SEA Group
Half-Year Financial Report
at June 30, 2013

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The SEA Group attention paid to environmental protection has, through the adoption of specific initiatives, resulted in a significant reduction in direct and indirect CO_2 emissions.

airport carbon accredited
NEUTRALITY

SEA - Società per Azioni Esercizi Aeroportuali
Milan Linate Airport – 20090 Segrate, Milan
Tax Code and Milan Companies Registration Office No: 00826040156
Milan REA No.: 472807 – Share Capital: Euro 27,500,000 fully paid-in
www.seamilano.eu

Contents

General information

Corporate Boards

Board of Directors (for the three-year period 2013/2015, appointed by the Shareholders' Meeting of June 24, 2013)		
	Chairman	*Pietro Vitale Modiano*
	Directors	*Renato Ravasio* (1)(2)
		Mario Anastasio Aspesi (3)
		Salvatore Bragantini (2)(4)
		Mauro Maia (3)
		Susanna Stefani (3)
		Susanna Zucchelli (2)
Board of Statutory Auditors (for the three-year period 2013/2015, appointed by the Shareholders' Meeting of June 24, 2013)		
	Chairman	*Paolo Marcarelli*
	Standing members	*Andrea Galli*
		Paolo Giovanelli
		Ezio Maria Simonelli
		Antonio Passantino
	Alternate members	*Andrea Cioccarelli*
		Ilaria Moretti
Independent Audit Firm (for the three-year period 2013/2015, appointed by the Shareholders' Meeting of June 24, 2013)		
		Deloitte & Touche SpA

(1) Vice Chairman
(2) Member of the Control and Risks Committee
(3) Member of the Remuneration Committee
(4) Member of the Ethics Committee

The SEA Group – Group structure at June 30, 2013

Structure of the SEA Group at June 30, 2013

SEA SpA

Airport management	Utilities	Commercial activities	Other activities	Handling
SACBO Bergamo SpA 30.98 %	SEA Energia SpA 100 %	Dufrital SpA 40 %	Consorzio Malpensa Construction 51 %	SEA Handling SpA 100 %
Aeropuertos Argentina 2000 SA* 8.5 %	Disma SpA 18.75 %	SEA Services Srl 30 %	Consorzio Milano Sistema (in liquidation) 10 %	Malpensa Logistica Europa SpA 25 %
			Romairport Srl 0.23 %	
			SITA Società Cooperativa arl 1 share	
			Railink Srl 100 %	

Key:

Controlling shareholding

Associated company

Investments in other companies

(*) In relation to the holding of SEA in AA2000, on June 30, 2011 SEA SpA and Cedicor S.A, in execution of the agreement of August 9, 2006, signed a contract concerning the sale by SEA of the above-stated investment in AA2000, subject to the approval of the Regulador del Sistema Nacional de Aeropuertos, which has not yet been issued at the approval date of the present Half-Year Report.

Introduction

The present Half-Year Report at June 30, 2013 comprises the Directors' Report and the Condensed Consolidated Half-Year Financial Statements at June 30, 2013; the Condensed Consolidated Half-Year Financial Statements, prepared in thousands of Euro, is compared with the Consolidated Half-Year Financial Statements and Annual Accounts of the previous year and comprises the Financial Statements (Consolidated Balance Sheet, the Consolidated Comprehensive Income Statement, the Statement of changes in Shareholders' Equity and the Consolidated Cash Flow Statement) and the Explanatory Notes.

The Half-Year Report at June 30, 2013 was prepared in accordance with International Accounting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), approved by the European Union and in particular according to IAS 34 – Interim Financial Reporting; in accordance with paragraphs 15 and 16 of this standard, such Condensed Consolidated Half-Year Financial Statements do not require the extent of disclosure necessary for the Annual Financial Statements and must be read together with the 2012 Annual Financial Statements. *40)*,

For the Condensed Half-Year Financial Statements at June 30, 2013, the same accounting standards adopted for the preparation of the Consolidated Financial Statements at December 31, 2012 were applied, except for IFRS 13 which entered into force from January 1, 2013; in relation to the comparative Consolidated Comprehensive Income Statement for the first half of 2012, the amendment of the accounting choice of IAS 19 adopted from the preparation of the Financial Statements at December 31, 2012 and in line with IAS 19 Revised, effective from January 1, 2013, did not require the restatement of the approved data as the actuarial calculation of the Post-employment benefit provision at this date did not include actuarial profits or losses (*see paragraph 2.1 of the Explanatory Notes to the Consolidated Half-Year Report for the restatement of the comparative data established by IAS 1 paragraphs 39 and 40*).

Consolidated Financial Highlights

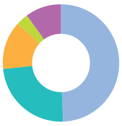
(in thousands of Euro)	H1 2013	H1 2012 (1)	change	2012
Revenues	354,298	332,582	21,716	720,956
EBITDA (2)	70,090	65,494	4,596	146,619
EBIT	44,874	43,099	1,775	100,685
Pre-tax profit	38,617	38,058	558	89,768
Group Net Profit	23,331	22,569	762	64,005

(in thousands in Euro)	at 30/06/2013	at 30/06/2012	change	at 31/12/2012
Fixed assets (A)	1,177,575	1,100,016	77,559	1,153,790
Working capital (B)	(235,789)	(222,772)	(13,017)	(224,491)
Provision for risks and charges (C)	(156,613)	(160,746)	4,133	(163,533)
Employee benefit provisions (D)	(74,696)	(67,855)	(6,841)	(77,064)
Other liabilities (E)		(62,307)	62,307	
Net capital employed (A+B+C+D+E)	**710,478**	**586,336**	**124,142**	**688,702**
Group shareholders' equity	277,530	245,493	32,037	277,247
Minority interest shareholders' equity	86	84	2	85
Net Debt	432,862	340,759	92,103	411,370
Total sources of financing	**710,478**	**586,336**	**124,142**	**688,702**

	at 30/06/2013	at 30/06/2012	change	at 31/12/2012
Investments in tangible and intangible assets	49,830	51,267	(1,437)	106,114
Employees (at period-end)	5,070	5,227	(157)	5,054
Leverage (Net Debt/EBITDA) (3)	3.1	2.6	0.5	2.8

(1) The amounts concerning the first 6 months of 2012 were restated for improved comparability with H1 2013. Reference should be made to Note 2.4 Comparability of the Half-Year Reports
(2) Group net result adjusted for taxes, financial income and charges, amortisation and depreciation and impairments and write-backs. The EBITDA is a measure utilised to monitor and assess the operating performance and is not an accounting measure as per IFRS and, therefore, should not be considered as an alternative measure for evaluating the operating results.
(3) The amount at June 30, 2013 was calculated considering the annualised net financial debt and EBITDA.

H1 13 Consolidated Revenues Euro 354,298 thousands (*)



	%
Aviation	49.5
Non Aviation	23.8
Handling	13.4
Energy	3.3
Revenues from app. IFRIC12	9.9

(*) H1 2013 Group consolidated revenues, net of inter-company eliminations.

Directors’ Report

First half 2013: significant events

Opening of the third satellite at Milan Malpensa 1

On January 13, 2013 a section of the third passenger terminal at Terminal 1 of approx. 35,000 sq./m. was opened, extending the Terminal passenger traffic operating capacity by 50%. The satellite comprises 10 boarding gates with direct access to aircraft (in addition to the 23 existing gates), enabling Milan Malpensa - the first among Italian airports - to facilitate contemporaneously two A380 Airbuses, boarding passengers through 3 piers. One of these piers links directly to the new Emirates VIP lounge of approx. 1,000 sq./m. - the only lounge in the international network of the company which allows a direct link with the aircraft (including A380’s).

Milan Linate: opening of the market on the Linate-Fiumicino route

Following the approval of the Government, which confirmed the decision of the Anti-trust Authority at the end of October 2012 which established the existence of a monopoly on the Milan Linate – Rome Fiumicino route by the Alitalia group, easyJet began to operate on the route with 5 daily flights Monday-Friday from April 2013.

Construction of the new hotel at Terminal 2

On June 10 a “Contract for the establishment of area rights” was signed, under which, until the conclusion of the State/SEA Agreement, the area “For the construction and subsequent management of a hotel structure” at Terminal 2 was allocated to the company Inter Hospitality Italia srl, an Ikea Group company.

Agreement between SEA and the MA*GA museum

On June 12, a two-year agreement was signed between SEA and the MA*GA museum for the organisation and promotion of artistic and cultural initiatives to enhance the regions offerings and, more in general, to assist its cultural and artistic growth.
The SEA Group has taken an active part in supporting the work and the creativity of contemporary artists beginning with the local region and collaborating with the MA*GA Museum in training projects through specific artistic and teaching initiatives.

Appointment of the Board of Directors and Board of Statutory Auditors

The Shareholders’ Meeting of June 24 appointed the new Board of Directors and new Board of Statutory Auditors, who will remain in office for three years and therefore until the approval of the 2015 Annual Accounts.

Appointment of the Independent Audit Firm

The Shareholders’ Meeting of June 24 approved the appointment of the company Deloitte & Touche S.p.A. for the auditing of accounts for the years 2013-2015.

Decision of the European Commission concerning declarations of State Aid awarded to SEA Handling – Establishment of a “task force” to work together with the European Commission

At the end of June, in order to pursue the contacts made with the European Commission, a specific “Task Force” was set up which comprises, in addition to the Chairman Pietro Modiano and the Vice-Chairman Renato Ravasio of SEA, the SEA Director Salvatore Bragantini and the Chairman of SEA Handling Edoardo Lecaldano, representing the company’s senior management, in addition to relevant managers and legal representatives.
On July 11, 2013, to ensure its optimum management, the Chairman of SEA Handling was assigned the role of coordinating the work of the Task Force.

Market and regulatory overview: developments

An analysis of market and regulatory developments in the first half of 2013 follows.

Economic overview

General economy

In the first half of 2013 the economic difficulties of recent years persisted with a heightening of the Eurozone crisis and a slowdown within the emerging economies - amid the first signs of recovery however in the United States and Japan.

These factors are reflected in the performances of the leading economies. The International Monetary Fund reported for Q1 2013 a further drop in Eurozone GDP (-0.3%), with a slowdown in Germany (substantially stable at +0.1%), and France (-0.2%) and further contractions in Spain (-0.5%) and Italy (-0.6%). The US and Japan however reported growth (of respectively 0.4% and 0.2%). The emerging economies report better growth levels - although more contained than the recent past (Brazil +0.6% and India +0.5%).

Forecast for 2013

Also in consideration of the performances of the initial months of the year, in July the International Monetary Fund lowered global growth expectations for 2013 to 3.1% from the 3.3% previously forecast and continue to expect significantly divergent performances across the major regions. In particular, a contraction of 0.6% is forecast for Eurozone GDP, caused by delays in the introduction of policies to support demand levels and reform the labour market; the slowdown of economies which in previous years reported more sustained growth will impact this performance, such as Germany (+0.3%) and France (-0.2%), in addition to continued contractions in other Eurozone Countries (including Italy -1.8% and Spain -1.6%). The US and Japan expect moderate growth (respectively +1.7% and +2.0%); for the emerging economies an increase of GDP (+5.0%) is forecast, despite a slowdown on previous years (China +7.8%, India +5.6%, Brazil +2.5% and Russia +2.5%).

Air transport and airports

Global air transport market performance in the first five months of 2013

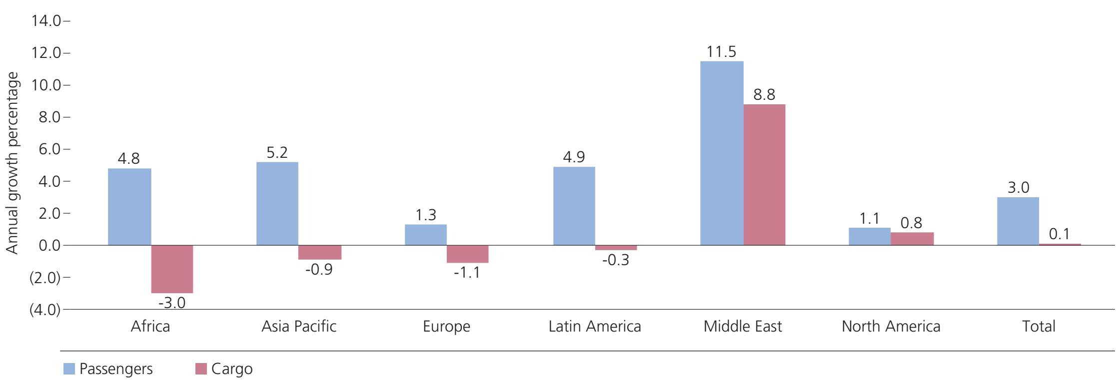
According to the information available to May, global air traffic, despite the impact of the ongoing global economic crisis, reported passenger growth of 3%, while cargo reports a gradual recovery to levels of the previous year (+0.1%). During the period, traffic figures diverged significantly among the regions, in particular regarding the Middle East.

In fact the Middle East reported considerable increases both in terms of passengers served (+11.5%) and for cargo transported (+8.8%), thanks to the ongoing international expansion of the regions airlines - in particular on the long-haul routes.

Asia reports passenger growth of 5.2%, with a slight reduction in the cargo segment (-0.9%). Latin America performed in a similar vein with passenger growth of 4.9% and the cargo segment performing in line with the previous year (-0.3%).

North America, which in recent months reported mixed results, overall returned contained growth for passengers (+1.1%), with cargo segment levels in line with the same period of 2012 (+0.8%).

Global air traffic growth in the first five months of 2013 (1)



(1) Source: ACI World (Pax Flash & Freight Flash)

European airport traffic performance[2]

In the first half of 2013, passenger traffic managed by the principal European airports performed in line with the same period of the previous year (+0.1%). The mix of airports within the sample analysed reported improved performances at Amsterdam +3%, Paris Orly +2.7%, London Gatwick +2.5%, London Heathrow +2.4%, and Copenhagen +2.2%, and a contraction on the previous year for Madrid -14.7%, Fiumicino -2.3%, Barcelona -1.8%, Vienna -1.7% and Frankfurt -1%.
Cargo traffic on average contracted 2.1%, with the largest drops seen at Brussels -8%, Vienna -6.8%, Paris Charles de Gaulles -6.4%, Madrid -6.2%, London Heathrow -3.8%, Munich -2.5% and Zurich -1.3%. Amsterdam and Frankfurt bucked the trend (both +1%).
In Italy, the airports managed by the SEA Group reported a contraction of 3.5% for passenger traffic and a slight recovery of 0.4% for cargo traffic, while the Rome airport system respectively reported -2.9% and +0.4%.
In the same period, the airports of Bergamo (-0.9%), Catania (-2.9%), Naples (-8.5%), Pisa (-3.7%) and Palermo (-8.4%) also reported contractions in passenger traffic. On the other hand, Venice (+4.9%) and Bologna (+6.2%) reported traffic increases.

Milan Malpensa and Milan Linate airport traffic

	Movements			Passengers(1)			Cargo (tonnes)(2)		
	H1 2013	H1 2012	%	H1 2013	H1 2012	%	H1 2013	H1 2012	%
Malpensa	77,820	83,255	-6.5	8,439,668	8,782,480	-3.9	205,312	204,392	0.5
Linate	45,099	47,617	-5.3	4,328,090	4,450,315	-2.7	7,949	8,066	-1.5
Airport system managed by SEA Group	**122,919**	**130,872**	**-6.1**	**12,767,758**	**13,232,795**	**-3.5**	**213,261**	**212,458**	**0.4**

(1) Arriving + departing passengers
(2) Cargo in transit not included

Passenger traffic

In the first half of 2013 the airports managed by the SEA Group reported a reduction of approx. 465 thousand passengers (-3.5%) on the same period of the previous year to 13 million passengers, with a decrease of approx. 8 thousand movements (-6.1%) to approx. 123 thousand. The reduction is due to the stoppage or cut-back in operations by a number of airlines at both airports and also the continued weakness of the global economy.
In particular, passenger traffic at the Milan airports saw an overall reduction on the Schengen routes (-5.6%), partially offset by the Non-Schengen routes (+1.6%), supported by the increase in traffic on the non-EU European routes (+32.0%). Inter-continental traffic contracted principally with Central/South America (-23.2%), the Far East (-22.8%) and North America (-4.8%); the Middle East reports growth (+13.3%), thanks to the strong performance of Emirates (+20.5%) and Turkish (+22%).

Malpensa
Malpensa reported a reduction in passenger traffic of 3.9% to 8.4 million passengers, with a significant contraction in movements of 6.5% to over 5 thousand movements.

Malpensa 1
Passenger traffic reduced only at Malpensa 1 (-8.5%), due principally to the decrease in traffic carried by Alitalia Group and the stoppage of operations by Wind Jet throughout Italy, Jet Airways and Monarch.
The contraction in the Schengen zone (-315 thousand passengers) principally concerned Airone (-53%), which cancelled a large part of operations compared to the previous year. The impact of these issues on the Schengen zone was partly offset by the new entrant Wizz Air, with connections to Budapest and Bucharest. Transaero made a significant contribution with three destinations to the Russian Federation, as did the transfer of Air Baltic from Linate.
The Middle Eastern carriers reported strong results, including Emirates, with three daily connections with Dubai, Turkey, Qatar and Etihad.
Summer 2013 saw the entry of three new airlines to Milan Malpensa: BMI Regional with 6 flights to Bristol, Wow Air, a low cost Icelandic airline, with 2 flights to Reykjavik and Atlantic Airways with a weekly flight to the Far Oer islands. Those adding flights included: Alitalia with New York and Moscow, from 5 to 7 and from 11 to 14 respectively (from April/May), Air Berlin with Dusseldorf (from 11 to 18 from May/June) and Tunisair with Tunis (from 9 to 11 from April).

Malpensa 2
For Malpensa 2 an increase of 5.8% is reported with 3 million passengers served thanks to the strong performances of easyJet, which introduced new connections to Alghero with 7 flights from April and Luxembourg with 4 weekly flights.

(2) Sources: Aci Europe and Assaeroporti

From summer 2013 a new connection to Ajaccio was introduced with 3 weekly flights, 3 flights to Sharm el Sheik, 2 to Larnaca and 3 to Belgrade and increased flights on the Bari, Copenhagen, London Gatwick, Prague, Naples and Marrakech routes.

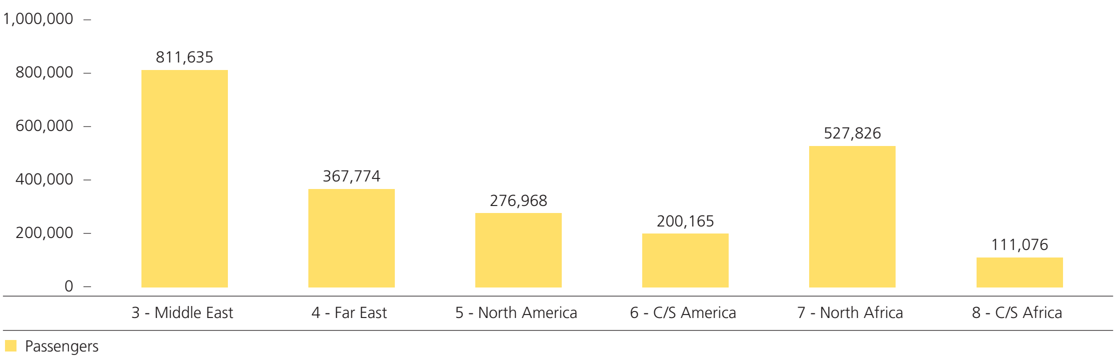
Linate

For Linate the contraction on H1 2013 (-122 thousand passengers) was principally caused by the reduced numbers to Bari, Naples, Madrid, Fiumicino and Paris Charles de Gaulles and the stoppage of flights by Wind Jet and the transfer of Air Baltic to Malpensa.
From March 25, 2013 easyJet began to operate Milan Linate - Rome Fiumicino flights, with 5 daily connections from Monday to Friday (fully operative from April 8). The airline, through the introduction of these flights, has maintained passenger numbers in line with those on the route in the same period of the previous year.

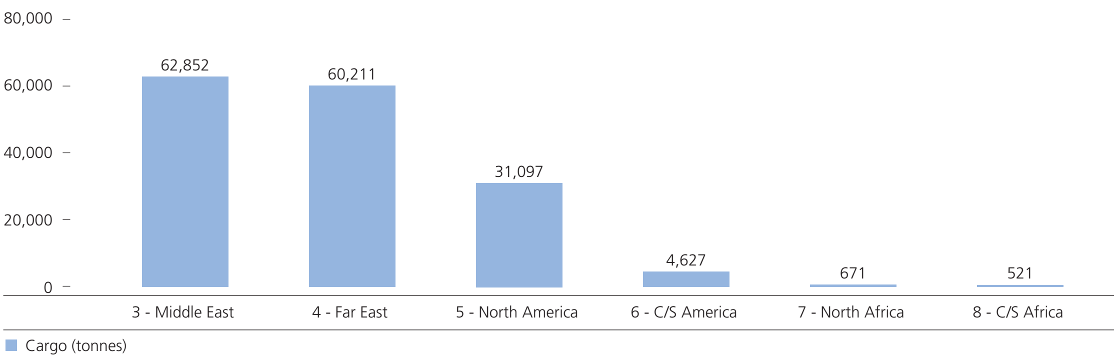
Cargo traffic

In the first half of 2013, cargo traffic managed by Milan Malpensa and Milan Linate airports reported a substantially stable performance (+0.4%) with 213 thousand tonnes transported. The all-cargo traffic performance improved 3.4% to 143 thousand tonnes of cargo transported. The airlines with greatest impact included Cargolux Italia (+16.4%), Air Bridge (+48.4%) and the courier Federal Express (+21.9%).
For the 2013 summer season, thanks to the granting of fifth freedom rights (therefore with flights in transit to other airports), Qatar Airways introduced two new weekly flights between Doha/Milan Malpensa/Chicago.
The cargo traffic of the all-cargo carriers served at Malpensa by the SEA Group, report a significant variance between final destination areas. In particular, growth was seen on the Middle East routes (+41.3%, 11 thousand additional tonnes) and North America (+24.9%, 4 thousand additional tonnes). The Far East reports however a reduction (-22.6%, -12 thousand tonnes), due to the contraction of imports within the Eurozone as a result of the movement through the Middle East of part of the global cargo volumes to the Far East.

