

The Board of Directors of Enav Approves the Preliminary Results at December 31, 2016

Highest net profit to date, leading quality of service

- **En-route and terminal traffic grew 1.5% and 3.2% respectively in terms of service units YoY**
- **Consolidated revenue at 865.3 million euro (+1.8% YoY)**
- **Consolidated EBITDA at 254.9 million euro (+4.9% YoY); + 8.0% net of IPO related one-off costs**
- **Consolidated Net Income increased to 76.3 million euro (+15.5% YoY), the best result in the company's history**
- **6.4 million euro bonus recognized by the Regulator, for punctuality achieved also in 2016**
- **Proposal for dividend distribution of €0.176 per share**

Rome, 16 March 2017 – The Board of Directors of Enav S.p.A., held today under the chairmanship of Ferdinando Franco Falco Beccalli, approved the stand alone Financial Statements of the Company and the Consolidated Financial Statements of the Group at 31 December 2016.

The **CEO Roberta Neri** stated: *This is a year of positive confirmations for Enav. Our first full year results in the year of our IPO, which Global Capital elected as 'ECM Deal of the Year in Italy', confirm a growth in traffic and revenue which, together with a focus on efficiency and processes optimisation, determined a record profit for Enav. In 2016 we also confirmed our position among the best performers in Europe in terms of punctuality, and the bonus received is a testament to the quality of service delivered once again by Enav. We are also very satisfied by the results achieved in the non-regulated segment, where revenues increased 30% - paving the way for further expansion in the future. For the current year, we can reasonably expect further progress in revenues which, combined with our efficiency initiatives and optimal utilization of our technological assets, will contribute to a further improvement of our cash flow.*

Communication

Nicoletta Tomiselli

nicoletta.tomiselli@enav.it

tel.+39.335.7710089

Media Relations Manager

Simone Stellato

simone.stellato@enav.it

tel.+39.335.6804123

Investor Relations Dept.

Stefano Songini

stefano.songini@enav.it

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Media Relations

In 2016 Enav recorded strong results driven by the increase in traffic (expressed in terms of service units, a conventional weighted measurement unit which takes in to the aircraft weight at take-off and, in case of en-route traffic, the distance travelled in Italian airspace) and by its focus on efficiency.

En-route traffic, in terms of service units, grew 1.5% vs. 2015, mainly as a result of the positive trend of international air traffic (up 2.9%), driven by the strong performance recorded in traffic between Italy and the rest of Europe. Domestic air traffic was also positive in 2016 with a 1.5% growth in service units, due to the increase in the average distance travelled and the average weight of the aircraft, as a result of the higher number of longer distance domestic routes, such as those between northern Italy and the two larger islands and southern Italy.

En-route traffic (Service Units) (*)	31.12.2016	31.12.2015	no.	Change %
Domestic	1,597,509	1,573,222	24,287	1.5%
International	3,478,877	3,382,427	96,450	2.9%
Overflight	3,076,031	3,062,543	13,488	0.4%
Total payload traffic	8,152,417	8,018,192	134,225	1.7%
Military	134,954	137,905	(2,951)	-2.1%
Other exempt traffic	12,299	15,412	(3,113)	-20.2%
Total exempt traffic	147,253	153,317	(6,064)	-4.0%
Total reported by Eurocontrol	8,299,670	8,171,509	128,161	1.6%
Exempt not reported to Eurocontrol	3,331	5,108	(1,777)	-34.8%
Grand total	8,303,001	8,176,617	126,384	1.5%

Communication
Nicoletta Tomiselli
nicoletta.tomiselli@enav.it
tel.+39.335.7710089

Media Relations Manager
Simone Stellato
simone.stellato@enav.it
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Investor Relations Dept.
Stefano Songini
stefano.songini@enav.it

Communication
Media Relations

Terminal traffic (i.e. take-off, approach and landing activities within a radius of 20 km from runway) was also strong in 2016, increasing 3.2% in terms of service units. This performance was largely attributable to a strong rise in the international traffic component, up 5.9%, mainly driven by such airports as Venice Tessera +12.4%. Bergamo +8.3%. Milan Malpensa +5.3%. Bologna +12.6%. Naples +15.7%. and Catania +12.8%.

