REPORT 2018

SEA Group Half-Year Report

At June 30, 2018

REPORT

2018

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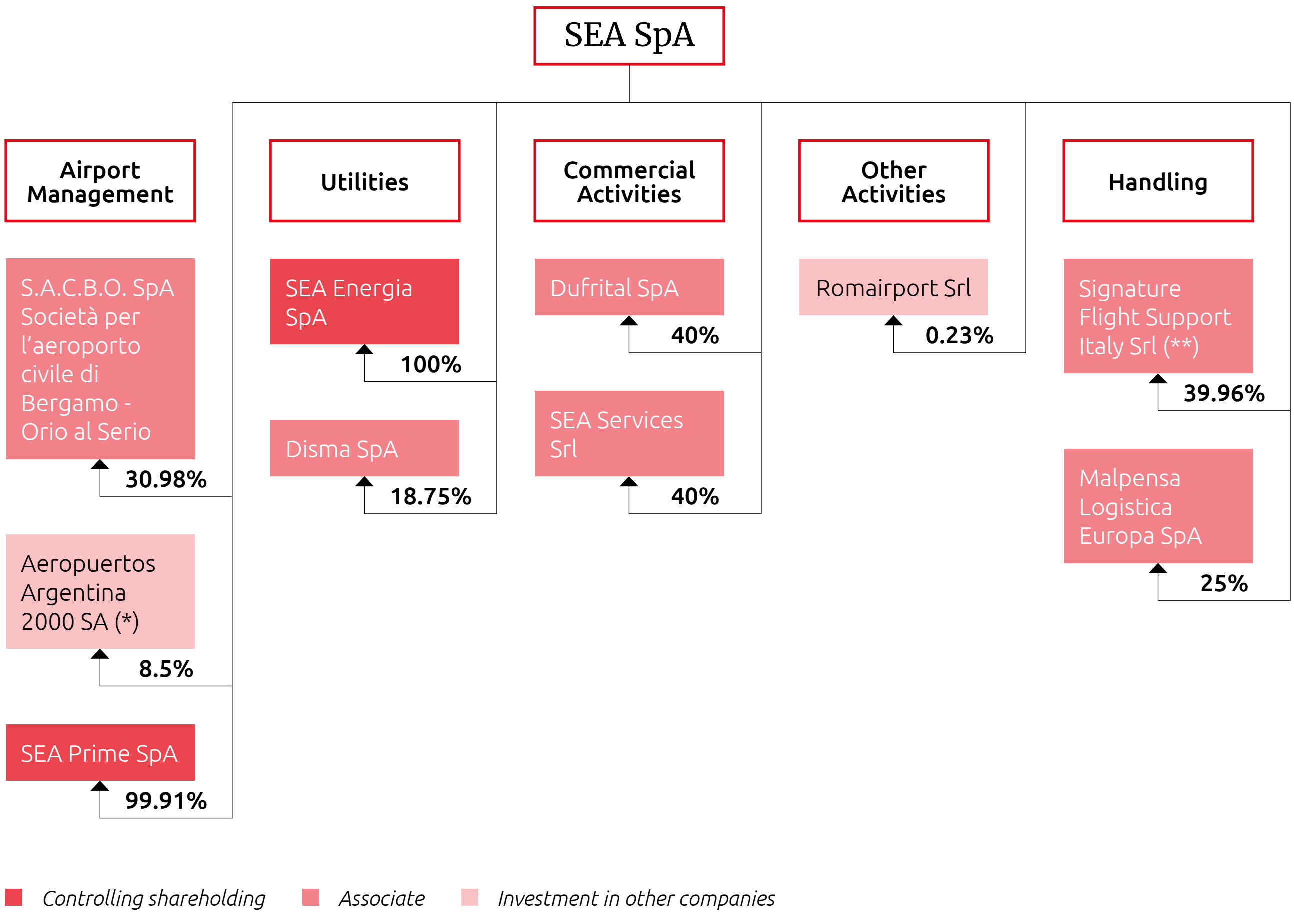
Key figures and general information

SEA Group structure and investments in other companies

DIRECT AND INDIRECT INVESTMENTS OF SEA SPA AT JUNE 30, 2018



(*) With regards to SEA's investment in AA 2000, reference should be made to note 8.5 of the condensed consolidated half-year financial statements.
(**) Company held indirectly through SEA Prime SpA.

It is noted that:

- The SEA Group at June 30, 2018 includes Consorzio Milano Sistema in liquidation (10% SEA SpA).
- In February 2018, SEA SpA submitted a request for withdrawal from SITA SC which was effective as of February 28, 2018.

Corporate Boards

Board of Directors

(three-year period 2016/2018, appointed by the Shareholders' Meeting of May 4, 2016)

Chairman	Pietro Vitale Antonio Modiano
Directors	Armando Brunini (1) (2) Salvatore Bragantini (3) (4) Michaela Castelli (2) (5) Stefano Mion (3) Susanna Stefani (3) Susanna Zucchelli (2)

Board of Statutory Auditors

(three-year period 2016/2018, appointed by the Shareholders' Meeting of May 4, 2016)

Chairperson	Rosalba Cotroneo
Statutory Auditors	Rosalba Casiraghi Andrea Galli Paolo Giovanelli Giacinto Gaetano Sarubbi
Alternate Auditors	Anna Maria Allievi Andrea Cioccarelli

Independent Audit Firm

Deloitte & Touche SpA

(1) *Vice Chairman*
(2) *Member of the Control and Risks Committee*
(3) *Member of the Remuneration and Appointments Committee*
(4) *Member of the Ethics Committee*
(5) *Member of the Supervisory Board*

SEA Group numbers

Introduction

This Half-Year Report at June 30, 2018 comprises the Directors' Report and the Condensed Consolidated Half-Year Financial Statements at June 30, 2018. The Condensed Consolidated Half-Year Financial Statements, prepared in thousands of Euro, are compared with those of the previous year and the Consolidated Financial Statements for the previous full-year and comprise the Financial Statements (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Comprehensive Income Statement, the Statement of changes in Consolidated Shareholders' Equity and the Consolidated Cash Flow Statement) and the Explanatory Notes.

The Half-Year Report at June 30, 2018 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 2017 Annual Financial Statements. In the preparation of the Condensed Consolidated Financial Statements at June 30, 2018, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements at December 31, 2017, updated as indicated in the Explanatory Notes to the Condensed Consolidated Half-Year Financial Statements to take account of those issued recently.

Consolidated Financial Highlights

The key consolidated highlights from the financial statements are illustrated below.

(Euro thousands)	H1 2018	H1 2017	Change
Revenues [1]	336,638	320,879	15,759
EBITDA [2]	128,189	118,752	9,437
Operating Profit	83,740	76,075	7,665
Profit before taxes	80,133	71,370	8,763
Discontinued Operations net result [3]	0	1,556	(1,556)
Group Net Profit	57,443	52,638	4,805

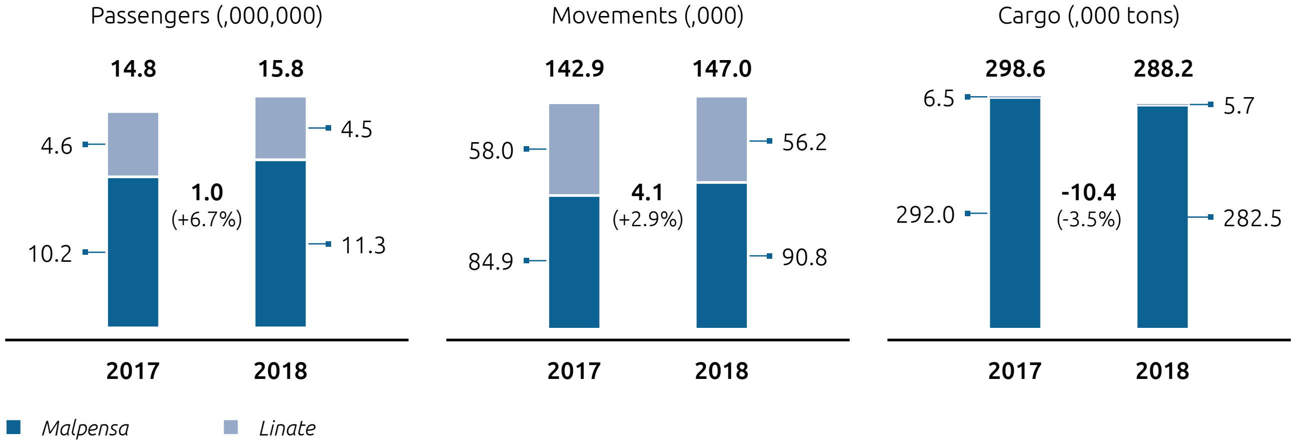
[1] From 2018, following the entry into force of IFRS 15 which provides for the combined presentation of contracts with a single commercial objective, the incentives provided to airline companies to develop traffic were classified as a reduction of revenues. In 2017, they were classified under Other operating costs. For comparability purposes, the 2017 figures were reclassified.
[2] EBITDA is calculated as the difference between total revenues and total costs, excluding provisions and write-downs.
[3] The "Discontinued operations net result" for H1 2017 includes the net result of the company SEA Handling SpA in liquidation, as per IFRS 5.

(Euro thousands)	June 30, 2018	December 31, 2017	Change
Fixed assets (A)	1,313,365	1,319,249	(5,884)
Net Working Capital (B)	(191,104)	(183,837)	(7,267)
Provisions for risks and charges (C)	(171,637)	(169,935)	(1,702)
Employee provisions (D)	(47,062)	(47,834)	772
Other non-current payables (E)	(15,803)	(17,588)	1,785
Net capital employed (A+B+C+D+E)	**887,759**	**900,055**	**(12,296)**
Group Net Equity	379,355	391,154	(11,799)
Minority interest net equity	24	23	1
Net financial debt	508,380	508,878	(498)
Total sources of financing	**887,759**	**900,055**	**(12,296)**

(Euro thousands)	June 30, 2018	December 31, 2017	Change
Tangible and intangible asset investments	28,845	72,140	(43,295)

	June 30, 2018	December 31, 2017
HDC Employees (at period end)	2,873	2,837

H1 2018 TRAFFIC DATA COMPARED WITH H1 2017 (COMMERCIAL AVIATION AND GENERAL AVIATION)



General Aviation of LInate and Malpensa value - SEA Prime

Directors' Report

H1 2018: significant events

Airport Handling: exercise of option by dnata for 40% and transfer to SEA of the residual 30%

On June 30, 2018, dnata exercised the option to purchase an additional 40% of Airport Handling and a corresponding portion of Financial Instruments of Participation, increasing its holding in the company to 70% and maintaining a majority on the Board of Directors, held since March 2016 on completion of the acquisition of the initial 30% of the company from the Trustee (whole-owner of Airport Handling) and of 30% of the Financial Instruments of Participation held by SEA.

Exercise of this option resulted in a series of events in July - including: i) the winding up of the Trust on completion of its mission; ii) the consequent retransfer to SEA of the residual 30% of the share capital; iii) the receipt by SEA of Euro 13.3 million, of which: Euro 10.6 million for the sale of 70% of the Financial Instruments of Participation, Euro 2.7 million for the sale of 70% of the shares; iv) the additional receipt of Euro 0.4 million relating to the dividends approved by Airport Handling in 2016.

Opening of the new frontage to Linate airport

On May 3, 2018, the new frontage to Linate airport was opened. The main works of the first phase of Linate's restyling beginning in July 2017 concluded and a diluted investment plan shall be rolled out until 2022 for a total amount of Euro 66.4 million

Air Italy with base at Malpensa

Following the sale of the aviation business unit of Air Italy to Meridiana Fly and the concurrent change of the latter's name to "AIR ITALY" SpA, the process of integrating the two Group airlines' operations began on March 1, resulting in the consolidation of their personnel and organisational structures. The integration of the two carriers' structures into the new AIR ITALY SpA will permit better, more efficient organisation of customer service and the flight network, based on the two primary hubs: Olbia for short-haul flights and Milan Malpensa for international and intercontinental flights.

Qatar Airways, Air Italy's new controlling shareholder, acquired 49% of AQA Holding. Alisarda, previously the sole shareholder, holds 51% of AQA Holding.

Management system for the prevention of corruption

In March 2018, SEA was awarded certification for its management system for the prevention of corruption pursuant to the UNI ISO 37001:2016 standard.

Top Employers 2018 Certification

SEA, in February 2018, obtained Top Employers Italy 2018 certification from the Top Employers Institute which certifies the best companies in the world in the area of Human Resources and, particularly, those which constantly strive to improve and optimise their Human Resource processes.

Participation at NAIS 2018 in Moscow

In February 2018, SEA took part in the 2018 edition of the NAIS International Forum & Exhibition for the Civil Aviation Infrastructure in Moscow, an important event in Russia for the civil aviation infrastructure development sector, promoted by the Russian Ministry of Transport, the Russian Federal Air Transport Agency and the Russian Federal Tourism Agency. SEA presented its experience as airport manager, along with its expertise in the airport infrastructure sector, including an account of its recent international airport masterplanning experience.

Linate power plant - UVAC qualification

SEA Energia enrolled in a pilot project promoted by Terna to secure access to the MSD (Dispatching Services Market) for the Linate power plant in the capacity of UVAC (Authorised Virtual Consumption Unit). This designation allows SEA Energia to be connected with multiple consumption sites in its macro-area through an aggregator - in this case Enel X - responsible for managing available power, sending information and receiving instructions from Terna on behalf of all such units. This project is scheduled to run for three months, from July to September. During this period, the Linate power plant will provide energy when Terna requests that it contribute additional power to the grid, in return for fixed and variable remuneration.

Malpensa power plant authorised to participate in the dispatching services market (MSD)

The generators comprising the Malpensa cogeneration plant have been authorised to participate in the dispatching services market (MSD) with effect from January 2018.

Dispatching - which can be defined as the management of the flow of electricity in the grid - is handled by Terna, which through the Dispatching Services Market procures the resources required to maintain a balance between the supply and demand of electricity, thus ensuring the continuity and security of the power supply.

Economic overview and 2018 outlook

The short-term outlook for the global economy remains favourable overall, despite the slowdown witnessed in the first quarter of 2018. Global trade also slowed, while continuing to expand.

At the global level, the risks of a possible intensification of economic and political uncertainty have increased. The tensions triggered by the protectionist measures announced and implemented by the United States and the threats of retaliation by its trading partners could undermine companies' confidence. Geopolitical risks have also flared, owing in part to the announcement of the United States' withdrawal from the nuclear agreement with Iran. The uncertainty regarding future economic relations between the United Kingdom and EU remains very high, in light of the limited progress of Brexit negotiations.

Following the slight decline seen in June, crude oil prices resumed their rise, reaching their highest level since the end of 2014 in the first week of July, driven chiefly by renewed global demand, accompanied by a considerable decline in reserves, despite the increase in U.S. production and the OPEC's decision to revise the agreement to cut production to offset the declines in supply attributable to Venezuela and Iran.

Growth in the Eurozone slowed compared to the previous year in early 2018 and then remained moderate in the spring also. Inflation is on the rise, but the baseline component remains at modest levels.

In the first quarter of 2018, the zone's GDP increased by 0.4% on the previous period, slowing significantly compared to 2017. Performance continued to be driven by domestic demand, and above all by private consumption. Net exports were a negative contributor. The most recent economic indicators suggest that GDP continued to expand at a modest rate in the spring. The slowdown in the first quarter was particularly marked in France and Germany.

On the basis of forecasts by the Eurosystem's central banks published in June, GDP is expected to increase by 2.1% overall in 2018.

In Italy, according to estimates by the Bank of Italy, growth continued, despite the signs of slowdown seen in the spring months. Currently available indicators show that in the second quarter industrial production remained stagnant, whereas the service sector continued to grow. On the whole, GDP growth amounted to around 0.2% on the previous period, with downside risks relating to the weakness of the manufacturing sector.

In the first three months of the year, GDP increased by 0.3%, a slightly lower rate than in the fourth quarter of 2017.

According to economic projections published by the Bank of Italy, growth is expected to continue over the next three years, while being influenced by future higher crude oil prices. On the basis of the annual data, GDP is expected to increase by 1.3% this year, 1% the following year and 1.2% in 2020.

In the final days of May and early June, there was a sharp spike in volatility on Italian financial markets in connection with uncertainty surrounding the formation of the new government. Italian government bond yields rose, including for the shortest maturities, and stock prices fell, particularly in the banking sector. The tensions partially subsided from the second week of June.

Air transport and airports

Global air transport market performance for the first four months of 2018

In the first four months of 2018, global passenger traffic, measured on a sample of 1,021 airports, increased by 6.6 percentage points on the same period of 2017, amounting to 2.172 billion passengers.

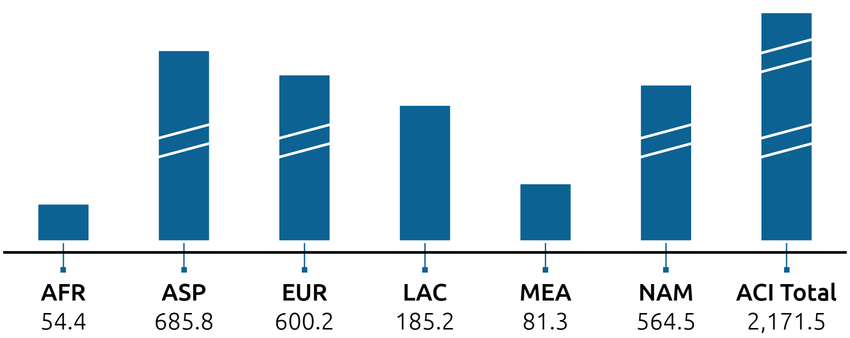
The aviation market grew in all geographical areas. Asia, which accounts for 32% of total global traffic, was up by 8.7%, followed by Europe, which had market share of 28% and a growth rate of 6.9%. North America and Central/South America, which had market share of 26% and 9% respectively, recorded passenger growth rates of 4.9% and 4.8% respectively. In the Middle East, which accounts for 4% of the total, traffic was essentially stable, whereas the continent that showed the greatest increase in percent terms, despite accounting for just 3% of market share, was Africa at 11.7%.

In the global rankings, the number-one airport by passenger traffic flow was Atlanta (33.5 million, consisting of 88% domestic traffic), followed by Beijing (33.0 million, consisting of 78% domestic traffic), and then by Dubai in third place (30.4 million).