Passenger traffic on inter-continental routes by Region



Cargo traffic on inter-continental routes by Region



Outlook

The difficult international economy and the IATA estimates for the air transport sector for 2013 points towards another year impacted by significant volatility and uncertainty.
In this environment, the Eurozone - with particularly weak growth estimates - will see the restructuring of the air transport system through further network review processes by the major carriers and actions on operating costs, with possible significant impacts on traffic.

The SEA Group, conscious of the market difficulties, remains committed to the growth of the divergent business areas, through further efficiencies and the development of traffic, passenger and cargo capacity, targeting improved results for 2013, based also on the new tariff system and subject to no further significant changes and also the instability in many areas, including the Mediterranean basin and also the economic performance - in particular in Italy.

Group performance and results

in thousands of Euro	H1 2013	% of revenues	H1 2012(*)	% of revenues	change	change %	2012
Revenues	354,298	100.0%	332,582	100.0%	21,716	6.5%	720,956
Operating costs	284,207	80.2%	267,087	80.3%	17,120	6.4%	574,337
EBITDA	**70,090**	**19.8%**	**65,494**	**19.7%**	**4,596**	**7.0%**	**146,619**
Amortisation & depreciation	25,216	7.1%	22,395	6.7%	2,821	12.6%	45,934
EBIT	**44,874**	**12.7%**	**43,099**	**13.0%**	**1,775**	**4.1%**	**100,685**
Net financial income (charges)	(6,258)	-1.8%	(5,040)	-1.5%	(1,217)	24.2%	(10,917)
Pre-tax profit	**38,617**	**10.9%**	**38,058**	**11.4%**	**558**	**1.5%**	**89,768**
Income taxes	15,285	4.3%	15,488	4.7%	(204)	-1.3%	25,763
Net profit	**23,332**	**6.6%**	**22,570**	**6.8%**	**762**	**3.4%**	**64,005**
% of revenues	6.6%		6.8%				8.9%

(*) Reference should be made to Note 2.4 Comparability of the Half-Year Reports

Group revenues (operating revenues and revenues from works on assets under concession) amounted to Euro 354,298 thousand in H1 2013, compared to Euro 332,582 thousand in the first half of the previous year, increasing therefore by Euro 21,716 thousand (+6.5%).

Operating Revenues total Euro 319,205 thousand, increasing 6.4% on H1 2012 (Euro 299,965 thousand); they include Aviation Revenues of Euro 175,477 thousand (Euro 147,679 thousand in the first half of 2012), Non-Aviation Revenues of Euro 84,462 thousand (Euro 83,522 thousand in H1 2012), Handling Revenues of Euro 47,497 thousand (Euro 52,446 thousand in the first half of 2012) and Energy Revenues Euro 11,769 thousand (Euro 16,318 thousand in H1 2012).

Revenues for works on assets under concession increased from Euro 32,616 thousand in the first half of 2012 to Euro 35,092 thousand in H1 2013 (+7.6%).

EBITDA amounted to Euro 70,090 thousand, compared to Euro 65,494 thousand in the first half of 2012 (+7.0%).

EBIT totalled Euro 44,874 thousand in H1 2013, compared to Euro 43,099 thousand in the first half of 2012 - improving Euro 1,775 thousand (+4.1%).

Net financial charges, including the results of associates and dividends from other companies, amounted to Euro 6,258 thousand in H1 2013 and Euro 5,040 thousand in H1 2012.

Income taxes of Euro 15,285 thousand in the first half of 2013 and Euro 15,488 thousand in the first half of 2012, estimated on the assessable base at period-end, result in a tax rate respectively of 39.6% and 40.7%.

The Net Profit in the first half of 2013 amounts to Euro 23,332 thousand compared to Euro 22,570 thousand in the first six months of 2012.

Group balance sheet and financial position

(in thousands of Euro)	at 30/06/2013	at 30/06/2012	change	at 31/12/2012
Fixed assets (A)	1,177,575	1,100,016	77,559	1,153,790
Working capital (B)	(235,789)	(222,772)	(13,017)	(224,491)
Provision for risks and charges (C)	(156,613)	(160,746)	4,133	(163,533)
Employee benefit provisions (D)	(74,696)	(67,855)	(6,841)	(77,064)
Other liabilities (E)		(62,307)	62,307	
Net capital employed (A+B+C+D+E)	**710,478**	**586,336**	**124,142**	**688,702**
Group shareholders' equity	277,529	245,493	32,036	277,247
Minority interest shareholders' equity	86	84	2	85
Net Debt	432,862	340,759	92,103	411,370
Total sources of financing	**710,478**	**586,336**	**124,142**	**688,702**

At June 30, 2013, working capital (B) included the residual payable for extraordinary dividends approved in 2011 for Euro 62,570, ordinary dividends on the 2012 net profit of Euro 26,700 thousand and undistributed dividends of Euro 16 thousand. At June 30, 2012 the payables beyond one year for the 2011 extraordinary dividends were classified to the account (E) Other liabilities for Euro 62,307 thousand, while working capital included the current payable for 2011 extraordinary dividends of Euro 85,703 thousand, the payable for ordinary dividends on the 2011 net profit for Euro 17,739 thousand and undistributed dividends of Euro 14 thousand. At December 31, 2012 working capital included the residual payable for extraordinary dividends approved in 2011 for Euro 62,459 thousand and prior year dividends of Euro 19 thousand.

Net capital employed at June 30, 2013 amounted to Euro 710,478 thousand, an increase of Euro 23,785 thousand on December 31, 2012.

At June 30, 2013, fixed assets, amounting to Euro 1,177,575 thousand, include investments in tangible and intangible fixed assets of Euro 1,103,896 thousand, investments in associated companies of Euro 42,934 thousand, deferred tax assets of Euro 30,716 thousand and other receivables of Euro 568 thousand. Fixed assets increased by Euro 23,785 thousand compared to December 31, 2012, principally due to the net investments in the period of Euro 49,830 thousand, partially offset by amortisation/depreciation in the period of Euro 25,216 thousand and the increase in financial fixed assets following the measurement at equity of the investments in associated companies for Euro 1,296 thousand.

Working capital amounted to Euro -235,789 thousand, decreasing by Euro 11,298 thousand compared to December 31, 2012, principally due to the following:

- the reduction in trade payables of Euro 33,684 thousand;
- the increase in other payables of Euro 33,811 thousand, principally following the approved distribution of dividends on the 2012 net profit of Euro 26,700 thousand;
- the increase in income tax payables for Euro 14,862 thousand, due to the extension to July 2013 of the payment of the 2012 payable and the 2013 first payment.

The following table illustrates the principle components of Net Working Capital.

(in thousands of Euro)	at 30/06/2013	at 31/12/2012	change
Inventories	7,294	7,758	(464)
Trade receivables	159,026	156,054	2,972
Trade payables	(168,322)	(202,006)	33,684
Other receivables/(payables)	(233,787)	(186,297)	(47,490)
Total net working capital	**(235,789)**	**(224,491)**	**(11,298)**

Net Financial Position

At June 30, 2013, the net debt amounted to Euro 432,862 thousand - Euro 411,370 thousand at December 31, 2012. In the first six months of 2013 the SEA Group therefore absorbed financial resources for a total of Euro 21,492 thousand.

The net debt was affected by a number of factors, including:

a) the further reduction in the Group medium/long-term debt following the repayment of a significant amount of loans in place (in the half-year capital portions totalling Euro 73,461 thousand were repaid), which was partially offset by the issue of Euro 30,000 thousand of EIB fund loans, brokered by the Banca Nazionale del Lavoro, with a ten-year duration;
b) the utilisation of short-term liquidity related to treasury needs (increasing Euro 29,881 thousand compared to the end of 2012);
c) the change in the fair value of derivatives (from –Euro 14,371 thousand at the end of 2012 to –Euro 10,811 thousand at June 30, 2013);
d) the reduction in Group liquidity to Euro 39,863 thousand (Euro 54,339 thousand at end of 2012), invested in treasury current accounts which guarantee significant returns.

Cash flow statement

(in thousands of Euro)	June 30, 2013	June 30, 2012
Cash flow generated from operating activities	23,027	27,589
Cash flow generated from investing activities (*)	(40,715)	(39,034)
Cash flow generated from financing activities	3,212	12,536
Increase / (Decrease) in cash & cash equivalents	**(14,476)**	**1,091**
Cash & cash equivalents at beginning of period	54,339	24,062
Cash & cash equivalents at end of period	**39,863**	**25,153**

(*) Includes the amount relating to dividends received of Euro 1,085 thousand in H1 2012 and Euro 1,717 thousand in H1 2013.

The principle factors impacting the cash flows in H1 2013 are illustrated below.

Net cash flow from operating activities

Operating activities generated liquidity of Euro 23,027 thousand in the first six months of 2013 (Euro 27,589 thousand in the first half of 2012). Specifically, operating activities before changes in working capital generated cash of Euro 57,239 thousand (Euro 60,007 thousand in H1 2012), principally due to the pre-tax profit of Euro 38,617 thousand (Euro 38,059 thousand in the first half of 2012), adjusted for non-monetary items, principally amortisation and depreciation of Euro 25,216 thousand (Euro 22,395 thousand in the first half of 2012).

The changes in working capital on the other hand absorbed cash of Euro 34,212 thousand (Euro 10,834 thousand in the first half of 2012) as a result of the combined effect of cash absorbed from the increase in trade receivables, adjusted by non-monetary changes, for Euro 6,933 thousand and cash absorbed from the change in trade payables and other payables (which includes also the dividends approved by the Shareholders' Meeting of June 24, 2013 of Euro 26,700 thousand), also adjusted for non-monetary items of Euro 26,596 thousand.

Net cash flow from investing activities

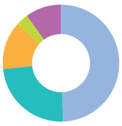
Cash absorbed by investment activity totalled Euro 40,715 thousand in the first half of 2013 (Euro 39,034 thousand in H1 2012), including: Euro 35,511 thousand for the increase in intangible assets (Euro 33,247 thousand in the first half of 2012), net of the mark up for works on third party assets (as per the measurement of investments in assets under concession according to IFRIC 12) and capitalised financial charges; Euro 6,921 thousand for the increase in property, plant and equipment (Euro 6,872 thousand in the first half of 2012); these cash absorptions were in part offset by the receipt of dividends from associated companies of Euro 1,717 thousand in the first half of 2013 and Euro 1,085 thousand in the first half of 2012.

Net cash flow from financing activities

Financing activity in the first six months of 2013 generated liquidity of Euro 3,212 thousand (Euro 12,536 thousand in the first half of 2012), principally due to the net effect of increases and decreases in the financial debt for Euro 13,541 thousand (Euro 19,399 thousand in the first half of 2012) and the payment of interest on loans of Euro 7,363 thousand (Euro 4,096 thousand in the first half of 2012).

Aviation

H1 13 Consolidated Revenues Euro 354,298 thousands (*)



	%
Aviation	49.5
Non Aviation	23.8
Handling	13.4
Energy	3.3
Revenues from app. IFRIC12	9.9

(*) H1 2013 Group consolidated revenues, net of inter-company eliminations.

Key Results

The Aviation business, comprising the "core" airport activities in support of passenger and cargo aviation, in H1 2013 reported net revenues of Euro 175,477 thousand, growth of 18.8% on H1 2012.

The increase in airport fees following the entry into force of the Master Agreement from the end of September 2012 contributed to this performance, limiting the impacts from the reduction in traffic.

Master Agreement

From September 23, 2012 the ENAC-SEA Master Agreement became effective and therefore from this date SEA applied the new airport tariffs.

The tariff structure of the regulatory fees established under the Master Agreement was drawn up in line with Government Committee for Economic Planning Resolution 38/2007, the relative Guidelines established by ENAC and with the Anti-crisis Decree of 2009, and more specifically, according to a price cap method under a Dual Till system.

In comparison to the Master Agreements signed by other Italian airports, the ENAC-SEA Agreement (as is the case for those signed by the management companies of the Rome and Venice airports) contains, in line with that permitted by Article 17, paragraph 34-*bis* of Legislative Decree 78/2009, converted into Law No. 102 of August 3, 2009, a number of exceptions, principally related to the Dual Till tariff system, the contract duration and the duration of the regulatory period until the conclusion of the Convention.

The tariff mechanism, as defined under the Master Agreement, was drawn up so as to guarantee to the airport management company the recovery, in relation to the regulated services, of the depreciation on investments and of the costs for the management and development of services (including also the fee for the use of state assets), in addition to a fair return on capital.

The fees paid for each regulated service are based on pre-set parameters, taking account of the infrastructure development activities carried out in the year by SEA and of the traffic estimates. For each airport service subject to tariffs, the ENAC-SEA Master Agreement fixes the initial tariff level and the progression of regulated fees, in addition to the standard levels provided to the user.

Traffic developments: increase in airlines, frequencies and services

The SEA Group continued to promote the development of passenger and cargo traffic in the first half of 2013 through focusing on the extension of the routes and frequencies operated both by airlines already present and by new airlines, with a particular focus on routes to and from countries of highest economic growth.

Further marketing tools included the promotion of bilateral agreements, also under fifth freedom traffic rights and the adoption of incentives for the development of new routes and destinations.

At June 30, 2013 approx. 118 airlines operated out of airports managed by SEA, serving over 180 destinations across the world.

Compared to 2012, 93 additional weekly flights are in place, connecting with new destinations by new airlines, together with 43 increased weekly flights.

New bilateral agreements in the half-year and granting of fifth freedom traffic rights

In 2013 the SEA Group, within the strategies adopted to develop traffic at the Milan airports, confirmed its commitment to the drawing up and review of a number of bilateral agreements which govern access to the non-EU international air transport market.

In particular, in the first half of 2013 new bilateral agreements were signed with South Korea, with increases in frequency and the extension of fifth freedom traffic rights to cargo airlines and also with Egypt for the increase in passenger flight numbers. The first aeronautic agreement between Italy and Ecuador was reached, for the liberalisation of passenger and cargo traffic (potentially significant in the medium-term considering the substantial O&D traffic values between the two countries) and an agreement was reached with Sri Lanka for the extension of the codeshare faculty.
The activities focused on facilitating the development of airline, passenger and cargo services which can benefit from fifth freedom traffic rights, concerning transiting flights typically from Asian airports with a final destination on the American continent, are considered a significant, distinctive and innovative feature of the SEA strategy in relation to the extension of traffic rights to foreign airlines.

The inclusion of these fifth freedom traffic rights within the Bilateral Agreements is now quite a common practice among the majority of European Union countries, which have signed comprehensive agreements concerning these rights with a wide range of non-EU states.

Highlighting the extent of work carried out in this regard, we cite the previously-mentioned fifth freedom traffic rights awarded to Emirates, which from October 1 will launch a new daily passenger service on the Milan/New York route, originating from Dubai, in addition to the authorisation granted to Qatar Airways for a new bi-weekly cargo flight on the Milan/Chicago route from Doha.

Milan Malpensa: increase in services and frequencies. From winter 2013 a new connection with Miami by American Airlines and a connection operated by Emirates with New York (fifth freedom rights) will become operative.
In 2013 connections with Russia have been developed following the new important bilateral agreement between Italy and the Russian Federation signed in March 2012, which resulted in a significant increase in operable frequencies. In particular, the doubling of daily frequencies operable between Milan and Moscow by Russian operators, in addition to the opportunity to enter the market for a second airline are significant.
Thanks to this agreement, the Russian airline Transaero introduced new connections between Malpensa and Moscow, with a daily flight introduced, and with St. Petersburg, while Aeroflot now operates three daily flights with Moscow.
From January 2013 the increase in flights operated by Saudi with Jeddah and Riyadh is highlighted, in addition to the introduction of the fifth daily flight by Turkish Airlines with Istanbul from May.
The new services introduced in the first half in the year include also the daily flight with Riga by Air Baltic.
A further important development at Milan Malpensa announced in April 2013 concerns the introduction of a daily flight by Emirates with New York – from October 2013, with authorisation granted by ENAC on an extra-bilateral basis (so-called fifth freedom rights). Operated with a Boeing 777-300ER, the flight will be an extension of one of the three daily connections in place between Dubai and Milan. The connection will originate in Dubai, with passengers to New York having the option to stop at Milan or continue to the final destination. Also for the return flight, passengers may choose a stop-over in Milan before continuing to Dubai.
New connections from September are scheduled with Cambridge (4 weekly flights), operated by Darwin Airlines and Tolosa (16 weekly flights), operated by Twin Jet.

In relation to *Milan Malpensa 2*, easyJet introduced 4 weekly flights with Luxembourg, 3 with Sharm el Sheik, 2 with Larnaca, 3 with Belgrade and 3 with Ajaccio, in addition to the increase in weekly flights from summer 2013 with Prague (from 11 to 14), London Gatwick (from 33 to 35), Naples (from 34 to 40), Marrakech (from 7 to 9) and Alghero (from 4 to 7).

In relation to Milan Linate, easyJet began operations on the Milan Linate-Rome Fiumicino route from March 2013, following the confirmation of the Government of the decision of October 2012 made by the Anti-trust Authority. The route is operated by

Airbus 319 aircraft, with 5 daily flights from April 8 - in both directions in the morning and evening slots.

Cargo: the capacity to North America increased following the granting of fifth freedom rights to Qatar Airways which will operate two new weekly flights from July with Chicago (originating from Doha) following the granting of fifth freedom rights on an extra-bilateral basis.

Also Cargolux Italia has developed its offer with North America with two new weekly flights to New York/Chicago and Chicago/Los Angeles introduced, respectively, in May and June.
The Russian cargo airline AirBridge added a third weekly flight with Moscow.
In relation to cargo marketing activities, the drawing up of a specific organisational plan for this sector introduced from March 2013 is highlighted.

ViaMilano: the innovative self hubbing strategy of the SEA Group

In the first half of 2013 the promotional activities for the ViaMilano service continued, principally focused on distribution and communication through the digital channels.
In relation to Trade, ViaMilano confirmed its presence and visibility at a number of important events such as the BIT trade fair of Milan, Travelexpo at Palermo and the 9th workshop at the Puglia airports and presented the service to ACI Europe and to the AOC (Airline Operation Committee).
The partnership with the insurer ViaMilano AXA Assistance was revised and extended, with whom the current features are being improved and network connectivity studies were carried out for airlines in relation to the development of the ViaMilano functionalities offered through the GDS.

The direct contacts with the sector operators were stepped up through the workshops organised in Southern Italy with GDS Amedeus and Travelport (Lamezia Terme, Bari, Naples, Palermo and Catania scheduled for July 4) and through the involvement of ViaMilano in the “sales Blitz” of Emirates in Puglia and Campania in February. Communication activity on the digital channel was principally concentrated on Facebook, with a significant increase in the fanbase (Likes). The reaching of 74,000 fans of the page is also a result of the competitions launched during the period with the partners: “Travel Memory” in collaboration with CTS Viaggi and Emirates in March and “Travel Affinity” in June, in collaboration with Icelandair, in addition to the Ads campaign introduced during the half-year with the objective of enlisting Italian and overseas fans. Also on the digital front, in February the first edition of the dedicated newsletter ViaMilano was sent and the new Twitter account of Viamilano (@FlyViaMilano) was opened.
Finally, due to the interest in the ViaMilano service within the airport industry, Gatwick airport recently launched the “Gatwick Connect” service based on the same concept of ViaMilano. From a performance viewpoint, the exceeding of 100,000 ViaMilano transits in the half-year outperformed the same period of 2012 (77,598).
Numerous requests were also made by European and international airports for exchange of information relating to the principal operating features of the new service conceived by SEA.

“Chinese Friendly Airport” project

The SEA Group considers the increase in Chinese passenger numbers as a significant business opportunity for its terminals and is conscious that in order to fully develop this potential a series of coordinated targeted actions must be identified, planned and carried out.
Therefore, in 2013 the “Chinese Friendly Airport” project continued (begun in 2012), in order to develop commercial and institutional partnerships with foundations and Chinese institutional and governmental bodies.
In the first half of 2013 a series of commercial and operating initiatives previously drawn up were introduced, with the involvement of airport shops, tour operators and institutional and operative bodies. In particular, we highlight those in April in partnership with the tour operators. Beijing Viaggi carried out a “survey” targeting Chinese passengers to establish the quality level of the airport structures, services and products offered. The results of the questionnaires were very positive, testament to the activities introduced to date and provided very interesting ideas for the development of future initiatives.
In the same period a “test” was carried out focused on Chinese passengers departing from Malpensa, in order to ascertain the usefulness of a Chinese

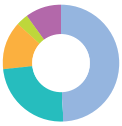
mother-tongue shopping helper and to establish the spending potential of such passengers through the use of a "fascination" discount card which may be launched.
The results were very satisfying both from the approval level of the "shopping helper" by passengers and by airport shops and also in relation to the average spend made which was three times higher than that normally obtained from the same type of passengers.
Meetings were held with the "Private Incentive" tour operators, specialised in the management of Incoming/Outgoing Chinese tourists (top spenders), to evaluate possible commercial partnerships, with the objective to offer "high value" services and discounts to tour operator clients (similar to the previously described initiatives) and the promotion in China by tour operators of Malpensa airport.
The meetings with the Italy-China Foundation continue, through which a number of training activities for retailers and frontline personnel are being evaluated, in addition to on-site support for those times during the day with a particular concentration of flights with Chinese passengers. The possibility of a partnership between SEA and the Italy-China Foundation is also been evaluated.
The activities concerning the introduction of airport signage in the Chinese language in the check-in area of Terminal 1 is continuing. The development of an "Application" in the Chinese language also continues, which is expected to be completed for the second half of the year.