Terminal traffic (Service Units)		31.12.2016	31.12.2015	no.	Change %
Domestic					
	Chg. Zone 1	65,657	65,541	116	0.2%
	Chg. Zone 2	64,771	65,081	(310)	-0.5%
	Chg. Zone 3	181,474	182,314	(840)	-0.5%
	Total domestic SUs	311,902	312,936	(1,034)	-0.3%
International					
	Chg. Zone 1	159,797	156,180	3,617	2.3%
	Chg. Zone 2	235,331	220,440	14,891	6.8%
	Chg. Zone 3	191,110	176,981	14,129	8.0%
	Total international SUs	586,238	553,601	32,637	5.9%
Total payload traffic		898,140	866,537	31,603	3.6%
Exempt traffic					
	Chg. Zone 1	242	139	103	74.1%
	Chg. Zone 2	546	728	(182)	-25.0%
	Chg. Zone 3	8,048	9,302	(1,254)	-13.5%
	Total Exempt SUs	8,836	10,169	(1,333)	-13.1%
Total reported by Eurocontrol		906,976	876,706	30,270	3.5%
Total not reported to Eurocontrol					
	Chg. Zone 1	0	1	(1)	-100.0%
	Chg. Zone 2	68	216	(148)	-68.5%
	Chg. Zone 3	1,886	3,900	(2,014)	-51.6%
Tot. exempt SUs not reported to Eurocontrol		1,954	4,117	(2,163)	-52.5%
Total per Chg. Zone					
	Chg. Zone 1	225,696	221,861	3,835	1.7%
	Chg. Zone 2	300,716	286,465	14,251	5.0%
	Chg. Zone 3	382,518	372,497	10,021	2.7%
Grand total		908,930	880,823	28,107	3.2%

FINANCIAL PERFORMANCE

Total consolidated net revenue at 31 December 2016 grew 1.8%, reaching 865.3 million euro from 849.6 million euro recorded in 2015.

This solid performance was driven by a growth of **revenues from operations** which increased to 806.4 million euro, +1.8% vs. the previous year, resulting from the positive effect of both the increase in en-route and terminal traffic, previously mentioned, and the marginal increase in en-route and terminal charges applied in 2016 compared to those of the previous year.

Non-regulated revenue increased significantly to 14.6 million euro, +29.7% vs. 2015. This excellent result was the result of flight inspection services performed in Saudi Arabia, Abu Dhabi and Kenya, of aeronautical consulting service provided to the Malaysian Transport Ministry, of activities related to the air space design in the UAE, and of training services provided to the Libyan ATC staff. Our commercial efforts in 2016, together with the contracts already underway, enabled us to grow our order portfolio to more than 20 million euro over the next three years.

The **balance** – whereby Enav recovers from or returns to carriers the effects arising from the difference between the air traffic volume and inflation estimated in the charging scheme and the actual traffic volume and inflation, and totally recovers costs for services provided in minor airports – contributed 16.4 million euro to total revenues declining slightly over 2015. It is worth noting that the balance item includes 6.4 million euro in relation to the bonus, achieved also this year, for **on-time performance**, which confirmed Enav's position among the most efficient European service providers in 2016 with an average delay per flight close to nil.

During 2016, Enav continued to focus on its efficiency plan delivering higher margins through initiatives on specific cost items and the streamlining of processes among the Group companies. **Operating costs** saw a marginal increase of 0.6% to 610.4 million euro vs. the previous year. In particular, the external operating costs decreased materially driven by a 3.6 million euro reduction in utility and telecommunication expenses and a 2.2 million euro reduction in insurance costs. Net of IPO-related expenses for 7.5 million euro, external operating costs were reduced by 4.0% YoY, despite the higher number of managed airports in 2016 and the expansion of the non-regulated activities.

Personnel costs in 2016 showed a marginal increase of 0.5% YoY despite a higher average headcount of 39 employees during the year. The cost increase was mainly related to the fixed salary component and to the increase in the variable salary component of the operational staff assigned to the Free Route project.

Communication

Nicoletta Tomiselli

nicoletta.tomiselli@enav.it

tel.+39.335.7710089

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tel.+39.335.6804123

Investor Relations Dept.

