

Consolidated net equity was equal to €85,242 thousand, of which €73,572 thousand attributable to the Group. Total assets were €274,963 thousand, made up of financial assets available for sale, receivables from banks and receivables from customers. It also includes goodwill on the controlling equity investments held (€33,586 thousand).

As for the main operating companies of the sub-Group, we note that, in the first half of the year, Banca Finint reported a net profit of €4,288 thousand, Securitisation Services S.p.A. a net profit of €3,621 thousand, and Finanziaria Internazionale Investments SGR S.p.A. a net profit of €625 thousand.

Proprietary investments

Infrastructure

(Euro/000)

SAVE S.p.A. - Interim consolidated financial statements	30/06/2017	30/06/2016	% Change
Operating revenues and other income	91,556	85,964	6.5%
EBITDA	40,778	36,578	11.5%
EBIT	26,419	25,271	4.5%
EBT	24,856	23,881	4.1%
Group net profit (loss)	**17,695**	**15,671**	**12.9%**
	30/06/2017	**31/12/2016**	**Var. %**
Consolidated net equity	**211,885**	**251,754**	**-15.8%**
Group's net equity	202,402	222,504	-9.0%
Minority interests' net equity	9,483	29,250	-67.6%

The main subsidiary of the Group, SAVE S.p.A., a company listed on Mercato Telematico Azionario (MTA) of the Italian Stock Exchange, operates in the airport sector. The company directly manages the Marco Polo Airport in Venice, controls the Antonio Canova Airport in Treviso, and holds sizeable equity investments in the Valerio Catullo Airport in Verona and the Charleroi (Belgium) Airport. At 30 June 2017, taking into account also the purchase of treasury shares by SAVE S.p.A., the equity interest of the Finanziaria Internazionale Group accounted for 60.358% of the performance of the SAVE S.p.A. Group. As reported in the section “Significant events after the end of the six-month period”, to which the reader is referred for more detailed information, the controlling interest in SAVE S.p.A. was sold to a newly formed company jointly controlled by Finanziaria Internazionale Holding S.p.A. and by the European infrastructure funds managed by Deutsche Asset Management and InfraVia Capital Partners.

In the period in question, the SAVE S.p.A. Group has seen a continuation of the positive trends observed, for both activity volumes and the main profitability indicators. Total consolidated net profit was €17.9 million, up from €16 million at 30 June 2016 (+18.6%). Revenues were €91.6 million in the first half of the year, with a 6.5% increase with respect to the first half of 2016. EBIT was equal to €26.4 million, against €25.3 million in the comparison period, a 4.5% increase. The net equity attributable to the SAVE group was €202.4 million, against €222.5 million at the end of 2016.

Equity Investment Portfolio

Finanziaria Internazionale directly holds equity investments in companies in the service and industrial sectors, as well as in credit institutions.

Among the main equity investments, there is the investment in Ferak S.p.A., representing 24.01% of voting rights and 11.92% of profit rights.

Significant events after the end of the six-month period and business performance outlook

After the end of the six-month period, the preliminary agreement signed by the shareholders of the Parent Company in the early months of the year was executed. The agreement envisaged the sale of the controlling interest in SAVE to a newly formed company (Milione S.p.A.) that is jointly controlled by Finanziaria Internazionale Holding S.p.A. and by the European infrastructure funds managed by Deutsche Asset Management and InfraVia Capital Partners.

On 9 August the company Milione S.p.A. directly and indirectly acquired control of SAVE and, pursuant to Art. 102.1 of Italian Legislative Decree no. 58, 24 February 1998 (“TUF”), it announced that it had met the conditions required by law for promoting the Mandatory Bid through its subsidiary Agorà, which will take place in September.

Following a phase of transition and significant changes that culminated in the exit of one of the two shareholders, the second six-month period will mark the beginning of a new season of development and growth to make the Group even more solid from the equity standpoint, and increasingly competitive from the perspective of corporate structure, expertise, presence and ability to offer itself to the market.

FINANZIARIA INTERNAZIONALE
Holding

JOINT-STOCK COMPANY (S.p.A.)
Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260
Tax code no. 01130140260 - VAT no. 00798100269
Share capital 1.859.630,00 fully paid-up
www.finint.com

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2017

BALANCE SHEET

(Euro/000)

Assets

ASSETS	NOTE	AT 30/06/2017	AT 31/12/2016
Cash and cash equivalents	1	89,974	89,508
Other financial assets	1	90,031	54,794
Tax assets	1	5,467	6,121
Trade receivables	1	74,205	51,944
Inventories	1	9,447	9,441
Total current assets		269,124	211,808
Assets held-for-sale	2	1,060,651	1,107,307
Property, plant and equipment	2	19,600	19,607
Airport concession rights	2	0	0
Other intangible fixed assets with finite useful life	2	1,559	1,474
Goodwill - other intangible fixed assets with indefinite useful life	2	18,114	17,841
Equity investments in associates and joint venture's carried at equity	2	52,894	52,950
Other equity investments	2	2,538	2,939
Other non-current financial assets	2	931	938
Other non-current assets	2	63,507	47,758
Deferred tax assets	2	8,087	8,694
Total non-current assets		1,227,881	1,259,508
TOTAL ASSETS		1,497,005	1,471,316

BALANCE SHEET

(Euro/000)

Liabilities and Net Equity

LIABILITIES	NOTE	AT 30/06/2017	AT 31/12/2016
Trade payables	3	97,163	60,089
Tax payables	3	2,711	2,247
Bank payables - current portion	3	104,393	85,891
Other financial payables - current portion	3	36,522	36,550
Total current liabilities		**240,789**	**184,777**
Liabilities related to assets held-for-sale	4	765,537	755,477
Other non-current payables	4	67,502	51,994
Bank payables - non-current portion	4	80,642	84,212
Other financial payables - non-current portion	4	8,460	8,811
Deferred tax liabilities	4	2,520	2,542
Reserve for termination indemnities and other employee provisions	4	6,143	6,034
Other provisions for risks and charges	4	1,041	1,044
Total non-current liabilities		**931,845**	**910,114**
TOTAL LIABILITIES		**1,172,634**	**1,094,891**
NET EQUITY			
Share capital	5	1,860	1,860
Share premium reserve	5	22,770	22,770
Legal reserve	5	372	372
Other reserves and profit (loss) carried forward	5	19,890	44,868
Net profit (loss)	5	2,132	(5,474)
Total Group's Net Equity	5	**47,024**	**64,396**
Minority interests	5	277,347	312,029
TOTAL NET EQUITY	5	**324,371**	**376,425**
TOTAL LIABILITIES AND NET EQUITY		**1,497,005**	**1,471,316**