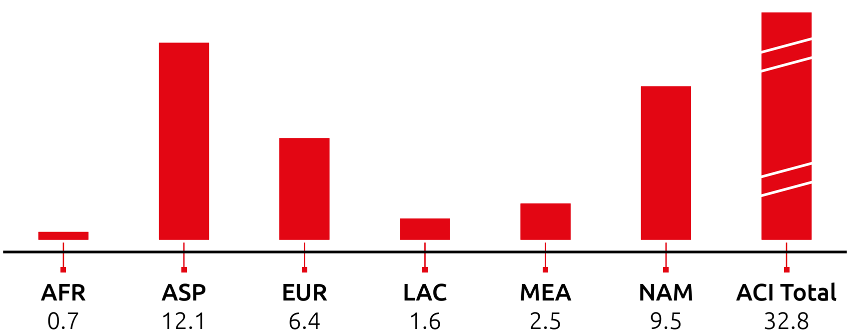
Cargo traffic increased 5.4 percentage points compared to the first four months of 2017, with 32.8 million tonnes handled (on a sample of 671 airports). Europe reports growth of +4.8%, North America +6.5%, Central-South America +11.7%, the Middle East +0.9% and Africa +10.7%, while Asia - which moves the greatest quantity of cargo (12 million tonnes) - reports growth of 4.7% on 2017.

GLOBAL AIR TRAFFIC TO APRIL 2018[1]

Passengers (2.172 billion) **ACI World ranking volumes**



Total cargo (32.8 million tonnes) **ACI World ranking volumes**



Key: AFR (Africa), ASP (Asia Pacific), EUR (Europe), LAC (Latin America), MEA (Middle East), NAM (North America). Source: ACI World (Pax Flash & Freight Flash)
(1) Source: ACI World (Pax Flash & Freight Flash)

European airports performance - January-May 2018

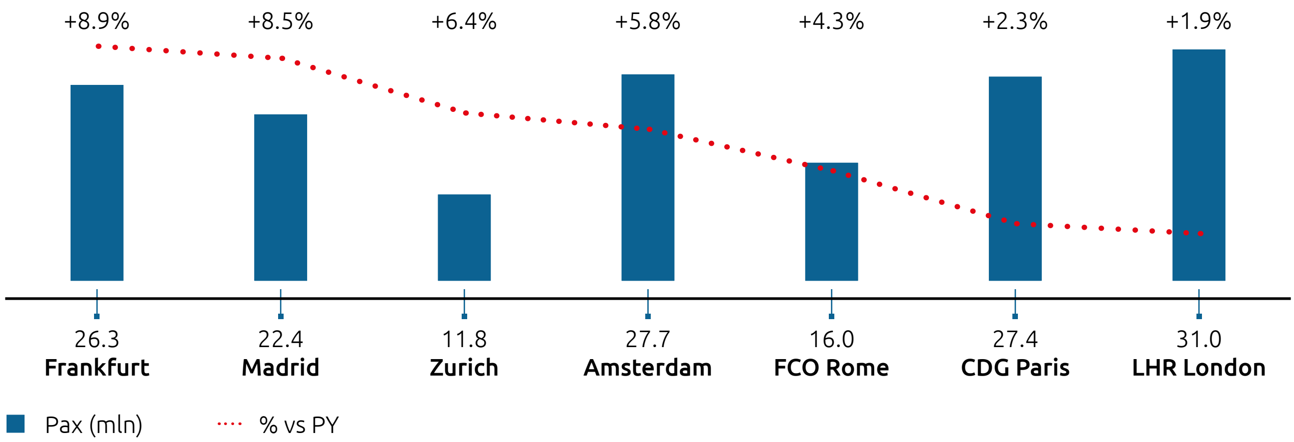
The ACI Europe associated European airports reported passenger growth of 4.3% to 432 million passengers served.

The following graph indicates the main hubs[2], - representing 38% of total associated airport traffic.

In ACI Europe's ranking of the 42 associated European airports, Malpensa maintains a leading position in terms of percentage growth in the period (+11.3%), ranking second after Lisbon (+13.7%).

Cargo traffic rose 1% to 4.8 million tonnes. In the ranking of the leading European airports in terms of cargo volumes handled, Malpensa places fifth (233 thousand tonnes), after Frankfurt (leading airport with over 857 thousand tonnes), Paris Charles de Gaulle (790 thousand), London Heathrow (702 thousand) and Amsterdam (693 thousand).

[2] Airport hubs: Frankfurt, Amsterdam, Paris Charles de Gaulle, Zurich, Rome Fiumicino, Madrid and London Heathrow



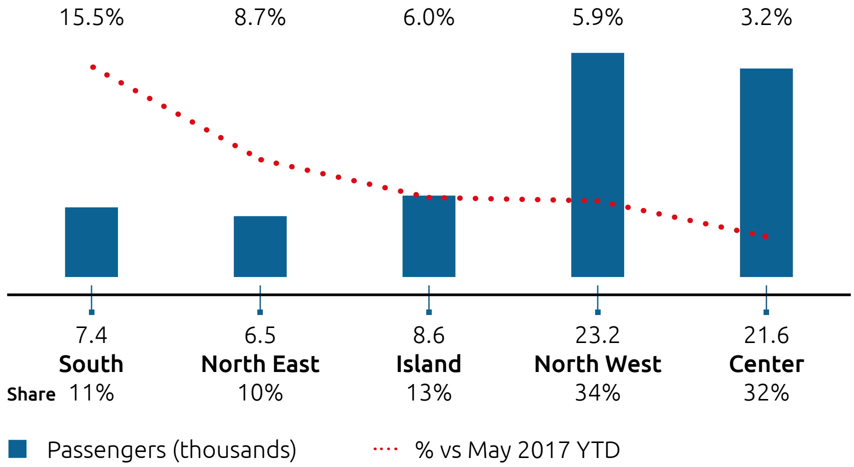
January-May 2018 Italian airport traffic performance[3]

Passenger traffic at the Italian Assaeroporti member airports continues to grow. In the first five months, 67.4 million passengers were served (+6.2%), 3.9 million more than the first five months of 2017. International traffic saw the biggest jump (+7.6%), while domestic traffic contributed to a lesser extent (+3.7%).

Air movements in the period numbered 525 thousand (+3.1%), with total cargo transported substantially in line with the previous year (430 thousand, +0.4%).

The domestic airports reporting the highest passenger numbers were Rome Fiumicino, Milan Malpensa, Bergamo Orio al Serio and Milan Linate.

Passenger traffic distribution of the Italian airports aggregated by macro-region* is reported according to percentage growth below.



**North West: Bergamo, Bologna, Genoa, Linate, Malpensa, Turin, others; North East: Treviso, Venice, Verona, others; Center: Ancona, Rome Ciampino, Rome Fiumicino, others; South: Bari, Brindisi, Lamezia Terme, Naples, Pescara, Reggio Calabria, others; Islands: Alghero, Cagliari, Lampedusa, Olbia, Palermo, others.*

Among the North Western airports, the Lombardy airport system (26% of total domestic traffic) served 17.7 million passengers (+6.6%); Milan Malpensa contributed with 9.1 million, Milan Linate with 3.6 million and Bergamo Orio al Serio with 5.0 million.

In Central Italy, the Rome airport system (27% of total domestic traffic) hit 18.4 million passengers (+3.5%); Rome Fiumicino served 16.0 million (+4.3%), while Rome Ciampino with 2.4 million contracted (-1.9%).

Among the North Eastern airports, we highlight Venice with 3.8 million (+7.4%), while in the South, Naples and Catania grew respectively 30.5% and 9.5%, with 3.5 million passengers each.

[3] *Source: Assaeroporti's 38 associated airports; the figures include commercial aviation inclusive of direct transits*

Regulatory framework

Establishment of new regulated fees for 2018

Following the consultation process launched in July 2017, which involved two hearings with users of Linate and Malpensa, in September of last year the Italian Civil Aviation Authority published the new regulated rates for 2018. The new rates entered into effect on January 1, 2018 and represent an average increase of 0.9% compared with those in effect in 2017, below the inflation rate planned for the year concerned (equal to 1.7%, as stated in the Update to the 2017 Economy and Finance Document, published by the Italian Ministry of the Economy and Finance in September 2017).

Legal and regulatory framework

The European Commission - DG MOVE - continued the process of assessing Directive 2009/12/EC of the European Parliament and of the Council of March 11, 2009 on airport charges, launched in 2016.

In the first half of 2018, the Commission launched a public consultation addressed to all European citizens generally and aimed at completing the process (of a more technical nature and more specifically targeted at industry operators) already begun with the Inception Impact Assessment (IIA). A further phase of the assessment by the Commission (the Impact Assessment proper) is expected in the second half of the year with the aim of verifying possible approaches to intervention by the European Union, which could lay the groundwork for future economic regulations for airports. SEA will continue to monitor this process, both directly and through Italian and European industry associations.

In Italy, a further consultation process is expected to be launched for the design of the new regulatory models by the Transport Regulation Authority (ART), as previously announced but never initiated by the Authority.

SEA does not apply the ART's regulation models since it is regulated by the Supplementary Regulatory Agreement entered into with ENAC in 2011, pursuant to Article 17, paragraph 34-bis of Decree-Law No. 78/2009, as converted with amendments by Law 102 of August 3, 2009.

New significant domestic and EU regulations

The New Decree of the President of the Council of Ministers No. 76/2018, *"Regulation on the execution, types and size thresholds for works subject to public debate"*, set to enter into force on next August 24, identifies the types of works for which it will be mandatory to involve citizens in public debate - a form of consultation that occurs before projects assume their definitive form. The following are subject to public debate, subject to precise size and financial limits: motorways and intercity roadways, railway lines, airports, commercial seaports, navigable waterways and freshwater ports, shipping terminals, work to protect the sea and coasts, intermodal freight hubs, overhead power lines, long-term water retention, regulation or storage facilities and systems for transferring water between regions. In the case of airports, such works must involve new passenger or cargo terminals, new runways with a length of over 1,500 m and an overall investment of more than Euro 200 million, net of VAT, associated with all planned contracts. Public debate, which lasts four months (but in cases of demonstrated need may be extended by an additional two months), occurs in the initial phases of planning of the technical and economic feasibility plan or the feasibility document for project alternatives. If debate is launched at the specific request of the administrations or citizens involved, or occurs at the specific behest of the awarding administration or authority, public debate may not be held after the commencement of definitive planning.

Legislative Decree No. 65/2018, "Implementation of Directive (EU) No 2016/1148 of the European Parliament and of the Council of July 6, 2016 concerning measures for a high common level of security of network and information systems across the Union" transposing Directive (EU) No 2016/1148 (known as the "Network and Information Security Directive" or "NIS Directive") concerning the security of network and information systems in the Union entered into effect on last June 24. The Decree has three main goals:

- promoting a culture of risk management and reporting of incidents among the main economic actors, and in particular operators that provide services essential to the maintenance of economic and social activities and providers of digital services;
- improving national cyber-security capabilities;
- enhancing cooperation at the national and EU level.

With the aim of ensuring the continuity of essential services (energy, transport, health, finance, etc.) and digital services (search engines, cloud services, e-commerce platforms), the Decree provides for technical and organisational measures intended to reduce risk and limit the impact of information technology incidents and the obligation to report incidents with a significant impact on the provision of services. The text also identifies the responsible "NIS" authorities and their duties, carried out in cooperation with the equivalent authorities in the other Member States, as well as the Italian national Computer Security Incident Response Team (CSIRT), which has duties of a technical nature relating to preventing and responding to information technology incidents, carried out in cooperation with the other European CSIRTs. Annex II to the Decree identifies essential service providers, which also include airport managers.

Operating and financial overview

Traffic data

MILAN MALPENSA AND MILAN LINATE AIRPORT TRAFFIC PERFORMANCE

	Movements H1		Passengers (1) H1		Cargo (2) H1	
	2018	% vs 2017	2018	% vs 2017	2018	% vs 2017
Malpensa	88,631	6.9%	11,312.8	11.0%	282,514	-3.3%
Linate	45,636	-4.0%	4,464.5	-2.9%	5,666	-13.4%
Total commercial traffic	**134,267**	**2.9%**	**15,777.4**	**6.7%**	**288,180**	**-3.5%**
General Aviation (3)	12,709	2.6%	26.4	4.9%	-	-
SEA Group Airport System	**146,976**	**2.9%**	**15,803.8**	**6.7%**	**288,180**	**-3.5%**

(1) *Arriving+departing passengers ('000)*
(2) *Arriving+departing cargo in tonnes*
(3) *General Aviation Source: SEA Prime*

In the first half of 2018, the Milan Airport System managed by the SEA Group served a total of 15.8 million passengers, up 6.7% on the first half of 2017 (14.8 million passengers).

The increase in the number of commercial aviation passengers (+985 thousand) was attributable solely to Malpensa airport, with 1.1 million additional passengers, a gain of 11.0% on the same period of 2017.

This performance stems from greater airline capacity, both in terms of aircraft movements (+6.9%) and average aircraft size (resulting in 9.3% more seats on offer), in addition to an improved load factor of 1.2 percentage points.

Linate airport recorded a 2.9% decline in the number of passengers compared with the first half of 2017 due to the cessation of operations by Air Berlin (with effect from November 2017), the relocation to Malpensa of all Air Italy (former Meridiana) traffic, with the exception of service to Olbia (part of the local public transport service programme), and the shift of flights to Malpensa by KLM and Air France in April 2017.

During the period, 288 thousand tonnes of cargo were transported, reducing 3.5% on the first half of 2017 and with a more pronounced decline in exports (-5.1%), while all cargo aircraft movements numbered 6,119 (+4.7%). The reduction in cargo was principally concentrated among the destinations of Abu Dhabi, Moscow and Hong Kong. The Abu Dhabi contraction mainly concerned Etihad, which reduced its number of air movements and the average load transported, both for inbound (-54.4%) and outbound (-44.2%) flights. Passenger flights were also cancelled to Abu Dhabi by Alitalia, with the loss of the relative cargo component. The Moscow flight operated by Air Bridge Cargo saw a sharp reduction both for imports (18% of the cargo traffic on the route, down 52.9% on the first half of

2017) and for exports (82% of cargo traffic on the route, reducing 2.5% on H1 2017) due to the reduced number of movements.

Milan is the fifth leading European business & general aviation destination. SEA, through its subsidiary SEA Prime, overall managed 12.7 thousand movements (+2.6%) and 205 thousand tonnes[4] (+3.7%).

Linate was confirmed as the leading general aviation airport in Italy. Aircraft movements and tonnage rose respectively on the first half of 2017 by 0.9% and 1.9%, to 10.6 thousand movements and 171 thousand tonnes[4]; the average aircraft tonnage transiting the airport increased from 16.0 in 2017 to 16.2 tonnes in the first half of 2018. Movements and tonnage[4] also grew at Malpensa, respectively by 11.9% and 14.0% (2.2 thousand movements and 35 thousand tonnes[4]).

[4] 1 Maximum Take Off Weight of aircraft

Income Statement

(Euro thousands)	H1 2018	%	H1 2017	%	Cge. 2018/2017
Operating revenues	324,749	96.5%	311,593	97.1%	4.2%
Revenue for works on assets under concession	11,889	3.5%	9,286	2.9%	28.0%
Total Revenues (1)	**336,638**	**100.0%**	**320,879**	**100.0%**	**4.9%**
Operating costs					
Personnel costs	(94,903)	-28.2%	(98,919)	-30.8%	-4.1%
Other operating costs	(102,507)	-30.5%	(94,611)	-29.5%	8.3%
Total operating costs	**(197,410)**	**-58.6%**	**(193,530)**	**-60.3%**	**2.0%**
Costs for works on assets under concession	(11,039)	-3.3%	(8,597)	-2.7%	28.4%
Total costs	**(208,449)**	**-61.9%**	**(202,127)**	**-63.0%**	**3.1%**
EBITDA (2)	**128,189**	**38.1%**	**118,752**	**37.0%**	**7.9%**
Provisions & write-downs	(976)	-0.3%	(2,488)	-0.8%	-60.8%
Restoration and replacement provision	(7,539)	-2.2%	(6,055)	-1.9%	24.5%
Amortisation & Depreciation	(35,934)	-10.7%	(34,134)	-10.6%	5.3%
Operating profit	**83,740**	**24.9%**	**76,075**	**23.7%**	**10.1%**
Investment income/(charges)	4,248	1.3%	4,080	1.3%	4.1%
Financial charges	(8,838)	-2.6%	(9,036)	-2.8%	-2.2%
Financial income	983	0.3%	251	0.1%	291.6%
Profit before taxes	**80,133**	**23.8%**	**71,370**	**22.2%**	**12.3%**
Income taxes	(22,689)	-6.7%	(20,270)	-6.3%	11.9%
Continuing Operations profit	**57,444**	**17.1%**	**51,100**	**15.9%**	**12.4%**
Discontinued Operations net result (3)	**0**	**0.0%**	**1,556**	**0.5%**	**-100.0%**
Minority interest profit	1	0.0%	18	0.0%	-94.4%
Group Net Profit	**57,443**	**17.1%**	**52,638**	**16.4%**	**9.1%**

(1) From 2018, following the entry into force of IFRS 15 which provides for the combined presentation of contracts with a single commercial objective, the commercial incentives provided to airline companies to develop traffic were classified as a deduction of revenues. In 2017, they were classified under Other operating costs. For comparability purposes, the 2017 figures were reclassified.
(2) EBITDA is calculated as the difference between total revenues and total costs, excluding provisions and write-downs.
(3) The "Discontinued operations net result" for H1 2017 includes the net result of the company SEA Handling SpA in liquidation, as per IFRS 5.

The main income statement accounts are broken down as follows.

Revenues

Operating revenues in H1 2018 (net of works on assets under concession and commercial incentives granted to the airlines) amount to Euro 324,749 thousand and include Aviation revenues of Euro 196,801 thousand (Euro 187,583 thousand in H1 2017), Non Aviation revenues of Euro 114,741 thousand (Euro 110,084 thousand in H1 2017), General Aviation revenues of Euro 5,809 thousand (Euro 6,141 thousand in H1 2017) and Energy revenues of Euro 7,398 thousand (Euro 7,785 thousand in H1 2017).

The increase in revenues was Euro 13,156 thousand on the previous year (+4.2%), which benefitted from the non-recurring revenue of Euro 2,429 thousand relating to the review by AGCM of the penalty imposed to SEA in 2015 following the acquisition of SEA Prime - previously ATA Ali Trasporti Aerei. Excluding this, revenues grew Euro 15,585 thousand (+5.0%). This performance is principally based on:

- Aviation for Euro +10,930 thousand, mainly due to the boost in traffic volumes in the period both in the passengers segment - benefitting from additional airline capacity and load factor growth - and the cargo segment;
- Non Aviation for Euro +5,262 thousand, growing across all the main business segments, including Shops, Food & Beverage, Car Rental, Parking and Cargo;
- Energy for Euro -303 thousand, mainly due to lower electricity sales revenues to third parties, only in part offset by a settlement on the value of prior year white certificates;
- General Aviation for Euro -303 thousand, mainly due to lower service revenues from the associate Signature Flight Support.