Investments

In H1 2013 the SEA Group continued its commitment to infrastructural development in support of Group development plan.
In particular, at Milan Malpensa work on the extension of the terminal continued and in January 2013 the third satellite was opened.
During the period the works in advance of the preparatory stage of the extension of the Milan Malpensa Cargo terminal continued; in particular the activities relating to the urbanisation of this new area were completed, which established an adequate access system to the existing network of road links to Milan Malpensa airport. The works on the new apron are being completed, which allows for the building of seven new stands. In the period the final design concerning the new Cargo area warehouse was developed. This building will have an area of approx. 15,000 sq./m. and the beginning of construction is scheduled for the initial months of 2014.
In relation to flight infrastructure, in the first half of 2013 an important upgrade of one of the runways at Milan Malpensa was completed. A number of plant updating actions are in progress on the principal Malpensa and Linate link roads in view of the preparation of the ASMGCS systems (Advanced Surface Movement Guidance and Control Systems).

Non aviation

H1 13 Consolidated Revenues Euro 354.298 thousands (*)



	%
Aviation	49.5
Non Aviation	23.8
Handling	13.4
Energy	3.3
Revenues from app IFRIC12	9.9

(*) H1 2013 Group consolidated revenues, net of inter-company eliminations.

Key Results

The Non-Aviation segment, which offers a wide and segmented range of commercial services for passengers, operators and visitors, in the first half of 2013 reports net revenues of Euro 84,462 thousand, growth of 1.1% on H1 2012.
The increase in retail revenues contributed to this performance, supported by increased income in the shops following the introduction of a commercial offer strategy with greater focus on the specific needs of the traffic served at each terminal, and from the tax refund operations. Parking revenues contracted by Euro 1,130 thousand (-4.8%), principally due to the generation in March 2012 of an extraordinary revenue of Euro 1.3 million relating to the start-up of the new commercial agreement which redefined operations between the SEA Group and a sector operator in relation to the management of parking at Malpensa Terminal 1. These factors more than offset the reduction in revenues from the advertising segment, impacted by the continued challenging global market.

Commercial activity performance

In the first half of 2013 the strategy taken to enhance and redevelop the commercial offer was consolidated, further differentiating the offer to increasingly meet the target market demands on the basis of the type of traffic at each terminal.

This objective was pursued particularly through the introduction in the retail sector of new brands and new goods categories, while for parking the positioning towards a greater modulation of tariffs and a structured marketing and communication plan was strengthened.

Shops

Malpensa Terminal 1

In the first half of the year the strategy focused on the inclusion of brands which better serve the target passenger profile was improved, in particular in the Schengen zone in which over the last two years the share of traffic served by low cost airlines compared to the legacy airlines has grown significantly, with obvious repercussions on the retail choices plan and the merchandising mix.
In relation however to the non-Schengen zone, the new Satellite Nord was opened which showcases the architecture which will be featured in the new commercial areas as part of the completion project of Terminal 1 in view of EXPO 2015.
Finally, we highlight the opening in the land side area of the Carrefour Express supermarket, the first at an Italian airport.

Malpensa Terminal 2

The conversion to commercial space of a boarding area also contributed to the improvement of the commercial offer at the terminal.

Milan Linate

In the first half of the year, the key commercial check-in area was improved thanks to the reconversion of the ticketing area (now in the check-in 1 area) into three new commercial units housing the Moleskine, H3G and Napapjiri brands. The air side shopping area was significantly enhanced with the opening of the Burberry shop.

Food & Beverage

In January Bar Motta was opened at the new Satellite Nord of Terminal 1, which is achieving strong results and a warm welcome from passengers.

At Malpensa Terminal 2 the Cremonini Group opened a Bar Mokà in the non-Schengen boarding area, an area to this point lacking in catering offers, in addition to a Bianco&Nero ice cream/yogurt shop in the Schengen area.
The opening of Caffè Milano introduces significant new food options also at Linate, following the agreement between the Milan Municipality and My Chef which provides for the use of "Milano" formats, logos and merchandising, in addition to the opening of the "Michaelangelo" restaurant.
Also at Linate, similarly to Malpensa, the Cremonini Group opened a Bar Mokà in the non-Schengen area to provide an option not previously in place and a California Bakery ice cream/coffee shop was also opened in the Arrivals area.

Parking

The commercial options focused on the business to business and the business to consumer markets continue to be developed, with the optimisation of tariffs, the usage of all offline and online sales channels and with an increased segmentation of the type of parking offered to the user (see the opening from January of the Parking Holiday at Linate dedicated to low cost carrier clients), thanks also to attendance at the largest sector trade fairs and a communication plan focused on general and sector media.
The permanent communications in the service areas of the motorways and orbital roads and the erection of the "three bridges" advertising on Viale Forlanini in Milan, which integrates with other media, have provided a high degree of visibility for the promotional campaigns at the beginning of the year with the promo weekend and the advanced purchasing of June and July. The parking product has been supported particularly on the e-commerce channel, with sales through this channel representing 94% of the total.

Cargo spaces

The ENAC/SEA Master Agreement, which entered into force on September 23, 2012 set the unitary fee levels for the use of exclusive assets (spaces and desks) assigned to Handling Operators (Ramp handlers, Passengers and Supervision/ Representation, Refuelling, Catering, Aircraft Maintenance).

Other activities

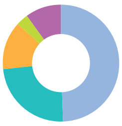
In relation to the fees concerning ramp handling and passenger activities, the unitary amounts increased on those applied previously (particularly in relation to the check-in desks).
In relation however to the Refuelling and Catering activities, the Master Agreement establishes for the absorption of the variable fees, previously related to the volume of activities carried out by operators (measured respectively in cubic meters of fuel provided and the number of flights assisted) within the airport fee revenues, for which under the new principle operators are only recharged the fixed fees related to spaces occupied.
The fees were subsequently altered for 2013, with effect from February 1.
In the first half of 2013 a new tender for the allocation of warehouses under construction was drawn-up for the new Cargo City at Malpensa, in relation to which the contract with FedEx for the allocation of a warehouse is currently in the finalisation stage.
Offices of approx. 200 sq./m. at Malpensa Cargo City were allocated to DHL Global forwarding, which contributed to revenue growth on 2012.

Advertising

Advertising investment continues to reduce on all media, as was the case throughout 2012.
Advertising revenues at Malpensa Terminal 1 contracted, although investments planned for the fashion sector for the new travel retail channel increased significantly. The investments of Generali at Linate and Malpensa Terminal 1 are considered significant.

Handling

H1 13 Consolidated Revenues Euro 354,298 thousands (*)



	%
Aviation	49.5
Non Aviation	23.8
Handling	13.4
Energy	3.3
Revenues from app IFRIC12	9.9

(*) H1 2013 Group consolidated revenues, net of inter-company eliminations.

2013 first half-year traffic

	Airport system			Milan Malpensa			Milan Linate		
	H1 2013	H1 2012	Cge. %	H1 2013	H1 2012	Cge. %	H1 2013	H1 2012	Cge. %
Passengers served	**9,073,518**	**9,068,932**	**0.1%**	**6,291,514**	**6,577,427**	**-4.3%**	**2,782,004**	**2,491,505**	**11.7%**
Passengers area market share	71.1%	68.5%		74.5%	74.9%		64.3%	56.0%	
Movements served	**90,994**	**100,777**	**-9.7%**	**55,849**	**60,735**	**-8.0%**	**35,145**	**40,042**	**-12.2%**
Ramp area market share	74.0%	77.0%		71.8%	73.0%		77.9%	84.1%	
Cargo served (tonnes)	**169,061**	**173,767**	**-2.7%**	**161,707**	**166,144**	**-2.7%**	**7,354**	**7,623**	**-3.5%**
Cargo area market share	79.3%	81.8%		78.8%	81.3%		92.5%	94.5%	

Key Results

The Handling segment, which provides land-side assistance services to aircraft, passengers, luggage, cargo and mail, in H1 2013 reported net revenues of Euro 47,497 thousand (-9.4% on H1 2012).

The performance was impacted by the reduction in income from ordinary handling activities (movements served -12.5%, cargo served -3.5%). The increase of 11.7% in passengers served only partially offset the contractions described.

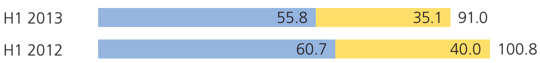
Handling performance

In the first six months of 2013, the SEA Group - through its subsidiary SEA Handling - operated the ramp, passenger and cargo handling amid a difficult market, with high levels of competition, significant price pressures and increasingly challenging demands from airlines.
During the period, the various areas of activity reported the following performances:

- in the passengers segment, traffic served in H1 2012 was substantially confirmed (+0.1%), but with opposing performances at the two airports (-4.3% at Malpensa and +11.7% at Linate), with a significant impact from the acquisition by the competition from June of last year of the passenger assistance service to Air France and KLM (approx. 330,000 passengers);
- in the ramp segment however a significant reduction is reported (-9.7%, approx. 9,800 total movements) of the movements served at both airports, principally due to: the significant contraction of the Alitalia Group (-14.2%), of which -9.2%, equal to approx. 2,900 movements, at Linate and -31.6%, equal to approx. 2,000 movements, at Malpensa, from the transfer to another handler of the service in the ramp segment to Lufthansa in October 2012 at Linate airport (approx. -2,200 movements) and the significant reduction in its traffic at Malpensa airport (-16.5%, - approx. 1,200 movements), in addition to the stoppage of Wind Jet at both airports from September 2012 (approx. -1,800 movements);

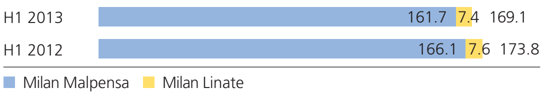
Passengers Handling: passengers served (millions of passengers)

Ramp Handling: movements served (thousands of movements)



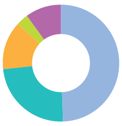
- in the cargo segment, whose activities are concentrated at Malpensa Airport where the company provides cargo unloading and loading services to nearly all of the cargo airlines at the terminal, an overall contraction of approx 4,700 thousand tonnes of cargo served was reported (-2.7%). The activities at Malpensa principally impacted on this result (-4,400 tonnes of cargo), with reductions for various carriers, principally Korean (-36.6%, -4,000 tonnes of cargo) and China Cargo (-70.2%, approx. -8,300 tonnes of cargo), only partially offset by the increases of Cargolux, Air Bridge and Qatar (respectively +2,900, +3,500 and +3,300 tonnes of cargo).

Cargo Handling: tonnes of cargo served (thousands of tonnes)



Energy

H1 13 Consolidated Revenues Euro 354.298 thousands (*)



	%
Aviation	49.5
Non Aviation	23.8
Handling	13.4
Energy	3.3
Revenues from app. IFRIC12	9.9

(*) H1 2013 Group consolidated revenues, net of inter-company eliminations

Key Results

The Energy business, involved in the production and sale of electric and thermal energy, in H1 2013 reported net revenues of Euro 11,769 thousand (-27.9% on H1 2012).

Production and Sale of Energy

Electricity

In the first half of 2013 the production of electricity decreased 13.3% (-30.9 million kWh) compared to the same period of 2012 to 202.2 million kWh, of which over 43% allocated to serve the needs of the airports managed by the SEA Group.
Revenues from the sale of electricity decreased by Euro 6,027 thousand (-39.9%) following the significant reduction in electricity sales to third parties (-31.9 million kWh).
The production of electricity for sale through Borsa Elettric decreased 34.5% on the first half of 2012. The reduction in the quantity sold to third parties exclusively concerns the reduced sale of electricity produced for sale on the electricity market as current methane and electricity prices are not generating margins.
In the first half of 2013 SEA consumed approx. 1 million kWh more than the first half of 2012 (+1.2%), due to increased consumption following the opening of the third satellite at Malpensa T1.
In relation to sales under bilateral contracts (concerning electricity surpluses produced under co-generation), in 2013 the sale to third parties of electricity continued particularly to Bergamo Orio al Serio airport, Naples airport and the Sheraton hotel at Malpensa for approx. 18.7 million kWh (+37.8% on H1 2012).

Thermal Energy

In the first six months of 2013 electricity production increased by 2% on the same period of 2012 (+3.5 million kWh) to 179.8 million kWh, of which over 85% serving the needs of Linate and Malpensa airports. This increased production was supported by higher thermal energy demand by SEA (+2.5% compared to H1 2012), while third party sales reduced 0.9%.

White Certificates

A request was sent to the Electricity Regulator for CAR (high yield co-generator) recognition for the Malpensa station, which exempts the requirement for Green Certificates. The Milan Malpensa station satisfies the requirements introduced by Ministerial Decree 5/9/2011 and subsequent amendments for the recognition by the Electricity Regulator of White Certificates to support high yield co-generative units. These certificates may be requested for a period of 5 years from the entry into force of Ministerial Decree of September 5, 2011, within the limit of 30% of the incentives recognised to newly-constructed high yield co-generation plant and may be requested from the 2012 data.

Emission trading

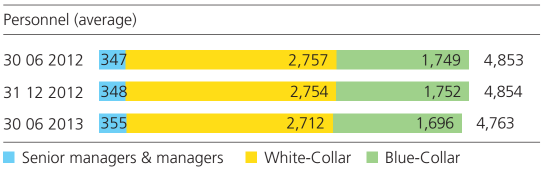
For the first half of 2013, the overall production of CO2 by the Company amounted to 109,249 tonnes, of which 79,412 tonnes generated by the Malpensa station and 29,837 tonnes produced by the Linate plant.
At June 30, 2013, SEA Energia may avail of 6,807 tonnes on its own behalf. This amount concerns the balance between the total of that present in the register at December 31, 2012 and that returned by April 30, 2013.

Investments in the Energy Business

The project for the construction of the optimisation system at the Linate station began. This system will allow greater efficiency for the station productive machinery, maximising profits and managing combustible consumption in an optimised manner.

Human Resources Management

Human resources



Workforce

At June 30, 2013, SEA Group employees numbered 5,070, increasing by 16 on the end of 2012 (+0.3%): this follows the partial absorption of the normal departures from the workforce and the hiring of seasonal workers by handlers. The overall Headcount Equivalent in the period January-June 2013 compared to the full year 2012 reduced by 91 from 4,854 to 4,763 (-1.9%).
During the period the Extraordinary Temporary Lay-Off Scheme was utilised by SEA and SEA Handling. This instrument was used by office and airport staff departments in a targeted manner and Total hours utilsed numbered approx. 533 thousand.
Females at the SEA Group represent 31% of the Headcount at June 30, equally distributed across classifications.

Industrial relations

Meetings with the trade unions continued also in H1 2013, concentrating in particular on the identification of measures to recover efficiencies at the SEA Group and the financial rescue of SEA Handling.

Development and training

Training opportunities also in 2012 focused on the various company roles with the objective to motivate staff and increase their professional skill set, together with the development of the company and of the professional system.
Particular attention was focused on Safety and Security training. The major training actions include courses concerning airport Security drawn up in line with the latest guidelines issued by ENAC under the National Programme for Civil Aviation Security and in Circular SEC 05 of December 2012, with particular focus on the issues of Baggage Reconciliation, a fundamental measure in the prevention against illegal interference. In relation to Security training, the types of employees affected by the introduction of the regulation were redefined according to categories which have seen the introduction of new types of up-skilling courses for handling personnel involved in baggage reconciliation and for personnel who enter sterilised areas without escort.
Particular attention was focused at the two airports on the retraining of Employees involved in assisting passengers with reduced mobility. The objective of this course is to provide the basic skills concerning mobilisation techniques to responsibly and with improved knowledge provide professional assistance; the course also provides basic knowledge on the major first aid techniques. Rounding off the issues addressed, the programme provides, in order to better serve the passenger, basic English language training and knowledge concerning the relevant regulation: Law 81/2008 and Reg. (EC) 1107/06.

Welfare

In the half-year the activity programme concerned services to support home/work mobility (with the review of the service issue operating manners).
In the half-year, the comparison and benchmark activities continued with both corporate and institutional external entities. We highlight in particular the projects with the Varese Province Healthcare Authority and with ASAM. The first provides, in collaboration with the VARESE Province Healthcare Authority - Social Department, the carrying out of three workshops on life-work balancing. The second project however, undertaken by ASAM (Association for Corporate and Managerial Studies) at the Sacred Heart Catholic University, is dedicated to comparison and benchmarking of initiatives, activities and programmes developed by the individual companies to serve organisational well-being.

Corporate Governance system

Profile

The governance system of the Company is based on a traditional organisational model comprising the Shareholders' Meetings, Board of Directors and the Board of Statutory Auditors.

SEA S.p.A. and the Companies of the Group, although not listed on the stock exchange, voluntarily comply, since June 27, 2001, with a Corporate Governance System based on the principles and recommendations contained in the Self-Governance Code of Listed Companies, published by Borsa Italiana S.p.A., where applicable.

SEA S.p.A. considers that the adoption of a Corporate Governance Model – such as that recommended by the Self-Governance Code – based on the principles of transparency and the correct balance between management and control, constitutes an essential requisite and an effective instrument to implement the values of the Company's mission.

The company is not subject to management and co-ordination pursuant to Article 2497 and subsequent of the Italian Civil Code.

Shareholders' Meetings

The Shareholders' Meeting is the body that, through its resolutions, expresses the shareholders wishes.
The Shareholders' Meetings approves the most important decisions of the Company, among which, the appointment of the Corporate Boards, the approval of the financial statements, and changes to the Company By-laws.

Board of Directors

The Board of Directors of the Company in office at the date of the present Report comprises 7 members, appointed by the Shareholders' Meeting on June 24, 2013.

The current Board of Directors remains in office until the approval of the 2015 Annual Accounts.

The Board of Directors of SEA S.p.A. is composed of Non-Executive Directors and has set up Committees with proposal and consultation functions (Control and Risks Committee, Ethics Committee, Remuneration Committee).

Committees

The Committees are comprised exclusively of Non-Executive Directors and without operating powers, who undertake their activities through regular meetings and the minutes of these meetings are kept at the Company's registered office.
The remit of these Committees is set out in accordance with applicable legislation, by the Self-Governance Code and is indicated in the articles of incorporation of the Committees.

Internal Control System

The internal control system of the Company comprises of regulations, procedures, and organisational structure aimed at monitoring:
1) the efficiency and effectiveness of the business processes;
2) the reliability of financial disclosure;
3) compliance with law, regulations, the By-laws and internal procedures;
4) the safeguarding of the company's assets.

For these functions, the Board of Directors works together with the Control and Risks Committee. The Committee, renewed by the Board of Directors on July 11, 2013 is an Internal Committee to the Board of Directors, comprising three Non-Executive Directors with consultation and proposal functions on internal control and corporate risk management which, in addition to assessing the adequacy of the internal control system, also acts as a liaison between the Board of Directors, Board of Statutory Auditors, Independent Audit Firm and the Supervisory Board as per Legislative Decree No. 231/2001.
Within its activities, the Risk and Control Committee is assisted by the Auditing Department.
The review on the effectiveness and adequacy of the Organisation and Management model is undertaken by the Supervisory Board, appointed by the Board of Directors of the Company, and comprising 3 members (2 external independent members and the Auditing Director).

Board of Statutory Auditors

The Board of Statutory Auditors in office at the date of the present report was appointed by the Shareholders' Meeting of June 24, 2013 in accordance with the Company By-laws and remains in office until the approval of the 2015 Annual Accounts.

Ethics Code

Since April 2000, SEA has its own Ethics Code which defines the ethical and moral values of the Company, indicating the conduct to be undertaken by personnel and members of the Corporate Boards, in corporate business and external affairs; in 2011, SEA updated its Ethics Code in line with the best practices of Listed Companies.

For its disclosure and compliance, the Company appointed the "Ethics Committee".
The Ethics Code is available on the website www.seamilano.eu in the Governance section.

Corporate Governance Report

The Company prepares annually the Corporate Governance and Ownership Report; the report is available on the website www.seamilano.eu.

Risk Factors

Strategic risks

The strategic risk factors to which the SEA Group is subject may also have particularly significant effects on the long-term performance, with a consequent possible review of the development policies at the SEA Group.

Air transport market structure and development

The performance of the airport sector is strongly influenced by the overall volume growth of air traffic, which in turn is related to a number of factors such as, for example, the performance of the economy and the development of fast and alternative transport means, in particular rail.

Risks related to airline company choices

As for the other airport operators, the future development of activities depends significantly on the strategic choices of airlines, which are dependent also on the global economic-financial performance. In particular, in recent years traditional airlines have undertaken processes to create international alliances which strengthen their market position and in general alter the demand structure; in the same period a significant shift has also taken place in demand, generated by the increased presence of low cost airlines with a consequent increase in terminal competition, allowing the development of decentralised and smaller airports.