INCOME STATEMENT

(Euro/000)

	NOTE	01/01/2017 - 30/06/2017	01/01/2016 - 30/06/2016
Operating revenue	6	36,259	36,675
Other income	6	2,462	1,493
Total operating revenue and other income		38,721	38,168
Raw and ancillary materials, consumables and goods	7	188	210
Services	7	13,288	13,413
Lease and rental costs	7	1,346	1,142
Personnel costs	7	18,027	16,783
wages and salaries and social security contributions	7	17,091	15,953
termination indemnity	7	935	830
other costs	7	1	0
Amortisation, depreciation and write-downs	7	873	920
intangible fixed assets	7	179	277
tangible fixed assets	7	694	643
Write-down of current assets	7	619	447
Change in inventories of raw and ancillary materials, consumables and goods	7	(6)	(1)
Other charges	7	1,607	1,306
Total costs of production		35,942	34,220
EBIT		2,779	3,948
Financial income (expenses)	8	902	(25,224)
Financial income and write backs of financial assets	8	8,397	2,651
Interest, other financial charges and write-down of financial assets	8	(7,584)	(12,578)
Profit (loss) from associates and joint venture's carried at equity	8	89	(15,297)
Profit (loss) before taxes		3,681	(21,276)
Income taxes	9	1,517	857
current	9	1,008	1,793
deferred	9	509	(936)
Profit (loss) on continuing operations		2,164	(22,133)
Profit (loss) from discontinued operations/held-for-sale	10	8,178	6,247
Net profit (loss)		10,342	(15,886)
Minority interest		8,210	4,375
Group Net Profit (loss)		2,132	(20,261)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro/000)

	I semestre 2017	I semestre 2016
Net profit (loss)	**10,342**	**(15,886)**
Gain/(loss) on available for sale financial assets	**373**	**156**
Actuarial gain/(loss) on defined benefit plans	**8**	**0**
Currency translation differences	**(4)**	**5**
Related tax effect	**(5)**	**35**
Total Gains/(Losses) on other comprehensive income statement items, net of taxes	**10,714**	**(15,690)**
Discontinued operations		
Gain/(loss) from discontinued operations	**844**	**(2,638)**
Total comprehensive income, net of taxes	**11,558**	**(18,328)**
Minority comprehensive income	**8,649**	**3,078**
Total comprehensive income (loss) pertaining to the Group	**2,909**	**(21,406)**

CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY

(Euro/000)

Refer to note 5

(Euro/000)	Share capital	Legal reserve	Share premium reserve	Currency translation reserve	Other reserves and profit (loss) carried forward	**Total Group's Net Equity**	**Minority interests**	**Total Net Equity**
Balance at January 1, 2016	**1,860**	**372**	**22,770**	**(3)**	**54,769**	**79,768**	**300,503**	**380,271**
Net profit (loss)					(5,474)	**(5,474)**	**18,088**	**12,614**
Other comprehensive profit (loss)				12	295	**307**	**44**	**351**
Other movements					(745)	**(745)**	**(757)**	**(1,502)**
Total comprehensive income				12	(5,924)	**(5,912)**	**17,375**	**11,463**
Distribution of dividends					(1,603)	**(1,603)**	**(13,912)**	**(15,515)**
Increase in consolidated companies' share capital					(7,541)	**(7,541)**	**7,960**	**419**
Purchase/sale of stakes in consolidated companies					96	**96**	**299**	**395**
Other movements					(412)	**(412)**	**(196)**	**(608)**
Balance at December 31, 2016	**1,860**	**372**	**22,770**	**9**	**39,385**	**64,396**	**312,029**	**376,425**
Balance at January 1, 2017	**1,860**	**372**	**22,770**	**9**	**39,385**	**64,396**	**312,029**	**376,425**
Net profit (loss)					2,132	**2,132**	**8,210**	**10,342**
Other comprehensive profit (loss)				(3)	297	**294**	**75**	**369**
Other movements					480	**480**	**364**	**844**
Total comprehensive income					2,909	**2,909**	**8,649**	**11,558**
Distribution of dividends						**0**	**(15,848)**	**(15,848)**
Increase in consolidated companies' share capital					(10)	**(10)**	**23**	**13**
Purchase/sale of stakes in consolidated companies					(20,260)	**(20,260)**	**(29,610)**	**(49,870)**
Other movements					(11)	**(11)**	**2,104**	**2,093**
Balance at June 30, 2017	**1,860**	**372**	**22,770**	**9**	**22,013**	**47,024**	**277,347**	**324,371**

CONSOLIDATED CASH FLOW STATEMENT

(Euro/000)

	30/06/2017	2016
Operating activities		
Net profit (loss)	10,342	12,614
- Amortisation and depreciation of intangible and tangible fixed assets	985	30,501
- Net changes in termination indemnity	109	804
- Accrual of provisions for risks and charges	319	6,827
- (Profit) loss on disposal of tangible fixed assets	(27)	12
- (Income)/charges from securities and other financial assets	2,368	8,159
- Valuation of investments under the equity method	(89)	4,371
- Change in deferred taxes	585	(7,402)
Sub-total (A)	**14,592**	**55,886**
Decrease (increase) in trade receivables	(22,584)	(8,765)
Decrease (increase) in other current assets	(6)	44
Decrease (increase) in tax assets/liabilities	1,118	(1,789)
Increase (decrease) in trade payables	2,119	23,291
Sub-total (B)	**(19,353)**	**12,781**
CASH FLOW FROM OPERATING ACTIVITIES (A+B) = (C)	**(4,761)**	**68,667**
Investing activities		
Purchases of property, plant and equipment	(771)	(8,690)
Purchases of intangible fixed assets	(538)	(82,015)
Decrease (increase) in financial fixed assets	(1,644)	(6,451)
CASH FLOW FROM INVESTING ACTIVITIES (D)	**(2,953)**	**(97,156)**
Financing activities		
New loans from/(repayment to) other lenders	15,508	34,617
(Repayment) and other changes in loan	14,555	28,945
(Increase) decrease in financial assets	(22,725)	(20,242)
Dividends paid	(784)	(15,515)
Other changes in equity	228	(859)
CASH FLOW FROM FINANCING ACTIVITIES (E)	**6,782**	**26,946**
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	**(16,664)**	**3,550**
NET CASH FLOW FOR THE YEAR (C+D+E+F)	**(17,596)**	**2,007**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**102,711**	**100,704**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**85,115**	**102,711**

EXPLANATORY NOTES AND REPORTING STANDARDS

These Group half-year condensed consolidated financial statements refer to the financial period ended 30 June 2017. They were prepared in compliance with the IFRS adopted by the European Union and that are in force on the date of their drafting.