Revenues for works on assets under concession increased from Euro 9,286 thousand in H1 2017 to Euro 11,889 thousand in H1 2018 (+28.0%). These revenues refer to construction work on assets under concession increased by a mark-up representing the best estimate of the remuneration of the internal cost for the management of the works and design activities undertaken, which corresponds to a mark-up which a third-party general constructor would request to undertake such activities. This account is strictly related to investment activities on assets under concession.

Operating costs

Operating costs for H1 2018, net of costs for works on assets under concession, amount to Euro 197,410 thousand, rising Euro 3,880 thousand on the previous year (+2.0%). H1 2017 costs included non-recurring items for Euro 4,754 thousand (Euro 6,052 thousand concerning leaving incentives and Euro -1,298 thousand for the reversal of system costs provisioned in 2016). Therefore, comparison with the first half of 2018 - which in turn includes non-recurring components for Euro 69 thousand - indicates a net increase of Euro 8,567 thousand (+4.5%).

This cost increase is mainly due to:

- Group personnel costs, which increased Euro 1,967 thousand (+2.1%) compared to H1 2017, increasing from Euro 92,868 thousand in 2017 to Euro 94,835 thousand in 2018.

The increase was mainly due to the portion allocated for the National Collective Labour Agreement's renewal, which was signed in 2014 and expired at the end of 2016, and by the expanded workforce as result of traffic growth.

The average headcount in the period was 2,774 (Full Time Equivalent), increasing 16 on H1 2017.

- external costs increased Euro 6,599 thousand (+6.9%) on the same period of 2017 to Euro 102,507 thousand. This follows higher variable costs, partly due to increased traffic and revenues (security, public fees, chemical products, third party parking management, VIP catering lounges, methane and CO_2), for Euro 4,971 thousand and the increase in other operating costs (maintenance, hardware/software fees, advertising) for Euro 1,627 thousand.

Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 8,597 thousand in H1 2017 to Euro 11,039 thousand in H1 2018. These costs refer to the costs for the works undertaken on assets under concession. This movement is strictly related to investment activities.

As a result of the developments outlined above, **EBITDA** was Euro 128,189 thousand for H1 2018, against Euro 118,752 thousand for H1 2017, up 7.9% (Euro +9,437 thousand). Net of the non-recurring items indicated above, which impacted H1 2017 for Euro 2,325 thousand, EBITDA grew Euro 7,179 thousand (+5.9%).

Provisions & write-downs

In 2018, provisions and write-downs reduced Euro 1,512 thousand, from Euro 2,488 thousand in 2017 to Euro 976 thousand for the present period and concern for Euro 340 thousand net provisions for future charges (Euro 839 thousand of net releases for H1 2017) and Euro 635 thousand for net provisions for doubtful debts (Euro 3,327 thousand for H1 2017). "Provisions for future charges" principally concern insurance excesses.

The reduced "Credit risk provisions" mainly concerns the accrual in H1 2017 of the past receivable (pre May 2, 2017) from Alitalia SAI in Extraordinary Administration, as an unsecured receivable. In the first half of 2018, net accruals for trade receivables were made, while no provisions for other receivables or other financial assets were made.

For further details, reference should be made to Note 9.7 of the Condensed consolidated half-year financial statements.

Restoration and replacement provision

In the first half of 2018, the net accrual to the restoration and replacement provision increased Euro 1,484 thousand. Against a provision of Euro 7,539 thousand in the first half of 2018 (Euro 7,546 thousand in the first half of 2017), no release was made, while in the first half of 2017 a release of Euro 1,491 thousand was made, in order to adjust the provision to new industry regulations on x-ray equipment, for which replacement in the coming years is expected.

Amortisation & Depreciation

Amortisation and depreciation increased by Euro 1,800 thousand compared to 2017 (+5.3%), from Euro 34,134 thousand to Euro 35,934 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 and the increase in fixed assets whose depreciation began subsequent to the conclusion of H1 2017 (purchase of apron equipment, Sheraton building in Malpensa, airport restyling works etc.). We highlight in addition the acceleration from December 2017 of depreciation on the turbine at the Malpensa co-generation station, which will be replaced in 2019.

As a result of the developments outlined above, **Operating Profit** was Euro 83,740 thousand, up 10.1% on the first half of the previous year (Euro 76,075 thousand).

Investment income and charges

In H1 2018, net income from investments increased Euro 168 thousand, from Euro 4,080 thousand in 2017 to Euro 4,248 thousand in 2018, relating to the valuation at equity of investments in associates. Income from investments increased on the previous year on the basis of the estimated results of the associates for the first half of 2018.

Financial income and charges

Net financial charges in H1 2018 amount to Euro 7,855 thousand, a decrease of Euro 930 thousand on the previous year.

Financial charges reduced Euro 198 thousand due to the combined effect of lower interest on medium/long-term loans following the decrease in the gross debt and the reduction in the average cost of debt, partially offset by higher commissions on loans in the first half of 2018 due to the guarantee commissions relating to the EIB loans at the end of June 2017.

In the same period, financial income increased Euro 732 thousand mainly due to the impact of interest income of Euro 976 thousand matured on the IRES receivable and collected in April 2018 simultaneous to the nominal receivable paid.

Income taxes

H1 2018 income taxes amount to Euro 22,689 thousand, increasing on the same period of the previous year, principally due to the increase in the pre-tax profit of Euro 8,763 thousand (Euro 80,133 thousand in H1 2018 and Euro 71,370 thousand in H1 2017).

Discontinued Operations net result

The discontinued operations net result was breakeven following the liquidation on July 10, 2017 of SEA Handling SpA, against a net profit of Euro 1,556 thousand for the same period of the previous year, relating to the conclusion of the liquidation process which resulted in the settlement of open credit and debit positions.

Group Net Result

As a result of the developments outlined above, the Group net profit improved Euro 4,805 thousand, from Euro 52,638 thousand in H1 2017 to Euro 57,443 thousand in H1 2018.

Reclassified Group balance sheet

(Euro thousands)	**June 30, 2018**	**December 31, 2017**	**Change**
Intangible assets	993,327	998,182	(4,855)
Property, plant & equipment	202,515	204,971	(2,456)
Investment property	3,410	3,394	16
Investments in associates	53,413	54,054	(641)
AFS Investments	26	26	0
Deferred tax assets	53,284	51,152	2,132
Other non-current financial assets	7,190	7,190	0
Other non-current receivables	200	280	(80)
Fixed assets (A)	**1,313,365**	**1,319,249**	**(5,884)**
Inventories	3,605	4,104	(499)
Trade receivables	129,099	111,077	18,022
Tax receivables	1,516	14,941	(13,425)
Other receivables	10,897	9,200	1,697
Other current financial assets	7,500	13,300	(5,800)
Current assets	**152,617**	**152,622**	**(5)**
Assets held-for-sale	**5,800**	**0**	**5,800**
Trade payables	124,730	153,497	(28,767)
Other payables	189,713	174,592	15,121
Tax payables	35,078	8,370	26,708
Current liabilities	**349,521**	**336,459**	**13,062**
Net Working Capital (B)	**(191,104)**	**(183,837)**	**(7,267)**
Provisions for risks and charges (C)	(171,637)	(169,935)	(1,702)
Employee provisions (D)	(47,062)	(47,834)	772
Other non-current payables (E)	(15,803)	(17,588)	1,785
Net capital employed (A+B+C+D+E)	**887,759**	**900,055**	**(12,296)**
Group Net Equity	(379,355)	(391,154)	11,799
Minority interest net equity	(24)	(23)	(1)
Net financial debt	(508,380)	(508,878)	498
Total sources of financing	**(887,759)**	**(900,055)**	**12,296**

At June 30, 2018, fixed assets of Euro 1,313,365 thousand reduced on December 31, 2017 by Euro 5,884 thousand, principally due to the amount of investments and amortisation and depreciation in the period, respectively of Euro 28,845 thousand (net of restoration provision utilisations) and Euro 35,934 thousand.

Net working capital of Euro -191,104 thousand increased by Euro 7,267 thousand over December 31, 2017. This movement is mainly due to *i)* the increase in trade receivables, principally as a result of higher revenues in the period; *ii)* the reduction in trade payables, in accordance with contractual deadline; *iii)* the reduction in tax receivables following the receipt in April 2018 of the IRES receivable concerning the deductibility of IRAP from IRES for financial years 2007 to 2011 ("click day"); *iv)* the higher direct tax payable; *v)* the increased payable for municipal surtaxes related to the higher amount of trade receivables; *vi)* the increase in the fire protection services payable.

Assets held-for-sale refer to the Financial Instruments of Participation and the share capital of Airport Handling subject to the call option, exercised by dnata on June 30, 2018. "Other current financial assets" refers to the sale value of 30% of the Financial Instruments of Participation and share capital of Airport Handling, which was sold in March 2016.

Net capital employed at June 30, 2018 amounted to Euro 887,759 thousand, an increase of Euro 12,296 thousand over December 31, 2017.

Other non-current payables refer mainly to payables to employees recorded as a result of the mobility procedure's commencement on December 27, 2017. Through the mobility procedure, early retirement incentive payments were established for a pre-determined number of workers who will qualify for pension benefits by August 2023 (early retirement or old age pension). They decreased on December 2017 due to the achievement by some workers of the requirements for the settlement of the payable or its reclassification from non-current to current.

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

(Euro thousands)	June 30, 2018	December 31, 2017	Change
Inventories	3,605	4,104	(499)
Trade receivables	129,099	111,077	18,022
Trade payables	(124,730)	(153,497)	28,767
Other receivables/(payables)	(212,378)	(158,821)	(53,557)
Other current financial assets	7,500	13,300	(5,800)
Assets held-for-sale	5,800	0	5,800
Total net working capital	**(191,104)**	**(183,837)**	**(7,267)**

Net financial position

The "Net financial position" of Euro 508,380 thousand at June 30, 2018 reduced by Euro 498 thousand on December 31, 2017 (Euro 508,878 thousand). The generation of cash from operations funded tangible and intangible asset investment and the dividend payment of Euro 70,262 thousand.

Subsequent events

Milan to host World Routes 2020, the world's foremost air transport trade event

World Routes - among the biggest events in the aviation industry - will be held from September 5 to 8, 2020 in Milan at the Mi.Co convention centre, bringing together airlines, airports, aviation stakeholders, the tourist industry and tourism bureaus from all corners of the globe, under the auspices of UBM.

The winning application that resulted in the decision to hold this important event in Milan was prepared by SEA, Mi.Co, the Region of Lombardy and the Municipality of Milan.

SEA views World Routes as an opportunity to consolidate the growth of Milan's airports by launching new routes, particularly to connect Milan with cities in Asia and America, and to reinforce the perception of the airport and destination among representatives of the foremost organisations in the global aviation industry and the decision-makers responsible for development of the network.

Outlook

The short-term outlook for the world economy remains favourable on the whole, although there is still considerable risk of further intensification of global economic and political uncertainty.

Air traffic continues to grow. According to the May figures published by the IATA, the International Air Transport Association, global passenger traffic (measured in RPKs, revenue passenger kilometres) was up 6.1% on May 2017, improving slightly on the annual increase of 6% recorded in the previous month of April. Capacity increased by 5.9% and the load factor rose 0.1 percentage points to 80.1%.

In view of the strong traffic performance in the first six months of the year and the ongoing efficiency gains and restructuring of operating processes, the Group's annual results are expected to continue the growth witnessed in recent years.

Operating performance - Sector analysis

Commercial Aviation

The Commercial Aviation business includes Aviation and Non Aviation operations: the former includes the management, development and maintenance of airport infrastructure and plant and the offer to SEA Group customers of services and activities related to the arrival and departure of aircraft, in addition to airport safety services. The revenues generated by these activities are established by a regulated tariff system and comprise airport fees, fees for the use of centralised infrastructure, in addition to security fees and tariffs for the use of check-in desks and spaces by airlines and handlers. The Non-Aviation business however provides a wide and segregated offer, managed both directly and under license to third parties, of commercial services for passengers, operators and visitors to the Airports, in addition to the real estate segment. The revenues from this area consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum.

This segment includes also income from warehouse, space and office rental to Cargo business operators, such as cargo handlers, transport companies and couriers.

General Aviation

The General Aviation business includes the full range of services relating to business traffic at the western apron of Linate airport.

Energy

The Energy business includes the generation and sale of electricity and heat to third parties.

The main results of each of the above businesses are presented below.

	Commercial Aviation		**General Aviation**		**Energy**		**Consolidated**	
	H1		**H1**		**H1**		**H1**	
(Euro thousands)	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
OPERATING REVENUES	311,542	297,667	5,809	6,141	7,398	7,785	324,749	311,593
EBITDA	123,702	114,836	3,887	3,552	600	364	128,189	118,752
EBIT	80,545	73,357	2,885	2,799	310	(81)	83,740	76,075

The EBITDA shown above includes the IFRIC margin.
The costs regarding commercial incentives to the airlines for the development of traffic are stated as a reduction of revenues in accordance with IFRS 15.

Commercial Aviation

Traffic data

MILAN MALPENSA AND MILAN LINATE AIRPORT TRAFFIC - H1 2018

	Movements		Passengers [1]		Cargo [2]	
	H1		H1		H1	
	2018	% vs 2017	2018	% vs 2017	2018	% vs 2017
Malpensa	88,631	6.9%	11,312.8	11.0%	282,514	-3.3%
Linate	45,636	-4.0%	4,464.5	-2.9%	5,666	-13.4%
Total commercial traffic	**134,267**	**2.9%**	**15,777.4**	**6.7%**	**288,180**	**-3.5%**

[1] *Arriving+departing passengers ('000)*
[2] *Arriving+departing cargo in tonnes*

In the first half of 2018, the Milan Airport System managed by the SEA Group served a total of 15.8 million passengers, up 6.7% on the first half of 2017 (14.8 million passengers).

The increase in the number of commercial aviation passengers (+985 thousand) was attributable solely to Malpensa airport, with 1.1 million additional passengers, a gain of 11.0% on the same period of 2017. Linate airport reported a decline in passenger numbers of 2.9% on the first half of 2017.

Malpensa's strong performance was driven by business at both Terminal 2, where solely easyJet operates (+214 thousand passengers, +6.4%), and Terminal 1 (+905 thousand passengers, +13.2%).

All categories contributed positively, confirming across-the-board passenger traffic growth at Terminal 1. In particular, legacy carriers contributed 533 thousand passengers (+10.3%), low-cost carriers 366 thousand pas-

	H1 2018	cge. % H1 2017	% of total
1 LONDON	1,226.5	5.2%	7.8%
2 PARIS	975.2	4.6%	6.2%
3 CATANIA	757.5	2.0%	4.8%
4 ROME	656.3	-2.4%	4.2%
5 AMSTERDAM	611.0	3.8%	3.9%
6 PALERMO	481.0	48.4%	3.0%
7 MADRID	475.0	15.4%	3.0%
8 NAPLES	438.1	-3.8%	2.8%
9 BARCELONA	427.2	3.2%	2.7%
10 FRANKFURT	426.0	5.8%	2.7%
11 NEW YORK	409.3	6.1%	2.6%
12 CAGLIARI	362.3	10.0%	2.3%
13 DUBAI	346.5	8.5%	2.2%
14 BRUSSELS	320.3	1.0%	2.0%
15 LAMEZIA TERME	309.9	48.2%	2.0%
OTHERS	7,555.2	6.1%	47.9%
Total	**15,777.4**	**6.7%**	**100.0%**

London: Heathrow, Gatwick, City, Luton and Stansted; Paris: Charles de Gaulle, Orly; Rome: Fiumicino, Ciampino; New York: New York and Newark sengers (+30.1%) and the leisure and charter segment 5.8 thousand passengers (+2.5%).

Passengers on intercontinental flights amounted to 2.8 million, an increase of 169 thousand passengers (+6.4%) on the first half of 2017.

Linate airport recorded a 2.9% decline in the number of passengers compared with the first half of 2017 due to the cessation of operations by Air Berlin (with effect from November 2017), the relocation to Malpensa of all Air Italy (former Meridiana) traffic, with the exception of service to Olbia (part of the local public transport service programme), and the shift of flights to Malpensa by KLM and Air France in April 2017.

Major destinations by number of passengers served by the Milan airport system (thousands)

London with 5 airports was the leading European destination, with over 1.2 million passengers served, with Paris in second place and Amsterdam in third.

Domestically, Catania was the leading destination, while Rome in second place saw a further reduction in traffic despite the introduction of new connections from Malpensa. New York and Dubai meanwhile were the leading intercontinental destinations.

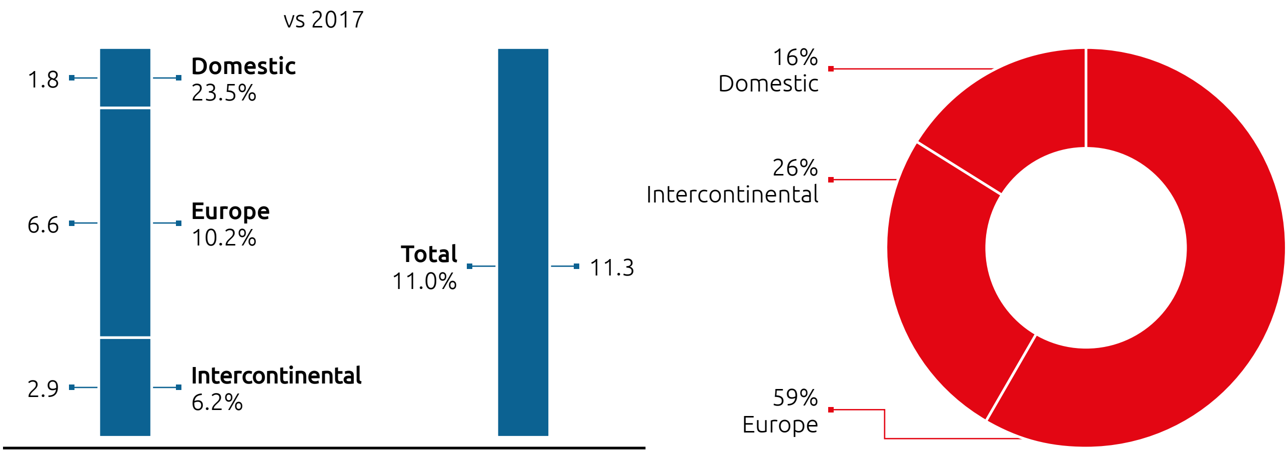
Main airlines by passengers served by the Milan airport system (thousands)

easyJet was again the number-one carrier in terms of traffic volumes at the Milan airports, with a market share of 24.7% of total passengers (31.3% share at Malpensa). Alitalia, the number-two carrier, had a market share of 18.9% (62.4% at Linate). Ryanair (fourth in H1 2017), with approx. 1 million passengers managed exclusively at Malpensa became the third largest airline, overtaking Lufthansa.