Risks related to the reduction of passenger numbers or the quantity of cargo in transit at the terminals managed by the SEA Group

The volume of passenger traffic and cargo in transit at the Linate and Malpensa airports represents a key factor in the results achieved by the Group. Any reduction or interruption to flights by one or more airlines, operating out of the airports managed by the SEA Group, also as a result of the continued weak economic-financial position of the airlines, in addition to any stoppage (such as for example the suspension of flights by Wind Jet in 2011) or a change in connections with a number of destinations with significant passenger traffic may result in a reduction in the above-stated traffic, with consequent impacts on activities and Group results.
The Group considers itself, based on experience gained over the years, although not being certain in this regard, to be able to offset the risk of a reduction or interruption in flights, through the redistribution of passenger traffic between airlines operating on the market and the capacity to attract new airlines. Any redistribution of traffic may require a certain period of time, temporarily influencing traffic volumes.

Agreement framework – Assets agreement

A significant part of SEA Group revenues derives from the activities carried out based on the agreement signed between Società per Azioni Esercizi Aeroportuali SEA and ENAC, with duration until May 4, 2041. The Agreement provides for a series of obligations relating to the management and development of the Milan airport system, in addition to advanced withdrawal in the case of serious non-fulfillment by SEA and dissolution conditions in the case of a delay for more than 12 months in the payment of the fee due by SEA, or in the case of a declaration of bankruptcy by SEA. At the conclusion of the Agreement SEA must return state assets forming part of the Malpensa and Linate airports and freely provide to the State all plant, works and infrastructure created by SEA through these assets.
A regulatory update was introduced with the publication of Decree of March 7, 2013 entitled 'Return to the State of assets no longer instrumental for the institutional duties of ENAV'. The Decree introduces the amendments to the Navigation Code (Legislative Decree 265 of 2004 and subsequent amendments), under which the operator is awarded the duty to administrate and manage the airport infrastructure and ENAV is assigned the duty to provide air navigation services.
Based on these regulations, the return of Visual Aid Lights (Runway Lights) is provided for, as considered "no longer instrumental for the institutional duties of ENAV".
According to the decree, ENAV returns State property and at the same time the assets are awarded to ENAC to utilise free of charge in accordance with Article 8, paragraph 2 (for subsequent transfer to the Airport Management Company). The decree concerns the airports of Malpensa, Linate, Bergamo, Rome Fiumicino and Venice (in addition to three smaller airports).
In substance, the decree recognises that affirmed by SEA over the years in the dispute with ENAV, in that the VAL are considered flight infrastructure and not flight assistance equipment; this therefore confirms the decision held over the years in relation to the management of such. From 1962 SEA in fact managed and developed such plant as an essential part of the flight infrastructure and objected in principal (declared in the previous decrees of 18.12.1989 and 14.11.2000 which identified VAL as among the assets transferred to ENAV).

The awarding to the operator under the decree takes place however under a differing definition from that declared by SEA (not ownership but under concession) and therefore the illegality of the decree is being evaluated in relation to the agreement concerning assets deriving from the SEA/ENAC Agreement and the Navigation Code.

Uncertainties relating to regulatory developments

SEA Group activities, as is the case for all Italian Airport Managers, are subject to a high level of regulation which impacts in particular the allocation of slots, the control of air traffic and the establishment of fees concerning services which may be provided only by the Airport Manager (airport fees, security control fees, fees for the use of common use assets and centralised infrastructure for handling services).
In addition, as for the other sector companies, the activities of the SEA Group are subject to a number of environmental protection laws and regulations at EU, national, regional and local level.

Risk related to the decision of the European Commission of 19.12.2012 concerning declarations of State Aid awarded to SEA Handling

With decision of December 19, 2012, the European Commission judged that the share capital increases carried out by SEA in favour of its subsidiary SEA Handling in the 2002-2010 period for Euro 360 million, plus interest, constituted impermissible State Aid. This decision established the obligation for the Italian State to recover the Aid within four months from notification (and therefore by April 20, 2013, a deadline subsequently extended to June 5, 2013).

On March 4, 2013, the Italian State presented to the EU Court an appeal seeking the cancellation of the Commission decision in accordance with Article 263 of the TFEU. Similar appeals were presented on March 15, 2013 and March 18, 2013 respectively by SEA Handling and by the Municipality of Milan. In addition, with requests of March 18, 2013 and March 21, 2013, SEA Handling and the Municipality of Milan requested the EU Court to place a stay on the execution of the Commission decision. In this procedure the Italian State also intervened to support the application presented by the Company.

Subsequently, the Municipality of Milan notified SEA of an appeal before the Lombardy Regional Administrative Court to request the cancellation, with prior suspension until the establishment of a judgment of the decision pending before the EU Court, of a number of preliminary acts of the Government to introduce a recovery procedure of the State Aid. On May 22, 2013 the Lombardy Regional Administrative Court heard the preventative request of the Municipality of Milan.

Parallel to the appeals briefly outlined previously, the SEA Group also initiated a dialogue with the Commission in order to identify a path, drawn up on the execution of the decision, as an alternative to the repayment of the sums to SEA S.p.A. by SEA Handling declared as State Aid, further to any initiatives undertaken at a legal level for the cancellation of the decision. This alternative path to executing the decision concerns in particular the possibility to cede control of SEA Handling to private parties at market values, according to a manner which guarantees the “discontinued management” of the handling activities in order to avoid the judgment of the granting of state aid against the Buyer.

For an in-depth analysis of the development and current state of the dispute and the dialogue in course with the European Commission, reference should be made to the section of the explanatory note *“Commitments and potential liabilities"*.

In light of that stated above, at the preparation date of the 2013 Half-Year Report the overall situation may be summarised as follows:

(i) the review of the decision of the Commission of 19.12.2012 and the defence put forward at the EU Court permit the affirmation that the arguments made by SEA Handling forming the basis of its request for a reform of the decision are, in the opinion of the lawyers assisting the Company, reasonably founded and are therefore worthy of the attention of the EU Court;

(ii) the arguments of SEA Handling in the case before the EU Court are fully shared also by the Government and the Municipality of Milan and therefore by the authorities proposed to recover the aid, who also request the reform of the Commission decision;

(iii) also the Lombardy Regional Administrative Court in order No. 553/2013 declared that, on initial examination, the arguments of the Municipality of Milan and of SEA Handling would not seem devoid of *fumus boni iuris* (presumption of sufficient legal basis);

(iv) the conduct of the Italian Government and the Municipality of Milan would not seem, as it stands, to point towards a will within the national authorities to execute the decision requesting SEA Handling to repay the aid provided. Specifically:
- no repayment order of aid has been handed down to SEA Handling by the national

authorities (apart from that requested on a number of occasions by the European Commission);
- the Italian Government has carried out a number of acts entirely of a preliminary nature (in particular the provision to the Commission of the calculation of interest), therefore provoking a reaction from the Commission which on many occasions has complained of a lack of movement by the Italian Government and has threatened to open an infraction procedure against the State;
- the Municipality of Milan opposed the execution of the Commission decision, obtaining a stay from the Lombardy Regional Administration Court which suspended the national procedure for the recovery of the aid; the position of the Municipality of Milan is particularly significant, taking account that, according to the opinion expressed by the Italian Government the same Municipality of Milan would be the national authority with the remit for the recovery of the aid from SEA Handling;

(v) the European Commission has on many occasions underlined, in its defensive notes to the preventative judgment at the EU Court, that the national authorities have not shown to this point any real intention to effectively recover the aid, emphasising that SEA Handling does not appear at any risk to be required to repay the aid;

(vi) although the negotiations are not proceeding rapidly, the European Commission appears open to the possibility to find a solution to the problem concerning aid provided to SEA Handling other than the repayment of the sums involved. In particular, Commissioner Almunia, with letter of May 8, 2013 to the Italian EU parliamentary members clarified that the services of the Commission remain *"available to the Italian authorities to help them to identify the best solution possible for the correct execution of the Commission Decision"*.

At the date of approval of the 2012 Annual Accounts (June 21, 2013), the Company communicated all considerations in relation to the possible outcome of the case, which presents, in the opinion of external legal experts and consultants, a reasonable chance of success, together with the considerations relating to the actions of the national authorities appointed for the recovery of aid, which overall lead to the conclusion that, at the current state of events of which the Company is aware, the most likely development would not involve the repayment in cash to SEA S.p.A. of the aid by SEA Handling through the use of its resources.

Therefore the Company, supported by the opinions of its lawyers and external experts, has not allocated in its 2012 financial statements amounts to the provision for risk and charges to cover the potential repayment obligations outlined above, in that it considers the risk, on further analysis, as "*possible*" and no longer as "*probable*".

As the situation has substantially not changed since the approval of the 2012 Annual Accounts, the Company, which will monitor on an ongoing basis the development of the dispute in order to communicate in a timely manner the pertinent financial disclosure and any impact from the confirmation of liabilities which currently are only considered potential, considers it reasonable not to record a provision for risk and charges for the repayment to SEA S.p.A. of presumed State Aid.

In any case the 2012 Annual Accounts and the Balance Sheet and Income Statement of SEA Handling at June 30, 2013, as set out above, do not conflict with the contacts undertaken with the Commission for the search for an alternative solution to the legal case based on that stated and together with a significant change in relation to the activities carried out by the SEA Handling would result in the non-execution of the decision. This contact, undertaken as stated to agree an alternative solution to the return of the sums paid, must in fact take place also to avoid in the future a possible accumulated deficit following the further worsening of results from the continuation of the current challenging market conditions. In fact, in the case of a reduction in the Shareholders' Equity of SEA Handling such as to trigger Articles 2446 and 2447 of the Civil Code, the need for recapitalisation may be a reality following the evaluations of the European Commission, with the risk, where an agreed solution is not established in advance, that the going concern of SEA Handling would be affected.

Risks related to airport handling activities

The airport handling sector performance is impacted by the development and structure of the air transport market, similar to the risks related to airline choices. These latter significantly impact the handlers activities as the relative contracts are subject to particularly favourable airline withdrawal conditions. The high level of competition for airport handlers involves also a significant risk in alteration of market share held.

Operating Risks

This category of risks, related to the manner in which the SEA Group manages its principal corporate processes, although potentially impacting the short and long-term performance, does not have significant consequences on the strategic choices.
The management of the above-stated risks is carried out by the parent company which identifies, evaluates and implements the necessary actions to prevent and limit the consequences from the occurrence of the above-stated risk factors.

Airport system traffic management

The SEA Group is committed to avoid all interruptions to operations and service; despite this commitment such may occur in the following circumstances: strikes and other interruptions to employee activity, to that of the airlines, of personnel dedicated to air traffic control services and of the public emergency service operators; the incorrect and non-punctual provision of services by third parties such as, for example, ENAV personnel involved in air traffic control services, public emergency and safety operators, airline personnel or other operators involved in the provision of handling services, adverse weather conditions (snow, fog etc.). In order to limit the impact of these risks, the SEA Group oversees the correct functioning of the IT systems utilised for the operational management of terminals and coordinates the services and activities necessary for the correct operation of terminals, also under emergency conditions.

Risks associated to safety and security management

The SEA Group, fulfilling the obligations established for airport managers by ENAC Regulation of October 21, 2003 for the Construction and Operation of Airports, through the Safety Management System guarantees that airport operations are carried out under pre-established security conditions and evaluates the efficacy of the system in order to correct any conduct deviations by any of the airport operators.
In this regard the SEA Group guarantees that the flight infrastructure, plant, equipment and the operational processes and procedures comply with national and international standards; an ongoing training programme for personnel is implemented in order to guarantee maximum safety protection, quality levels and the punctuality and efficiency of the service. For further information in this regard, reference should be made to the paragraph Certification of Airports and Airport Safety in the Corporate Social Responsibility section.

Commodity risks

The SEA Group, limited to only SEA Energia, is exposed to changes in prices, and the relative currency fluctuations, of the energy commodities utilised i.e. gas. These risks derive from the purchase of the above-mentioned energy commodities, which are principally impacted by fluctuations in the prices of the underlying fuels, denominated in US Dollars. These fluctuations arise both directly and indirectly, through formulas and indexations utilised in the pricing structures. The risks also arise in the sales phase, in relation to the fluctuations in the electricity market prices sold to third parties.
In the first half of 2013, the SEA Group did not undertake hedging activities of this risk which are currently being analysed and assessed for future periods. It is also highlighted that the SEA Group, through the subsidiary SEA Energia has signed bilateral contracts for the supply of electricity and heat to third parties which ties the sales price to the cost of methane, thereby implementing an implicit hedge of the commodity risk. In addition, in 2012, in order to reduce the exposure to the risk of changes in the price of methane, a new procurement contract was signed, which provides for a fixed price defined contractually for a part of the supply needs, thus resulting in a further reduction in the risk of changes in the methane price.

Financial risks

The management of financial risks is carried out by the parent company which identifies, evaluates and implements actions to prevent and limit the consequences of the occurrence of the above-stated risk factors.

Liquidity risk

The liquidity risk for the SEA Group may arise where the financial resources available are not sufficient to meet the financial and commercial commitments within the agreed terms and conditions.
The liquidity, cash flows and financial needs of the SEA Group are managed through policies and processes with the objective to minimise the liquidity risk. Specifically, the SEA Group:

- centrally monitors and manages, under the control of the Group Treasury, the financial resources available, in order to ensure an efficient management of these resources, also in forward budgeting terms
- maintains adequate liquidity in treasury current accounts
- obtaines committed credit lines (revolving and non), which covers the financial commitments of the Group in the coming 12 months deriving from the investment plan and debt repayments
- monitors the liquidity position, in relation to the business planning.

At the end of June 2013, the SEA Group had non-utilised irrevocable credit lines of Euro 115 million, with a residual average life of approx. four years, as follows: Euro 30 million non-revolving credit lines from primary banking institutions through the European Investment Bank, related to infrastructural projects at Malpensa Airport, Euro 85 million revolving credit lines (utilised in tranches of between 1 week and 12 months). At the end of June 2013, the SEA Group had Euro 39.9 million of available liquidity invested in ordinary and treasury current accounts.
Trade payables are guaranteed by the SEA Group through careful working capital management which largely concerns trade receivables and the relative contractual conditions established (also utilising indirect factoring which provides further financial credit lines to guarantee adequate cash flexibility).
Finally, the availability of the above-mentioned credit lines, taking account of the investment plans and working capital needs and considering the capacity to generate cash from operations, provide the basis for the discharging of the repayment obligations to Shareholders, by December 31, 2013, of the overall debt of Euro 89,286 thousand concerning dividends approved in 2011 and 2012.

Interest rate risk

The SEA Group is exposed to the risk of changes in interest rates in relation to the necessity to finance its operating activities and the use of available liquidity. The changes in interest rates may impact positively or negatively on the results of the SEA Group, modifying the costs and returns on financial and investment operations.
The SEA Group manages this risk through an appropriate mixture between fixed and variable rate loans, with the objective to mitigate the economic effect of the volatility of the interest rates.
Variable interest loans exposes the SEA Group to a risk originating from the volatility of the interest rates (cash flow risk). Relating to this risk, for the purposes of the relative hedging, the SEA Group may take recourse to derivative contracts, which converts the variable rate to a fixed rate or limits the fluctuations in variable rates over a range, in this manner reducing the risk originating from the volatility of the rates. We highlight that these derivative contracts, underwritten exclusively for the purposes of hedging market rate volatility, are recorded through the cash flow hedge method, supported by the Group's risk management policy and the verification of the efficacy of the contracts in achieving the risk management objectives.

Currency risk

The SEA Group, with the exception of the currency risk related to the commodity risk, is subject to a low currency fluctuation risk as, although operating in an international environment, the transactions are principally in Euro. Therefore, the SEA Group does not consider it necessary to implement specific hedging against this risk as the amounts in currencies other than the Euro are insignificant and the relative receipts and payments generally offset one another.

Credit risk

The credit risks represent the exposure of the SEA Group to potential losses deriving from the non-compliance of obligations by trading and financial partners.
This risk is primarily of an economic/financial nature, or rather the possibility of the default of a counterparty, and also factors of a technical/commercial or administrative/legal nature.
For the SEA Group the credit risk exposure is largely related to the deterioration of a financial nature of the principle airline companies which incur on the one hand the effects of the seasonality related to aviation operations, and on the other consequences of geopolitical events which impact upon the air transport sector (wars, epidemics, atmospheric events, rise in oil prices and economic/financial crises).
In order to control this risk, the SEA Group has implemented procedures and actions to monitor the expected cash flows and recovery actions.
In accordance with the internal policy on receivables the client is required to provide guarantees: this typically relates to bank or insurance guarantees issued by primary credit institutions or deposit guarantees.
In relation to the payment terms applied for the majority of the clients, credit terms are largely concentrated within 30 days from the relative invoicing.
Trade receivables are reported in the financial statements net of doubtful debt provisions, which are prudently made based on the underlying disputes at the balance sheet date. The doubtful debt provision necessary to adjust the nominal value to the realisable value is determined analysing all receivables and utilising all available information on the debtor. The SEA Group, against overdue receivables, receivables in dispute, or for which there is a legal or administrative procedure, utilises the same write-down percentages.

Transactions with related parties

The transactions with related parties are not atypical or unusual and form part of the ordinary business activities of the companies of the Group.
These operations are regulated at market conditions and take account of the characteristics of the goods and services provided.
For greater details, reference should be made to paragraph 6 “Transactions with related parties” of the Explanatory Notes to the 2013 Condensed Consolidated Half-Year Financial Statements.

Significant events after June 30, 2013

Milan Malpensa and Milan Linate airport traffic to July 25, 2013

Movements until July 25 confirm the downward trend over recent months (-6.4% overall, Malpensa -6.9% and Linate -5.6%).
Passenger traffic in the same period decreased 4.7% overall (-6.5% at Malpensa and -1.1% at Linate).
The first half performances both for Malpensa and Linate were confirmed, featuring principally the cancellations of the Alitalia Group and Wind Jet. For Malpensa in particular the reductions made by the carriers Meridiana Fly, Vueling and the cancellations of Monarch and Jet Airways are also considered. For Linate however, the further reductions are due to the transfer of Air Baltic to Malpensa.
Overall cargo traffic increased 7.8%, relating both to Malpensa (+7.9%) and Linate (+5%). For Malpensa growth by the carriers Air Bridge Cargo, Qatar, FedEx and Etihad is highlighted. The increased quantity of cargo transported by Air Bridge and FedEx is due to the increased number of flights operated.

Investigation procedure of the European Commission and the decision of December 19, 2012 concerning State Aid in favour of SEA Handling – Appeal of the President of the Council of Ministers

On July 22, 2013, the President of the Council of Ministers proposed an appeal to the Council of State for reform of Ordinance 553/2013, under which the Lombardy Regional Administrative Court accepted the suspension motion put forward by the Municipality of Milan of the government provisions executing the decision of the European Commission of December 19, 2012. The hearing is scheduled for between the end of August and the first half of September. SEA is preparing its response.