Stefano Songini

stefano.songini@enav.it

Consolidated **EBITDA** in 2016 grew 4.9% to 254.9 million euro vs. 243.0 million euro in 2015, with a 1 p.p. increase in EBITDA margin to 29.5%. On an organic basis, excluding non-recurring costs related to the IPO, EBITDA grew 8.0% to 262.3 million euro.

Consolidated **EBIT** in 2016 grew 25.1% to 116.9 million euro vs. 93.4 million euro in 2015 – driven by the EBITDA increase and the lower amortisation and depreciation for the year.

Consolidated **Net Profit** in 2016 grew 15.5% to 76.3 million euro vs. last year – the highest recorded in the company’s history.

As of December 31, 2016, Enav’s **Net Financial Indebtedness** improved by 88.4 million euro YoY to 100.1 million euro, mainly as a result of the positive trend of collections and payments associated with ordinary course of business.

Dividend

The Board of Directors of Enav S.p.A resolved to distribute to Shareholders a dividend of 0.176 euro per share, amounting to 95.3 million euro, for the financial year 2016, which will be payable on May 24, 2017 (ex-dividend date on May 22, 2017 and record date on May 23, 2017).

Guidance for 2017

For 2017, based on external traffic forecasts, the company estimates a low-single digit growth in consolidated net revenue. The on-going focus on efficiency and increased productivity will lead to an EBITDA margin of around 30%. Capex in 2017 is expected to be in the order of 105-110 million euro, in line with the level recorded over the last 3 years. In light of the above, the company expects to be able to deliver a 4% increase in dividend per share for 2018 (with respect to the 2017 financial year) compared to the dividend paid this year, in line with its dividend policy.

Long term incentive plan and share buy-back

The Board of Directors of Enav S.p.A. resolved today to adopt a share-based long-term incentive plan for the management of the Group. The document outlining the key elements of the long term incentive plan will be proposed for approval in the Shareholders’ Meeting scheduled for 28 April 2017, and will be made available on the company’s website (www.enav.it), as per applicable legislation.

In today’s meeting, the Board of Directors also resolved to request Shareholders to authorise the Board to purchase and dispose of an amount of long-term own shares to be destined to the service of the share-based management incentive plan of the Company and/or its subsidiaries. The request provides for an authorisation to purchase up to 850,000 shares, and also allows for the following purposes: to use own shares, consistently with the Company’s strategy, in the context of extraordinary transactions; to operate on the stock market with a medium to long term investment view or, in any case, to capture the opportunities to maximise the value that can be derived from market outperformance; and to support the liquidity of the stock.

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The authorisation for the purchase of own shares is requested for a maximum period of 18 months while there will be no time limit to the authorisation for the availability of shares. The share purchases shall be made at a price that cannot be more than 20% higher or lower than the reference share price on the stock exchange in the five trading days preceding each transaction, or on the date when the price is fixed and, in any case, if purchases are made on the regulated market, at a price that may not exceed the higher of the price of the last independent trade and the price of the highest current independent bid on the same stock market, pursuant to art. 3 of the EU Delegated Regulation no. 2016/1052.

The share purchases will be made by means of a public purchase or exchange offer; on regulated stock markets under applicable regulations; by other means applied as standard market practice and accepted by Consob (the Italian Securities and Exchange Commission).

SUBSEQUENT EVENTS

On February 6, 2017, Enav North Atlantic paid the third tranche of the investment in Aireon for an amount of 16.8 million US dollars, bringing its total stake to 8.63%.

On March 3, 2017, the shareholders' meeting of Sicta, a consortium fully owned by the Enav Group, resolved to voluntarily liquidate the consortium and to appoint a liquidator. The management board of the consortium has decided to proceed with the liquidation of the consortium ahead of the final date of December 31, 2017 prescribed by the consortium's articles of association.

SHAREHOLDERS' MEETING

The Shareholders' Meeting of Enav will be held in single call on April 28, 2017.

In addition to approving the yearly financial report at 31 December 2016, Shareholders will also vote on the appointment of members of the new Board of Directors.

Corporate Governance

In today's meeting, the Board of Directors approved a *Corporate Governance and Ownership Structure Report*, as prescribed by art. 123-bis of legislative decree no. 58 of 24 February 1998 ("Consolidated Act on Finance" or "TUF"). The Report was drafted as a separate document and posted on the company's website www.enav.it, in the *governance* section, within the timeline set forth by the applicable legislation.