	H1 2018	cge. % H1 2017	% of total
1 EASYJET	3,901.1	6.2%	24.7%
2 ALITALIA	2,974.5	3.5%	18.9%
3 RYANAIR	984.6	41.0%	6.2%
4 LUFTHANSA	821.7	10.4%	5.2%
5 AIR ITALY	476.3	-11.6%	3.0%
6 EMIRATES	464.0	4.7%	2.9%
7 BRITISH AIRWAYS	435.6	16.8%	2.8%
8 VUELING AIRLINES S.A.	403.1	11.2%	2.6%
9 NEOS	280.9	12.9%	1.8%
10 AIR FRANCE	272.3	-0.3%	1.7%
11 IBERIA	253.9	18.4%	1.6%
12 TURKISH AIRLINES	231.8	21.1%	1.5%
13 KLM	215.2	6.0%	1.4%
14 BLUE PANORAMA	201.9	-6.4%	1.3%
15 AEROFLOT	194.8	7.4%	1.2%
OTHERS	3,665.7	3.1%	23.2%
Total	**15,777.4**	**6.7%**	**100.0%**

Lufthansa: Lufthansa and Eurowings

H1 2018 - BREAKDOWN BY REGION OF MALPENSA AIRPORT PASSENGER TRAFFIC (THOUSANDS)



Malpensa

In the first half of 2018, Malpensa served 11.3 million passengers, up 11.0%.

Domestic traffic rose 23.5%, due almost entirely to **Ryanair**, which in addition to the network launched in December 2015 began operating flights to Palermo and Lamezia Terme in November 2017.

Air Italy, which in the 2018 summer season transferred to Malpensa traffic previously also served through Linate airport, recorded growth of 89.3%, for a contribution of 37 thousand passengers, due to new connections to Rome Fiumicino, Naples and Palermo, in addition to the previously operated Olbia route.

At 35 thousand passengers, **Alitalia** is Italy's number-three domestic carrier, with renewed service to Rome Fiumicino starting in the 2018 summer season (previously operated until February 2017).

European traffic was up 10.2% to 6.6 million passengers.

easyJet is the carrier primarily responsible for this outcome, commencing service to Berlin during the first half of the year and continuing the routes launched in 2017 to Lublin, Fuertevenutra, Vienna and Faro (an additional 28.7 thousand passengers). During the period, the airline benefited from an increase in load factor, despite increasing its capacity in terms of both new routes and average aircraft size.

The transfer in the summer of 2017 of operations by **KLM** and **Air France** from Linate to Malpensa further contributed to European air traffic, with flights to Amsterdam and Paris Charles de Gaulle (+138 thousand passengers).

Ryanair expanded its network in November 2017 to include Valencia, Liverpool, Alicante and Katowice, contributing 122.8 thousand additional passengers.

Intercontinental destinations accounted for 2.9 million passengers served, an increase of 6.2% on the first half of 2017, equivalent to 171 thousand passengers.

The breakdown by region is reported below:

i) Middle East (38% share, +1.2%, +13.8 thousand passengers): this result was driven by an increase in the average aircraft load factor (from 70% to 72%), as a result of the reduction in capacity offered without any change in the number of seats available.

ii) Far East (18% share, +13.1%, +62.0 thousand passengers): this result was driven by an increase in capacity (flights and average aircraft size) and load factor (up from 76% to 78%).

iii) North America (share 17%, +8.6%, +40.3 thousand passengers): this result was driven by an increase in capacity and the number of flights, along with a slight increase in load factor from 76% to 77%.

iv) North Africa (share 12%, +16.8%, +51.1 thousand passengers): this result was driven by the increase in capacity (flights and average aircraft size) and load factor, up from 72% to 77%.

v) Central/South America (share 9%, -6.0%, -17.3 thousand passengers): this result was due solely to a lower load factor (down from 84% to 78%); the number of flights increased, whereas the seats available remained essentially unchanged.

vi) Central/South Africa (4% share, +20.2%, +21.4 thousand passengers): this result was shaped by the increase in the number of flights and larger average aircraft, whereas the load factor fell.

Malpensa Cargo

Malpensa airport handled 282.5 tonnes of cargo, down by 3.3% on the first half of 2017, with a sharper decline in exports (-4.8%). There were 5,855 all-cargo flights (+4.9%).

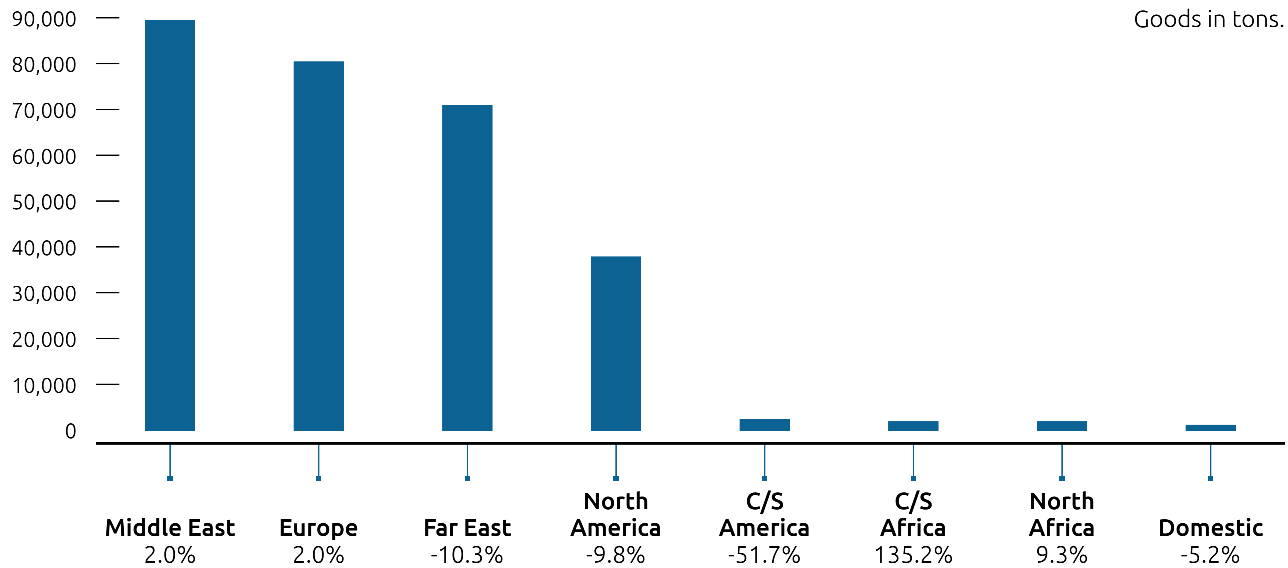
The decline in volumes was almost entirely attributable to the Far East and North America, whereas the top two areas in terms of cargo volume, the Middle East and Europe, were up by 2.0% and 3.4% on the first half of 2017.

All-cargo traffic amounted to 206.4 thousand tonnes, down by 4.1% on the first half of 2017. This result is primarily attributable to the reduction of operations by Etihad Airways (-89.0%) and Cargolux (-14.6%).

In the all-cargo segment, the main courier carriers (Federal Express, DHL and Southern Air) handled 36 tonnes of cargo (+3.5%), accounting for 17.4% of this type of cargo.

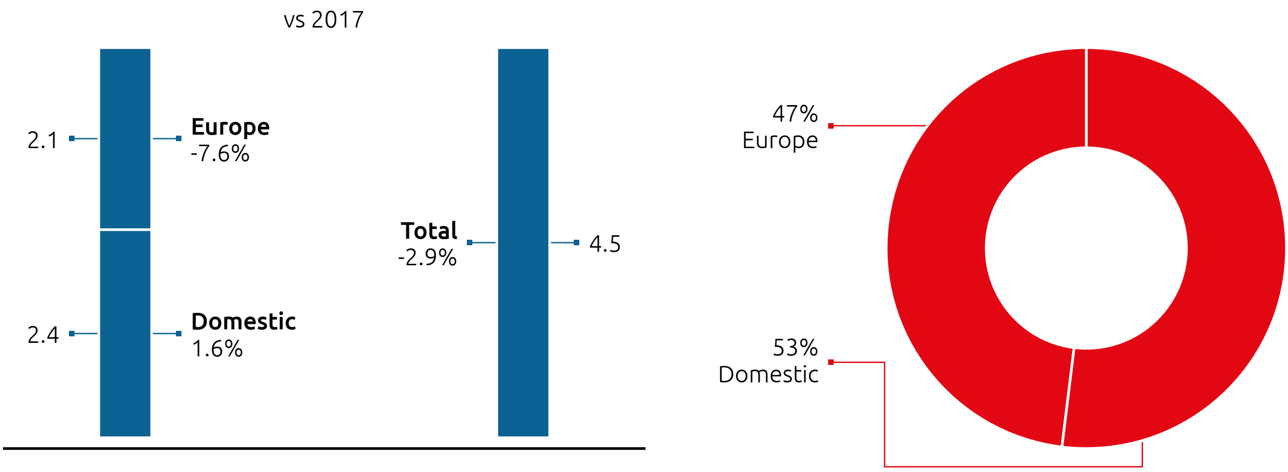
Belly traffic was essentially unchanged on the first half of 2017 at 76 thousand tonnes of cargo. Emirates and Cathay, in first and third place, respectively, by amount of cargo handled, were down by approximately 7% each. Qatar, the number-two carrier, was up by 16.5%.

H1 2018 - CARGO TRAFFIC BY REGION - SEA MANAGED AIRPORTS



The % change is based on a comparison with the first half of the previous year

H1 2018 - BREAKDOWN OF LINATE AIRPORT TRAFFIC (THOUSANDS)



Linate

Linate airport handled 4.5 million passengers, down 2.9% on H1 2017.

Alitalia, with 2.8 million passengers served, accounts for 62% of total traffic.

Domestic traffic was up on the first half of 2017 (+1.6%), with Alitalia (accounting for 91% of the total) growing 4.9% due to the new concession with Trapani and growth to Cagliari, Brindisi, Catania and Naples, while the Linate-Fiumicino shuttle saw a further contraction (-5.6%) with 581 thousand passengers served.

In comparison to the first half of 2017, excluding Olbia, Air Italy's Linate routes are no longer operating following its decision to concentrate on Malpensa.

European traffic contracted 7.6%, principally due to the discontinuation of Air Berlin operations (still operating in H1 2017), the transfer to Malpensa of Air France and KLM from summer 2017 and the cancellation of Air Italy's routes.

Countering these developments however were Iberia's operations (+83 thousand passengers), which transferred one daily flight from Malpensa to Madrid and British Airways which increased passenger numbers on all three London connections and principally with London City (introduced in April 2017). Alitalia, which accounts of 14% of Linate passenger traffic (0.6 million passengers in the period), reported passenger growth of 3% following the introduction of flights to Athens and Madrid from January, Luxembourg from April and Stockholm from May, in addition to growth on the existing routes of Brussels, London City and Paris Orly. easyJet also made a strong contribution, with load factors on all routes served increasing (Paris Charles de Gaulle, London Gatwick, Paris Orly and Amsterdam), alongside that of Lufthansa on the Frankfurt route.

Revenues

In accordance with IFRS 15, from FY 2018 commercial incentives to airlines in support of traffic development are recognised as a deduction to revenues, rather than as operating costs. In order to facilitate like-for-like comparison with the previous year, the 2017 results were restated as per the new accounting standard.

Commercial Aviation revenues in H1 2018 amount to Euro 311,542 thousand, up Euro 13,875 thousand on H1 2017 (+4.7%).

Excluding non-recurring revenues (zero in H1 2018 and Euro 2,316 thousand in H1 2017 due to the partial payment of the fine imposed by AGCM following the acquisition of SEA Prime - previously ATA Ali Trasporti Aerei), revenues grew Euro 16,192 thousand on the previous year (+5.5%) - principally as a result of the following activities:

- **Aviation** for Euro 10,930 thousand (from Euro 185,871 thousand in 2017 to Euro 196,801 thousand in 2018), due to increased traffic volumes (including higher deicing service revenues) for Euro 12,734 thousand (+6.4%), the reduction in the net average unitary revenue for Euro (2,177) thousand and the increase in revenues from regulated spaces for Euro 373 thousand.

- **Non-Aviation**, for Euro 5,262 thousand (from Euro 109,479 thousand in 2017 to Euro 114,741 thousand in 2018), principally due to the strong results of the Retail segments (Shops, Food & Beverage, Car Rental, Bank Services) for Euro 1,617 thousand (+3.5%) and Parking for Euro 1,971 thousand (+6.4%). Against the same period of the previous year, the Premium Services segment (VIP Lounges and Fast Track services) increased Euro 404 thousand, with Real Estate up Euro 326 thousand. Cargo revenues amounted to Euro 8,071 thousand, up Euro 524 thousand on H1 2017 (+7.0%), following the renewal of contracts and the extension of spaces utilised by tenants. Service revenues also increased (Euro +430 thousand), while Advertising revenues were substantially stable.
  In the Retail division, revenues from Shops registered growth of Euro 1,046 thousand (+4.4%). Increased Terminal 1 Schengen area revenues contributed to this performance, due in part to the adjusted offer in view of the change in the profile of the target passenger (featuring a greater low cost component).
  Food & Beverage revenues rose Euro 765 thousand (+8.1%), with Linate particularly returning strong performances for the resident brands, countering the contraction in passenger traffic. At Malpensa Terminal 1, the segment performed very strongly, also on the back of a commercial strategy targeting the increasing demand for high-quality catering from low cost passengers whose spending capacity is similar to that of legacy passengers.
  Revenues from the Car Rental division returned growth of Euro 682 thousand over 2017 (+9.2%), mainly due to the good performance of Malpensa operators through the creation of new parking spaces and the opening of new spaces inside Terminal 2's railway station, thus making the entry of new operators possible. Banking services reported a contraction of Euro 877 thousand.

Operating costs

Commercial Aviation operating costs increased from Euro 183,519 thousand in H1 2017 to Euro 188,690 thousand in H1 2018 (Euro +5,171 thousand, +2.8%).

H1 2017 costs included non-recurring items for Euro 4,906 thousand (Euro 6,052 thousand concerning leaving incentives and Euro -1,144 thousand for the reversal of system costs provisioned in 2016). Therefore, comparison with the first half of 2018 - which in turn includes non-recurring components for Euro 69 thousand - indicates a net increase of Euro 10,009 thousand (+5.6%).

Personnel costs increased Euro 2,857 thousand (+3.2%), mainly due to the portion allocated for the National Collective Labour Agreement's renewal, which was signed in 2014 and expired at the end of 2016, and by the expanded workforce as result of traffic growth.

Operating and material costs for Euro 7,152 thousand however related for Euro 1,148 thousand to increased methane and CO_2 costs as a result of an increase in market prices, for Euro 6,004 thousand the increase in remaining operating costs, particularly with regards to the components related to the increased traffic: among these, we indicate the increase in costs to public bodies for Euro 1,448 thousand, of airport services for Euro 666 thousand, security operations for Euro 579 thousand, of parking management costs for Euro 514 thousand, of VIP catering lounges for Euro 425 thousand and of chemical products for the deicing service and the management of snowfalls for Euro 318 thousand.

EBITDA and EBIT

As a result of the developments outlined above, EBITDA in H1 2018 amounts to Euro 123,702 thousand (Euro 114,836 thousand in 2017), increasing Euro 8,866 thousand (+7.7%) on the same period of 2017. Excluding the non-recurring components, the increase was Euro 6,343 thousand (+5.4%).

Amortisation and depreciation, and net provisions for recovery, risks and charges and doubtful debt, are higher than H1 2017 by Euro 1,678 thousand.

Consequently, Commercial Aviation EBIT in H1 2018 was Euro 80,545 thousand, increasing Euro 7,188 thousand (+9.8%) on the same period of the previous year.

Excluding the non-recurring components, H1 2018 EBITDA was Euro 80,613 thousand, increasing Euro 1,261 thousand (+1.6%) on the first half of 2017, which included also Alitalia doubtful debt provisions for Euro 3,404 thousand.

Other information

Investments/Aviation Spaces Development

Aviation space performances in the first half of 2018 were entirely in line with budget. A summary of major events relating to the development of airport spaces in H1 2018 is provided below:

- the new 547 sq. m. Lufthansa lounge (bigger than the previous lounge) in the Terminal 1 Schengen area has been operative since February 1, 2018;
- American Airlines added from March 26 four new self check-in points, bringing the total to 10;
- the operating offices of AirBridge Cargo, Air Italy, Swiftair and Air Horizont were extended, while those of Alitalia reduced.

Retail development

The retail system at both SEA managed airports delivered strong results, particularly against the general performance for tax free shopping in Italy. The first half of 2018 figures indicate, in fact, a reduced spending propensity among certain nationalities - although against the general sales performance at Linate and Malpensa airports, with the latter particularly seeing a significant increase in shop sales related to traffic growth on the first half of 2017. Malpensa Terminal 1 extended its offer with the opening of the Loro Piana shop. Linate however did not perform as well due to a reduction in traffic and the impact from the ongoing works for the terminal's restyling.

The Food & Beverage offer was also improved with new openings and an extension and restyling of the existing catering outlets at the three terminals.

Bilateral Agreements

Given the recent transition between governments, the competent Italian authorities have not entered into new bilateral aviation agreements with third countries in recent months. Community negotiating activity continued, under the auspices of the European Commission, which is negotiating vertical agreements between Europe and ASEAN (the Association of Southeast Asian Nations), Azerbaijan, Armenia, Brazil, Qatar, Tunisia and Turkey.

Ground travel connections

A partnership was struck with Busitalia Fast, a medium-to-long range bus provider belonging to the Ferrovie dello Stato group. Under the agreement, a five-times-a-day bus service to Malpensa began to be offered, with three runs between Ventimiglia and Malpensa airport and two connecting Trieste, Malpensa and Turin. The start-up phase of the service was supported by SEA through a marketing and communication plan. SEA also played a coordinating role to facilitate commercial agreements between Busitalia and airlines, organising one-to-one meetings.