Consolidated Financial Statements

Consolidated balance sheet

(in thousands of Euro)	Note	At June 30, 2013	of which related parties	At December 31, 2012	of which related parties
ASSETS					
Intangible assets	4.1	896,793		870,682	
Property, plant & equipment	4.2	203,686		205,870	
Property investments	4.3	3,417		3,420	
Invesments in associated companies	4.4	42,908		41,639	
Available for-sale investments	4.5	26		26	
Deferred tax assets	5.6	30,176		31,554	
Other receivables	4.7	568		599	
Total non-current assets		**1,177,575**		**1,153,790**	
Inventories	4.8	7,294		7,758	
Trade receivables	4.9	159,026	10,370	156,054	8,525
Other receivables	4.10	36,158		34,969	
Cash and cash equivalents	4.11	39,863		54,339	
Total current assets		**242,341**	**10,370**	**253,120**	**8,525**
TOTAL ASSETS		**1,419,916**	**10,370**	**1,406,910**	**8,525**
LIABILITIES					
Share capital	4.12	27,500		27,500	
Other reserves	4.12	226,699		185,744	
Net profit	4.12	23,331		64,003	
Group Shareholders' equity		**277,530**		**277,247**	
Minority interest shareholders' equity	**4.12**	**86**		**85**	
Group & minority intereset shareholders' equity		**277,616**		**277,332**	
Provision for risks & charges	4.13	156,613		163,533	
Employee provisions	4.14	74,696		77,064	
Non-current financial liabilities	4.15	387,807		410,696	
Total non-current liabilities		**619,115**		**651,293**	
Trade payables	4.16	168,322	2,098	202,006	873
Income tax payables	4.17	68,424		53,562	
Other payables	4.18	200,118		166,307	
Current financial liabilities	4.15	86,321		56,410	
Total current liabilities		**523,185**	**2,098**	**478,285**	**873**
TOTAL LIABILITIES		**1,142,300**	**2,098**	**1,129,578**	**873**
TOTAL LIABILITIES & SHAREHODERS' EQUITY		**1,419,916**	**2,098**	**1,406,910**	**873**

Comprehensive consolidated income statement

(in thousands of Euro)	Note	H1 2013	of which related parties	H1 2012 restated (*)	of which related parties
Operating revenues	5.1	319,205	15,731	299,965	15,637
Revenues for works on assets under concession	5.2	35,092		32,616	
Total revenues		**354,298**	**15,731**	**332,582**	**15,637**
Operating costs					
Personnel costs	5.3	(127,028)		(127,313)	
Consumable materials	5.4	(27,494)		(33,275)	
Other operating costs	5.5	(81,648)		(65,281)	
Provisions & write-downs	5.6	(15,644)		(10,286)	
Costs for works on assets under concession	5.7	(32,393)		(30,933)	
Total operating costs		**(284,207)**	**(938)**	**(267,087)**	**(1,335)**
Gross Operating margin / EBITDA		**70,090**	**14,793**	**65,494**	**14,302**
Amortisation & Depreciation	5.8	(25,216)		(22,395)	
EBIT		**44,874**	**14,793**	**43,099**	**14,302**
Investment income (charges)	5.9	2,986		4,212	
Financial charges	5.10	(9,766)		(9,506)	
Financial income	5.10	522		254	
Pre-tax profit		**38,617**	**14,793**	**38,058**	**14,302**
Income taxes	5.11	(15,285)		(15,488)	
Net profit		**23,332**	**14,793**	**22,570**	**14,302**
Minority interest profit		1		1	
Group net profit		**23,331**	**14,793**	**22,569**	**14,302**
Accounts not subsequently reclassified to the income statement					
Fair value measurement of derivative financial instruments		3,547		(2,521)	
Tax effect from fair value measurement of derivative financial instruments		(976)		776	
Actuarial Profit / (Loss) on Employee Leaving Indemnity		1,145		0	
Tax effect from Actuarial Profit / (Loss) on Employee Leaving Indemnity		(64)		0	
Accounts subsequently reclassified to the income statement					
Total other comprehensive income items		**3,653**		**(1,745)**	
Total comprehensive profit		**26,985**		**20,825**	
Attributable to:					
- Parent Company Shareholders		26,984		20,824	
- Minority interest		1		1	

(*) Reference should be made to Note 2.4 Comparability of the Half-Year Reports

Consolidated Cash Flow Statement

(in thousands of Euro)	at June 30, 2013	of which related parties	at June 30, 2012	of which related parties
Cash flow generated from operating activity				
Pre-tax profit	38,617		38,059	
Adjustments:				
Amortisation & depreciation of tangible & intangible assets	25,216		22,395	
Net provisions (including employee provision)	(5,379)		4,257	
Net financial charges	9,244		9,252	
Investment income	(2,986)		(4,211)	
Other non-cash items	(7,472)		(9,745)	
Cash flow generated from operating activities before changes in working capital	**57,239**		**60,007**	
Change in inventories	464		(76)	
Change in trade receivables & other receivables	(8,111)	(1,845)	(21,278)	(736)
Change in other non-current assets	(945)		(2,025)	
Change in trade payables & other payables	(25,621)	1,225	12,545	(1,689)
Cash flow generated from changes in working capital	**(34,212)**	**(620)**	**(10,834)**	**(2,425)**
Income taxes paid			(21,584)	
Cash flow generated from operating activities	**23,027**	**(620)**	**27,589**	**(2,425)**
Investment in fixed assets:				
-intangible	(35,511)		(33,247)	
-tangible	(6,921)		(6,872)	
Dividends received	1,717	1,717	1,085	1,085
Cash flow generated from investing activity	**(40,715)**	**1,717**	**(39,034)**	**1,085**
Change in gross financial debt				
- increases / (decreases) in short-term and medium/long-term debt	13,541		19,399	
- increases / (decreases) in advances on State grants				
Decreases / (increases) in receivables from State grants	(5)		(697)	
Net increases / (decreases) in other financial liabilities	(2,960)		(2,070)	
Interest paid	(7,363)		(4,096)	
Cash flow generated from financing activity	**3,212**		**12,536**	
Increase / (Decrease) in cash and cash equivalents	**(14,476)**	**1,097**	**1,091**	**(1,340)**
Cash and cash equivalents at beginning of period	54,339		24,062	
Cash and cash equivalents at end of period	39,863		25,153	

Statement of changes in consolidated shareholders' equity

Restated	Share Capital	Legal Reserve	Other reserves & retained earnings	Actuarial profit / (losses) reserve	Derivative contracts hedge acctg, reserve	Net profit	Consolidated share eq.	Minority interest capital & reserves	Group & minority interest consolidated share eq.
Balance at 31/12/2011	**27,500**	**5,500**	**159,912**	**4,742**	**(5,569)**	**50,622**	**242,707**	**83**	**242,790**
Allocation of 2011 net profit			50,622			(50,622)	0		0
Dividends distributed			(17,739)				(17,739)		(17,739)
Other movements							0		0
Other comprehensive income statement items result				(6,996)	(4,728)		(11,724)		(11,724)
Net profit						64,003	64,003	2	64,005
Balance at 31/12/2012	**27,500**	**5,500**	**192,796**	**(2,254)**	**(10,297)**	**64,003**	**277,247**	**85**	**277,332**

Restated	Share Capital	Legal Reserve	Other reserves & retained earnings	Actuarial profit / (losses) reserve	Derivative contracts hedge acctg, reserve	Net profit	Consolidated share eq.	Minority interest capital & reserves	Group & minority interest consolidated share eq.
Balance at 31/12/2012	**27,500**	**5,500**	**192,795**	**(2,254)**	**(10,297)**	**64,003**	**277,247**	**85**	**277,332**
Allocation of 2012 net profit			64,003			(64,003)	0		0
Dividends distributed			(26,700)				(26,700)		(26,700)
Other movements							0		0
Other comprehensive income statement items result				1,081	2,572		3,653		3,653
Net profit						23,331	23,331	1	23,331
Balance at 30/06/2013	**27,500**	**5,500**	**230,098**	**(1,173)**	**(7,726)**	**23,331**	**277,530**	**86**	**277,616**

Notes to the Condensed Consolidated Half-Year Financial Statements

1. General information

Società per Azioni Esercizi Aeroportuali S.E.A. is a limited liability company, incorporated and domiciled in Italy according to Italian Law (the "Company").

The Company's headquarters are located at Milan Linate Airport in Segrate (Milan).

The Company and its subsidiaries (jointly the "Group" or the "SEA Group") manage Milan Malpensa Airport and Milan Linate Airport under the 2001 Agreement signed between SEA and ENAC with a forty year duration (renewing the previous concession of May 7, 1962).

SEA and the Group companies, in the running of the airports, are involved in the management, development and maintenance of the infrastructure and plant at the airports and offer customers all flight related services and activities, such as the landing and departure of aircraft and the airport security services (aviation business); these companies in addition provide a wide and specialised range of commercial services for passengers, operators and visitors, both managed directly and outsourced (non-aviation business).

Through SEA Handling, a subsidiary of SEA, the SEA Group provides also land-side assistance services for aircraft, passengers, luggage, cargo and mail (handling business).

In addition, the SEA Group, through the company SEA Energia, produces electric and thermal energy both to serve the requirements of its airports and for sale on the external market (energy activities).

At the preparation date of the present document, the Company has a 51% holding in Malpensa Construction Consortium, which provides engineering services and airport construction and infrastructure works.

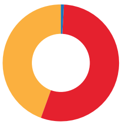
It is also reported that the Group (i) through a 40% holding of SEA in the share capital of Dufrital, also undertakes commercial activities in other Italian airports, including Bergamo, Genoa and Verona; (ii) through the investee company Malpensa Logistica Europa (in which SEA holds 25% of the share capital) undertakes integrated logistics activities; (iii) through the shareholding (30% of the share capital) in SEA Services operates in the catering sector for the Milan airports and (iv) through an investment in Disma (18.75% of the share capital) manages a plant for the storage and distribution of aviation fuel at Milan Malpensa Airport.

The Company, with a shareholding of 30.98%, is also the largest shareholder of SACBO, which manages the Bergamo airport, Orio al Serio.

The activities carried out by the SEA Group, as outlined above, are therefore structured into the following major areas, corresponding to the individual segments, with the Group sourcing revenues from each as follows:

- Aviation business ("core" airport business in support of passenger and cargo transport); the revenues generated are based on a regulated tariff system and stem from airport rights, fees for the use of centralised infrastructure and of shared use assets, in addition to security fees and tariffs for the exclusive use of spaces by airlines and Handlers. The rights and fees for security are set by Ministerial Decrees, while the fees for the use of centralised infrastructure and shared assets are monitored and verified by ENAC;
- Non-Aviation business (commercial services offered to passengers and users of the Milan Airports), whose revenues derive from market fees for the Non-Aviation business directly carried out by SEA, and/or from the above-stated business carried out by sub-contractors, from royalties based on a percentage of revenues of third party operators, with minimum guarantees where established;
- Handling business (and assistance services to aircrafts, passengers, luggage, cargo and mail); the revenues stem from market fees for the ramp handling business (services provided air-side, including the boarding/disembarking of passengers, luggage and cargo, aircraft balancing and luggage distribution and reconciliation) and for passenger handling (land-side services, including check-in and Lost & Found). These fees were freely negotiated between the SEA Group and the airlines;
- Energy (generation and sale of electric and thermal energy) whose revenues stem from market fees set by unit, multiplied by quantity of energy supplied.

At the preparation date of the present document, the shareholder structure was as follows:



Shareholders	%
Municipality of Milan	54.81
F2i Sgr	44.31
Other	0.88

Public shareholders		
14 entities/comp.	Municipality of Milan	54.81%
	Province of Varese	0.64%
	Municipality of Busto Arsizio	0.06%
	Other public shareholders	0.14%
Total		**55.65%**
Private shareholders		
	F2i Sgr	44.31%
	Other private shareholders (*)	0.04%
Totale		**44.35%**

(*) 524 shareholders. In accordance with Consob comm. No. 4059866, SEA is excluded from the list of security issuers published.

2. Compliance with International Accounting Standards

The present condensed consolidated half-year financial statements were prepared in accordance with the IFRS in force, issued by the International Accounting Standards Board and approved by the European Union. Account was also taken of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously the Standing Interpretations Committee ("SIC"). In particular, the present condensed consolidated half-year financial statements were prepared in accordance with IAS 34 Interim Financial Reporting; in accordance with paragraphs 15 and 16 of the standard, these condensed consolidated half-year financial statements therefore do not include all the information published in the annual report and must be read together with the consolidated financial statements at December 31, 2012. In the preparation of the condensed consolidated financial statements at June 30, 2013, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements at December 31, 2012, with the exception of IFRS 13 which entered into force from January 1, 2013.

The preparation of the condensed consolidated half-year financial statements and the related notes in application of IFRS require that the Directors make estimates and assumptions on the values of revenues, costs, assets and liabilities in the half-year report and on the disclosures relating to the assets and contingent liabilities at June 30, 2013. If in the future, these estimates and assumptions, which are based on the best valuations made by the Directors, should be different from the actual results recorded, they will be modified appropriately in the period in which the circumstances occur. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised in the income statement.

It should also be noted that some valuation processes, in particular the most complex, such as the determination of any loss in value of non-current assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

In relation to the measurement of the actuarial effects on the calculation of post-employment benefit provisions in Accordance with IAS 19, until 2012 such was carried out only at year-end, while from the Interim Report at March 31, 2013 it is carried out at each period-end.

2.1 Recently issued accounting standards

Accounting standards and interpretations whose application is mandatory from January 1, 2013 did not have any impact on the Group financial statements, as concerning non-applicable circumstances, with the exceptions of IAS 19 Revised (applied in advance by the Group from the 2012 consolidated financial statements through the use of the accounting choice previously established by IAS 19 to recognise actuarial profits and losses to the comprehensive income statement and not to the income statement) and IFRS 13.

In relation to the comparative Consolidated Income Statement and Consolidated Comprehensive Income Statement for the first half of 2012, the amendment of the accounting choice of IAS 19 adopted from the preparation of the Financial Statements at December 31, 2012 and in line with IAS 19 Revised, effective from January 1, 2013, did not require the restatement of the approved data as the actuarial calculation of the Post-employment benefit provision at this date did not include actuarial profits or losses.

On May 12, 2011 the IASB issued IFRS 13 – Fair value measurement which clarifies how the fair value is calculated for the purposes of the financial statements and is applied to all situations in which the standards require or permit the calculation of the fair value or the presentation of information based on the fair value, with some limited exclusions. In addition, this standard requires more extensive disclosure than that currently required by IFRS 7 on the measurement of the fair value (hierarchy of the fair value). The standard was applied in a prospective manner from January 1, 2013.

In relation however to accounting standards and amendments not yet applicable and not adopted in advanced, we highlight:

- On May 12, 2011, the IASB issued IFRS 10 – Consolidated Financial Statements which will replace SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 – Consolidated and Separate Financial Statements (to be renamed Separate Financial Statements) and will govern the inclusion of investments in the separate financial statements. The principal changes established by the new standard are the following:
  - According to IFRS 10 there is a single principle for the consolidation of all types of entities, and that principle is based on control. This change removes the inconsistency between the previous IAS 27 (based on control) and SIC 12 (based on the transfer of risks and benefits);
  - A more concrete definition of control was introduced, based on three elements: (a) power of the entity acquired; (b) exposure, or rights, to variable returns deriving from involvement with the same; (c) capacity to utilise the power to influence the amount of these returns;
  - IFRS 10 requires that an investor, to evaluate if he has control of the entity acquired, focuses on the activities which influence in a significant manner the returns;
  - IFRS 10 requires that, in evaluating the existence of control, consideration is taken only of the substantial rights, or rather those exercisable in practice when significant decisions must be taken on the entity acquired;
  - IFRS 10 provides a practical guide in the evaluation on whether control exists in complex situations, such as de facto control, potential voting rights, the situations in which it is necessary to establish whether the person with the decisional power is acting as agent or principal, etc.

  In general terms, the application of IFRS 10 requires a significant level of judgment on a certain number of application aspects. The standard is effective in a retrospective manner from January 1, 2014.
- On May 12, 2011, the IASB issued IFRS 11 – Joint arrangements which will replace IAS 31 – Interests in Joint Ventures and SIC-13 – Jointly controlled entities – non monetary contributions by joint ventures. The new standard, in addition to the criteria for the identification of joint control, establishes the accounting criteria for the classification of joint arrangements based on the rights and obligations of the agreements rather than on the legal form and establishes the net equity method as the only method to be applied to holdings in joint ventures in the consolidated financial statements. According to IFRS 11, the existence of a separate vehicle is not a sufficient condition to classify a joint agreement as a joint venture. The standard is applicable retrospectively from January 1, 2014. Following the issue of the new standard, IAS 28 – *Investments in Associates* has been amended to include accounting for investments in jointly-controlled entities in its scope of application (from the effective date of the standard).

On May 12, 2011, the IASB issued IFRS 12 – Disclosure of interests in other entities which is a new and complete standard on additional information to be provided in the consolidated financial statements on all types of investments, including those in subsidiaries, joint arrangements, associated companies, special purpose entities and other non consolidated vehicle companies. The standard is effective in a retrospective manner from January 1, 2014.

2.2 Financial Statements

The present condensed consolidated half-year financial statements, as part of the Half-Year Report, include the consolidated balance sheet at June 30, 2013 and at December 31, 2012, the comprehensive consolidated income statement, the consolidated cash flow statement, the change in consolidated shareholders' equity at June 30, 2013 and December 31, 2012 and the relative explanatory notes.

In relation to the presentation method of the financial statements "the current/non-current" criterion was adopted for the balance sheet while the classification by nature was utilised for the comprehensive income statement and the indirect method for the cash flow statement.

The condensed consolidated half-year financial statements were prepared in accordance with the historical cost convention, except for the measurement of financial assets and liabilities, including derivative instruments, where the obligatory application of the fair value criterion is required.

The condensed consolidated half-year financial statements were prepared in accordance with the going concern concept, as the Directors verified the non-existence of financial, operational or other indicators which could indicate difficulties in the capacity of the Group to meet its obligations in the foreseeable future and in particular in the next 12 months.

The Half-Year Financial Report at June 30, 2013 was prepared in thousands of Euro, as were the tables reported in the Explanatory Notes.

The Half-Year Report at June 30, 2013 was subject to limited audit by the Independent Audit Firm Deloitte & Touche S.p.A., the Auditor of the Company and of the Group.

The present Half-Year Report was approved by the Board of Directors of the Parent Company SEA S.p.A. on July 31, 2013.

2.3 Consolidation scope and changes in the period

The registered office and the share capital (at June 30, 2013) of the companies included in the consolidation scope at June 30, 2013 under the full consolidation method and equity method are reported below:

Company	Registered Office	Share capital at 30/06/2013 (Euro)
SEA Handling S.p.A.	Malpensa Airport - Terminal 2 - Somma Lombardo (VA)	38,050,394
SEA Energia S.p.A.	Milan Linate Airport - Segrate (MI)	5,200,000
Railink S.r.l.	Milan Linate Airport - Segrate (MI)	10,000
Consorzio Malpensa Construction	Via del Vecchio Politecnico, 8 - Milan	51,646
Dufrital S.p.A.	Via Lancetti, 43 - Milan	466,250
SACBO S.p.A.	Via Orio al Serio, 49/51 - Grassobio (BG)	17,010,000
SEA Services S.r.l.	Via Val Formazza, 10 - Milan	105,000
Malpensa Logistica Europa S.p.A.	Milan Linate Airport - Segrate (MI)	6,000,000
Disma S.p.A.	Milan Linate Airport - Segrate (MI)	2,600,000

The companies included in the consolidation scope at June 30, 2013 and the respective consolidation methods are reported below:

Company	% Held at 30/06/2013	Consolidation Method at 30/06/2013
SEA Handling S.p.A.	100%	line-by-line
SEA Energia S.p.A.	100%	line-by-line
Railink S.r.l.	100%	line-by-line
Consorzio Malpensa Construction	51%	line-by-line
Dufrital S.p.A.	40%	Equity
SACBO S.p.A.	30,979%	Equity
SEA Services S.r.l.	30%	Equity
Malpensa Logistica Europa S.p.A.	25%	Equity
Disma S.p.A.	18,75%	Equity

2.4 Comparability of Half-Year Reports

As highlighted in Note 2.1, in the preparation of the 2012 Consolidated Financial Statements, the SEA Group amended the calculation of actuarial profits and losses utilising the accounting choice established by IAS 19 to recognise actuarial profits and losses to the Comprehensive Income Statement and not to the Income Statement; this amendment introduced in advance the effects of the application of IAS 19 Revised which entered into force from January 1, 2013. However the amendment did not have an impact on the Consolidated Half-Year Report at June 30, 2012, which was not restated therefore for comparative purposes as the actuarial measurement of the Employee benefit provision at this date did not include the measurement of actuarial profits or losses.

However, the presentation of comparable financial figures required new classification in some of the income statement accounts in the 2013 Half-Year Report of the SEA Group and of the H1 2012 comparative figures.

These reclassifications were necessary in order to provide a better clarification and comparability of information for the two periods reported. The reclassifications did not result in a change in the Group net result.

A summary of the reclassifications is reported below:

- reclassification from “Other operating costs” of incentives classified until June 30, 2012 as a reduction in revenues as established based on passengers transported, upon which the relative operating revenues were calculated. These incentives were granted to airlines, which invoiced the Group for (i) the maintenance of traffic at the airport or (ii) increased traffic through the development of existing routes or the launching of new routes. In particular, in the opinion of management which monitors the effectiveness of these commercial initiatives together with other marketing initiatives classified under commercial costs, although these incentives are allocated to specific revenue accounts proportionally, because of their contribution to traffic and to the growth of the airport, from an operating viewpoint they must be considered together with all costs incurred by the Group through commercial and marketing activities and are therefore reported in the Management Accounts and valued in the company KPI together with marketing costs. Therefore, the decision was taken to classify these incentives in the annual or interim financial communications in line with their operating objectives;

- reclassification to operating costs of the "provisions and write-downs" for the period;
- reclassification under "other operating costs" of the costs of the Board of Directors previously classified under “personnel costs”;
- reclassification to "operating revenues" and "personnel costs" of the reimbursement on activities provided by personnel of the Group at third party companies.

(in thousands of Euro)	H1 2012 approved	reclassifications	H1 2012 restated
Operating revenues	290,357	9,608	299,965
Revenues for works on assets under concession	32,616		32,616
Total revenues	**322,973**	**9,608**	**332,581**
Operating costs			
Personnel costs	(127,734)	422	(127,313)
Consumable materials	(33,275)		(33,275)
Other operating costs	(55,252)	(10,030)	(65,282)
Provisions & write-downs	(10,286)		(10,286)
Costs for works on assets under concession	(30,933)		(30,933)
Total operating costs	**(257,480)**	**(9,608)**	**(267,088)**
Gross Operating margin / EBITDA	**65,493**	**0**	**65,493**
Amortisation & Depreciation	(22,395)		(22,395)
EBIT	**43,098**	**0**	**43,098**
Investment income (charges)	4,212		4,212
Financial charges	(9,506)		(9,506)
Financial income	254		254
Pre-tax profit	**38,058**	**0**	**38,058**
Income taxes	(15,488)		(15,488)
Net profit	**22,570**	**0**	**22,570**
Minority interest profit	1	0	1
Group net profit	**22,569**	**0**	**22,569**
Accounts not subsequently reclassified to the income statement			
Fair value measurement of derivative financial instruments	(2,521)		(2,521)
Tax effect from fair value measurement of derivative financial instruments	776		776
Accounts subsequently reclassified to the income statement	**0**		**0**
Total other comprehensive income items	**(1,745)**	**0**	**(1,745)**
Total comprehensive profit	**20,825**	**0**	**20,825**
Attributable to:			
- Parent Company Shareholders	20,824		20,824
- Minority interest	1		1

3. Accounting policies and consolidation methods

In the preparation of the present Condensed Half-Year Report, the same accounting policies and consolidation methods adopted for the preparation of the 2012 Annual Financial Statements were applied, with the exception of IFRS 13 which entered into force from January 1, 2013..

4. Explanatory Notes to the Balance Sheet and Financial Position

4.1 Intangible assets

The following table summarises the movements in intangible fixed assets between December 31, 2012 and June 30, 2013.