The Report was compiled in line with the Self-Regulation Code of Listed Companies (*Codice di Autodisciplina delle società quotate*) introduced by Borsa Italiana by using the Report Drafting Format provided to that end by Borsa Italiana S.p.A.

The report provides a general comprehensive picture of the corporate governance system applied by Enav, with details about the company profile and the principles inspiring its mission; it also contains information on the company's ownership structure and its adoption of the Self-Regulation Code, including the main applied governance practices and the major characteristics of the internal control and risk management system.

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The criteria for the definition of the Directors' compensations are illustrated in the *Remuneration Report*, drafted in compliance with the requirements of art. 123-ter of TUF and art. 84-quater of the Consob's Regulations for Issuers, and posted in the *governance* section of the company's website in accordance with the applicable legislation.

Consolidated income statement

	2016	2015	Value	Change
				%
Revenue from operations	806,410	792,059	14,351	1.8%
Balance	16,428	17,708	(1,280)	-7.2%
Other operating income	42,433	39,798	2,635	6.6%
Total revenue	865,271	849,565	15,706	1.8%
Personnel costs	(478,134)	(475,777)	(2,357)	0.5%
Capitalised internal works	29,273	29,668	(395)	-1.3%
Other operating costs	(161,531)	(160,484)	(1,047)	0.7%
Total operating costs	(610,392)	(606,593)	(3,799)	0.6%
EBITDA	254,879	242,972	11,907	4.9%
EBITDA margin	29.5%	28.6%	0.9%	3.0%
Depreciation and amortisation				
less investment grants	(132,769)	(137,403)	4,634	-3.4%
Write downs, impairment losses/reversals and provisions	(5,226)	(12,131)	6,905	-56.9%
EBIT	116,884	93,438	23,446	25.1%
EBIT margin	13.5%	11.0%	2.5%	22.8%
Financial income (expense)	(2,180)	2,286	(4,466)	-195.4%
Profit before tax	114,704	95,724	18,980	19.8%
Income taxes	(38,359)	(29,641)	(8,718)	29.4%
Net income	76,345	66,083	10,262	15.5%

Thousand euro

Revenue from operations

	2016	2015	Change	%
En-route revenues	583,297	566,073	17,224	3.0%
Terminal revenues	195,275	179,988	15,287	8.5%
En-route and terminal exemptions	13,201	14,406	(1,205)	-8.4%
Non-regulated revenues	14,637	11,288	3,349	29.7%
Supplementary charge-stabilisation contributions	0	20,304	(20,304)	-100.0%
Revenue from operations	806,410	792,059	14,351	1.8%

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Reclassified consolidated balance sheet

	31.12.2016	31.12.2015	Change
Property, plant and equipment	1,056,281	1,083,836	(27,555)
Intangible assets	123,084	122,092	992
Investments in other companies	36,468	35,314	1,154
Other non-current assets and liabilities	83,943	66,709	17,234
Liability for employee benefits	(57,388)	(58,068)	680
Net fixed capital	1,242,388	1,249,883	(7,495)
Inventories	60,895	62,027	(1,132)
Trade receivables	226,651	233,547	(6,896)
Trade payables	(132,512)	(128,348)	(4,164)
Provision for liabilities and charges	(11,029)	(14,151)	3,122
Other current assets and liabilities	(166,459)	(123,906)	(42,553)
Net working capital	(22,454)	29,169	(51,623)
Total assets held for sale net of related liabilities	13	0	13
Net invested capital	1,219,947	1,279,052	(59,105)
Funding			
Shareholders' equity	1,119,826	1,090,550	29,276
Net financial position	100,121	188,502	(88,381)
Total funding	1,219,947	1,279,052	(59,105)