The half-year condensed consolidated financial statements were drawn up using the going-concern principle.

The half-year condensed consolidated financial statements are stated in euro, which is also the Group's functional currency, and all values are rounded to the thousands of euro unless otherwise specified.

These consolidated financial statements include the statement of financial position, the income statement and comprehensive income statement, the statement of cash flows, the statement of changes in equity and the explanatory notes. In particular, the balance sheet is divided into current and non-current assets and liabilities, the income statement shows income and expenses by nature and the analysis of financial flows, prepared with the indirect method, is divided into operating, investment and financing activities.

Scope of Consolidation

Subsidiaries

Entities in which the Parent Company exercises control, as defined by IFRS 10, both by virtue of the holding, directly or indirectly, of a majority of the exercisable voting rights, and by effect of the right to receive the variable returns deriving from its relationship with said entities, affecting these returns and exerting its power on the companies, are consolidated line-by-line.

Those entities, whose inclusion, with reference to operating dynamics, would be irrelevant from the point of view of both quantity and quality for the purposes of a correct representation of the assets, liabilities, financial position and profit or loss of the Group, are excluded from line-by-line consolidation.

Subsidiaries are fully consolidated from the acquisition date, i.e. the date on which the Group acquires control, and cease to be consolidated on the date on which the Group loses control.

The carrying value of the equity investments included in the scope of consolidation is eliminated against the corresponding net equity and the assets and liabilities of the subsidiaries are consolidated on a line-by-line basis.
In accordance with IFRS 3, business combination transactions are accounted for by applying the purchase method, according to which the consideration transferred in a business combination is measured at the fair value, at the date of acquisition, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued in exchange for control of the acquiree.
Any difference between the price paid for the acquisition and net equity of the subsidiaries at the time of acquisition of the equity investment is allocated to specific assets, liabilities or contingent liabilities of the acquired companies on the basis of their fair value at the acquisition date, and the remaining portion, if it complies with the conditions, is attributed to goodwill. In this latter case, these amounts are not amortised but are subjected to impairment testing at least on an annual basis and in any case whenever impairment indicators are identified.
Where the acquisition cost is less than the fair value of the Group share in the net assets of the subsidiary acquired, the difference is immediately charged to the income statement.

Ancillary costs related to the acquisition are recognised in the income statement at the date on which the services are rendered.

If the business combination is carried out in several phases, at the time of the acquisition of control, the shares held previously are re-measured at fair value and any difference is recognised in profit or loss.

The value of minority shareholdings is determined in proportion to the shares held by third parties in the net identifiable assets of the acquiree.

Acquisitions of minority interests related to entities for which control is already held, or disposals of minority interests that do not involve loss of control are considered net equity transactions; any difference between the cost of acquisition/disposal and the relative portion of net assets acquired/sold is therefore accounted for as a correction of Group net equity.

All balances and intra-group transactions, including any unrealised profits and losses arising from relations between Group companies are eliminated completely.

It should be noted that the analyses conducted led to the following conclusion, relative to the scope of consolidation of the Finint Group:

- failure by the Group to exercise control over the securitisation special purpose vehicles for which the subsidiaries Securitisation Services S.p.A. and FISG S.r.l. provide services related to the various roles undertaken.

Listed below are the companies controlled by the Parent Company and the respective methods of consolidation:

Company	Currency	Share capital as at 30/06/2017	Group Share As at 30/06/2017	Group Share As at 31/12/2016	Consolidation method as at 30/06/2017
PARENT COMPANY:					
Finanziaria Internazionale Holding S.p.A.	EUR	1,859,630			
its subsidiaries:					
ABS Funding S.A.[2]	EUR	31,000	100.00%	100.00%	fully consolidated
ACB Group Sviluppo S.p.A.[2]	EUR	120,000	95.00%	95.00%	fully consolidated
Agenzia Italia S.p.A.[2]	EUR	100,000	66.50%	66.50%	fully consolidated
Agorà Investimenti S.p.A.[2]	EUR	188,737	56.91%	49.62%	fully consolidated
Banca Finint S.p.A.	EUR	71,817,500	75.99%	75.99%	fully consolidated
Evolve S.r.l.[2]	EUR	475,186	39.21%	39.21%	fully consolidated
Finanziaria Internazionale Consulting S.r.l.[2]	EUR	50,000	66.84%	66.84%	fully consolidated
Finanziaria Internazionale Investments SGR S.p.A.	EUR	2,000,000	75.99%	75.99%	fully consolidated
Fin.it S.r.l.[2]	EUR	26,000	76.55%	76.55%	fully consolidated
Finanziaria Internazionale Luxembourg S.A.[2]	EUR	9,969,000	100.00%	100.00%	fully consolidated
Finint & Partners S.r.l.[2]	EUR	50,000	68.39%	68.39%	fully consolidated
Finint & Wolfson Associati S.r.l.[2]	EUR	100,000	46.55%	46.55%	fully consolidated
Finint Corporate Advisors S.r.l.[2]	EUR	100,000	76.01%	76.01%	fully consolidated
Finint Finanziaria S.r.l.[2]	EUR	15,000	91.09%	91.09%	fully consolidated
Finint Immobiliare S.r.l.[2]	EUR	8,000,000	83.25%	83.25%	fully consolidated
Finint Mediatore Creditizio S.p.A.[2]	EUR	1,000,000	71.53%	71.53%	fully consolidated
Finint Network S.r.l. (formerly Global Point S.r.l.)[2]	EUR	100,000	66.50%	66.50%	fully consolidated
Finint Partecipazioni S.r.l.[2]	EUR	15,000	100.00%	100.00%	fully consolidated
Finanziaria Internazionale Real Estate S.r.l.[2]	EUR	10,000	100.00%	100.00%	fully consolidated
Finint Revalue Agenzia Immobiliare S.r.l.[2]	EUR	10,000	59.85%	59.85%	fully consolidated
Finint Revalue S.p.A.[2]	EUR	200,000	59.85%	59.85%	fully consolidated
Finint S.p.A.	EUR	240,651	83.11%	83.11%	fully consolidated
Finvest Fiduciaria S.r.l.[2]	EUR	103,200	75.99%	75.99%	fully consolidated
FISG S.r.l.[2]	EUR	50,000	75.99%	75.99%	fully consolidated
Fondo Finint Bond	EUR	17,017,345	54.02%	71.20%	fully consolidated
Industrial Park Sofia AD[2]	BGN	6,900,000	55.79%	55.79%	fully consolidated
Itaca S.r.l.[2]	EUR	30,000	53.20%	33.92%	fully consolidated
Logoblu Investimenti S.r.l.[2]	EUR	15,000	100.00%	100.00%	fully consolidated
Marco Polo Holding S.r.l.[2]	EUR	5,115,000	56.90%	49.62%	fully consolidated
Progetto 3 S.r.l.[2]	EUR	10,400	83.25%	83.25%	fully consolidated
RETE S.p.A.[2]	EUR	100,000	91.00%	91.00%	fully consolidated

[2] The data used for the consolidation arise from the results of the half-year financial statements of the company appropriately adjusted to suit the Parent Company's accounting standards.