Destination development and co-marketing activities

Destination development initiatives seek to increase the international visibility not only of Milan's airports, but also of Milan and Lombardy as destinations. As part of such efforts, collaboration continues with institutions such as the Ministry of Cultural Heritage and Activities and Tourism, the Ministry for Economic

Development, Assolombarda, the Chamber of Commerce, the Municipality of Milan and the Region of Lombardy. The main activities included:

- City2City projects developed: Milan2Toronto, for which meetings were promoted between Air Canada and the main local institutions (Municipality of Milan, Explora and Assolombarda) to promote Milan and Lombardy in Toronto and Canada.
- Meeting with the International Relations Office of the Municipality of Milan to agree on actions on the major international markets (China, India, Thailand, North America, Canada, the Gulf states and Russia).
- Closing of contract and beauty contest for PCO for World Routes 2020.
- Participation in important tourist industry events, such as Borsa del Turismo - Milan.

Various events were held in the first half of 2018 to promote new routes or new services offered by airlines. Such events included those organised for Etihad Airways, to commemorate the first B789 at Malpensa, Air Italy for the presentation of the new colour scheme and the inauguration of service to New York JFK and Miami International Airport, Belavia for ten years of service from Malpensa, and Ernest Airlines for the new destination Leopoli. All co-marketing activities involving the use of social media, such as newsletters and banners, also continued.

General Aviation

Revenues

General Aviation revenues amount to Euro 5,809 thousand, reducing Euro 332 thousand (-5.4%) on the same period of the previous year.

Excluding the non-recurring components (amounting to zero in 2018 and including the portion of the AGCM repayment in 2017 of Euro 29 thousand), 2018 revenues were Euro 5,809 thousand, decreasing Euro 303 thousand on H1 2017, which benefitted from income related to the release of costs provisioned in previous years.

In the first half of 2018, operating costs reduced Euro 667 thousand (-25.8%) on the same period of 2017; this reduction principally relates to the reorganisation involving the centralisation of administrative operations at the parent company, with the consequent creation of efficiencies at business unit level.

EBITDA and EBIT

EBITDA in the first half of 2018 amounted to Euro 3,887 thousand, increasing Euro 335 thousand (+9.4%) on the same period of the previous year. Excluding the non-recurring components, the increase was Euro 363 thousand (+10.3%).

Compared to the first half of 2017, EBIT was up Euro 87 thousand (+3.1%) and Euro 116 thousand (+4.2%) net of the non-recurring components.

Energy

Quantitative data

In the first half of 2018, total production of electricity for sale decreased 16.7% (-30.5 million kWh) compared to the same period of 2017, totalling Euro 152.4 kWh, of which approx. 62% to service the needs of the SEA Group managed airports.

The production of electricity for sale on the Electricity Exchange decreased 66.7% on the first half of 2017 to 23.8 million kWh. The reduction was mainly due to the lower quantity of energy available at the stations following the increase in sales under bilateral contracts and also at the less favourable financial conditions available on the Electricity Market compared to the first half of 2017.

Following the initiation of new supplies to the airports of Naples, Alghero and Turin, electricity production for sale under bilateral contracts (self-produced) increased approx. 150% (+20 million kWh) on the first half of 2017 to 33.3 million kWh.

During the period, the sale of electricity to third parties totalled 57.1 million kWh and reduced 32.5% on the same period of 2017 (-27.5 million kWh).

In H1 2018, thermal production increased by 4.8% on H1 2017 (+9.9 million kWh) to 215 million kWh - of which over 70% serving the needs of Linate and Malpensa airports.

Sales to third-party customers increased by 4 million kWh (+6.8% on H1 2017) to 63.6 million kWh. This production increase is due to the consolidation of supplies to residential users neighboring Linate airport through interconnection with the Milan district heating network.

The revenues and costs reported below refer to the Energy business with regards to the sale of electricity and heat to third parties.

Revenues

In the first half of 2018, the Energy business reported revenues of Euro 7,398 thousand, decreasing Euro 387 thousand on the same period of 2017 (-5.0%). Net of non-recurring items (Euro 84 thousand in 2017), revenues fell by Euro 303 thousand.

This reduction is due for Euro (908) thousand to lower sales volumes to third parties of electricity and heat production (although against higher prices), and is only partially offset by a settlement of Euro 605 thousand concerning white certificates granted to the Malpensa co-generation station in previous years.

Operating costs in the first half amount to Euro 6,798 thousand, reducing Euro 622 thousand (-8.4%) on the same period of the previous year. Excluding the non-recurring components (only present in 2017 for Euro (153) thousand and related to the reversal of costs for system charges), costs reduced Euro 775 thousand. This reduction is principally due to methane costs related to lower sales volumes due to a less favourable PUN (Single Domestic Price) in the first six months of the year, which meant that the production and sale of surplus energy to Group needs was not economical.

EBITDA and EBIT

As a result of the developments outlined above, H1 2018 EBITDA was Euro 600 thousand, increasing Euro 236 thousand on the first half of 2017 (and Euro 472 thousand net of the non-recurring components).

EBIT in H1 2018 was Euro 310 thousand, improving Euro 390 thousand on the first half of the previous year (and by Euro 627 thousand net of the non-recurring components).

Emission trading

In accordance with European Directive 2003/87/EC, from January 1, 2005, plant operators which emit CO_2 into the atmosphere must avail of an authorisation issued by the competent national authority. Each plant, in addition, must receive special "rights" permitting the emission of CO_2 into the atmosphere without payment.

Where the rights allocated annually concerning the plant are not sufficient to cover emissions, these may be purchased on the market.

Conversely, where the rights allocated are in excess of the emissions produced, the rights not utilised may be sold.

In the first half of 2018, overall Group CO_2 production was approx. 90,000 Tonnes, of which approx. 60,000 Tonnes generated by the Malpensa station and over 30,000 Tonnes by the Linate plant.

Green Certificates

In 2018, the company did not accrue the envisaged incentives for 'district heating green certificates', as the recognition period came to a close in 2016.

White Certificates

The Italian Grid Operator (Gestore dei Servizi Energetici) recognised in 2013 as a CAR (High-yield co-generation station) the Malpensa station, which is therefore exempted from the acquisition of green certificates.

In 2018, the company did not accrue the envisaged incentives for "white certificates", as the recognition period came to a close in 2016.

SEA Energia's request for qualification as Existing Systems Equivalent to Efficient Systems for Users (SEESEU)

On September 29, 2015, SEA and SEA Energia's qualification as Existing Systems Equivalent to Efficient Systems for Users (SEESEU) was requested from GSE. Obtaining the SEU or SEESEU qualification entails maintaining favourable tariff conditions on self-produced electricity, with high efficiency and not drawn from the electricity grid and limited to the variable parts of the general system and network charges, as envisaged by Legislative Decree No. 115/08 and Article 25-bis of Decree-Law No. 91/14 converted with Law No.116/14.

In May 2017, the company received GSE's acceptance of its application and was, therefore, granted this qualification both for Linate and Malpensa airports.

Risk Management Framework

The SEA Group pays great attention to the correct management of risks related to business conduct. Specific monitoring and mitigation processes and procedures have therefore been prepared aimed at guaranteeing airport safety and service quality, protecting tangible and intangible assets of interest to stakeholders and creating value over the long term.

In 2016, in order to support existing measures, management decision-making processes and stakeholder assurance, the SEA Group initiated an Enterprise Risk Management (ERM) project designed to build a model for the identification, classification, measurement, monitoring and homogeneous and transversal assessment of operational risks.

Subsequent to completion of the project, the Board of Directors approved the Enterprise Risk Management Policy, which defined an ERM division, under the responsibility of the Chief Financial and Risk Officer, as a second level of risk management control to support corporate structures in the identification and management of business risks, through the development of tools, frameworks and methodologies, and to guarantee periodic reporting to middle and top management on the evolution of the risk profile.

In January 2018, the ERM organisational function was therefore set up.

This means that, with the support of risk specialists and the ERM division, corporate and line managements are the primary owners of the identification, assessment and management of the risks for which they are responsible. Top management then periodically reviews the overall company risk profile and opportunely orients the management of the main emerging risks, approving proposed response plans in line with the strategic objectives and corporate risk propensity defined by the Board of Directors. Finally, the Internal Audit team independently verifies the effectiveness and effective implementation of the complete risk management system.

SEA Group risk factors

The risks to which SEA Group is exposed can be grouped into four main categories: external risks, operational risks, financial risks and legal and compliance risks.

External risks

SEA Group operates as an airport manager under a fully regulated regime, however, the Group's earnings and financial results are significantly influenced by worldwide socio-political, macroeconomic and competitive dynamics.

The following are the main external risks that can have particularly significant effects on SEA Group performance.

Airline strategies

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. 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 SEA Group managed airports may result in a reduction in such traffic, with consequent impacts on activities and Group results.

Therefore, the Alitalia situation may result in reduced flights at the SEA managed airports.

Despite this, SEA expects the risk of a reduction or interruption to flights to be mitigated by the redistribution of passenger traffic among the 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 the above stated results.

Development of the regulatory framework and applicable rules
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 offered (airport fees, security control fees, fees for the use of common use assets and centralised infrastructure for handling services). Any change to the regulatory framework may impact the Group's results.

Competition
The strategic choices of other operators representing an alternative to air transport, if not coherently integrated into a broader connectivity vision, may pose a threat to the domestic development of traffic at the Milan airports.

In particular, the technological development of fast rail transport has made it possible to reduce travel times from Milan to Rome and Naples, and has made it easier to reach even more distant destinations by rail. The increase in frequency of high-speed trains along these routes may lead to a reduction in air traffic through Linate airport.

Operating and business risks
The operating risk factors are strictly related to the carrying out of airport activities and may impact the short and long-term performances.

Safety & security
Passenger and employee safety is a central concern for the Group, which places an exceptional focus on operating and management activities.

In order to monitor, mitigate and identify action plans in the case of emergencies, the Safety Management System continues to operate systematic activities for the analysis and control cycles (at the Safety Boards and Safety Committees) and mitigation actions. The guideline principles of the SEA airport Safety policy have remained unaltered in their consistency and suitability:

- guarantee design compliance, the construction and maintenance of flight infrastructure and plant and equipment satisfying the highest sector standards;
- ensure a review of operating processes to achieve the highest compliance possible with national and international regulations concerning Safety;
- monitor the maintenance of safety standards for all operators and external parties of any type within the airport sites;
- guarantee ongoing and appropriate training of personnel, with priority for operational staff, placing particular focus on the requirements and the consequent actions for an improved level of Safety;
- guarantee education and communication, so that all events which may affect Safety are flagged through the filling out of a Ground Safety Report.

In mitigation of the impacts that these events may have, the SEA Group undertakes adequate insurance coverage.

Activity and Service Interruptions
Group activities may be interrupted through: strikes by personnel, by those 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; adverse weather conditions (snow, fog etc.).

Natural events, such as lightning, and overload short circuits may, for example, cause electrical blackouts with the consequent shutdown of information systems, affecting displays and leading to departure delays.

Corporate procedures have been readied to optimize the management of such events. In addition, risk transfer actions have been activated where possible, through opportune insurance plans.

Supplier Reliability
Any bankruptcy or operational difficulties of individual or difficult-to-replace suppliers may have an impact on the Group in operational and economic-financial terms.

In order to minimize exposure to such risk, the company is implementing a structured supplier qualification and performance monitoring system.

Human resources
The reaching of Group objectives depends on internal resources and relations with employees. The non-ethical or inappropriate behaviour of employees may have legal and financial consequences on company activities. The body of procedures, also in compliance with the 231 Model adopted by the Group, the Ethics Code (now the Conduct Code), training and in-house education on these issues, together with the talent development plans and the ongoing cooperation and dialogue with the trade unions, support an organisation which minimises the risks related to human resource management.

Information Technology
The increasing aggressiveness and pervasiveness of cyber attacks on a global level and new Digital Transformation technology initiatives involving the SEA

Group may, by their particularly critical nature, increase the risk of vulnerability of airport information and technology systems.

SEA pays great attention to the protection of its IT systems and telecommunications infrastructure from unauthorized access and cyber attacks that may cause the temporary suspension or hindering of operational services. Periodic vulnerability assessments and penetration testing are performed on systems using the most advanced technologies and methodologies, and a dedicated information security division has been established within the ICT Department. Activities are underway for obtaining ISO 27001 certification and a Cyber Risk framework is being defined to monitor all corporate technical and conduct requirements.

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. For further information, reference should be made to paragraph 4 "Risk management" of the Explanatory Notes to the Consolidated Financial Statements.

Commodity Risks

The Group is exposed to changes in prices, and the relative currency fluctuations, of the energy commodities utilised (i.e. gas and marginally electricity). These risks, although contained due to the significant self consumption by the Group of SEA Energia production, depends on the purchase of the above-stated energy commodities.

For further information, reference should be made to paragraph 4 "Risk management" of the Explanatory Notes to the Consolidated Financial Statements.

Legal and compliance risks

The Group operates in a sector regulated at a national, EU and international level.

The conformity of the processes and procedures to national and international standards leads to the consideration that the risk of non-compliance with the concession rules is remote.

Risk related to the European Commission Decision of December 19, 2012 concerning presumed State Aid to SEA Handling and the Decision of July 9, 2014 to explore the establishment of a newly incorporated and capitalised company Airport Handling

Proceedings regarding the European Commission decision of December 19, 2012

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 approx. Euro 360 million, constituted State Aid incompatible with the internal market, and consequently imposed upon the Italian State the obligation to demand restitution of the presumed State Aid from SEA Handling.

As more fully described in the Annual Financial Report 2016, SEA, in the context of a formal 'alternative execution' project of the decision, without prejudice to any reservations and objections on the decision's unlawfulness, has taken a series of measures - in the framework of the discussions between the Italian authorities and the European Commission - including: (i) SEA Handling's liquidation and definitive exit from the market, (ii) the incorporation of Airport Handling to continue offering ground handling services at arm's length, with other handling companies and in absolute economic discontinuity with SEA Handling, (iii) the assignment of the entire stake in the share capital of Airport Handling into a trust called the "Milan Airport Handling Trust", in order to exclude any form of SEA control over Airport Handling and continuity between SEA Handling and Airport Handling, (iv) the sale of 30% of Airport Handling shares to a third operator with the option, under certain conditions, to purchase an additional 40% of the shares.

In relation to the above-mentioned decision three independent appeals were made before the European Union Court, by the Italian State, by SEA Handling and by the Milan Municipality.

However, with the liquidation of SEA Handling having been concluded in the meantime and the company having sold all remaining assets and defined all its assets and liabilities, following the approval of the final liquidation financial statements by the shareholders' meeting on July 10, 2017, the company filed an application to be removed from the Companies Register.

By reason of the changed de facto and de jure situations relating to SEA Handling, the Court of the European Union, at the request of the European Commission and SEA Handling, ascertained by Order of January 22, 2018 that the matter of the dispute concerning SEA Handling's appeal has ceased to exist since the appellant company was dissolved. As a result, the Court found that there was no longer a need to adjudicate on the appeal brought by SEA Handling.

In parallel, having taken note of the Italian Government's observations regarding SEA Handling's dissolution, it ordered the cancellation of the case relating to the appeal brought by the Government against the Commission's decision.

Given the above, the only appeal currently pending against the Commission's decision is that brought by the Municipality of Milan. The hearing was held on February 28, 2018. A decision is expected during the current financial year.

Proceedings relating to the commencement of the European Commission's preliminary investigation of July 9, 2014

On July 9, 2014, the European Commission launched a formal investigation, under the powers conferred upon it with regard to State aid, to get a better insight on certain aspects concerning the economic discontinuity relationship between SEA Handling and Airport Handling, and the possible existence of (additional) alleged State aid in SEA's capitalisation of the new company.

By decision of July 5, 2016, sent to SEA by the Ministry of Transport on July 19, 2016, the European Commission concluded the investigation proceedings initiated in relation to the incorporation and capitalisation of Airport Handling SpA, noting: (i) the absence of economic continuity between SEA Handling SpA and Airport Handling S.p.A., (ii) the absence of the transfer to Airport Handling SpA of the obligation to repay the incompatible State aid, and (iii) the absence of State aid in the incorporation and capitalisation of this company.

The decision was published in the Official Journal of the European Communities dated December 1, 2017.

In the absence of appeals within the time limits envisaged by EU law, the Commission's decision became res judicata and final.

Meanwhile, the process of SEA's divestment of control over Airport Handling was completed:

- In December 2014, jointly with the Milan Airport Handling

Trust's Trustee, SEA conferred a mandate to an independent financial advisor in order to identify potential investors interested in acquiring a stake in Airport Handling;

- In September 2015, the Trustee signed a binding agreement with dnata, a leading international company in the Emirates Group active in the airport handling sector, for the sale of 30% of the Airport Handling shares, and a similar percentage of the Financial Instruments of Participation (FIPs) held by SEA in Airport Handling, with the assignment to dnata, on closing, of the majority of members of the board of directors and, therefore, of Airport Handling's Governance;
- The agreement also provides for an option in favour of dnata for the purchase of an additional 40% of shares (call option) and a corresponding share of FIPs, upon the occurrence of certain conditions. The European Commission's positive decision with regard to the July 2014 investigation no longer made it possible for dnata to exercise a put option provided in the event of an unfavourable decision;
- The closing of the transaction took place on March 23, 2016, after the decision of the Anti-trust Authority which, in the transaction in question and pursuant to Article 6, paragraph 1 of Law No. 287/90, did not recognise the establishment or strengthening of a dominant market position such as to eliminate or substantially and indefinitely reduce competition. As a result of this, it reclassified the portion of other financial assets held by SEA under the proposed sale as "current";
- dnata's investment in Airport Handling led to the company's valuation of Euro 25 million. The transaction, in view of the sale of the first 30%, led to the payment of Euro 7.5 million by dnata, as a binding guarantee for a predetermined period of time, and provided for the additional payment of Euro 10 million for the acquisition of a further 40% stake (amounts to be divided proportionally between shares and FIPs respectively, held by the Trustee and SEA).

The directors, on the basis of the expected sale of a further holding in Airport Handling through the Trust, in the 2017 financial statements considered it appropriate to reduce the value of the asset recorded in the accounts for Euro 3,476 thousand, to take account of the negotiations involving dnata increasing its holding in Airport Handling to 70%. These amounts were confirmed on the exercise of the call option on June 30, 2018.