(in thousands of Euro)	at 31/12/2012	Increases in the period	Reclassification works in progress	Destruction/ obsolete/ sale	Amortisation	Transfers	at 30/06/2013
Gross value							
Assets under concession	1,151,275	5,400		(974)		23,101	1,178,802
Airport concessions and advances	52,693	34,106				(23,101)	63,698
Industrial patents and intellectual property rights	38,307		275				38,582
Assets in progress and advances	5,245	3,357					8,602
Other	15,262						15,262
Gross value	**1,262,781**	**42,864**	**275**	**(974)**			**1,304,946**
Accumulated amortisation							
Assets under concession	(345,993)			329	(14,292)		(359,956)
Airport concessions and advances							
Industrial patents and intellectual property rights	(30,844)		(275)		(1,816)		(32,935)
Assets in progress and advances							
Other	(15,262)						(15,262)
Accumulated amortisation	**(392,099)**		**(275)**	**329**	**(16,108)**		**(408,153)**
Net value							
Assets under concession	805,282	5,400		(645)	(14,292)	23,101	818,846
Airport concessions and advances	52,693	34,106				(23,101)	63,698
Industrial patents and intellectual property rights	7,463				(1,816)		5,647
Assets in progress and advances	5,245	3,357					8,602
Other							
Intangible assets (net value)	**870,682**	**42,864**		**(645)**	**(16,108)**		**896,793**

As per IFRIC 12, rights on assets under concession amount to Euro 818,846 thousand at June 30, 2013 and to Euro 805,282 thousand at December 31, 2012. These rights are amortised on a straight-line basis over the duration of the concession from the State. Amortisation in the first six months of 2013 amounted to Euro 14,292 thousand.

Referring to the Directors' Report concerning the entry into use of the third Satellite at Malpensa, the intangible assets in progress at the preparation date of the present Half-Year Financial Report principally relates to the sections of the satellite not yet completed and which will enter into use most likely in the 2014-2015 period.

On these assets, as per IFRIC 12, the SEA Group does not hold control, but has the obligation to record a restoration and replacement provision.

The investments related to the application of IFRIC 12, which are classified as assets under concession and current airport concessions, principally related to:

- the completion of works for the construction of the third satellite and the continuation of extension works at Milan Malpensa 1;
- the extension of the cargo area.

The increases in the account "Airport concessions and advances" include, in addition to investments in the third satellite and the Malpensa runway, the free provision in the first half of 2013 concerning the building and relative annexes constructed by Air Europe S.p.A. within Milan Malpensa airport under the agreement with SEA of December 1999, which established for the free transfer to SEA on conclusion of the agreement. In 2006 the rights relating to the agreement were transferred from Air Europe S.p.A. to the company Volare S.p.A., currently in Extraordinary Administration. For full disclosure, in the first half of 2012 the Group benefitted from the free transfer of Euro 11,319 thousand concerning the building and areas at Malpensa by LSG Sky Chefs S.p.A. (Note 5.1 – Operating revenues).

The intellectual property rights, amounting to Euro 5,647 thousand at June 30, 2013, principally relate to company software licenses concerning both airport and operational management and to the purchase of software components. The amortisation amounts to Euro 1,816 thousand.

Investments in the half-year recognised under "Assets in progress and advances" principally relate to higher license and software expenses in relation to the "Management control model development" project.

4.2 Property, plant & equipment

The following tables summarises the movements in property, plant and equipment between December 31, 2012 and June 30, 2013:

(in thousands of Euro)	at 31/12/2012	Increases in the period	Reclassifications	Destruction/ obsolete/sale	Depreciation	at 30/06/2013
Gross value						
Land and Buildings	197,820		381	(67)		198,134
Plant and machinery	134,105	85		(0)		134,189
Industrial and commercial equipment	51,292	130		(22)		51,400
Other assets	102,733	2,467	295	(40)		105,454
Assets in progress and advances	3,609	4,285	(676)			7,218
Total Gross Values	**489,559**	**6,966**		**(129)**		**496,396**
Accumulated depreciation						
Land and Buildings	(64,401)			26	(3,364)	(67,738)
Plant and machinery	(83,393)				(2,236)	(85,630)
Industrial and commercial equipment	(46,319)			22	(871)	(47,168)
Other assets	(86,654)			40	(2,638)	(89,252)
Assets in progress and advances	(2,920)					(2,920)
Accumulated depreciation	**(283,688)**			**88**	**(9,109)**	**(292,709)**
Net Values						
Land and Buildings	133,419		381	(41)	(3,364)	130,396
Plant and machinery	50,711	85		(0)	(2,236)	48,560
Industrial and commercial equipment	4,973	130			(871)	4,231
Other assets	16,079	2,467	295	(0)	(2,638)	16,202
Assets in progress and advances	689	4,285	(676)			4,298
Total Net Values	**205,870**	**6,966**		**(41)**	**(9,109)**	**203,686**

Property, plant and equipment are recognised net of the relative grants received from the State and the European Community in accordance with IAS 20, which respectively amount to Euro 499,871 thousand and Euro 1,800 thousand.

Investments relating to property, plant and equipment principally regard:

- equipment, desks and furnishings for the fitting out of the third satellite of Milan Malpensa 1;
- investments in progress at the Technological Centres at Malpensa and Linate;
- the completion of works for the construction of the third satellite and the continuation of extension works at Milan Malpensa, for those not included under assets under concession and airport concessions in progress.

4.3 Investment property

The account includes buildings not utilised in the operating activities of the Group.

4.4 Investments in associated companies

The change in the account "investments in associated companies" at December 31, 2012 and at June 30, 2013 is shown below:

Investments in associated companies		Movements		
(in thousands of Euro)	at 31/12/2012	increases / revaluations	decreases / write-downs	at 30/06/2013
SACBO SpA	29,805	615		30,420
Dufrital SpA	7,220	833		8,053
Disma SpA	2,633		(211)	2,422
Malpensa Logistica Europa SpA	1,585		(24)	1,561
SEA Services Srl	396	57		453
Total	**41,639**	**1,505**	**(235)**	**42,908**

The companies held are all resident in Italy.

The net equity of the associated companies was adjusted to take account of the Group accounting principles and the measurement of investments as per IAS 28.

The adjusted net equity of the SEA Group at June 30, 2013 amounts to Euro 42,869 thousand compared to Euro 41,639 thousand at December 31, 2012.

4.5 AFS Investments

The investments available for sale are listed below:

Company	% Held at 30/06/2013	% Held at 31/12/2012
Consorzio Milano Sistema in liquidazione	10%	10%
Romairport Srl	0.227%	0.227%
Aereopuertos Argentina 2000 SA	8.5%	8.5%

The following table summarises the movements in AFS investments between December 31, 2012 and June 30, 2013:

Available-for-sale investments		Movements		
(in thousands of Euro)	at 31/12/2012	increases/ revaluation/ reclassifications	decreases / write-downs	at 30/06/2013
Consorzio Milano Sistema	25			25
Romairport srl	1			1
Aereopuertos Argentina 2000 SA				
Total	**26**			**26**

In relation to the investment in Aeropuertos Argentina 2000 SA recognised for Euro 1 at June 30, 2013 and at December 31, 2012, reference should be made to the Directors' Report and the paragraph "SEA Group structure at June 30, 2013" and the 2012 Consolidated Financial Statements.

4.6 Deferred tax assets

The breakdown of the net deferred tax assets is reported below:

Net deferred tax assets (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Deferred tax assets	64,756	66,405
Deferred tax liabilities	(34,579)	(34,851)
Total net deferred tax assets	**30,176**	**31,554**

The movement in net deferred tax assets in the first six months of 2013 was as follows:

Description	Balance at 31/12/2012	Release / recognition to P&L	Release / recognition to equity	Balance at 30/06/2013
Deferred tax assets	66,405	(610)	(1,039)	64,755
Deferred tax liabilities	(34,851)	272		(34,579)
Total net deferred tax assets	**31,554**	**(338)**	**(1,039)**	**30,176**

At June 30, 2013 no deferred tax assets were recorded on tax losses.

4.7 Other non-current receivables

The table below shows the breakdown of other non-current receivables:

Other non-current receivables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Tax receivables	257	289
Other receivables	311	310
Total non-current receivables	**568**	**599**

Tax receivables, amounting to Euro 257 thousand at June 30, 2013 (Euro 289 thousand at December 31, 2012), mainly refers to withholding taxes on employee leave indemnity relating to the subsidiary SEA Handling.

Other receivables, amounting to Euro 311 thousand at June 30, 2013 (Euro 310 thousand at December 31, 2012), mainly relates to employee receivables and deposit guarantees.

4.8 Inventories

The following table reports the breakdown of the account "Inventories":

Inventories (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Raw materials, consumables and supplies	7,294	7,758
Total inventories	**7,294**	**7,758**

The account principally comprises consumable goods held for airport activities.

At June 30, 2013 no goods held in inventories comprised guarantees on loans or concerning other commitments.

The Company did not consider it necessary to record an inventory obsolescence provision.

4.9 Trade receivables

The breakdown of the trade receivables is reported in the table below:

Trade receivables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Customer receivables	148,656	147,530
Trade receivables from assoicated companies	10,370	8,525
Total net trade receivables	**159,026**	**156,054**

Trade receivables, shown net of the doubtful debt provision, mainly include receivables from clients and provisions for invoices and credit notes to be issued.

The criteria for the adjustment of receivables to their realisable value takes account of evaluations according to the state of the dispute.

The changes in the doubtful debt provision were as follows:

Doubtful debt provision (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Opening provisions	(103,060)	(104,428)
Increases	(8,965)	(22,611)
Utilisations / reversals	5,433	23,979
Closing doubtful debt provision	**(106,592)**	**(103,060)**

The provision amounted to Euro 8,965 thousand for the first six months of 2013 (Euro 22,611 thousand in 2012) and was calculated to take into account the risk in deterioration of the financial positions of the principle operators with which disputes exist and write-downs for receivables under administration.

The utilisations/reversals relating to the first six months of 2013, amounting to Euro 5,433 thousand, refer principally to the closure during the period of disputes in which the provisions were accrued to cover such risks in previous years.

On November 24, 2012, the SEA Group proposed to the Extraordinary Commissioners of the extraordinary administration procedures of the Alitalia Group a settlement agreement to close pending disputes. The agreement signed on February 14, 2013 provides for the write-off of receivables from the Alitalia Group in extraordinary administration.

4.10 Other current receivables

The following table provides the breakdown of other current receivables:

Other current receivables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Tax receivables	14,307	15,356
Other receivables	21,850	19,614
Total other current receivables	**36,158**	**34,969**

Tax receivables at June 30, 2013 refer to: for Euro 10,414 thousand (Euro 10,414 thousand at December 31, 2012) to the recalculation of IRES income tax for the years 2007-2011 following the recognition of the deductibility for IRES purposes of IRAP regional tax relating to personnel costs in accordance with Article 2, Paragraph 1 of Legislative Decree No. 201/2011 (converted into Law No. 214/2011) with consequent presentation of the request for reimbursement; for Euro 2,266 thousand (Euro 2,266 thousand at December 31, 2012) to the request for reimbursement of 10% of the IRAP paid in previous years, for Euro 1,541 thousand to the IRES receivable from the Tax Consolidation deriving from the higher payment of taxes compared to the 2011 final assessment at December 31, 2012 (zero at June 30, 2013); for Euro 1,061 thousand (Euro 691 thousand at December 31, 2012) to VAT receivables and for Euro 566 thousand (Euro 444 thousand at December 31, 2012) to other tax receivables.

The account “other receivables”, reported net of the relative provision, is broken down as follows:

Other receivables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Receivables from the State for grants under Law 449/85	1,402	1,397
Receivables from the State under SEA/ Min. Infras & Transp. case	3,629	3,542
Other receivables	14,745	13,840
Receivables from employees and social security institutions	3,888	2,537
Receivables from the Ministry for Communications for radio bridge	81	106
Doubtful debt provision	(1,895)	(1,808)
Total other receivables	**21,850**	**19,614**

Receivables from the State for grants under Law 449/85, amounting to Euro 1,402 thousand at June 30, 2013, concern receivables from the State, based on the “Master Agreement” between ENAC and SEA in January 1995 and revised in December 2004, which established the partial funding, pursuant to Law 449/85, of some infrastructure projects at Malpensa Airport. These receivables are included in the net financial debt (Note 4.15).

Receivables from the State under SEA/Ministry Infrastructure and Transport case, following the sentence of the Cassation Court, which recognised to the Company the non-compliance of handling tariffs for the period 1974-1981, in addition to interest and expenses incurred by the Company, for Euro 3,629 thousand at June 30, 2013 (Euro 3,542 thousand at December 31, 2012) relating to the residual amount not yet received from the Infrastructure and Transport Ministry, in addition to interest up to June 30, 2013. These receivables are considered recoverable.

The account "Other receivables" includes receivables of SEA Energia from the Energy Service Operator (GSE), based on the estimated value of the green certificates matured in 2012 and in the first half of 2013 (Euro 5,778 thousand at June 30, 2013 and Euro 3,852 thousand at December 31, 2012) and other receivables (ticketing, reimbursements, supplier advances, receivables from insurance companies, arbitrage with subcontractors, NoiSEA Association receivables and other minor receivables).

Employee and social security receivables, amounting to Euro 3,888 thousand at June 30, 2013 (Euro 2,537 thousand at December 31, 2012), mainly refer to the receivable from INPS and the Fondo Volo per la Cassa Integrazione Guadagni Straordinaria paid to employees on behalf of the institution and receivables from INAIL.

The receivable from the Ministry for Communications relates to higher provisional payments made in previous years for fees related to the radio bridges and will be offset by future fees to be paid.

4.11 Cash and cash equivalents

The breakdown of the account "cash and cash equivalents" is shown in the table below:

Cash and cash equivalents (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Bank and postal deposits	39,758	54,223
Cash in hand and at bank	105	116
Total	**39,863**	**54,339**

The available liquidity at June 30, 2013 is comprised of the following assets: bank and post deposits on demand for Euro 30,034 thousand (Euro 42,025 thousand at December 31, 2012), restricted bank deposits, which cover the quota of European Investment Bank loans due in the coming 12 months, for Euro 1,539 thousand (Euro 3,944 thousand at December 31, 2012) and a restricted deposit on the executive foreclosure on third parties for Euro 8,130 thousand relating to the case taken by Cascina Tre Pini – Quintavalle and cash amounts for Euro 105 thousand (Euro 116 thousand at December 31, 2012).

4.12 Share capital and reserves

At June 30, 2013 the share capital of SEA S.p.A. totalled Euro 27,500 thousand, comprising 250,000,000 shares of Euro 0.11 each.

The changes in shareholders' equity in the year are shown in the balance sheet.

4.13 Provisions for risks and charges

The account "provisions for risks and charges" is broken down as follows:

Provision for risks and charges (in thousands of Euro)	at 31/12/2012	Provisions/ increases	Utilisations	Releases	at 30/06/2013
Prov. for restoration & replace.	114,701	10,397	(12,979)	0	112,119
Provision for future charges	48,832	1,536	(5,630)	(244)	44,494
Total prov. for risks & charges	**163,533**	**11,933**	**(18,609)**	**(244)**	**156,613**

The restoration and replacement provision on assets under concession, created in accordance with IFRIC 12, amounting to Euro 112,119 thousand at June 30, 2013 (Euro 114,701 thousand at December 31, 2012), refers to the estimate of the amount matured relating to the maintenance on assets under concession from the State which will be undertaken in future years.

Provision for future charges (in thousands of Euro)	at 31/12/2012	Provisions/ increases	Utilisations	Releases	at 30/06/2013
Employment provisions	15,414	1,380	(3,055)	(93)	13,646
Disputes with contractors	2,275			(150)	2,125
Commercial transactions with airlines	1,415	156	(42)		1,529
Tax risks	2,754				2,754
Other provisions	26,974		(2,533)	(1)	24,440
Total Provision for future charges	**48,832**	**1,536**	**(5,630)**	**(244)**	**44,494**

The account "other provisions" totalling Euro 24,440 thousand at June 30, 2013 is comprised as follows:

- Euro 8,926 thousand for legal disputes related to the operational management of the airports (Euro 8,926 thousand at December 31, 2012);
- Euro 6,633 thousand for risks relating to revocatory actions taken against the Company and relating to airline companies declared bankrupt (Euro 7,633 thousand at December 31, 2012);
- Euro 8,000 thousand relating to charges from the acoustic zoning plan of the peripheral areas to the Milan Airports (Law No. 447/95 and subsequent Ministerial Decrees) (Euro 8,000 thousand at December 31, 2012);
- Euro 881 thousand for disputes with ENAV (Euro 881 thousand at December 31, 2012);
- Euro 1,534 thousand at December 31, 2012 accrued in 2012 following the request made by the Energy Service Operator (GSE) to SEA Energia for the restitution of the 2011 green certificates. In March 2013, the GSE sent 2 letters to SEA Energia which refused recognition of the plants at Malpensa as High Yield Cogenerating (CAR) relating to the energy

produced in 2011. The provision was utilised in June 2013 to settle the invoice recieved from the Energy Regulator.

Based on the updated state of advancement of disputes at the preparation date of the present financial communication, and also based on the opinion of the consultants representing the Group in the disputes, the provisions are considered sufficient to cover potential liabilities.

4.14 Employee provisions

The changes in the employee provisions are shown below:

Employee provisions (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Opening provision	77,064	68,527
Personnel cost	6,051	12,365
Financial (income)/charges	1,206	3,045
Utilisations	(8,480)	(16,292)
Actuarial Profit /(Losses) recognised to equity	(1,145)	9,418
Total employee provisions	**74,696**	**77,064**

The actuarial calculation of the employee leaving indemnity takes into account the effects of the reform of Law No. 296 of December 27, 2006 and subsequent decrees and regulations.

The principal actuarial assumptions, utilised for the determination of the pension obligations, are reported below:

Principal actuarial assumptions (*)	at 30/06/2013	at 31/12/2012
Annual discount rate	3.35%	3.20%
Annual inflation rate	2.00%	2.00%
Annual Employee Leaving Indemnity increase	3.00%	3.00%

(*) Assumptions undertaken in the Actuarial Report.

The annual discount rate utilised for the establishment of the current value of the bond was based on the Iboxx Eurozone Corporate A index with duration 10+ at the valuation date. For these purposes, the yield with a comparable duration to the duration of the group of workers subject to valuation was chosen. If a discount rate based on the Iboxx Eurozone Corporate AA with duration 10+ had been utilised (therefore 3.00%), the employee provision liabilities would be Euro 2,236 thousand higher and would amount to Euro 76,932 thousand.

4.15 Current and non-current liabilities

The table below provides a breakdown of current and non-current financial liabilities at June 30, 2013 and December 31, 2012:

	at 30/06/2013		at 31/12/2012	
(in thousands of Euro)	Current portion	Non-current portion	Current portion	Non-current portion
Long-term loans	52,887	375,408	51,341	394,375
Loan charges payables			2,053	
Short-term loans	32,558		2,011	
Advances on State grants				
Fair value derivatives		10,811		14,371
Bank payables	**85,445**	**386,219**	**55,404**	**408,746**
Leasing payables	875	1,588	1,006	1,949
Payables to other lenders	**875**	**1,588**	**1,006**	**1,949**
Total current and non-curr. liabilities	**86,321**	**387,807**	**56,410**	**410,696**

As illustrated in the table above the Group debt primary consists of medium/long term bank loans.

The breakdown of the Group net debt at June 30, 2013 and December 31, 2012 is reported below:

Net Debt (In Euro thousands)	at 30/06/2013	at 31/12/2012
A. Cash	(39,863)	(54,339)
B. Other Liquidity		
C. Held-for-trading securities		
D. Liquidity (A)+(B)+(C)	**(39,863)**	**(54,339)**
E. Financial receivables	(1,402)	(1,397)
F. Current financial payables	32,558	2,011
G. Current portion of medium/long-term bank loans	52,887	51,341
H. Other current financial payables	875	3,059
I. Payables and other current financial liabilities (F) + (G) + (H)	**86,321**	**56,410**
J. Net current financial debt (D) + (E) + (I)	**45,056**	**674**
K. Non-current portion of medium/long-term bank loans	375,408	394,375
L. Bonds issued		
M. Other non-current financial payables	12,398	16,320
N. Payables & other non-current financial liabilities (K) + (L) + (M)	**387,807**	**410,696**
O. Net Debt (J) + (N)	**432,862**	**411,370**

At the end of June 2013 the net debt of Euro 432,862 thousand increased by Euro 21,492 thousand on the end of 2012 (Euro 411,370 thousand).

The net debt was affected by a number of factors, including:

a) the further reduction in the Group medium/long-term debt following the repayment of a significant amount of loans in place (in the half-year capital portions totalling Euro 73,461 thousand were repaid), which was partially offset by the issue of Euro 30,000 thousand of EIB fund loans, brokered by the Banca Nazionale del Lavoro, with a ten-year duration;
b) the utilisation of short-term liquidity related to treasury needs (increasing Euro 29,881 thousand compared to the end of 2012);
c) the increase in the fair value of derivatives (from –Euro 14,371 thousand at the end of 2012 to –Euro 10,811 thousand at June 30, 2013);
d) the reduction in Group liquidity to Euro 39,863 thousand (Euro 54,339 thousand at end of 2012), invested in treasury current accounts which guarantee significant returns.

Reference should be made to Note 4.11 for the description of available credit lines.

Some loans include covenant conditions, relating to the capacity of the SEA Group to meet annual and/or half year financial commitments (net of financial resources available and receivables from the State) from operating activities.

At the present moment the SEA Group is not aware of any default situations related to the loans held or violations of any of the above-mentioned covenants.

The finance leasing debt relates to radiogenic equipment.