Company	Currency	Share capital as at 30/06/2017	Group Share As at 30/06/2017	Group Share As at 31/12/2016	Consolidation method as at 30/06/2017
SA.FI. Insurance S.r.l. [2]	EUR	10,200	66.50%	66.50%	fully consolidated
SAVE S.p.A.	EUR	35,971,000	34.60%	30.25%	fully consolidated
its subsidiaries:					
Marco Polo Park S.r.l.	EUR	516,460	100%	100%	fully consolidated
Save International Holding S.A.	EUR	7,450,000	100%	100%	fully consolidated
Save Engineering S.r.l.	EUR	100,000	100%	100%	fully consolidated
N-Aitec S.r.l.	EUR	50,000	100%	100%	fully consolidated
Aer Tre S.p.A.	EUR	13,119,840	80%	80%	fully consolidated
Società Agricola Save a r.l.	EUR	75,000	100%	100%	fully consolidated
Triveneto Sicurezza S.r.l.	EUR	100,000	93%	93%	fully consolidated
Archimede 1 S.p.A.	EUR	25,000,000	100%	60%	fully consolidated
Save Cargo S.p.A.	EUR	1,000,000	100%	100%	fully consolidated
Archimede 3 S.r.l.	EUR	50,000	100%	100%	fully consolidated
Securitisation Services AC L.L.C.	RUB	7,700,000	74.77%	74.77%	fully consolidated
Securitisation Services MC L.L.C.	RUB	4,200,000	73.74%	73.74%	fully consolidated
Securitisation Services S.p.A.	EUR	2,000,000	76.02%	76.02%	fully consolidated
Sidari Investimenti S.r.l. in liquidazione	EUR	-	-	47.15%	(*)
Sipi Investimenti S.p.A. [2]	EUR	100,000	100.00%	100.00%	fully consolidated
Sviluppo 35 S.p.A. [2]	EUR	50,000	100.00%	87.20%	fully consolidated
Sviluppo 56 S.r.l. [2]	EUR	10,000	100.00%	100.00%	fully consolidated
Sviluppo 81 S.r.l. [2]	EUR	11,000	100.00%	100.00%	fully consolidated
Sviluppo 86 S.p.A. [2]	EUR	120,000	100.00%	100.00%	fully consolidated
SVM Securitisation Vehicles Management S.r.l. [2]	EUR	30,000	0.00%	0.00%	fully consolidated
Tricolore S.r.l. [2]	EUR	50,000	100.00%	100.00%	fully consolidated
Unicapital & Co S.C.P.A. [2]	EUR	31,000	100.00%	100.00%	fully consolidated
Unicapital S.A. [2]	EUR	32,000	100.00%	100.00%	fully consolidated

Notes:
(*) Company deconsolidated in financial year 2017.

Equity investments in associated companies and joint ventures

Equity investments in associated companies and joint ventures are valued at equity in the consolidated financial statements, as provided for, respectively, by IAS 28 (Investments in associates and joint ventures) and by IFRS 11 (Joint arrangements).

An associated company is one over which the participating company, by virtue of its equity investment, exercises significant influence. Significant influence means the power of the investor to participate in the financial and operational decisions of the investee company, without this constituting, however, control or joint control. It is assumed that there is significant influence when the investor directly or indirectly holds at least 20% (10% if listed) of the voting rights in the shareholders' meeting of the investee.

Joint arrangements, on the basis of which control over activities is awarded jointly to two or more operators, are classified as joint operations or joint ventures on the basis of an analysis of the underlying contractual rights and obligations. Specifically, a joint venture is a joint arrangement in which the participants, despite having control of the major strategic decisions and financial resources through voting mechanisms that provide for unanimous decisions, do not have legally significant rights on the individual assets and liabilities of the joint venture. In this case, the object of the joint control is the net assets of the joint venture. This form of control is accounted for in the consolidated financial statements using the equity method. Joint operations, on the other hand, are joint arrangements in which the participants have rights over the assets and are directly liable for liabilities. In this case, entry in the consolidated financial statements is performed on a line-by-line basis for the relevant share of the assets and liabilities.

The equity method pursuant to IAS 28 provides that the initial accounting for equity investments occurs at cost and that this initial value is changed every year to take into consideration changes in the values of the related undertaking; these changes relate in particular to:

- the profit and loss result for the financial year of the investee, to be included, for the pertinent portion, in the income statement of the participant. Dividends received from an investee reduce the carrying amount of the equity investment;
- other components of the overall profit and loss result of the investee company.

Profits, losses, and any gains or losses realised between entities consolidated according to the equity method and other entities of the Group, also fully consolidated, are eliminated.

In the event that the equity investment loses part of its value, in excess of that possibly already recognised using the equity method, it is established whether any impairment is to be included in the income statement, determined as the difference between the recoverable amount of the equity investment and its carrying value. If the share of losses of an entity in an associated company or a joint venture is equal to or greater than its own equity investment in the associated company or in the joint venture, the entity discontinues recognition of its share of further losses. Having written off the equity investment, additional losses are allocated and recognised as liabilities, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture. If the associated company or joint venture subsequently reports profits, the entity continues to recognise its share of the profits only once said share equals the share of unrecognised losses.