With the option to purchase a further 40% of Airport Handling, dnata also acquired a corresponding percentage of the Financial Instruments of Participation held by SEA.

The transaction was completed in July, involving: *i)* the winding up of the Trust on completion of its mission; *ii)* the consequent retransfer to SEA of the residual 30% of the share capital; *iii)* the receipt by SEA of Euro 13.3 million Euro 10.6 million for the sale of 70% of the Financial Instruments of Participation, Euro 2.7 million for the sale of 70% of the shares; *iv)* the additional receipt of Euro 0.4 million relating to the dividends approved by Airport Handling in 2016.

Risk connected to the Extraordinary Administration Procedure of Alitalia SAI S.p.A. pursuant to Art. 2, paragraph 2 of Decree-Law No. 347/2003

The decree of the Ministry of Economic Development of May 2, 2017 declared the opening of Alitalia SAI S.p.A.'s extraordinary administration procedure pursuant to Art. 2, paragraph 2 of Decree-Law No. 347/2003 ("Alitalia in Extraordinary Administration Procedure 2017" or "Alitalia Procedure").

Status of the Procedure

Applications for admittance to liabilities - general terms

Applications for admittance to liabilities in the Alitalia in Extraordinary Administration Procedure 2017, pursuant to Art. 93 of the Insolvency Law, must be submitted by all Alitalia creditors: workers, suppliers and anyone having a claim against Alitalia, accrued prior to May 2, 2017.

Applications for admittance to liabilities in the Alitalia in Extraordinary Administration Procedure 2017 must contain the requirements referred to in Art. 93 of the Insolvency Law and must cover all "insolvency" claims accrued prior to May 2, 2017.

Secured creditors must indicate the type of right in their application, the applicable rule and any assets on which the right is to be exercised. Recognition of the right entails a preference in the percentage and payment order of claims admitted to the statement of liabilities.

In the absence of an indication and recognition of the right, the debt is admitted to the unsecured creditors' list. It will then be settled proportionally to the receivable admitted and on the basis of the remaining assets.

Claims accrued post-May 2, 2017 will be paid in pre-deduction by the Extraordinary Administration Procedure 2017.

An appeal may be presented pursuant to Art. 111-bis of the Insolvency Law only in the event of the debt's non-admission or in the case of a dispute on the quantification or recognition of the right by the Procedure.

Pending legal proceedings
All legal proceedings pending at the date of the opening of the Procedure to which Alitalia is a Party are declared interrupted, pursuant to Art. 43 of the Insolvency Law and, therefore, may be resumed within 90 days from the date of May 2, 2017.

Contracts in progress
All contracts that are unexecuted or not fully executed by both parties at the time of the opening of the Alitalia in Extraordinary Administration Procedure 2017 will continue, but the extraordinary administrators ("Administrators") may dissolve any contracts not deemed necessary.

Contracts in progress will continue to be executed until such time as the dissolution right is exercised.

Only after the Alitalia Procedure's execution programme is authorised can the contracting party give written notice to the Administrators to make their decisions on the contract known within thirty days from receipt of the notice; the contract is considered to be dissolved should the time limit pass.

In the case of dissolution, or should the Administrators take over the contracts that are in progress at the date of the Alitalia in Extraordinary Administration Procedure 2017's opening (May 2, 2017), the rights of the other contracting party are regulated by the provisions of Section IV, Chapter III, Title II of the Insolvency Law.

The SEA Group has receivables arising prior to May 2, 2017 ("Existing Receivables") for: *(i)* landing and take-off fees and apron and hangar fees; *(ii)* duties on the loading and unloading of air cargo; *(iii)* passenger fees; *(iv)* fees for security services and control; *(v)* surtax and charges; *(vi)* space and parking fees; *(vii)* sundry fees.

With particular reference to the Existing Receivables,

a. In the event of takeover by the Administrators (which must be expressly declared), the company, also on the basis of legal advice obtained by SEA, believes that they must be fully paid pursuant to Art. 74 of the Insolvency Law by treating them as Current Receivables;
b. Should the Administrators fail to takeover, insolvency rules will follow, through which SEA may invoke the recognition of a special chattel lien referred to in Art. 1023 of the Navigation Code with reference to the secured receivables.

With the application for admittance to liabilities sent to the Administrators on December 5, 2017 (Registry No. 06275), SEA requested admittance to Alitalia's liabilities for the total amount of Euro 41,050,979.58, of which:

- Euro 6,294,881.49 in addition to the interest accrued and matured up to the sale of the aircraft (including related appurtenances and separable parts pursuant to Art. 1023 of the Navigation Code) on a preferential basis pursuant to Art. 1023 of the Navigation Code;
- Euro 25,133,700.27 (Euro 2,527.77 of which are for interest accrued up to May 2, 2017) as an unsecured debt, formulating an express application to pre-deduction admission for the amount of Euro 1,562,565.78 (Euro 1,131.68 of which are for interest accrued up to May 2, 2017), should the Extraordinary Administrators decide to takeover the Service Contracts;
- Euro 9,622,397.82, in pre-deduction for the supply of services and activities in favour of the A.S. Procedure (between May 2 and October 31, 2017).

Following admittance to liabilities, SEA SpA received payments from Alitalia in Extraordinary Administration amounting to a total of Euro 9,455,808.96 relating to pre-deducted receivables post-May 2 (originally amounting to Euro 9,622,397.82 Euro). Thus, the receivables admitted to pre-deduction amounted to Euro 166,588.86 at July 18, 2018, of which Euro 23,822.50 for additional rights and Euro 142,766.36 for various invoices.

By means of the certified email communication of February 7, 2018, the Administrators informed creditors that they had filed a request with the Court of Civitavecchia to split the statement of liabilities, starting with an examination of the section for workers and, at the same time, scheduling a series of hearings (starting with the one already set for February 21, 2018) in which to verify the proof of debt.

Given that the Administrators stated that they intend to first address the workers' applications, SEA's application, registered under No. 06275, could therefore be included in the expected "fourth partial project of the statement of liabilities", to be filed by October 22, 2018.

At the same time, however, the Administrators have announced that, in any case, they want

to reserve the right to assess whether to split the statement of liabilities project further "to enable them to more efficiently examine homogeneous classes of creditors (e.g.: passengers and airports, suppliers, institutions and banks)". It follows that SEA's application could again be postponed to a date later than October 22, 2018. SEA currently awaits the hearing to review the application.

It should also be noted that claims arising post-May 2, 2017 and up to June 30, 2018 have been fully paid to-date, save for the amount of Euro 637,125.12 in relation to which an analysis is underway between the parties, and the amount of Euro 9,095,144.50 for unpaid surtax.

With regard to the valuation of receivables, it should be considered, however, that - in view of current circumstances - there are no recorded defaults or non-payments by Alitalia in relation to Current Receivables that are pre-deductible and holding preferential claims. In view of the overall behaviour and statements made by the Administrators, there are no elements suggesting that these will not take over the current contracts with SEA once the Administrators' programme is approved. The treatment of existing receivables depends on this decision and it should be noted that a substantial part of these receivables hold preferential claims.

In the current state, taking into account the uncertainties related to *(i)* the fact that the Administrators' Programme has not yet been approved and its implementation methods are not known *(ii)* the Administrators have not yet declared the takeover of current contracts with SEA, with the consequent equalisation of the Existing Receivables to Current Receivables, it is believed, in view of present circumstances and on the basis of information currently available, that the current uncertainty and risk profiles have been assessed in the broader context of the overall assessment of trade receivables. The update of estimates has been provided to obtain more complete information, even ahead of the abovementioned events.

Public information on Alitalia's economic and financial context does not exclude the possibility of losses of a significant extent emerging in relation to the receivables registered.

SEA in 2017 set aside Euro 25,252 thousand as doubtful debt provision (referring to the existing receivables prior to May 2, 2017), for which there is currently no guarantee on collection.

It should be noted that lodged claims also include surtax on boarding fees amounting to Euro 6,173 thousand for which SEA acts as a withholding agent. These have a corresponding debt entered as a liability toward Institutions (INPS and Ministry of the Interior) for which the carrier is the debtor. No specific doubtful debt provision has been set up.

Main disputes outstanding at June 30, 2018

Update on litigation for alleged abuse in the procedure for acquiring ATA

On December 20, 2013, the Anti-trust Authority initiated proceedings in response to the complaint by Cedicor Sociedad Anonima ("CEDICOR"), charging SEA with abusing its dominant position in breach of article 102 of the Treaty on the Functioning of the European Union ("TFEU") in the course of tendering for the acquisition of ATA (Ali Trasporti Aerei SpA - now SEA Prime SpA). On April 2, 2015, the Authority concluded the proceedings by upholding the complaint against SEA, and imposed a fine of Euro 3,365,000. Although it paid the fine, SEA filed an appeal against the ruling with the Regional Administrative Court ("TAR"). The above-stated appeal cites the legitimacy and correctness of the Provision.

By means of judgment no. 1188 of January 23, 2017, the Regional Administrative Court of Lazio upheld the appeal of SEA in part, striking down the part of the ruling that imposes the fine and directing the Authority to reassess its amount based on the new parameters indicated by the administrative court. Through an order dated April 27, 2017, the Authority reassessed the amount of the fine and set its new total amount at Euro 936,320.

On July 8, 2015, while the proceedings before the Regional Administrative Court of Lazio were still pending, SEA paid the fine in full, in addition to Euro 2,535.27 in default interest. Then on May 9, 2017, it asked the Authority to refund the amount of Euro 2,428,680 that had been unduly paid, in addition to reimbursing the portion of interest that had been charged based on a capital whose amount was restated by the Regional Administrative Court of Lazio and is now known to have been overpaid. Moreover, SEA requested payment of the legal interest accrued on the amount paid. On May 30, 2017, the Authority confirmed the reassessment of the fine in the amount of Euro 936,320. It also reported that it had informed the Ministry of the Economy and Finance that it had no objection to refunding the total sum of Euro 2,430,343 (of which Euro 2,428,680 in fines and Euro 1,663 for default interest). Receipt of the transfer by the Ministry for Economic Development was recorded on June 29, 2018.

Action brought by ATA Handling

In May 2015, ATA Handling in liquidation and subject to administration notified SEA SpA and the Municipality of Milan of a citation, by which ATA Handling, referring to the decision of the European Commission of December 19, 2012 concerning alleged State Aid in favour of SEA Handling, requested compensation for damages suffered as a result of the above-stated aid, issued in the form of share capital increases, alleging that such gravely affected ATA Handling's operations: it was alleged in fact that SEA Handling through the systematic coverage of losses applied significantly lower tariffs than those which would have been applied in the absence of such aid. It was put forward that ATA Handling was forced also to apply lower tariffs than would have been applied in an undistorted market and on the other that ATA Handling was prevented from acquiring a greater market share.

This situation, it was alleged, restricted ATA Handling from operating under balanced conditions and led to its liquidation. In September 2013 and, for a second time in July 2014, ATA Handling requested compensation for damages due to alleged State Aid, although both these requests did not receive a response and therefore ATA Handling notified the citation, quantifying damages, through a differential analysis of two situations (SEA Handling with share capital increases and SEA Handling without share capital increases), as Euro 93.1 million. SEA has already produced the documentary evidence disproving the charge of predatory pricing. ATA

Handling then challenged jurisdiction before the Supreme Court of Appeal, asking the latter to rule on whether jurisdiction for damages pertained to the regular courts or to the administrative courts. The Supreme Court of Appeal ruled that the regular courts had jurisdiction, and the case was then referred to the regular courts for a decision on the merits.

Once jurisdiction of the regular courts had been ruled, ATA Handling moved for resumption of the trial before the court, which, as it still had no decision from the Court of the European Union, firstly adjourned the case until April 2018 and subsequently to July 2018.

In line with the previously adopted closings in terms of the European Commission decision of December 19, 2012, also for the dispute taken by ATA Handling - directly based on the above-stated decision and to which it explicitly refers - no risks and charges provisions were accrued in the SEA financial statements.

Action brought by Emilio Noseda before the Court of Buenos Aires

In 2005, an action was filed against SEA by Emilio Noseda before the Court of Buenos Aires to compel fulfilment of alleged commitments made in 1997 by SEA to Delta Group S.A., a Uruguayan company of which Mr. Noseda had been legal representative. Delta Group S.A. supported SEA's tender for the Argentine airports concession.

Mr. Noseda, as assignee of Delta Group's rights, requested that SEA be ordered to transfer 2% of the shares of AA2000 against payment of their current market value; to compensate Delta Group for the loss of chance it sustained because it was unable to resell the shares during the time when their value was greater than the price then paid (USD 2 million) - no damage amount was specified; and to compensate for loss of business opportunities relating to the non-assignment to Delta Group of concessions at three Argentinian airports, with no damage quantified. Once the evidentiary stage of the trial had ended, we awaited the announcement of the judgment. A new judge was appointed. Noseda requested legal aid, which was granted. SEA then proposed a settlement in the amount of USD 500,000 which was rejected. Noseda demanded the amount of USD 3.5 million plus court costs. On December 30, 2016 Commercial Court No. 2 of Buenos Aires entered judgment, which was served on February 2, 2017, dismissing Mr. Noseda's action to compel fulfilment of the aforesaid commitments made in 1997, and ordering him to pay court costs. Mr. Noseda appealed against the judgment. Currently the case is stayed at the Commercial Court pending appearance in court of the heirs of a third party whom the court summoned as the assignees of some of Delta Group's rights. In its financial statements, SEA posted an adequate amount to cover the risk in a provision for contingent liabilities.

Case taken by SEA against the Customs Agency - Judgment 3553/2015 issued by the Milan Court of Appeal

The decision by the Milan Court of Appeal published in September 2015 relates to the ongoing dispute with customs for non-payment of fees for the use of space made available to SEA. This decision confirms the grounds cited in the judgment at trial, which ordered customs to pay SEA the sum of Euro 5,591,000. In December 2016 customs appealed the aforementioned judgment to the Supreme Court of Appeal, disputing the amount set by the appeal court. Since not all levels of judgment have been completed, no revenue has been posted in this report.

Civil litigation between SEA and ENAV

These proceedings concern SEA's claim to assets mistakenly assigned to ENAV by means of provisional delivery memoranda in the course of 1983 and 1984. By overturning the judgment entered at trial, the Court of Appeal

granted SEA's motion and voided the transfer of the aforementioned assets to ENAV. Judgment 3406/2015 acknowledges SEA's right to use the state-owned premises under concession at the airports of Milan Linate and Milan Malpensa, and therefore temporary ownership of the goods produced/benefits obtained.

In February 2016, both the Prosecutor's Office on behalf of the Ministries and ENAV appealed to the Supreme Court of Appeal against judgment on appeal 3406/2015, which granted SEA's claims in full. In April 2016 SEA moved for service of the counter-appeal with contingent cross-claims against both the Ministries and ENAV. Currently the dispute is pending before the Supreme Court of Appeal, awaiting scheduling of the hearing on the merits.

In addition a lawsuit is pending before the Court of Milan on SEA's claim against ENAV for the assets covered by Ministry Decree 14/11/2000; the hearing for final argument had been scheduled for December 5, 2017 but was postponed to May 29, 2018. At this hearing, the Judge further referred the case to July 17, 2018. At this latter hearing, the parties indicated to the judge the development of negotiations, who therefore sent the case for the statement of conclusions for February 12, 2019.

Ruling on fees for fire-fighting services

The law of 27/12/2006 no. 296 (2007 Finance Act) article 1, paragraph 1328, established a fire-fighting fund financed by airport companies in proportion to the traffic generated by each, in the amount of Euro 30 million a year, in order to reduce the State's expenses for the fire-fighting service provided at airports by the National Fire-Fighting Service. However, as a result of the entry into force of the provisions of paragraph 3 bis of article 4 of Legislative Decree 185 of 29/11/2008, introduced with the Conversion Act of 28/1/2009 no. 2, the resources of the fund were also allocated to purposes completely unrelated to those initially envisaged by the 2007 Budget.

SEA objected, alleging unlawfulness, and challenged the law both before the Regional Administrative Court and before the regular Court of Rome.

Over the years considerable case law has accumulated, some of which has become final. All judgments have found that "the tax was instituted by the law as a tax earmarked for a specific purpose". Until now the courts have also observed that ever since law no. 2/2009 entered into force, all monies in the fire-fighting fund have been allocated to cover costs and purposes totally unrelated to those initially intended, namely that of reducing the costs incurred by the State for fire fighting services at airports.

It should be noted that the following provision was added to the Stability Act of 2016, which came into force on January 1, 2016:

"Article 39-bis, paragraph 1, of the Decree-Law of October 1, 2007, no. 159, as converted with amendments by the law of November 29, 2007, no. 222, after the words: 'of the law of December 24, 2003, no. 350' the following words are inserted: 'and of fees charged to airport operating companies for fire-fighting services at airports, pursuant to article 1, paragraph 1328, of the Law of December 25, 2006, no. 296'."

The amended law redefines the contribution to be paid to the fund as consideration for the service rendered by the fire brigade, in order to eliminate the objections concerning the nature of the tax that were raised by airport operators and to return the matter to the jurisdiction of the regular courts, notwithstanding the judgments previously entered on this issue. By a judgment published on January 26, 2018, the Court of Rome ruled that the regular courts have no jurisdiction and that the case must revert to the Tax Commission.

The Supreme Court of Appeal, by order 27074/16, applied to the Constitutional Court for review of the constitutionality of this provision. Judgement is still pending.

Report from the Energy Services Operator as a result of an audit of the green certificates for district heating at the Linate power plant

In December 2016, the Energy Services Operator (GSE) sent to SEA's energy subsidiary a report on its audit (carried out in March 2016) to verify the information provided for an application for green certification of the district heating supplied by Linate power plant. The GSE demanded the return of 17,106 green certificates for the period 2010-2014 (of which 12,435 for the Company and 4,671 for A2A), as a result of which a provision for future charges in the amount of Euro 1,049 thousand was recognised, since those certificates were paid at December 31, 2016. The Company, assisted by its lawyers, lodged an appeal in timely fashion. Nonetheless in May 2017 it returned the green certificates requested by the agency and recognised an additional provision to cover the green certificates for the period 2015-2016, which had been fully paid at the end of the 2017 financial year. There are no further updates to that stated in the 2017 Annual Report.

Audit by the Energy Services Operator on the assignment of white certificates for the period 2012-2015

During 2017 the Energy Services Operator audited white certificates assigned for the period 2012-2015. The GSE assessed that no subsidies should be paid for heating and cooling energy used by certain internal departments; as a result, a provision for future charges of Euro 500 thousand was recognised in 2017, since such certificates had been fully collected. There are no further updates to that stated in the 2017 Annual Report.