Thousand euro

Consolidated cash flow statement

	31.12.2016	31.12.2015
A - OPENING BALANCE OF CASH AND CASH EQUIVALENTS	174,141	118,253
Cash flow generated/(absorbed) by operating activities		
Result for the year	76,345	66,083
Depreciation and amortisation	142,516	146,715
Net change in liability for employee benefits	(2,193)	(657)
Foreign currency translation change	925	2,568
Losses on disposals of property, plant and equipment, and impairment of property, plant and equipment, and of intangible assets	71	1,149
Other income/expense on non-cash flows	55	0
Provisions/reversals of provisions for liabilities and charges	(3,122)	1,567
Net change in deferred tax assets and deferred tax liabilities	2,116	2,004
Decrease/(Increase) in inventories	1,549	(163)
Decrease/(Increase) in current and non-current trade receivables	(22,416)	(5,940)
Decrease/(Increase) in tax credits and in tax and social security liabilities	46,616	5,888
Change in other current assets and liabilities	(3,731)	56,278
Change in other non-current assets and liabilities	(905)	(30,637)
Decrease/(Increase) in current and non-current trade payables	(12,620)	(17,613)
B - TOTAL CASH FLOW FROM OPERATING ACTIVITIES	225,206	227,242
	of which, taxes paid	(37,637)
	of which, interest paid	(6,151)
Net cash flow absorbed by investing activities		
Investments in property, plant and equipment	(105,701)	(96,008)
Investments in intangible assets	(10,485)	(10,621)
Increase/(Decrease) in trade payables	26,740	20,134
Investments in other companies	0	(4,691)
C - TOTAL CASH FLOW FROM INVESTING ACTIVITIES	(89,446)	(91,186)
Net cash flow generated by financing activities		
Grant of medium to long term loans	0	0
(Repayment) of medium to long term loans	(31,200)	(40,667)
Net change in long-term financial liabilities	0	9,724
Issue of borrowings	0	180,000
Net change in short-term financial liabilities	(166)	(13,348)
(Increase)/(Decrease) in current financial assets	0	0
(Increase)/(Decrease) in non-current financial assets	1,048	199
Change in capital	0	(180,000)
Dividend paid	(47,326)	(36,000)
D - TOTAL CASH FLOW FROM FINANCING ACTIVITIES	(77,644)	(80,092)
E - Total cash flows (B+C+D)	58,116	55,964
F - Currency translation difference on cash and cash equivalents	(446)	(76)
G - CLOSING BALANCE OF CASH AND CASH EQUIVALENTS (A+E+F) (*)	231,811	174,141

Thousand euro

(*) The closing balance of cash and cash equivalents includes 805 thousand euro worth of cash held in Consorzio Sicta in liquidation, which cash was reclassified under assets held for sale.

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The manager in charge of compiling the company's accounting documents, Loredana Bottiglieri hereby declares, pursuant to art. 154-bis, par. 2, of the Consolidated Act on Finance, that the accounting information contained in this release tallies with the information set forth in the company's accounting documents, books and records.

Enav informs that the Financial Report at 31 December 2016, as per art. 154-ter, par. 2, of leg. Decree no. 58 of 24 February 1998 – and the independent auditor's report – will be available for public consultation at the company's registered office, via Salaria 716, Rome, on the company's website www.enav.it, and on the website of the "Info" authorised storage system www.info.it in accordance with the applicable legislation.

The criteria used to create the indicators are provided below, pursuant to the Consob Communication:

EBITDA: an indicator of profit before the effects of financial management and taxation, as well as depreciation, amortisation and write-downs of fixed assets and receivables and provisions, as reported in the financial statements and adjusted for investment subsidies directly related to the investments in depreciation and amortisation to which they refer;

EBITDA margin: equal to EBITDA as a percentage of total revenues, adjusted for investment subsidies as specified above;

EBIT: corresponds to EBITDA less depreciation and amortisation adjusted for investment subsidies and write-downs of fixed assets and receivables and provisions;

EBIT margin: corresponds to EBIT as a percentage of revenues minus investment subsidies as specified above;

Net fixed capital: a capital amount equal to the fixed capital used for business operations, which includes entries relating to tangible assets, intangible assets, equity interests and other noncurrent assets, excluding the fair value of the derivative included in the non-current financial assets item, net of other non-current liabilities and the provision for employee benefits;

Net working capital: equal to the capital employed in ordinary operations, which includes inventories, trade receivables and other non-financial current assets, net of trade payables, provisions for risks and charges and other current liabilities excluding financial current liabilities;

Net invested capital: the sum of net fixed capital and net working capital;

Net financial position: the sum of financial liabilities, financial assets referred to the fair value of the derivative and cash and cash equivalents;

Free cash flow: equal to the sum of the cash flow generated or absorbed by operations and cash flows generated or used in investment activities.

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nicoletta.tomiselli@enav.it

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