Below are the details of companies consolidated using the equity method:

Company	Currency	Share capital as at 30/06/2017	Group Share As at 30/06/2017	Group Share As at 31/12/2016	Consolidation method as at 30/06/2017
Altavelocità S.r.l. in liquidazione	EUR	-	-	16.63%	(1)
Appula 1 Energia S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Appula 2 Energia S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Arotti S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Catalano Energia S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
CGS Rinnovabili S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Milazzo Energie S.r.l.	EUR	10,000	49.00%	49.00%	equity method
Montello Trucks S.r .l.	EUR	100,000	19.15%	19.15%	equity method
Murge Energia S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Neip II S.p.A.	EUR	55,000	36.77%	36.77%	equity method
Padova Est S.p.A.	EUR	1,530,000	18.50%	18.50%	equity method
Persano Energy 2 S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Persano Energy S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Puglia New Energies N.1 S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Simon Solar S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Solar Carport S.r.l.	EUR	10,000	49.00%	49.00%	equity method
SRA 01 S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
SR06 S.r.l. (*)	EUR	25,000	100.00%	100.00%	equity method
SR07 S.r.l. (*)	EUR	25,000	100.00%	100.00%	equity method
SR09 S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Sunrain Energia S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
Terra Mundus Operations S.r.l. (*)	EUR	10,000	100.00%	100.00%	equity method
SAVE associates and JV's					
Airest Retail S.r.l.	EUR	1,000,000	50.00%	50.00%	equity method
GAP S.p.A.	EUR	510,000	49.87%	49.87%	equity method
Venezia Terminal Passeggeri S.p.A.	EUR	3,920,020	22.18%	22.18%	equity method
Nicelli S.p.A.	EUR	1,987,505	-	40.23%	(2)
Brussels South Charleroi SA	EUR	7,735,740	27.65%	27.65%	equity method
2A - Airport Advertising S.r.l.	EUR	10,000	50.00%	50.00%	equity method
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	EUR	52,317,408	40.30%	40.30%	equity method
Centostazioni S.p.A.	EUR	8,333,335	-	40.00%	(3)

Notes:

(*) Companies measured at equity despite subsidiaries having assessed as irrelevant, from both a quantitative and a qualitative point of view, their measurement on a line-by-line basis.
(1) Company deconsolidated in financial year 2017.
(2) All shares of Nicelli S.p.A. were sold on 12 May 2017.
(3) An agreement with Ferrovie dello Stato Italiane S.p.A. was signed on 15 November 2016 to sell the 40% equity investment in Centostazioni S.p.A. After authorisation by the Competition and Market Regulatory Authority was obtained, on 30 January 2017 the transaction to sell this equity investment to Ferrovie dello Stato Italiane S.p.A. was finalised.

Principles of consolidation

The accounting standards adopted to prepare the half-year condensed consolidated financial statements comply with those followed in preparing the Group annual financial statements at 31 December 2016.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the European Union, not yet obligatorily applicable and not adopted in advance by the Group at 30 June 2017

On 28 May 2014, the IASB issued **IFRS 15** – "***Revenue from contract with customers***". The standard replaces IAS 18 "*Revenues*", IAS 11 "*Construction Contracts*", IFRIC 13 "*Customers Loyalty Programmes*", IFRIC 15 "*Agreements for the Construction of Real Estate*", IFRIC 18 "*Transfers of Assets from Customers*" and SIC 31 "*Revenue Barter Transactions Involving Advertising Services*". The standard establishes a new model of revenue recognition, which will apply to all contracts concluded with customers except those that fall within the scope of other IAS/IFRS such as leasing contracts, insurance contracts and financial instruments. The basic steps for the accounting of revenue according to the new model are:

- identification of the contract with the customer;
- identification of the performance obligations of the contract;
- determination of the price;
- allocation of the price to the performance obligations of the contract;
- the criteria for recognising the revenue when the entity meets each performance obligation.

The provisions contained in IFRS 15 are effective starting from the financial years beginning on or after 1 January 2018, barring any subsequent postponements established during the approval process by the European Union.

On 24 July 2014, IASB published the final version of **IFRS 9** – "***Financial Instruments***". The document contains the results of the IASB project that will replace IAS 39:

- it introduce new criteria for classifying and valuing financial assets and liabilities;
- with reference to the impairment model, the new standard requires that the estimate of losses on receivables be made on the basis of the expected losses model (and not on the incurred losses model used by IAS 39), using supportable information, available without unreasonable effort or expense, that includes historical, current and prospective data;
- it introduces a new model of hedge accounting (increase in the types of transactions eligible for hedge accounting, change of method for accounting of forward contracts and options when included in a hedge accounting report, changes to efficacy testing).

The new standard must be applied to financial statements that begin on 1 January 2018 or afterwards.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

IFRS 16 – "***Leases***". Published on 13 January 2016. the standard replaces IAS 17 - "Leases" and introduces, as a major innovation, the company's obligation to report all leases as assets and liabilities on the balance sheet, taking the substance of the transaction or contract into account. IFRS 16 will take effect starting from 1 January 2019, barring any subsequent postponements established during the approval process by the European Union, which has not yet occurred at the date of these half-year condensed consolidated financial statements. Early application is allowed only if IFRS 15 – "Revenue from Contracts with Customers" is applied.

IFRS 17 – "***Insurance Contracts***". Published on 18 May 2017, the new international accounting standard for accounting insurance contracts will replace IFRS 4 - "Insurance Contracts". The objective of the new standard is to ensure that an entity provides pertinent information that accurately represents the rights and obligations arising from the insurance contracts issued. IFRS 17 will take effect starting from 1 January 2021, barring any subsequent postponements established during the approval process by the European Union, which has not yet occurred at the date of these half-year condensed consolidated financial statements. Early application is allowed only if IFRS 9 - “Financial Instruments” is applied too.

Amendment to **IAS 12** “***Recognition of Deferred Tax Assets for Unrealised Losses***”, published on 19 January 2016. The amendments introduced provide clarifications on the accounting of deferred tax assets concerning debt instruments measured at fair value. The new provisions will apply after the amendments to the standard are approved by the European Union, which has not yet occurred at the date of these half-year condensed consolidated financial statements.

Amendment to **IAS 7** “***Disclosure Initiative***”, published on 29 January 2016. The amendments introduced regard the disclosure that companies must provide to allow investors to assess the changes in liabilities arising from loans. The new provisions will apply after the amendments to the standard are approved by the European Union, which has not yet occurred at the date of these half-year condensed consolidated financial statements.

Amendment to **IFRS 2** “***Classification and measurement of share-based payment transactions***”, published on 20 June 2016. The objective of the amendments introduced is to better define the accounting treatment in connection with share-based payments. The amendments will apply as from 1 January 2018 but earlier application is permitted.

“***Annual Improvements to IFRSs: 2014-2016 Cycle***”, published on 8 December 2016. The provisions will introduce amendments to: (i) IFRS 1 – “First-Time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters”, eliminating the short-term exemptions for first-time adopters; (ii) IAS 28 “Investments in Associates and Joint Ventures - Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice”, regarding the accounting of associates and joint venture; (iii) IFRS 12 “Disclosure of Interests in Other Entities - Clarification of the scope of the Standard”, clarifying the extension of the standard.