Update on judgment 7241/2015 of the Civil Court of Milan

On January 26, 2017, the Milan Court of Appeal upheld trial court ruling 7241/2015 of the Court of Milan ordering the Ministry of Transport to compensate SEA for Euro 31,618 thousand in addition to revaluations according to the ISTAT [cost of living] indices and interest at the legal rate. An enforceable copy of the judgment was served on the Ministry and the Prosecutor's Office in February 2017. On April 14, 2017, the Ministry of Transport appealed to the Supreme Court of Appeal, reiterating the grounds stated in the appeal without any substantial change.

On June 9, 2017 SEA filed a response and a cross-appeal at the Court of Cassation.

Tax Agency - VAT assessment notices

The local customs office at Linate and Malpensa airports audited SEA to ascertain whether excise duty had been correctly paid on the electricity used to operate Linate and Malpensa airports. As a result of this audit and of the notes, on November 16, 2016, SEA received service of an assessment notice for 2011 concerning the VAT profiles in the matter. An appeal was filed against the assessment at the Provincial Tax Commission of Milan, which ruled in favour of the Tax Agency on December 11, 2017 in judgment no. 6835/2017, against which an appeal was lodged with the Regional Tax Commission. We expect to be informed of a hearing date. On 8/8/2017, the Tax Agency served four more assessment notices for the subsequent years from 2012 to 2015. The Company filed separate appeals against each of them with the Provincial Tax Commission, once again stating that the underlying tax claim was void. We expect to be informed of a hearing date.

Tax Agency - Notice of assessment for registration tax

Several assessments were received for registration tax relating to the application of the tax on the refund of sums as ordered in the judgments entered by the regular Court of Milan. The Company objected to the Tax Agency that the tax had been mistakenly applied as a proportional tax instead of at a flat rate. The first appeal filed and argued at the Provincial Tax Commission of Milan was granted. The Company's request was deemed reasonable and the Tax Agency was ordered

to reimburse the expenses. On December 28, 2017, the Tax Agency lodged an appeal with the Regional Tax Commission, whereupon the Company joined the proceedings. Regarding the other notices of assessment challenged by the Company, we expect to be informed of the dates for both the first and second level hearings.

The sum total of the aforesaid contingencies relating to the disputes with the Tax Agency were fully reflected in the provision for tax risks set aside for these items.

Click day repayment

In April 2018, the company received the IRES receivable relating to the deductibility of the IRAP from IRES for the years 2007 to 2011, equal to Euro 10.7 million. This receivable arises from the repayment petition presented digitally in 2013 ("click day") as per Article 2 of Legislative Decree No. 201/2011 ("Save Italy" decree), permitting the full deduction from the assessable IRES base of IRAP due in relation to personnel and related expenses.

Other information

Customer Care

Quality of airport services delivered: European context and ranking of our airports

The available 2018 on-time performance figures (most recent update January - May 2018) show a decline compared with the same period of the previous year. The data surveyed refer to all types of commercial flights.

At the European average level, on-time arriving and departing flights were approximately 77.7% and 75.4% of the total, respectively, down by five points on the same period of the previous year.

At approximately 86% of flights departing on time, Linate was tied with Athens at the top of the rankings. Malpensa, which had an on-time performance of approximately 81%, was down slightly on the previous year (84% in 2017), while still above the European average and outperforming airports of similar size (in decreasing order, Vienna, Düsseldorf, Geneva, Brussels and Luton).

At Malpensa, on-time performance, considering departing scheduled passenger flights only, rose to 79.4%, with an on-time performance recovery (difference between on-time departing and arriving flights) of 2.8 points. The analysis by Terminals also shows a similar trend: Terminal 1 reports departing punctuality of 78.9% (+2.9% recovery), with Terminal 2 indicating a year-to-date value of 80.6% (+2.4% recovery).

Mishandled baggage performance figures were positive:

- Malpensa Terminal 1 = 2.08 mishandled bags / 1,000 departing passengers;
- Malpensa Terminal 2 = 0.35 mishandled bags / 1,000 departing passengers.

Performance in terms of baggage delivery times, to be met for 90% of cases, is ahead of the values set out in the Service Charter: in Terminal 1 delivery of the first bag within the standard timeframe (22'40") was achieved for 94.4% of the flights, whereas the delivery of the last bag within 35'40" was achieved in 93.3% of cases; at Terminal 2, the delivery of the first bag within the standard timeframe (26 minutes) was achieved for 96.7% of flights, whereas the delivery of the last bag within 35 minutes was achieved in 98.5% of cases.

Waiting times in the queue for the hand luggage X-ray security checkpoint were well within the range of values defined in the Regulatory Agreement: the weighted average time for T1 and T2 was 6'58", compared with the requested standard of 7'30".

The values for the various terminals, in accordance with the Service Charter, were as follows:

- Terminal 1: 7'21'' vs. 8'00'';
- Terminal 2: 6'16'' vs. 7'00''.

At Linate, on-time departure performance for scheduled passenger flights alone was 86.6% in the first half of the year, compared with an on-time arrival performance of 86.8%.

The baggage return performance was in line with the standards set for 2018:

- first article of luggage returned in 16'40" for 93.5% of flights;
- final article of luggage returned in 23'40" for 93.9% of flights.

The June projection for mishandled baggage performance is 1.6 mishandled bags / 1,000 departing passengers.

Waiting times in the queue for the hand luggage X-ray security checkpoint were 6'51" in 90% of cases (compared with a stated target of 7'20" in the Regulatory Agreement and the 2018 Service Charter).

Overall passenger satisfaction

Overall passenger satisfaction with the quality of services provided at the airports managed by SEA continues to be surveyed through CAPIs (Computer Assisted Personal Interviews) conducted by a major market research company. Since 2014, SEA's overall satisfaction index has been the CSI[5] (on the model of the ACSI - *American Customer Satisfaction Index*), an internationally used parameter at the both the industry and individual company level that remains an excellent tool for monitoring and assessing passenger opinions.

The customer satisfaction index (CSI) values for the various terminals in the first half of 2018 are provided below, with a comparison in percent terms to the first half of 2017:

- Malpensa T1: 75.2 + 0.0%
- Malpensa T2: 72.9 + 0.4%
- Linate: 68.9 +3.0%

Although the system is improving as a whole, due to the gains made by Linate as a result of the work on the facade and the stable performance recorded by Malpensa 2, Malpensa 1 showed a stable assessment despite a sharp increase in traffic. The instant feedback system introduced three years ago, which surveys passenger satisfaction on an ongoing basis using emoticons, continues to be used at the two airports, reporting on critical areas in support of operational management.

Perceived quality: satisfaction expressed by passengers and the positioning of our airports internationally

In the first half of 2018, SEA continued to participate in the ACI ASQ (Airport Service Quality) programme involving approximately 300 airports worldwide and over 90 in Europe.

The programme is based on the results of interviews conducted with passengers departing from participating airports according to a common questionnaire that permits a uniform benchmark of the satisfaction expressed with the services received at the world's various airports and thus identifies top-performers and best practices, to which SEA constantly refers when implementing new services and improving the travel experiences of passengers at Milan's airports.

In 2018 (on the basis of the figures available for the first quarter), passengers travelling through Malpensa Terminal 1 confirmed the views expressed in the final two quarters of 2017, positively assessing both the new services and renewed areas of the terminal.

At European level, Malpensa Terminal 1 is exceptionally well rated for its shopping options, ranking above the European average, and for its ambiance, coming in above the applicable benchmark.

The "perceived passenger comfort" figure also has a significant impact on traveller satisfaction at Linate, with evaluations remaining far below the benchmark level. The effect of the completed and planned work at Linate is already evident in the evaluations for early 2018 and will have a positive impact on passenger views.

[5] *The index is measured on a scale of 0-100, with 75 representing excellence and 60 indicating sufficiency.*

Customer relationship and the development of B2C services

Dedicated services: Family Friendly Airport

SEA's Family Lane initiative focused on families travelling together and operating at all three Terminals continued. SEA again proposed various services offering passengers travelling with children aged up to 12 years a Family Friendly airport:

- priority security passage through a "Family lane";
- distribution of brochures explaining procedures and useful airport services;
- games area with videos and interactive flooring;
- offers and promotions;
- Pet Therapy.

Customer services

Information screen system

Passenger use of the video presence service installed in December 2013 - which allows customer care operators to assist passengers at Malpensa T1 and T2 and Linate - increased considerably, rising by 153% during the period from January to June 2018 compared with the first half of 2017.

Customer contact centre through the telephone and social media channels

In the first half of 2018, the call centre service showed growth of 7% on the same period of 2017, consistent with the overall increase in traffic. Specifically, there was a sharp increase in requests (+20.0%) for support with e-commerce sales in parking areas.

The platform was expanded with regard to social activities: a chatbot was added, alongside the Twitter and Facebook channels and recall service.

Incoming and outgoing passport control support service, with facilitators

In April, the support service for inbound and outbound passport control at Terminal 1 was launched according to a structured approach.

The entry into force of the amendments to the Schengen Border Code aimed at intensifying border checks, combined with the considerable increase in traffic, required the presence of onsite personnel to manage passengers waiting in line for passport control, facilitating their passage and providing the necessary information.

The Airport Quality Service at SEA: regulatory aspects and management certification

Services Charter

The 2018 edition of the Service Charter was prepared and published in accordance with the guidelines laid down in GEN-06 and GEN-02A. In short, the following documents were drafted and approved by the Italian Civil Aviation Authority:

- Table of 62 indicators with target values for 2017, performance in 2017 and proposed 2018 targets.
- 2018 Service Charter: the document is available online from the website and will also be available in a print version from the info points and Sala Amica reduced mobility passenger area.

ISO 27001 certification (Information security management system)
As part of the ISO 27001 certification project, an inter-functional working table was set up with the departments involved in the information security management system's activities. The scope of application identified includes the following processes:

- the ICT process for designing, developing and maintaining IT application systems in an airport environment;
- the process of collecting, processing and communicating AIP figures concerning airport departments.

D-4001 certification (Site accessibility for the physically disabled)
In May, Dasa-Rägister conducted the annual supervisory audit, confirming the existing certificate.

ISO 9001 certification (Quality management systems)
Within the process of transition to the new ISO 9001:2015 scheme, the main lines of action for the first half of 2018 were identified. The audit by the certification authority TÜV Italy for the transition to the new ISO 9001:2015 scheme is planned for July.

The environmental dimension

The SEA Group is committed to providing quality services in respect and protection of the environment, based on the following principles:

- extensive compliance with regulatory requirements;
- an ongoing commitment to improving the environmental and energy performance;
- education and involvement of all actors involved in the airport system for a commitment towards respecting and protecting our common environmental heritage;
- priority given to the purchase of products and services which adopt similar environmental sustainability parameters, with particular attention to energy saving, the reduction of atmospheric and noise emissions and water conservation;
- identification of sources and controls of CO_2 emissions produced, both direct and indirect, through the involvement of the stakeholders, in order to reduce greenhouse gas emissions in line with the Kyoto protocol;
- a constant level of monitoring and verification of the processes related to the energy, atmospheric emission, noise and water cycle aspects, and in general the various phenomenon concerning interaction with the ecosystem;
- a highly developed system of listening and communication with a wide range of external actors to ensure transparency and sharing.

The introduction of the Group environmental and energy policy is based on the commitment to a dedicated structure which ensures maximum attention to the principal strategic aspects and the operating implications, in addition to guaranteeing the daily inter-departmental involvement of all organisational units whose activities have a direct or indirect impact on the reaching of the environmental objectives.

Under this policy in 2004 an Environmental Management System was drawn up, which in 2006 achieved the ISO 14001 Certification, which was reconfirmed in 2009, in 2012 and with renewal in 2015 for the subsequent three-year period.

In July 2018, an Audit is planned by the Certification Body TÜV Italia to renew certification on the basis of the new ISO14001 standard: 2015.

The range of environmental aspects managed is particularly extensive: water, air, noise, climate change, energy, waste, electromagnetic fields, light pollution and landscape. The extensive experience matured since 1998 with the incorporation of SEA Energia and its cogeneration (tri-generation at Malpensa) plant has seen the formal consolidation in October 2013 of the Energy Management System of SEA and its ISO 50001 certification by CertiQuality. The current action is undertaken for improved integration between the different certification systems.

Also in this regard, for both the Environmental (ISO 14001) and Energy (ISO 50001) Management Systems, during the period a close focus was placed on supporting the audit of TÜV, with a view to applying the new rules and ensuring increased Systems integration.

Airport Carbon Accreditation and Carbon Neutrality of the Milan airports

SEA has acted effectively in reducing CO_2 emissions and in particular those from activities under its direct control or in which significant influence is exercised (scope 1 and scope 2[6]).

All elements for the renewal were presented and positively assessed by the Italian certifier. The 2018 accreditation of SEA for Airport Carbon Accreditation "Neutrality" standing is therefore being considered for confirmation.

The Airport Carbon Accreditation offers four possible levels for accreditation:

- Mapping - checking of emissions under the direct control of the airport manager (scope 1 and scope 2 application field).
- Reduction - in addition to the level 1 (Mapping) requirements, creation of a plan designed to reduce emissions, focused on the continual minimisation of emission levels (scope 1 and scope 2 application field).
- Optimisation - in addition to the level 1 (Mapping) and 2 (Reduction) requirements, the calculation of the airport emissions of the stakeholders and their involvement in the drawing up of an action plan (scope 3).
- Neutrality - in addition to levels 1, 2 and 3, the reaching of the "Carbon Neutrality" objective for emissions under the direct control of the airport manager (scope 1 and 2) with the acquisition of offsets.

European project

The SEA Group's involvement in the international research and innovation project environment was further developed in H1 2018, principally focused on environmental and safety/security issues. TRANSFORMING TRANSPORT project activities are ongoing, with the Kick-off Meeting held in Madrid in H1 2017.

Participation in new initiatives is currently being defined.

Since last January, SEA has been a partner to the European project LAirA (Landside Airport Accessibility), which focuses on issues relating to improvement of ground access to European airports, including in particular electric vehicles, rail, local public transport, technological innovation in transport, shared mobility and cycle access. The project will involve analyses and experiments aimed at developing an integrated set of low-environmental impact passenger and airport employee mobility services. The

[6] Scope 1 - Direct emissions - Emissions associated with sources owned or under the control of the company.
Scope 2 - Indirect Emissions - Emissions associated with the generation of electricity or thermal energy acquired or consumed by the company, which is physically emitted within the corporate scope.

project, co-funded by the European Commission as part of the European Union's Interreg Central programme, was launched in May 2017 and will conclude in October 2019. The consortium consists of ten project partners.

Environmental management processes

In relation to the Linate 2030 Master Plan, exclusion of "lot F", i.e. the terminal building, from the works subject to an environmental impact assessment, was approved. The environmental impact assessment process is ongoing.

In developments relating to the new Malpensa Master Plan, the process of classifying naturalistic and animal protection aspects was concluded. Simulations and analyses relating to aviation-related noise and atmospheric pollution were also defined. In view of recent relevant developments, it will be necessary to wait until passenger and cargo traffic and flight forecasts have been formally and finally determined before updating the detailed framework and beginning the process of initial consolidation of the environmental impact study.

Attention should be drawn to the definitive adoption of public debate rules, which will have significant implications for the process.

The Milan Labour Clinic is working closely with Bicocca University, but the constant changes regarding the scope of the Master Plan, and hence for the environmental impact study, are currently impeding progress.

Environmental protection

There have not been any new developments with regard to the regulations on mitigation for homes located in the part of the Municipality of Milan adjacent to Linate. With regard to air traffic in transit over the eastern area, it was confirmed that aviation-related noise levels remained well below the limit of 60LvA, meaning that the area is not subject to noise zoning.

In the matter of the monitoring of the noise pollution generated by Malpensa, structural modifications have been requested, as in the case of Linate. Once the routes have been reviewed, it will be possible to verify the proper placement of the current monitoring centres with the Regional Environmental Protection Agency.

Human resource management

Workforce

At June 30, 2018, the total number of SEA Group human resources was 2,873 (HDC), increasing 36 on the end of 2017 (+1.3%). The number of Full Time Equivalent personnel in the period was 2,774, increasing 16 on H1 2017 (+0.6%).

Females at the SEA Group represented 28% of the Headcount at June 30, 2018, equally distributed across categories.

Organisation

The organisational structure of several staff and line units was revised in the first half of the year. In particular, an Enterprise Risk Management unit was set up within the Chief Financial and Risk Officer area, with the aim of improving the process of identifying potential risk events that may influence the Group's results and of monitoring the status of mitigation of such events, thus permitting the Board of Directors and company management to provide guidelines for their management. In addition, the Finance and Insurance Department was reorganised with the aim of optimising and constantly improving processes.

In other efforts to improve company processes, changes were made to the organisational structure of the Environment and Airport Safety function, a part of the Chief Operating Officer area, in accordance with Regulation (EU) No 139.

In addition, as part of the Europrivacy project, the organisation promptly and effectively adapted to the developments planned for 2018 by European privacy regulations.

As part of organisational innovation and work-life balance initiatives, a smart-working trial was launched, involving approximately 15% of the non-shift population, with the aim of testing some technical and organisational elements necessary for smart-working.

Development and Training

Making good on progress made in 2017, February saw the continuation of linguistic skills initiatives for personnel requiring a good level of knowledge of business English. Through this programme, approx. 40 employees had the opportunity to consolidate their mastery of the language both through the use of an online platform and with the support of a dedicated mother tongue coach.

SEA worked on drafting an Onboarding policy aimed at facilitating the entry and integration of incoming personnel into the organisation. A proposal was prepared with the aim of structuring a workflow for the process from the standpoint of the various participants (HR, managers, mentors, new employees) through a series of activities:

- full definition of the tutoring process, in terms of recruiting, training and monitoring;
- design of supporting documentation, in terms of structure and graphical design;
- definition of the visual aspect of the project;
- identification of adequate supporting technology for users.

In March, a project entitled "The Value of Comprehensive Integration" was launched for Airport Coordination personnel at Linate and Malpensa, aimed at improving performance of the role, through integration of the team, a customer-centric view and personal motivation. To increase the efficacy of the training initiative, planning was steered by initial focus groups involving representatives of all roles within the units in question. On these occasions, individuals spoke about their experiences, describing their perceptions of their roles, relationships with colleagues and customers, the department environment and expectations towards the company. The process involved 118 employees, including Duty Managers, Line Coordinators, Apron Operators, Specialist Driver Coordinators, Terminal Operators and Airport Specialists.