The table below shows the reconciliation between the finance lease payables and the future lease instalments at June 30, 2013:

	At June 30, 2013
Future lease instalments (principal + interest)	2,892
Implied interest	(603)
Present value of instalments until contract maturity	**2,289**
Amounts for unpaid invoices	174
Total payables for leasing (current and non-current)	**2,463**

4.16 Trade payables

The breakdown of trade payables is follows:

Trade payables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Supplier payables	162,811	198,342
Advances	3,413	2,791
Payables to associated companies	2,098	873
Total trade payables	**168,322**	**202,006**

Trade payables (which includes invoices to receive of Euro 69,854 thousand at June 30, 2013 and Euro 101,788 thousand at December 31, 2012) refers to the purchase of goods and services relating to the operating activity and Group investments. In order to optimise operations with suppliers, trade payables at June 30, 2013 include sums ceded under indirect factoring contracts for Euro 19,590 thousand (Euro 17,971 at December 31, 2012).

The payables for advances at June 30, 2013, amounting to Euro 3,413 thousand (Euro 2,791 thousand at December 31, 2012) are mainly related to payments on account by clients.

Payables to associated companies relate to services and charges.

4.17 Payables for income taxes

Payables for income taxes, amounting to Euro 68,424 thousand at June 30, 2013 (Euro 53,562 thousand at December 31, 2012), mainly relate to additional landing right charges created by Laws No. 166/2008, No. 350/2003, No. 43/2005 and No. 296/2006 for Euro 43,082 thousand (Euro 43,820 thousand at December 31, 2012), employee and consultant's withholding taxes for Euro 5,216 thousand (Euro 4,201 thousand at December 31, 2012), direct tax payables for Euro 17,492 thousand (Euro 4,163 thousand at December 31, 2012), VAT payable for Euro 2,350 thousand at June 30, 2013 (Euro 443 thousand at December 31, 2012) and other taxes for Euro 284 thousand (Euro 935 thousand at December 31, 2012).

4.18 Other current payables

The table below reports the breakdown of the account "other current payables".

Other current payables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Payables to social security institutions	17,287	18,404
Other payables	182,831	147,903
Total Other current payables	**200,118**	**166,307**

The breakdown of "other payables" is as follows:

Other payables (in thousands of Euro)	at 30/06/2013	at 31/12/2012
Airport fire protection service	31,346	28,250
Payables due to employees for amounts accrued	13,119	19,169
Payables due to employees for untaken holidays	9,171	9,560
Payables due to the State for concession charges	9,845	6,392
Payables for civil liability damages	2,920	3,299
Payables due to third parties for ticket collection	687	1,398
Payables due to the State for security concession services	158	68
Payables due to shareholders for dividends - current portion	89,286	62,307
Others	26,298	17,460
Total other payables	**182,831**	**147,903**

Relating to the payable of the Company for airport fire protection services, on January 16, 2013, SEA was notified, on request of the Internal Ministry and Economic and Finance Ministry, of the Injunction Decree issued by the Milan Court for the residual amount owing of Euro 10,658 thousand relating to the years 2007 to 2010; the Company appealed the injunction, and the case is still pending. In relation to this issue an appeal made in 2009 before the Lazio Administrative Court for the cancellation of the notice in which ENAC communicated the share of each of the airport management companies and the appeal made in 2012 before the Rome Civil Court in order to be exonerated from the payment of this contribution are still pending.

The account "others", amounting to Euro 26,298 thousand at June 30, 2013 (Euro 17,460 thousand at

December 31, 2012), mainly relates to deferred income from clients for future periods and other minor payables, with the increase attributable to tariff movements.

Payables to shareholders for dividends of Euro 89,286 thousand at June 30, 2013 and Euro 62,307 thousand at December 31, 2012 concern Euro 62,570 thousand relating to the payable for the distribution of the extraordinary dividend including interest, to the Municipality of Milan, approved by the Shareholders' Meeting of December 29, 2011, for Euro 26,700 thousand to the payable for ordinary dividends on the 2012 net profit, which will be paid by December 14, 2013 and for Euro 16 thousand to prior year dividends. The availability of the credit lines mentioned above, taking account of programmed investments, the management of working capital and the capacity to generate cash from operations, enable the fulfilment of the payment obligations mentioned above.

5 Notes to the Income Statement

5.1 Operating revenues

The table below shows the breakdown of operating revenues for H1 2013 and 2012.

Operating revenues by Business Unit

(in thousands of Euro)	H1 2013	H1 2012
Aviation	175,477	147,679
Non Aviation	84,462	83,522
Handling	47,497	52,446
Energy	11,769	16,318
Total Operating revenues	**319,205**	**299,965**

In the first six months of 2013 operating revenues totalled Euro 319,205 thousand, increasing 6.4% on H1 2012. Operating revenues include aviation revenues, non-aviation revenues, handling revenues and energy revenues.

The breakdown of aviation operating revenues is reported below.

Aviation operating revenues

(in thousands of Euro)	H1 2013	H1 2012
Centralised infrastructure and rights	142,166	102,235
Operating revenues from security controls	21,866	24,589
Use of regulated spaces	5,681	8,925
Free asset transfer	4,800	11,319
Others	963	612
Total Aviation operating revenues	**175,477**	**147,679**

In the first six months of 2012 the account "free asset transfer" concerned the free transfer to the Company SEA of a building and surrounding areas at Milan Malpensa airport by LSG Sky Chefs S.p.A., following the expiry of the land rights based on an agreement between the parties signed in March 1999. The free provision in the first half of 2013 concerns the building and relative annexes constructed by Air Europe S.p.A. within Milan Malpensa airport under the agreement with SEA of December 1999, which established for the free transfer to SEA on conclusion of the agreement. In 2006 the rights relating to the agreement were transferred from Air Europe S.p.A. to the company Volare S.p.A., currently in Extraordinary Administration. These amounts were recognised according to an experts' opinion on the market value prepared by the Varese Tax Agency in December 2012.

The breakdown of non aviation operating revenues is reported below.

Non Aviation operating revenues

(in thousands of Euro)	H1 2013	H1 2012
Retail	35,197	34,411
Parking	22,213	23,344
Cargo spaces	5,704	5,465
Services and other revenues	21,347	20,302
Total Non Aviation operating revenues	**84,462**	**83,522**

The breakdown of retail revenues is reported below.

Retail Revenues (in thousands of Euro)	H1 2013	H1 2012
Shops	17,778	16,894
Food & Beverage	7,895	7,853
Car rental	5,878	6,196
Banks	3,646	3,468
Total Retail	**35,197**	**34,411**

The breakdown of energy operating revenues is reported below.

Energy operating revenues (in thousands of Euro)	H1 2013	H1 2012
Sale of Electric Energy	9,064	15,091
Sale of Thermal Energy	1,305	1,222
Other Revenues and Services	1,400	6
Total Energy operating revenues	**11,769**	**16,318**

For details on operating revenues, reference should be made to the Directors' Report.

5.2 Revenue for works on assets under concession

Revenues for works on assets under concession increased from Euro 32,616 thousand in the first half of 2012 to Euro 35,092 thousand in H1 2013 (+7.6%). The increase principally relates to: i) the completion of works for the construction of the third satellite and the continuation of extension works at Milan Malpensa 1; ii) the extension of the cargo area. These revenues refer to work on assets under concession increased by a mark-up of 6% representing the remuneration of internal costs for work supervision and design. This account is strictly related to investment activities.

5.3 Personnel costs

The breakdown of personnel costs is as follows:

Personnel costs (in thousands of Euro)	H1 2013	H1 2012
Wages, salaries and social security charges	115,702	115,666
Employee Leaving Indemnity	6,051	6,149
Other personnel costs	5,275	5,497
Total	**127,028**	**127,313**

In the first half of 2013, Group personnel costs decreased Euro 284 thousand (-0.2%) compared to the same period of 2012 (from Euro 127,313 thousand to Euro 127,028 thousand).

This follows principally the reduction in the workforce and higher charges for provisions relating to the renewal of the national employment contract, partially offset by the greater use of vacation days and of the Extraordinary Temporary Lay-off Scheme. The recourse to the temporary redundancy schemes amounted to Euro 9.8 million in H1 2013 and Euro 9.2 million in H1 2012 (corresponding to 533 thousand hours in H1 2013 and 508 thousand hours in H1 2012).

At June 30, 2013, SEA Group employees numbered 5,070, decreasing 157 on June 30, 2012.

The following table outlines the number of employees by category at June 30, 2013 and June 30, 2012:

Number of employees at period end				at June 30
	2013	%	2012	%
Senior Managers	59	1%	57	1%
Managers	296	6%	292	6%
White-collar	2,891	57%	2,981	57%
Blue-collar	1,824	36%	1,897	36%
Total employees	**5,070**	**100%**	**5,227**	**100%**

5.4 Consumable materials

The breakdown of the account "consumable materials" is as follows:

Consumable Material costs		
(in thousands of Euro)	H1 2013	H1 2012
Raw materials, consumables and supplies	27,031	33,351
Changes in inventories	464	(76)
Total	**27,494**	**33,275**

In the first half of 2013, consumable material costs decreased by Euro 5,781 thousand (-17.4%) compared to the same period of 2012 - from Euro 33,275 thousand to Euro 27,494 thousand - principally due to lower methane purchase costs for the production of electricity by the subsidiary SEA Energy and the lower supply costs of the parent company SEA, including de-icing and anti-icing chemical products (utilised in the case of snow and/or ice) and of equipment/spare parts.

5.5 Other operating costs

The breakdown of "other operating costs" is as follows:

Other operating costs		
(in thousands of Euro)	H1 2013	H1 2012
Ordinary maintenance costs	14,771	15,789
Cleaning & cabin cleaning outsourcing	8,446	8,201
Insurance	1,529	1,430
Rental of equipment and vehicles	1,638	1,238
Utilities & Security	3,342	4,196
Disabled assistance service	587	891
Losses on assets	639	828
Public charges	13,414	6,232
Hardware and software charges and rent	2,679	2,909
Professional services	4,244	4,114
Tax charges	3,037	2,409
Emoluments and costs of the Board of Statutory Auditors & BOD	637	994
Commercial costs	20,561	11,653
Misc. operating costs	6,125	4,397
Total other operating costs	**81,648**	**65,281**

In the first half of 2013 other operating costs increased Euro 16,367 thousand compared to H1 2012 (+25.1%), from Euro 65,281 thousand to Euro 81,648 thousand.

The significant increase of Euro 16,367 is principally due to:

- higher commercial costs of Euro 8,908 thousand related to incentives recognised to airlines;
- higher public fee costs of Euro 7,182 thousand following the signing of the new Master Agreement which entered into force on September 23, 2012, which resulted in a significant increase in revenue tariffs;
- lower ordinary maintenance costs for Euro 1,019 thousand;
- lower utility costs following the reduction in electricity duties;
- higher tax charges following the introduction of the Property Tax.

5.6 Provisions and write-downs

The breakdown of provisions and write-downs is as follows:

Provisions and write-downs

(in thousands of Euro)	H1 2013	H1 2012
Write-downs of current assets and cash and cash equivalents	8,965	11,266
Release of doubtful debt provision	(5,011)	(3,859)
Provisions /(releases) of future charges provisions	1,292	(2,537)
Provision for restoration and replacement	10,397	5,416
Total provisions and write-downs	**15,644**	**10,286**

In the first six months of 2013, provisions and write-downs increased Euro 5,358 thousand on the same period of the previous year, from Euro 10,286 in the first half of 2012 to Euro 15,644 thousand in H1 2013.

The doubtful debt provision of Euro 3,954 thousand in H1 2013 decreased by Euro 3,453 thousand compared to H1 2012, as a net effect of increased releases (Euro + 1,152 thousand) in the first six months of 2013 and lower provisions (Euro -2,301 thousand), in line with previous years, to take into account the risks of deterioration of the financial positions of the principal operators with which disputes exist and write-downs for receivables under administration.

Net future charges of Euro 1,292 thousand in H1 2013 (Euro -2,537 thousand in H1 2012), principally concern disputes with contractors, commercial transactions with airlines and labour provisions.

The restoration and replacement provisions amounting to Euro 10,397 thousand in H1 30, 2013 and Euro 5,416 thousand in H1 2012 include provisions for maintenance and replacement in order to ensure the functioning of the infrastructure held under concessions.

5.7 Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 30,933 thousand in the first half of 2012 to Euro 32,393 thousand in the first half of 2013.

These refer to, in accordance with IFRIC 12, the costs for the works undertaken on assets under concession. This account is strictly related to investment activities and reports revenues of Euro 35,092 thousand (Note 5.2).

5.8 Amortisation & Depreciation

The account "amortisation & depreciation" is comprised of:

Amortisation and depreciation

(in thousands of Euro)	H1 2013	H1 2012
Amortisation of intangible assets	16,108	13,097
Depreciation of property, plant & equipment & prop. investments	9,109	9,298
Total amortisation and depreciation	**25,216**	**22,395**

In the first half of 2013 amortisation and depreciation increased Euro 2,821 thousand compared to the same period of 2012 (+12.6%), from Euro 22,395 thousand to Euro 25,216 thousand.

Amortisation and depreciation in the period relates to tangible and intangible assets held based on the estimated useful life by the Group, which however does not exceed the duration of the concession.

5.9 Investment income and charges

The breakdown of investment income and charges is as follows:

Investment income (charges) (in thousands of Euro)	H1 2013	H1 2012
SACBO Spa	2,009	3,091
Dufrital Spa	833	916
Disma Spa	98	143
Malpensa Logistica Europa Spa	(24)	(7)
Sea Services Srl	56	46
Investments valued at equity	**2,973**	**4,189**
Romairport dividend	14	22
Other income from investments	**14**	**22**
Total investment income (charges)	**2,986**	**4,212**

In the first half of 2013 net investment income decreased by Euro 1,224 thousand from Euro 4,212 thousand in the first half of 2012 to Euro 2,986 thousand in H1 2013.

5.10 Financial income and charges

The breakdown of the account “financial income and charges” is as follows:

Financial income (charges) (in thousands of Euro)	H1 2013	H1 2012
Currency gains	3	5
Other financial income	519	249
Total financial income	**522**	**254**
Interest expense on medium/long-term loans	(5,782)	(3,590)
Loan Commissions	(1,680)	(2,073)
Currency losses	(6)	(7)
Other interest expenses	**(2,298)**	**(3,835)**
– restoration provision	0	(1,809)
– financial charges on Leaving indemnity	(1,127)	(1,522)
– financial charges on Leasing	(209)	(259)
– financial charges on Derivatives	(1,458)	(294)
– Other	496	49
Total financial charges	**(9,766)**	**(9,506)**
Total financial income (charges)	**(9,244)**	**(9,252)**

Net financial charges decreased in the first six months of 2013 by Euro 8 thousand, from Euro 9,252 thousand in H1 2012 to Euro 9,244 thousand in H1 2013, due to the net impact principally of higher interest expenses on loans (Euro +2,192 thousand), increased financial charges on derivatives (Euro +1,164 thousand), no financial charges in the first half of 2013 on the restoration and replacement provision following the alteration in the manner for calculating the provision based on current values and not over-inflated amounts (these charges amounted to Euro 1,809 thousand in the first half of 2012), lower financial charges on the post-employment benefit provision (Euro -396 thousand) and lower commissions on loans (Euro -393 thousand).

5.11 Income taxes

The breakdown of the account is as follows:

Income taxes (in thousands of Euro)	H1 2013	H1 2012
Current income taxes	14,947	17,643
Deferred income taxes	338	(2,155)
Total	**15,285**	**15,488**

In the first six months of 2013 income taxes decreased Euro 203 thousand, from Euro 15,488 thousand in H1 2012 to Euro 15,285 thousand in H1 2013.

The reconciliation between the theoretical and effective IRES tax rate is shown below:

(in thousands of Euro)	H1 2013		H1 2012	
Pre-tax profit	**38,617**		**38,058**	
Theoretical income taxes	10,620	27.5%	10,466	27.5%
Tax effect of permanent differences	(854)	-2.2%	(982)	-2.6%
IRAP	6,154	15.9%	6,176	16.2%
Other	(636)	-1.6%	(172)	-0.5%
Total	**15,285**	**39.6%**	**15,488**	**40.7%**

6. Transactions with related parties

The following table reports the income statement and balance sheet values with related parties at June 30, 2013 and for the first half of the year, with indication of the percentage of the relative account:

Group transactions with related parties				At June 30, 2013
(in thousands of Euro)	Trade Receivables	Trade Payables	Operating Revenues	Operating costs (excluding costs for work on assets under concession)
Investments in associated companies				
SACBO	592		429	1
Dufrital	6,860	232	12,174	20
Malpensa Logistica Europa	2,509	1,402	2,032	
SEA Services	328	452	969	917
Disma	80	13	127	
Total related parties	**10,370**	**2,098**	**15,731**	**938**
Total financial statements	**159,026**	**168,322**	**319,205**	**251,814**
% of total financial statements	**6.52%**	**1.25%**	**4.93%**	**0.37%**

The table below shows the cash flows from the transactions of the Group with related parties for the period ended June 30, 2013, with indication of the percentage of the relative account:

Cash flow generated from group trans. with related parties					at June 30, 2013
(in thousands of Euro)	Invesments in associated companies	Investments in other companies	Total transactions with related parties	Consolidated balance	%
A) Cash flow generated from operating activities	(620)		(620)	23,027	-2.7%
B) Cash flow generated from investing activites	1,717		1,717	(40,715)	-4.2%
C) Cash flow generated from financing activities				3,212	0.0%

Transactions with Related Parties in the period to June 30, 2013 principally concern:

- commercial transactions with reference to the recognition to SEA of royalties on sales (Dufrital);
- rental of premises (Malpensa Logistica Europa);
- supply to SEA of catering services (SEA Services);
- commercial transactions deriving from the concession for the distribution of fuel (Disma);
- supply by SEA Energia of electricity to SACBO;
- the receipt of dividends for Euro 1,394.2 thousand from SACBO, for Euro 309.4 thousand from Disma and for Euro 14 thousand from Romaiport.

The above-mentioned transactions were within the ordinary activities of the Group and undertaken at market values.

The comparative data is reported below:

Group transactions with related parties	At December 31, 2012		At June 30, 2012	
(in thousands of Euro)	Trade Receivables	Trade Payables	Operating Revenues	Operating costs (excluding costs for work on assets under concession)
Investments in associated companies				
SACBO	661		606	
Dufrital	4,630	10	11,589	21
Malpensa Logistica Europa	2,464	27	2,054	280
SEA Services	637	809	1,201	1,034
Disma	132	27	187	
Total related parties	**8,525**	**873**	**15,637**	**1,335**
Total financial statements	**156,054**	**202,006**	**299,965**	**236,154**
% of total financial statements	**5.46%**	**0.43%**	**5.21%**	**0.57%**

Cash flow generated from group trans. with related parties					2012
(in thousands of Euro)	Invesments in associated companies	Investments in other companies	Total transactions with related parties	Consolidated balance	%
A) Cash flow generated from operating activities	1,610		1,610	132,831	1.2%
B) Cash flow generated from investing activites	2,882		2,882	(103,232)	-2.8%
C) Cash flow generated from financing activities				679	0.0%

6.1 Other transactions with related parties
No other transactions with related parties are reported for the first six months of 2013.

6.2 Directors fees
Fees paid by the Company and/or by other Group companies, of any type and in any form, for the first six months of 2013 to the Board of Directors totalled Euro 441 thousand.

6.3 Statutory auditors' fees
In the first half of 2013 the remuneration for the Board of Statutory Auditors, including welfare and accessory charges, amounted to Euro 195 thousand.

7. Commitments and guarantees

7.1 Investment commitments
The Group has investment contract commitments of Euro 86,114 thousand at June 30, 2013 (Euro 113,587 thousand at December 31, 2012), which is reported net of the works already realised and invoiced to the Group, as follows:

Breakdown of Commitments by project		
(in thousands of Euro)	at 30/06/2013	at 31/12/2012
R.T.I. CODELFA SPA /COIVER CONTRACT	23,126	29,222
R.T.I. GEMMO SPA/ELETTROMECCANIC	8,813	12,720
R.T.I. CODELFA SPA/ IMPRESA BACCHI	2,170	8,184
R.T.I. CEFLA SOC,COOP,/GRUPPO P,S,	5,324	6,771
R.T.I. IMPRESA CAVALLERI OTTAVIO	2,579	7,482
R.T.I. BACCHI/ SO,CE,CO	6,820	10,964
R.T.I. TADDEI/GEMMO/MONTAGNA	37,283	38,244
Total	**86,114**	**113,587**

7.2 Guarantees
The secured guarantees, amounting to Euro 2,574 thousand at June 30, 2013, relate to the lien on receivables against loans provided by credit institutions on European Investment Bank funds.

At June 30, 2013, the sureties in favour of third parties were as follows:

- surety issued by the European Investment Fund for Euro 8,602 thousand to guarantee the EIB loan;
- surety issued by a pool of leading insurance companies in favour of ENAC, amounting to Euro 21,174 thousand as guarantee of the concession fee;
- surety of Euro 7,500 thousand to Banca Popolare di Milano to guarantee credit lines received from companies within the centralised treasury system;
- surety of Euro 4 million in favour of the Defence

Ministry for utilisation by SEA of land owned by the Ministry following the road access works undertaken for the opening of the new multi-plan parking at Milan Linate Airport. This guarantee is within the technical agreement which SEA signed on June 4, 2009 with the Defence Ministry and with ENAC which establishes that the Defence Ministry transfers to ENAC some state buildings no longer of military interest adjacent to the Milan Airport. SEA, having the necessity to utilise these assets to improve and develop the airport infrastructures, acquired the concession to utilise these assets until 2041 against the realisation of a series of works in favour of the Defence Ministry for a total amount of Euro 25,900 thousand;

- surety of Euro 322 thousand in favour of the Parco Lombardo Valle del Ticino Consortium for the correct execution of the forestry offsetting work for the transformation of a portion of the forest on the airport grounds of Milan Malpensa and in the Lonate Pozzolo Municipality;
- surety of Euro 343 thousand in favour of the supplier Contract GmbH for the rental of airport buses;
- surety of Euro 1,226 thousand of the subsidiary SEA Energia in favour of Terna S.p.A. to guarantee the provision of electricity;
- surety of Euro 300 thousand of the subsidiary SEA Energia in favour of the Gestore dei Mercati Energetici S.p.A. (GME) in order to participate in the electricity market;
- Euro 610 thousand for other minor sureties.