Interpretation of **IFRIC 22** – “***Foreign Currency Transactions and Advance Consideration***”, published on 8 December 2016. The objective of the amendments introduced is to better define the accounting treatment in connection with transactions in foreign currency. This document provides the instructions on how an entity must determine the date of a transaction and, as a result, the exchange spot rate to use when transactions in foreign currency in which payment is made or received in advance are carried out. IFRIC 22 is applicable as from 1 January 2018, but earlier application is permitted.

Amendment to **IAS 40** “***Transfers of Investment Property***”, published on 8 December 2016. These amendments clarify the transfer of property to, or from, investment property. Specifically, an entity must reclassify a property to, or from, investment property only when there is evidence that there is a change of use of the property. This change must be traced to a specific event that occurred and therefore should not be limited to a change of intention by the management of an entity. These changes are applicable from 1 January 2018, but earlier application is permitted.

Interpretation document **IFRIC 23** – “***Uncertainty over Income Tax Treatments***”, published on 7 June 2017. The new international accounting standard will provide instructions on how to reflect the uncertainty about income tax treatment of a given phenomenon when accounting income tax. The new interpretation is applicable from 1 January 2019, but earlier application is permitted.

Amendment to **IFRS 10 and IAS 28** “***Sales or Contribution of Assets between an Investor and its Associate or Joint Venture***”, published on 11 September 2014. The purpose of the amendments introduced is to better define the accounting treatment in connection with profits or losses arising from transactions with joint ventures or associates measured at equity. The IASB has suspended application of this amendment for the time being.

ANALYSIS OF THE MAIN BALANCE SHEET ITEMS

ASSETS

	30/06/2017	31/12/2016	Change
1. CURRENT ASSETS	**269,124**	**211,808**	**57,316**
Cash and cash equivalents	89,974	89,508	*466*
Other financial assets	90,031	54,794	*35,237*
Tax assets	5,467	6,121	*(654)*
Trade receivables	74,205	51,944	*22,261*
Inventories	9,447	9,441	*6*

Current assets rose from €211,808 thousand at 31 December 2016 to €269,124 thousand at 30 June 2017, showing a €57,316 thousand increase.

The controlling interest in SAVE S.p.A. was sold to a newly formed company (Milione S.p.A.), jointly controlled by the Parent Company and two leading European infrastructure funds managed by Deutsche Asset Management and InfraVia Capital Partners, following the equity restructuring operation approved by the shareholders of the Parent Company in August 2017. Therefore, according to the instructions of IFRS 5, all assets referable to the control chain of SAVE S.p.A. (Sviluppo 35 S.p.A., Agorà Investimenti S.p.A., Marco Polo Holding S.r.l. and SAVE S.p.A. itself), were reclassified as Assets held for sale.

The balances of the current accounts decreased and the time deposits held in some banks increased under the item "Cash and cash equivalents". The item "Other financial assets" increased mainly due to the purchase of new bonds by the subsidiary Banca Finint S.p.A.

	30/06/2017	31/12/2016	Change
2. NON-CURRENT ASSETS	**1,227,881**	**1,259,508**	**(31,627)**
Assets held for sale	1,060,651	1,107,307	*(46,656)*
Tangible assets	19,600	19,607	*(7)*
Other intangible assets with a definite useful life	1,559	1,474	*85*
Goodwill - other intangible assets with an indefinite useful life	18,114	17,841	*273*
Equity investments in associates and joint ventures carried at equity	52,894	52,950	*(56)*
Other equity investments	2,538	2,939	*(401)*
Other financial assets	931	938	*(7)*
Other non-current assets	63,507	47,758	*15,749*
Receivables for advance taxes	8,087	8,694	*(607)*

Non-current assets decreased by €31,627 thousand, from €1,259,508 thousand at 31 December 2016 to €1,227,881 thousand at 30 June 2017.

Under the item Assets held for sale, all assets concerning the control chain of SAVE S.p.A. (Sviluppo 35 S.p.A., Agorà Investimenti S.p.A., Marco Polo Holding S.r.l. and SAVE S.p.A. itself) were reclassified following the instructions of IFRS 5. The HBC Luxemburg S.à.r.l. and Neip III S.p.A. equity investments, sold as part of the transaction described above, were also reclassified.

LIABILITIES

	30/06/2017	31/12/2016	Change
3. CURRENT LIABILITIES	**240,789**	**184,777**	**56,012**
Trade payables	97,163	60,089	*37,071*
Tax payables	2,711	2,247	*464*
Bank payables – current portion	104,393	85,891	*18,502*
Other financial payables – current portion	36,522	36,550	*(28)*

Current liabilities increased by €56,012 thousand, from €184,777 thousand at 31 December 2016 to €240,789 thousand at 30 June 2017.

The major changes regard the following items: Trade payables increased by €37,071 thousand mainly due to the increase in current accounts held with the customers of the subsidiary Banca Finint S.p.A.; the item Bank payables - current portion increased by €18,502 thousand due to the positive change of €8,686 thousand in overdrafts and €9,816 thousand in short-term loans.

	30/06/2017	31/12/2016	Change
4. NON-CURRENT LIABILITIES	**931,845**	**910,114**	**21,731**
Liabilities related to assets held for sale	765,537	755,477	*10,060*
Non-current payables	67,502	51,994	*15,508*
Financial payables to banks – non-current portion	80,642	84,212	*(3,570)*
Payables and other financial liabilities – non-current portion	8,460	8,811	*(351)*
Deferred tax provision	2,520	2,542	*(22)*
Reserve for termination indemnities and other employee provisions	6,143	6,034	*109*
Other provisions for risks and charges	1,041	1,044	*(3)*

Non-current liabilities amounted to €931,845 thousand at 30 June 2017, as compared to €910,114 thousand at 31 December 2016, showing a €21,731 thousand increase.

Pursuant to IFRS 5, the item Liabilities related to assets held for sale refers to the sale of the equity investment chain in SAVE S.p.A. following the equity restructuring operation approved by the shareholders of the Parent Company. The items Financial payables to banks – non-current portion, Deferred tax provision, Reserve for termination indemnities and other employee provisions, and Other provisions for risks and charges were also reclassified.

The item Financial payables to banks – non-current portion decreased due to the reduction in medium/long-term loans.

TOTAL NET EQUITY

	30/06/2017	31/12/2016	Change
5. TOTAL NET EQUITY	**324,371**	**376,425**	**(52,054)**
Share capital	1,860	1,860	*0*
Share premium reserve	22,770	22,770	*0*
Legal reserve	372	372	*0*
Reserve for treasury shares	0	0	*0*
Other reserves and profit (loss) carried forward	19,890	44,868	*(24,978)*
Profit for the year	2,132	(5,474)	*7,606*
Total Group net equity	**47,024**	**64,396**	**(17,372)**
Minority interests	277,347	312,029	*(34,682)*

Consolidated net equity dropped from €376,425 thousand to €324,371 thousand. The main changes are:

- payment of dividends by subsidiaries to minority shareholders;
- the purchase of minority interests in Archimede 1 S.p.A. and Sviluppo 35 S.p.A., which caused a reduction in minority interests.

ANALYSIS OF THE MAIN INCOME STATEMENT ITEMS

	30/06/2017	*30/06/2016*	*Change*
6. OPERATING REVENUE AND OTHER INCOME	**38,721**	**38,168**	**553**
Operating revenue	36,259	36,675	*(416)*
Other income	2,462	1,493	*969*

Operating revenue decreased from €36,675 thousand of the first half of 2016 to €36,259 thousand of the first half of 2017, with a reduction of €416 thousand. Earnings for servicing, commissions from management and earnings from performance of administrative and other services increased by a total of €1,801 thousand, while earnings for advisory and structuring activities decreased by €2,217 thousand.

Other income at 30 June 2017 amounted to €2,462 thousand, with an increase of €969 thousand compared to the first half of 2016.

	30/06/2017	*30/06/2016*	*Change*
7. COSTS OF PRODUCTION	**35,942**	**34,220**	**1,722**
For raw and ancillary materials, consumables and goods	188	210	*(22)*
For services	13,288	13,413	*(125)*
For lease and rental costs	1,346	1,142	*204*
For personnel	18,027	16,783	*1,244*
Amortisation, depreciation and write-downs	873	920	*(47)*
Write-down of current assets	619	447	*172*
Change in inventories of raw and ancillary materials, consumables and goods	(6)	(1)	*(5)*
Other charges	1,607	1,306	*301*

Costs of production in the first half of 2017 amounted to €35,942 thousand, with an increase of €1,722 thousand compared to the first half of 2016. The increase of these costs is mainly due to the increased personnel cost caused by the increase in resources employed with respect to the comparison period and to costs associated with strengthening the structure. The Group had 710 employees and contract staff at 30 June 2017, as compared to the 679 of the same previous period.

	30/06/2017	*30/06/2016*	*Change*
8. FINANCIAL INCOME AND EXPENSES	**902**	**(25,224)**	**26,126**
Financial income and write backs of financial assets	8,397	2,651	*5,746*
Interest, other financial charges and write-down of financial assets	(7,584)	(12,578)	*4,994*
Profit (loss) from associates and joint ventures carried at equity	89	(15,297)	*15,386*

The item “Financial income and expenses” rose from -€25,224 thousand of the first half of 2016 to €902 thousand of the first half of 2017, with a positive change of €26,126 thousand.

During the first half of 2017, the positive change of the financial income was mainly generated by the dividends on equity investments amounting to €3,470 thousand, the income from disposal of securities and equity investments for a total of €1,071 thousand and the increase in interest income for €983 thousand. The positive effect on the reduction of interest and other financial expenses was mainly caused by the reduction in write-downs and adjustments on securities. The profit (loss) from associates and joint ventures carried at equity in the first half of 2016 was negatively affected by the valuation at equity of the equity investment held in Ferak S.p.A.

	30/06/2017	*30/06/2016*	*Change*
9. INCOME TAXES	**1,517**	**857**	**660**
Current	1,008	1,793	*(785)*
Deferred	509	(936)	*1,445*

	30/06/2017	*30/06/2016*	*Change*
10. PROFIT (LOSS) FROM DISCONTINUED OPERATIONS/ASSETS HELD FOR SALE	**8,178**	**6,247**	**1,931**

The item refers to the profit from assets held for sale relating to the control chain of SAVE S.p.A. A breakdown of the balance is shown below.

	30/06/2017	*30/06/2016*
SAVE S.p.A.	13,049	11,169
Sviluppo 35 S.p.A.	(748)	(564)
Marco Polo Holding S.r.l.	(951)	(786)
Agorà Investimenti S.p.A.	(3,172)	(3,572)
Total	***8,178***	***6,247***

The result of SAVE S.p.A. includes €4,888 thousand (€4,837 thousand in the previous six-month period) for amortisation for the concessions recorded in the consolidated financial statements.

STATEMENT OF TRANSITION TO INTERNATIONAL ACCOUNTING STANDARDS (IAS/IFRS)

The reconciliation of the first half of 2016 of the consolidated income statement follows.

Euro/000	06/2016 D.Lgs 87/92	IAS/IFRS Reclassifications	IAS/IFRS Adjustments	06/2016 IAS/IFRS
Operating revenue	18,693	-	17,982	36,675
Other income	1,475	-	18	1,493
Total operating revenue and other income	**20,168**	**-**	**18,000**	**38,168**
Raw and ancillary materials, consumables and goods	75	-	135	210
Services	6,787	(11)	6,637	13,413
Lease and rental costs	757	-	385	1,142
Personnel costs	9,219	-	7,564	16,783
Amortisation, depreciation and write-downs	3,250	(79)	(2,251)	920
intangible fixed assets	*2,851*	*(79)*	*(2,495)*	*277*
tangible fixed assets	*399*	-	*244*	*643*
Write-down of current assets	365	-	82	447
Change in inventories of raw and ancillary materials, consumables and good	(1)	-	-	(1)
Other charges	1,998	90	(782)	1,306
Total costs of production	**22,450**	**-**	**11,770**	**34,220**
EBIT	**(2,282)**	**-**	**6,230**	**3,948**
Financial income and write backs of financial assets	2,217	-	434	2,651
Interest, other financial charges and write-down of financial assets	(17,827)	-	5,249	(12,578)
Profit/(losses) from associates and joint venture's carried at equity	9,184	-	(24,481)	(15,297)
Profit (loss) before taxes	**(8,708)**	**-**	**(12,568)**	**(21,276)**
Income taxes	44	-	(901)	(857)
Profit (loss) on continuing operations	**(8,664)**	**-**	**(13,469)**	**(22,133)**
Profit (loss) from discontinued operations/held-for-sale	**-**	**-**	**6,247**	**6,247**
Net profit (loss)	**(8,664)**	**-**	**(7,222)**	**(15,886)**
Minority interest	**67**	**-**	**4,308**	**4,375**
Group Net Profit (loss)	**(8,731)**	**-**	**(11,530)**	**(20,261)**