8. Seasonality

The Group business is characterised by revenue seasonality, normally higher in the periods of August and December due to an increase in flights by the airlines at its airports. It should be noted that the airports of Milan Malpensa and Milan Linate are to a certain degree complementary from a seasonality viewpoint, in view of the different profile of the indirect customers (i.e. leisure vs. business). This feature limits the seasonal peaks from an overall consolidated operational and financial viewpoint.

9. Non-recurring transactions

During the first half of 2013 the Group did not undertake any non-recurring transactions.

10. Transactions relating to atypical or unusual operations

In accordance with Consob Communication of July 28, 2006, the Company did not undertake for the periods ended June 30, 2013 and June 30, 2012 any transactions deriving from atypical or unusual operations, as set out in the communication.

11. Other information

On June 24, 2013, the Shareholders' Meeting of the Parent Company SEA approved the distribution of dividends of Euro 26,700 thousand relating to the 2012 net profit, with payment on December 14, 2013.

12 Potential liabilities and disputes

The investigation procedure of the European Commission and the decision of December 19, 2012 concerning State Aid in favour of SEA Handling

On 13.7.2006 a petition alleging presumed State Aid granted to SEA Handling in the period 2002-2005 was presented by unknown persons. On 6.10.2006 the Commission sent the Italian authorities a request for information concerning the period 2002-2005. Following a review of the response provided by the Italian authorities, the Commission concluded its preliminary examination of the case, informing the petitioner on 30.5.2007 that the measures in favour of SEA Handling to not constitute State Aid and that the petition would be archived. Slightly more than a month later, on 2.7.2007, the petitioner sent the Commission supplementary information, of which the Italian authorities were informed on 3.3.2008 (nine months later) when the Commission requested them to send a copy of a trade union agreement concerning SEA Handling. The requested document was sent to the Commission on 10.4.2008.

With decision of June 23, 2010 (after approx. <u>4 years</u> from the petition and approx. <u>28 months</u> from the above-mentioned request for a copy of the labour agreement), the Commission notified Italy of the decision to open a formal investigation, in accordance with Article 108, paragraph 2 of the Treaty on the Functioning of the European Union ("TFEU"), for presumed State aid granted by SEA to SEA Handling in the 2002-2005 period.

In addition, in July 2011 the commission announced its intention to extend the formal investigation period also to the years 2006-2010; the period had not undergone a preliminary investigation.

The Municipality of Milan and SEA Handling presented to the Commission their defence, which demonstrates: (i) that the resources utilised by SEA for the recapitalisation of its subsidiary did not derive from the Italian State, (ii) compliance of these support actions with business strategies and policies normally applied by a private investor operating in free market conditions, (iii) subordinately, the compatibility of the measures quantifiable as State Aid with the rules of the internal market.

On 19.12.2012 the Commission adopted decision C(2012) 9448 final, concerning the share capital increase carried out by SEA in favour of SEA Handling. In particular, the Commission decided that:

(i) the share capital increases carried out by SEA in favour of SEA Handling in the 2002-2010 period, for a total amount of approx. Euro 360 million, in addition to interest, comprised State Aid in accordance with Article 107 TFEU; this State aid, granted in violation of Article 108, paragraph 3 TFEU is incompatible with the rules of the internal market (see Articles 1-2 of the order);
(ii) Italy must recover the State Aid mentioned; the amounts to be recovered include interest and Italy must guarantee implementation of the decision within four months from the notification date and therefore by 20.4.2013 (see Article 3-4 of the order); finally
(iii) within two months of notification of the decision, Italy must send to the Commission: (a) indication of the total amount (principal and interest) which must be recovered, (b) a detailed description of the measures already adopted and scheduled to comply with the decision and (c) the documents declaring that the beneficiary has been required to repay the aid (see Article 5 of the order).

In relation to the sequence of events described above, the process which led to the Commission decision was as follows: (i) initiated in 2006; (ii) it was halted after just one year with an archiving provision; (iii) it remained suspended therefore for approx. four years; (iv) it was thereafter suddenly and without notice reactivated by the Commission in relation to the 2002-2005 period and was thereafter extended also to the subsequent period to 2005 in a manner against the principle of cross-examination.

The initiatives undertaken by SEA Handling, by SEA, by its shareholders and by Italy against the Commission decision

(A) Legal initiatives

With appeal lodged on 4.3.2013 at the European Union Court (hereafter the "EU Court"), the Italian Republic requested the cancellation of the Commission decision, establishing four reasons in support of its appeal: (i) the violation of the principles of good practice and legal certainty; (ii) violation of the right to cross-examination and incomplete investigation, (iii) violation of Articles 107 and 108, third paragraph of the TFEU and the incorrect reconstruction of facts, in addition to a lack of grounds concerning the charges brought against the public authorities; (iv) violations of Articles 107 and 108, third paragraph of the TFEU and the incorrect reconstruction of facts, in addition to a lack of grounds as concerning a private enterprise operating in an open market.

Subsequently, with appeal lodged on 15.3.2003 at the EU Court, SEA Handling also requested cancellation of the decision of the Commission and subordinately the cancellation of Article 3, under which the Commission ordered the recovery of the declared State aid. SEA Handling put forward six reasons in support of its appeal: (i) the first concerned a number of violations of procedural rules; (ii) the second, the third and the fourth concerned the violation of Article 107, first paragraph of the TFEU, respectively in relation to the use of public resources, from a point of view of traceability and the private investor doctrine; (iii) the fifth concerned the violation of Article 107, paragraph 3, TFEU; (iv) the sixth concerned the illegality of the recovery order.

Finally, with appeal lodged on 18.3.2013 at the EU Court, the Municipality of Milan similarly requested the cancellation of the Commission decision and, subordinately, the cancellation of Articles 3, 4 and 5 of the decision which requires the recovery of aid by Italy. The Municipality of Milan put forward four reasons in support of its appeal: (i) the first two concern the violation and false application of Article 107, first paragraph TFEU; (ii) the third concerned the violation on false application of the Guidelines for the rescue and restructuring of companies in difficulty and the Guidelines for the airport sector, and the consequent incorrect conclusions which the Commission reached in relation to the incompatibility of the measures alleged; (iii) with the fourth, broken into two points, the Municipality, recalling the conduct of the Commission during the initial investigation, claimed firstly (a) the violation of the principle of good practice, of the right to cross-examination and the right to a proper defence and, secondly, (b) the violation of principle of legitimate expectation and the consequent illegality of the recovery injunction.

F2i – Fondi Italiani per le infrastrutture SGR S.p.A. (hereafter "F2i"), a company which holds 44.31% of the share capital of SEA, on 10.5.2013 filed at the EU Court a motion in support of the appeal put forward by SEA Handling for the cancellation of the Commission decision. On June 12, 2013, according to the terms established by the EU Court, SEA Handling filed its Observations on the action proposed on May 10, 2013 by F2i, favouring the motion presented by this latter to support the cancellation of the Decision.

In addition to the appeals mentioned above, with motions presented on 18.3.2013 and 21.3.2013 SEA Handling and the Municipality of Milan requested the President of the EU Court to provisionally suspend the execution of the European Commission decision. This latter, in the observations of 9.4.2013 on the suspension motion of SEA Handling, did not judge any reason for re-examination (*fumus boni iuris*), concentrating arguments only on the urgency aspects (*periculum in mora*) and the balancing of interests. The Italian Republic subsequently intervened in the preventative action brought by SEA Handling, in support of the arguments put forward by this latter, filing on 7.5.2013 its statement.

At a domestic level, however, the Municipality of Milan presented an appeal before the Lombardy Regional Administrative Court to request the cancellation, with prior suspension "*until the establishment of a judgment of the decision pending before the EU Courts*" of a number of preliminary acts for the execution of the Commission decision by the Government. On 18.5.2013 SEA and the Italian State filed their respective defences. With judgment of 22.5.2013 the Lombardy Regional Administrative Court accepted the preventative request of the Municipality of Milan, suspending the "*burdensome decision of 19/12/2012 (C14/2010) of the European Commission and the burdensome relative national recovery procedure of amounts by the Municipality of Milan; this decision holds until the decision relating to the case pending before the European Union Court is passed*". The Lombardy Regional Administrative Court, in addition, in the above-stated judgment, declared that the arguments of the Municipality of Milan do not appear to have *fumus boni iuris* "*appearing on initial examination not within the remit of the Municipality of Milan in relation to the issue of amounts within the 2002-2010 period for the various share capital increases of the company SEA Handling S.p.A… does not appeal referable to the Municipality of Milan*".

Against the judgment of the Lombardy Regional Administrative Court, the European Commission, with letter of 23.5.2013, communicated to the President of the EU Court to consider that the judgment negates the need to suspend the decision of 19.12.2012. In consideration of this, SEA Handling on June 6, 2013 filed at the European Union Court their Observations on the European Commission letter of May 23, 2013. In the submission of SEA Handling, after briefly recalling a number of new significant circumstances concerning the *periculum* invoked in the suspension motion, requested the Court to consider their discontinuance of the suspension motion, maintaining however the possibility to present a new motion if needed, also in light of the conduct of the Commission and their considerations following the resumption of contacts.

On July 22, 2013, the President of the Council of Ministers proposed an appeal to the Council of State for reform of Ordinance 553/2013, under which the Lombardy Regional Administrative Court accepted the suspension motion put forward by the Municipality of Milan of the government provisions executing the decision of the European Commission of December 19, 2012. The hearing is scheduled for between the end of August and the first half of September. SEA is preparing its response.

(B) Extra-judicial initiatives

Following the adoption of the decision of the Commission of 19.12.2012, the Commission Recovery Unit (DG Competition) made contact with the permanent Italian Representative in Brussels ("Italrap") in view of the conclusion of the period for the sending by the State of the information concerning the above-stated decision. With letter of 29.1.2013 Italrap communicated the request of the Commission to the Italian State, in addition to the Municipality of Milan and to SEA.

On 4.2.2013, SEA sent a letter to the Commission, expressing the difficulty related to repaying in cash the aid, given the material unavailability to SEA Handling of the necessary liquidity. SEA, in particular, identified the transfer of control of SEA Handling to private parties at market values as the only way possible to execute the recovery decision within the time period established by the Commission. SEA requested, therefore, to the Commission to confirm the suitability of the above-stated procedure in order to enact the decision, offering to send all information necessary and to organise a meeting with the Commission.

On 5.2.2013 SEA responded to the letter of Italrap of January 29, attracting attention to the fact that the issue of the recovery order was the exclusive remit of the Italian authorities. Given therefore that it was awaiting the authorities to decide if and how it would proceed with the recovery of aid, SEA reported to the State that negotiations were in place for the sale to private parties of the controlling interest in SEA Handling at market values as an alternative means of recovery.

On 26.2.2013 the Commission again contacted Italrap, stating that it had not received the information requested from the Italian State, reminding that Article 4 of the decision imposes upon Italy an obligation to fully execute the decision by 20.4.2013. Following this reminder, on 4.3.2013 the Italian State requested the Municipality of Milan to send to it the documentation requested by the Commission by 25.3.2013 for subsequent forwarding to Italrap.

On 12.3.2013 Italrap sent to the Commission a note concerning possible means for recovery in order to open up a dialogue. This document analysed and compared the following two situations: (i) liquidation of SEA Handling through recovery in bankruptcy of the aid and (ii) recovery of the aid through sale to third parties of the company at a market price. This document indicated, in addition, the reasons for which the sale in bonis of SEA Handling was preferable to the sale of the company within a bankruptcy procedure. In light of this, the creation of a dialogue with the Commission Services to evaluate this possibility was requested.

On 15.3.2013 a meeting was held in Brussels between the Commission Recovery Unit, the Italian authorities and SEA, following which on 26.3.2013 the Italian State sent to Italrap the documents requested by the Commission for subsequent forwarding to them.

The Commission on 3.5.2013 reviewed that sent to it on March 26, highlighting the delay with which the information was sent in comparison to the deadline of February 20 and the fact that the State had not supplied the documentation necessary to demonstrate the initiation of the aid recovery procedures. In this regard, they invited the Italian authorities to communicate within 20 working days (from 3.5.2013) the measures adopted to implement the decision. In addition, in relation to the alternative means for recovery suggested by the Italian State (i.e. the sale of SEA Handling to private parties through private sale), the Commission underlined that the methods for privatisation put forward did not appear suitable to guarantee the execution of the decision, as, according to the Commission, it would involve the transfer of the aid to the new operator. The Commission however left open however the dialogue with the Italian authorities in relation to other alternative recovery methods which would see a change in ownership.

On 8.5.2013 the Vice Chairman of the Commission J. Almunia sent a number of Italian European Parliament members a letter which noted their concerns in relation to the meeting held two days previously. In this regard, he stated the will of the Commission to meet the Italian authorities to identify the best solution possible for the correct execution of the recovery of aid.

On 10.5.2013 SEA expressed to its shareholders the intention to continue to pursue an alternative means for the execution of the decision other than repayment in cash and invited them to support the company in their dialogue with the Commission.

In light of the previous considerations and the set of circumstances mentioned, the overall situation may be summarised as follows:

(i) the review of the decision of the Commission of 19.12.2012 and the defence put forward by the Commission at the EU Court permit the affirmation that the arguments made by SEA Handling forming the basis of its request for a reform of the decision of the Commission are, in the opinion of the lawyers assisting the Company, reasonably founded and are therefore worthy of the attention of the EU Court;

(ii) the arguments of SEA Handling in the case before the EU Court are fully shared also by the Government and the Municipality of Milan and therefore by the authorities proposed to recover the aid, who also request the reform of the Commission decision;

(iii) also the Lombardy Regional Administrative Court in order No. 553/2013 declared that, on initial examination, the arguments of the Municipality of Milan and of SEA Handling would not seem devoid of fumus boni iuris (presumption of sufficient legal basis);

(iv) the conduct of the Italian Government and the Municipality of Milan would not seem, as it stands, to point towards a will within the national authorities to execute the decision requesting SEA Handling to repay the aid provided by SEA S.p.A.. In particular:
- no repayment order of aid has been handed down to SEA Handling by the national authorities (apart from that requested on a number of occasions by the European Commission);
- the Italian Government has carried out a number of acts entirely of a preliminary nature (in particular the provision to the Commission of the calculation of interest), therefore provoking a reaction from the Commission which on many occasions has complained of a lack of movement by the Italian Government and has threatened to open an infraction procedure against the State;
- the Municipality of Milan opposed the execution of the Commission decision, requesting and obtaining a stay from the Lombardy Regional Administrative Court which suspended the national procedure for the recovery of the aid; the position of the Municipality of Milan is particularly significant, taking account that, according to the opinion expressed by the Italian Government the same Municipality of Milan would be the national authority with the remit for the recovery of the aid from SEA Handling;

(v) The European Commission has on many occasions underlined, in its defensive notes to the preventative judgment at the EU Court, that the national authorities have not shown to this point any real intention to effectively recover the aid, emphasising that SEA Handling does not appear at any risk to be required to repay the aid;

(vi) although the negotiations are not proceeding rapidly, the European Commission appears open to the possibility to find a solution to the problem concerning aid provided to SEA Handling other than the repayment of the sums involved. In particular, Commissioner Almunia, with letter of May 8, 2013 to the Italian EU parliamentary members clarified that the services of the Commission remain "*available to the Italian authorities to help them to identify the best solution possible for the correct execution of the Commission Decision*".

At the date of approval of the 2012 Annual Accounts (June 21, 2013), the Company communicated all considerations in relation to the possible outcome of the case, which presents, in the opinion of external legal experts and consultants, a reasonable chance of success, together with the considerations relating to the actions of the national authorities appointed for its recovery, which overall lead to the conclusion that, at the current state of events of which the Company is aware, the most likely development would not involve the repayment in cash to SEA

S.p.A. of the aid by SEA Handling through the use of its resources.

Therefore the Company, supported in the risk evaluation by the opinions of its lawyers and external experts, has not allocated in its 2012 financial statements amounts to the provision for risk and charges to cover the potential repayment obligations outlined above, in that it considers the risk, on further analysis, as "*possible*" and no longer as "*probable*".

Therefore the Board of Directors of the Parent Company SEA on June 20, 2013 requested the Directors of SEA Handling to undertake also any possible move to identify, in agreement with the European Commission, alternatives to the repayment to SEA S.p.A. of the declared State Aid. The Board of Directors of SEA in fact underlined that SEA and the subsidiary SEA Handling, parallel to the judicial initiatives stated above, advance also the dialogue put in place with the Commission in order to establish and in a short timeframe an alternative solution, through an initiative which would see a change in ownership in line with the European Union principles applicable in relation to the specific circumstances of the case.

Within this context it was necessary, in order to pursue the contacts with the European Commission, to set up a specific "Task Force" which comprises, in addition to the Chairman Pietro Modiano and the Vice-Chairman Renato Ravasio of SEA, the SEA Director Salvatore Bragantini and the Chairman of SEA Handling Edoardo Lecaldano, representing the company's senior management, in addition to relevant managers and legal representatives.

As the situation has substantially not changed since the approval of the 2012 Annual Accounts, the Company, which will monitor on an ongoing basis the development of the dispute in order to communicate in a timely manner pertinent financial disclosure and any impacts from the confirmation of liabilities which currently are only considered potential, considers it reasonable not to establish a risks provision for the repayment to SEA S.p.A. of presumed State Aid.

In relation to the options provided by the European Union principles to establish alternative solutions to (and the winning of) the dispute which would negate any payment, the Directors of the Company, supported by the opinions of lawyers and experts, although outlining that such a solution, in agreement with the European Commission, is in a preliminary phase and, therefore, they cannot currently establish a significantly strong opinion – consider it reasonable that, based on that currently foreseeable in consideration of precedent, EU principles and the specific circumstances of the case, sufficient time exists to introduce and execute on time useful measures and activities, not just to resolve the problem of alleged State Aid, but also to strengthen, from an industrial viewpoint, the future prospects of SEA Handling and therefore improve handling activities and protect the Company also from the risk of a deterioration in the balance sheet and results, in light also of the persistent critical market conditions. In fact, in the case of a reduction in the Shareholders' Equity of SEA Handling such as to trigger Articles 2446 and 2447 of the Civil Code, the need for recapitalisation may be a reality following the evaluations of the European Commission, with the risk, where an agreed solution is not established in advance, that the going concern of SEA Handling would be affected.

13. Subsequent events to the end of the period

Reference should be made to the Directors' Report.

The Chairman of the Board of Directors
Pietro Modiano

Independent Auditors' Report

Deloitte.

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AUDITORS' REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
S.E.A. - SOCIETÀ ESERCIZI AEROPORTUALI S.p.A.

1. We have reviewed the half-yearly condensed consolidated financial statements of S.E.A. – Società Esercizi Aeroportuali S.p.A. ("Company") and subsidiaries (the "SEA Group"), which comprise the balance sheet as of June 30, 2013, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and the related explanatory notes. The Company's Directors are responsible for the preparation and presentation of this interim financial information in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue a report on these half-yearly condensed consolidated financial statements based on our review.

2. We conducted our review in accordance with the standards recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("CONSOB") for the review of the half-yearly interim financial statements under Resolution n° 10867 of July 31, 1997. Our review consisted principally of gathering information on the captions of the half-yearly condensed consolidated financial statements and assessing whether accounting policies have been consistently applied through enquiries of management responsible for financial and accounting matters and in applying analytical procedures to the underlying financial data. The review excluded audit procedures such as tests of controls and substantive procedures of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with established auditing standards. Accordingly, unlike in the auditors' report of other auditors on the year-end consolidated financial statements, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

   As far as comparative figures related to the year ended December 31, 2012 and the six-month period ended June 30, 2012 are concerned - subject to a full audit and a limited review, respectively - reference should be made to the auditors' report and the auditors' review report issued by other auditors dated June 7, 2013 and and August 3, 2012, respectively. As highlighted in the explanatory notes, and in particular in the note "2.4. - Comparability of Half-Year Reports ", Directors have restated certain comparative data on the half-yearly condensed consolidated financial statements as of June 30, 2012.

   The methods of restatement of comparative data and related information presented in the explanatory notes, have been reviewed in the context of the limited review of the half-yearly condensed consolidated financial statements ended June 30, 2013.

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Partita IVA: IT 03049560166

Member of Deloitte Touche Tohmatsu Limited

3. Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of SEA Group as of June 30, 2013 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

4. For a better understanding of the half-yearly condensed consolidated financial statements of the SEA Group as of June 30, 2013, please refer to the information provided by the Directors in the section of the Directors' report "Risk Factors - Risk related to the decision of the European Commission of 19.12.2012 concerning declarations of State Aid awarded to SEA Handling "as well as the explanatory notes in section "12 – Potential liabilities and disputes" about the nature of the decision of the European Commission, the progress of the litigation initiated by the Italian Government, the Municipality of Milan as well as SEA Group and the considerations reached by the Directors and supported by the opinion of legal counsel, for not recording any provision for risks and charges in the half-yearly condensed consolidated financial statements of the SEA Group as of June 30, 2013.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy,
August 1, 2013

This report has been translated into the English language solely for the convenience of international readers.