Balance sheet and income statement of the Parent Company Finanziaria Internazionale Holding S.p.A. at 30 June 2017

FINANZIARIA INTERNAZIONALE Holding

JOINT-STOCK COMPANY (S.p.A.)
Head office in Conegliano Via Alfieri 1, Treviso-Belluno Companies' Register no. 01130140260
Tax code no. 01130140260 - VAT no. 00798100269
Share capital 1.859.630,00 fully paid-up
www.finint.com

INTERIM FINANCIAL STATEMENTS AT 30 JUNE 2017

BALANCE SHEET

(Euro)

Assets

ASSETS	AT 30/06/2017	AT 31/12/2016
Cash and cash equivalents	314,030	364,543
Other financial assets	6,903,470	9,781,277
Tax assets	1,141,394	865,300
Other receivables	66,502,173	63,844,721
Total current assets	**74,861,067**	**74,855,841**
Tangible fixed assets	78,774	73,169
Other intangible assets with a definite useful life	624	557
Equity investments	173,826,666	174,187,556
Other financial assets	1,368	1,368
Other non-current assets	442,739	1,573,656
Deferred tax assets	2,301,482	1,954,120
Total non-current assets	**176,651,653**	**177,790,426**
TOTAL ASSETS	**251,512,720**	**252,646,267**

BALANCE SHEET

(Euro)

Liabilities and Net Equity

LIABILITIES	AT 30/06/2017	AT 31/12/2016
Trade payables	13,493,217	12,835,482
Tax payables	106,035	46,671
Bank payables - current portion	47,224,196	47,582,329
Other financial payables - current portion	40,417,718	40,336,641
Total current liabilities	101,241,166	100,801,123
Other non-current payables	4,536,587	4,536,587
Bank payables - non-current portion	29,268,221	31,606,048
Other financial payables - non-current portion	57,553	45,610
Deferred tax liabilities	667,930	971,166
Reserve for termination indemnities and other employee provisions	643,232	691,536
Other provisions for risks and charges	140,065	140,065
Total non-current liabilities	35,313,588	37,991,012
TOTAL LIABILITIES	136,554,754	138,792,135
NET EQUITY		
Share capital	1,859,630	1,859,630
Share premium reserve	22,769,719	22,769,719
Legal reserve	371,926	371,926
Other reserves and profit (loss) carried forward	88,780,559	105,058,769
Net profit (loss)	1,176,132	(16,205,912)
TOTAL NET EQUITY	114,957,966	113,854,132
TOTAL LIABILITIES AND NET EQUITY	251,512,720	252,646,267

INCOME STATEMENT

(Euro)

	30/06/2017	2016
Operating revenue	**1,413,473**	**3,055,487**
Other income	**162,687**	**426,870**
Total operating revenue and other income	**1,576,160**	**3,482,357**
Raw and ancillary materials, consumables and goods	**3,593**	**17,970**
Services	**1,810,220**	**3,514,403**
Lease and rental costs	**105,888**	**236,420**
Personnel costs	**951,788**	**2,508,606**
wages and salaries and social security contributions	890,312	2,378,088
termination indemnity	61,476	125,823
other costs	0	4,695
Amortisation, depreciation and write-downs	**18,842**	**66,692**
intangible fixed assets	347	1,020
tangible fixed assets	18,495	65,672
Other charges	**94,354**	**288,112**
Total costs of production	**2,984,685**	**6,632,203**
EBIT	**(1,408,525)**	**(3,149,846)**
Financial income (expenses)	**2,003,188**	**(14,582,970)**
Financial income and write backs of financial assets	7,607,479	5,355,396
Interest, other financial charges and write-down of financial assets	(5,604,291)	(19,351,642)
Profit/(losses) from associates and joint venture's carried at equity	0	(586,724)
Profit (loss) before taxes	**594,663**	**(17,732,816)**
Income taxes	**(581,469)**	**(1,526,904)**
current	(36,888)	(625,605)
deferred	(544,581)	(901,299)
Profit (loss) on continuing operations	**1,176,132**	**(16,205,912)**
Net profit (loss)	**1,176,132**	**(16,205,912)**

Performance of the Parent Company

The financial position at 30 June 2017, drafted to ensure continuity with the accounting standards adopted for drawing up the annual financial statements, showed a positive result for the period of €1,176 thousand.

The Company continued its holding activity and supply of services to the subsidiaries during the period under review.

The income statement of the first six-month period shows operating revenue from services amounting to €1,413 thousand for services mostly supplied to the group companies and other revenue for €162 thousand.

Costs for services, €1,810 thousand, include costs for consultancy, provision of services, and fees to statutory auditors and directors, while costs for personnel totalled €952 thousand.

Operating costs (€61 thousand) and rental and ancillary costs (€105 thousand) were less.

EBIT, which is the sum of the various components, was negative and amounted to -€1,408 thousand, but the significant component is the result of financial operations, whose net balance was €2,003 thousand and that in turn is made up of financial income totalling €7,607 thousand and financial expenses for €5,604 thousand. Income, which totalled €7,607 thousand, included dividends from investees for €5,464 thousand and financial income for the remaining amount of €2,143 thousand. The latter mainly include the interest income recorded on financial transactions with the subsidiaries.

Financial operations include financial expenses that amounted to €5,604 thousand, including the adjustment of one equity investment. Nevertheless, the amount of the adjustment was offset by the dividend that the investee distributed.

Profit before tax amounted to €595 thousand. Tax calculated on the consolidation shows €544 thousand in income originating from the result of the tax consolidation agreement, so the net profit for the period amounted to €1,176 thousand.

With this profit, the net equity of the Company came to €114,958 thousand, higher than that of the 2016 financial year (€113,854 thousand) since no dividends were distributed to the shareholders during the period.

The financial position showed no considerable differences compared to 31 December 2016.

Current assets, consisting of cash, other financial assets, tax assets and other receivables, amounted to €74,861 thousand, as compared to €74,856 of the previous financial year. Total non-current assets amounted to €176,652 thousand, compared to €177,790 thousand of the previous financial year. This item is made up of equity investments for €173,827 thousand, compared to €174,188 thousand of the previous financial year, and other medium/long-term loans for the remaining amount.

Current liabilities totalled €101,241 thousand (€100,801 thousand at year-end 2016), and medium/long-term liabilities came to €35,313 thousand (€37,991 thousand at year-end 2016).