A training course for members of the PRM professional family, responsible for assisting reduced-mobility passengers (integrated transport) at Linate and Malpensa, aimed at improving performance of this role, through integration of the team, a customer-centric view and personal motivation as the foundation of an effective approach, was concluded in March. The course involved 168 individuals, including shift foremen, reception staff and reduced-mobility passenger transport personnel. Role empowerment was also achieved through opportunities for feedback and dialogue between managers and their staff. Discussion of critical issues and actual experiences during teaching activities strengthened dialogue and facilitated the involvement and active participation of all PRM personnel.

The SEA Professional System Revision project has been launched and is proceeding with the aim of refreshing role-specific skillsets for the professional families affected by evolutions and changes and permitting a revision of the skills common to the various professional roles and families.

An in-house training course for the personnel of the Chief Financial and Risk Officer area was launched in May. The project was motivated by the desire to identify and fill individual and cross-functional training gaps by designing a training plan involving lectures by company professionals who shared their expertise, spreading knowledge and best practices and facilitating integration between colleagues.

SEA InSight - a project aimed at promoting innovation, involving a team of eleven individuals with expertise representative of the various relevant practices in an airport environment - was kicked off on January 26, 2018. Benefiting from contributions from other company functions and support from external partners, the group will be in a position to devise and facilitate the adoption of innovative ideas. Over the next three years, the SEA InSight project is designed to expedite change through gradual innovation at the level of processes, technologies and the general approach to doing business. A strict method will be applied to create fully realised prototypes for development and adoption by the various departments to encourage internal innovation within SEA.

Professional training and education

In training activity in the first half of 2018, the Professional Education and Technical Training departments devoted considerable attention to designing and holding Airside Safety courses for airport workers and the SEA Group's personnel. In accordance with the Malpensa and Linate Airport Regulations, and in implementation of Regulation (EU) No 139/2014 laying down technical requirements and procedures related to airport managers' obligations, the contents of training courses were developed and completed with approval from SMS and Compliance Monitoring. The courses aim to encourage a culture of safety by disseminating safety reporting tools such as the GSR (Ground Safety Report) and information on how to use them properly, knowledge of the Ground Safety Recommendations, best practices for the broad circulation of Just Culture and acknowledgement of the importance of the Human Factor.

Over 650 SEA employees and over 2,000 third-party personnel benefited from classroom training sessions in the first half of 2018. Over 300 SEA employees completed remote training, whereas more than 1,100 third-party personnel applied for access to the online course via the FormAzione platform.

In other developments relating to Regulation (EU) No 139/2014, in accordance with the rapidly evolving operational and technological scenario in which Linate and Malpensa Airport Coordination operates, the implementation of modern operating systems such as ACDM (Airport Collaborative Decision Making) facilitated the emergence of a new professional role, that of the Airport Specialist. A specific training course was created to develop transversal skills and ensure professional development opportunities with optimal resource flexibility. A total of 26 individuals have been trained at the two airports thus far.

Notam (Notice to AirMen) Aeronautical Information courses on the subject of Airport Maintenance were organised in collaboration with the Italian air navigation service provider (ENAV). Executives, managers and line personnel assigned to the Control Room deepened their knowledge of subjects relating to ICAO Annex 15, the AIS (Aeronautical Information Services) Manual, interpretation, understanding and use of status information, runway operations and airport taxiways. Sixteen participants received a total of 32 hours of training.

In terms of workplace safety, SEA personnel began to receive mandatory recurrent training on specific risks and issues relating to the Workplace Health and Safety Management System and related ISO 180001 certification, in addition to knowledge and use of the near-miss model as an effective means of preventing accidents through analysis and classification of near misses, i.e. events with the potential to result in an accident. A total of 487 of resources have received training thus far.

Regarding the topic of Passengers with Reduced Mobility, in the first half of 2018 training was organized for the hiring of Passengers with Reduced Mobility Assistance Personnel, in line with current legislation, regulations and standards, Italian Consolidated Law 81/2008, Regulation EU 1107/06 and European Civil Aviation Conference guidelines. The aim is to develop basic skills and knowledge in mobility methods, for application in the professional context with responsibility and awareness, and effective tools for communication and the management of interpersonal relationships, in line with the conduct guidelines indicated in ECAC Document 30 Annex 5C - Part I - Section 5/2014. Technical training on the operation of special Ambulift vehicles was introduced to round out the training programme, in view of flexibility and interchangeability with Specialist Drivers. Over 50 resources have received training to date.

We highlight also the specific technical training devoted to the new Douglas TBL 180 push-back vehicles at both airports and the Douglas TBL 400 models at Malpensa, involving more than 220 participants, extending to all Specialist Drivers qualified for push-back operation.

Finally, as usual, in the first half of 2018 the Linate and Malpensa training centres continued to devote constant attention to planning training and awareness courses regarding the Airport Driver's Licence for the operation of electrical and motor vehicles at airports, involving over 690 participants. Over 1,500 participants attended courses relating to the National Safety Plan required to obtain an airport badge.

Welfare

Activity in the first month of the year was focused on analysing and taking stock of the welfare initiatives and services implemented in 2017. The results indicate that 81.4% of those who work at SEA benefited from at least one of the welfare offerings in the areas of work-life balance, health and well-being, family support and children's initiatives.

The year began with the final step in the new initiative Push to Open Junior, which expanded the content offered by Future Lab by extending those eligible for the orientation programme designed to help students choose which type of secondary school to attend to include pupils in their third year of middle school. Parents and children received support from an external team - the parents during three workshops streamed live by experts and psychologists and the children in an online orientation procedure and a 30-minute one-to-one follow-up session with support from an expert. The 19 employees who participated in the initiative expressed very positive views in terms of interest and utility.

Remaining on the subject of Future Lab, applications were accepted for merit-based scholarships for university students from March to late May. This year 137 scholarships were provided, up from 115 in the previous year.

This year the company continued to offer the Intercultura scholarships to study and live abroad, intended for students who meet the merit requirements and have passed the selection process, in their second or third years of a second-level secondary school programme.

Summer programmes at Linate and Malpensa for children ages six to twelve were organised in collaboration with the association NoiSea. These programmes, which are currently ongoing, involve 52 children at Linate and 113 at Malpensa, and are in addition to two-week summer camps, in which 128 children have been enrolled.

All SEA employees were awarded an extraordinary bonus for 2018 that may be used as welfare credit through a specific dedicated platform that provides a choice of a large number of available offers and services.

The employee canteen and commuting issues continued to receive particular attention in the first half of the year.

Internal Communication

In the first part of the year, as part of the project to redesign SEAnet, the company's internal communication platform, a pilot phase (Family&Friends) was launched, providing early access to the new version for a select group of employees, with the aim of obtaining feedback and suggestions regarding the various use cases. The teams involved were Human Resources & Organization, Information Communication Technology, E-Channel, the SEAnet Editorial Staff and the participants in the analysis workshops (approximately 50 in number) held during 2017 (including a group of shift workers).

After this pilot phase was completed, in April, the new version of SEAnet was then published for all employees. The intranet is now more accessible and easy to navigate and finally optimised for browsing on smartphones and tablets.

The main changes have to do with access methods, streamlined con-

tent navigation and the graphical layout.

Industrial Relations

In the first six months of 2018, discussions with the Trade Unions regarding both macro procedures at Company level as well as specific Division-level issues were ongoing.

In particular, the discussions resulted in on January 15, 2018, within the scope of the direction taken under the Draft Framework Agreement signed with the Trade Unions on July 22, 2016 regarding restructuring initiatives to support SEA's Industrial Plan, an Agreement putting aside a leaving incentive for a maximum of 235 employees, who, by August 2023, will have acquired pensionable status (early retirement or old age pension).

On March 27, 2018, an agreement was signed between SEA and the Trade Unions to introduce new "work life balance" initiatives.

Finally, in May voting was held for the re-election of the Unified Trade Union Representation (RSU), with the election of a new RSU with a three-year mandate (2018-2021).

Workplace health and safety

In H1 2018, the SEA Group confirmed its commitment to workplace safety with a view to continual improvement of health and safety conditions of activities carried out within the airport, also through the promotion of a culture based on increased awareness and involvement of all parties, at all levels, on prevention issues.

Internal activities continued in the area of maintenance of the Workplace Health and Safety Management System, certified according to the OHSAS 18001:2007 standard. This system was regularly monitored through internal audits and follow-up activities. The critical issues identified were analysed and solved by adopting appropriate corrective measures to reduce and monitor workplace health and safety risks.

Awareness continued to be raised regarding near-miss reports. Tools were made available to report and then investigate such events, and a section on near misses was added to all workplace health and safety training courses.

The internal audit programme verifying proper procedure and compliance with fire prevention regulations was extended to include not only retail activities, as already done in 2016-2017, but also non-retail activities at both Linate and Malpensa airports.

In other developments relating to the Workplace Health and Safety Monitoring System, systematic monitoring of terminal common areas also began with the aim of verifying compliance with safety and fire prevention rules by all personnel active in the areas in question.

In pursuit of constant improvement of the System, during internal audits a representative sample of workers and supervisors was given a self-assessment questionnaire designed to "measure" the level of maturity and efficacy of the Workplace Health and Safety Monitoring System with regard to certain requirements imposed by the applicable regulations (e.g., awareness of the role of supervisors and workers, efficacy of training and reporting of near-misses), while also raising awareness amongst workers of their obligations under Legislative Decree No. 81/08. The initiative was successfully completed and feedback from participants was positive.

The process of consultation and participation, launched by the SGS&SL, in fact allowed for the active involvement of employees and their Managers and proved that effective collaboration among all actors is crucial in preventing and managing risks in the workplace environment.

Maintenance of the BS OHSAS 1801/2007 standard allowed in the first six months of the year immediate entitlement to the annual reduction of the INAIL insurance premium.

SEA Emergency Management Personnel continued to receive training at the Malpensa fire prevention training facility and drills continued to be held at all buildings where company activities take place, at both airports, on implementing Emergency and Evacuation Plans and fire alarm and detection systems, involving Emergency Management Personnel and the personnel of the various buildings involved. The drills were successful both from a management standpoint and in terms of the measures implemented thus far.

The Prevention and Protection Service also:

- updated the work-related stress risk assessment for SEA personnel based on analysis of the final 2017 data, in accordance with the INAIL guidelines, which found that this risk was insignificant for all existing professional roles;
- conducted the risk assessment for workers who in the first half of the year began to participate in smart-working programmes pursuant to Legislative Decree No. 81/17 and collaborated in preparing the related informational and training materials (safety documentation appended to the contract and e-learning training course);
- updated the risk assessment for workers able to work "solo" or operate alone in isolated locations, according to international guidelines on this subject;
- conducted temporary assessments of noise-induced risks regarding individual tasks due to changes in the organisational/work process or due to the introduction of new equipment;
- carried out the first phase of the campaign to update the map of electromagnetic and high-frequency fields for both airports;
- provided technical support to the various company functions that manage outsourced activities in the preparation of the Single Interference Risk Assessment Document pursuant to Article 26 of Legislative Decree No. 81/08;
- provided support to the Human Resources and Organisation Department with the technical aspects of preparing the documentation required by supervisory authorities in respect of specific cases of occupational illnesses;
- updated the Workplace Safety department site within SEAnet, which brings together all safety content and instructions present within the company (Operating Safety Plans, Safety Operating Instructions, Safety Equipment, building regulations, information points, emergency and evacuation plans, individual protective gear, etc.). The site also provides all personnel with access, from work or home, including via smartphone and tablet, to the safety documentation prepared to protect the health and safety of all employees;
- worked with the company departments and third firms involved to manage safety aspects relating to events organised at Linate airport (inauguration of the new terminal facade and Linate Night Run);
- managed relations with Worker Safety Representatives, in particular with regard to the exchange of information and communications, the management of reports, prior consultation on and the assessment of risks, their identification, planning, execution and verification of prevention;
- in collaboration with the Information & Communication Technology Department and the firm Neotecnica, a section of the application AFM known as 911ES was developed for all company terminals. This section, which is currently being tested by users, will aid the Security Operations Centre and Emergency Management Personnel on site in best managing fire alarms triggered within the monitoring system.

Relations continue with the public entities on issues of occupational health and safety (ATS (Health and Safety Authority), INAIL, (National Institute for the prevention of workplace accidents), DTL (Local Directorate of Labour), and from time to time they support the corporate functions involved.

Assisted by Certified radioprotection Experts, employee safety monitoring activities were continued with the use of specific environmental and personal dosimeters, to monitor ionising radiation related to the transit of radioactive packages through the Airports as well as the use of x-ray equipment held and utilised by personnel.

Health supervision of workers exposed to particular health risks continued as planned, involving periodic check-ups with the four company physicians. The Head of the Prevention and Protection

Service and company physicians conducted the first of the two annual workplace inspections planned for each company airport, during which at least one Worker Safety Representative was present.

In order to offset the risks related to the use of equipment and machines introduced to support workplace activities, the preventative evaluation and analysis on their acquisition continued, carried out within the internal testing commission which the Prevention and Protection Service participates.

Accident performance in the first half of 2018 showed a sharp decline in workplace accidents on the same period of the previous year (-16%), whereas the number of commuting accidents remained essentially unchanged, supporting the decrease in workplace accidents, due to the mitigation measures taken.

Of the workplace accidents, approx. 60% relate to working activities, whereas the remainder are related to general scenarios which have very little or nothing to do with the work carried out by the operators/employees, and which are predominantly related to walking about (trips, slips, sprains, bumps).

In relation to SEA Prime, in respect of activities aimed at compliance with the obligations imposed by Legislative Decree No. 81/08 and, more generally, the protection of workplace health and safety:

- the work-related stress assessment was updated based on an analysis of the final 2016 data in accordance with the INAIL guidelines;
- the part of the risk assessment regarding the new changing / waiting area facility for operations personnel was updated;
- the first two annual workplace inspections were conducted with the company physician;
- health supervision was planned with the company physician for those roles within the company that involve duties entailing particular health risks (video terminals);
- emergency fire prevention and evacuation drills were organised and held at Linate Prime in coordination with authorities and workers;
- the responsible company and group departments were supported with the design of training plans and informational documentation regarding workplace health and safety matters to be provided/delivered to personnel in 2018;
- internal departments were supported with preparation of the Single Interference Risk Assessment Document and fulfilment of the other related obligations in all cases of outsourcing.

Corporate Governance System

This section contains, among other issues, the information required by Article 123-bis, paragraph 2, letter b) of Legislative Decree No. 58 of February 24, 1998 ("CFA"). The company, not having issued shares admitted to trading on regulated markets or on multilateral trading systems, avails of the option under paragraph 5 of Article 123-bis of the CFA to not publish the information required of paragraphs 1 and 2 of Article 123-bis of the law, except for that required by the above-stated paragraph 2, letter b).

The Corporate Governance System of Società per azioni Esercizi Aeroportuali S.E.A. ("SEA" or the "Company") involves a set of rules which meet applicable legal and regulatory requirements. The Corporate Governance system of the company is based on the traditional administration and control model as per Articles 2380-bis and subsequent of the Civil Code, therefore with two corporate boards appointed by the Shareholders' Meeting - the Board of Directors, which undertakes the management of the Company, and the Board of Statutory Auditors, which is required to ensure financial control, together with the Shareholders' Meeting itself, which represents the common interests of Shareholders.

SEA has complied with since June 27, 2001 the Self-Governance Code for listed companies issued by the Corporate Governance Committee of Borsa Italiana S.p.A. (the "Self-Governance Code" or the "Code"). Although compliance with the Code is voluntary, SEA applies a significant portion of the recommendations in order to ensure an effective corporate governance system which appropriately assigns responsibilities and powers and supports a correct balance between management and control.

The Company therefore annually prepares on a voluntary basis the Corporate Governance and ownership structure report, which outlines the Corporate Governance structure adopted by SEA and provides information on the means for the implementation of the recommendations of the Self-Governance Code. The report is available on the website *www.seamilano.eu.*

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

The Board of Directors of SEA has set up internally two Committees established under the Self-Governance Code undertaking proposing and consultation functions for the Board of Directors (the Control and Risks Committee and the Remuneration and Appointments Committee). The Committees comprise non-executive Directors, the majority of whom independent. The prerogatives of the Committees are established by motions of the Board of Directors, based on the recommendations and principles of the Self-Governance Code; at the Committee meetings minutes are prepared and maintained by the Company.

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

The Board of Directors shall have the widest powers of administration over the company: it in particular may carry out any and all acts it deems appropriate for attaining the corporate scope, with the sole exclusion of those attributed by law and the by-laws exclusively to the shareholders' meeting. The Board of Statutory Auditors is the company's Control Board. The Board of Statutory Auditors verifies compliance with law and the By-Laws and the principles of correct administration and in particular on the adequacy of the administration and accounting organisation adopted by the Company and on its correct functioning. The accounting control functions are assigned to the Independent Audit Firm appointed by the Shareholders' Meeting.

The Board of Directors and the Board of Statutory Auditors in office at the date of the present report were appointed by the Shareholders' Meeting of May 4, 2016 in accordance with the Company By-laws and remain in office until the approval of the 2018 Annual Accounts.

The Internal Control and Risk Management System is based on the recommendations of the Self-Governance Code and applicable best practice. Therefore, one of the instruments adopted by the company is the Organisation and Control Model as per Legislative Decree 231/01. SEA and its subsidiaries have therefore each drawn up a "Mapping of risks" in order to adopt organisation, management and control models as per Legislative Decree 231/2001 (separately the "Model" and collectively the "Models"), effective and adequate in view of the specific needs of the respective companies and the particular nature of their business, with the principal aim of preventing the offenses set out by the applicable regulation. The Model is constantly updated in line with legislative amendments regarding the introduction of new offenses.

The Corporate Governance System of SEA also involves procedures governing the activities of the various company departments, which are consistently subject to verification and updating in line with regulatory developments and altered operating practices.

The share capital amounts to Euro 27,500,000.00 fully paid-in, consisting of 250,000,000 shares - of a nominal value of Euro 0.11 each. The shares are nominative and indivisible. The shares are not traded on the regulated markets. At June 30, 2018, the company did not hold treasury shares and the share capital was broken down as reported in the "Share capital structure" paragraph.

Internal Control and Risk Management System

Introduction

The Internal Control and Risk Management System is represented by the set of instruments, rules, procedures and corporate organisational structures to ensure compliance with regulatory provisions, the By-Laws, reliable and accurate financial reporting and the safeguarding of corporate assets in line with the corporate objectives defined by the Board of Directors. The latter is responsible for the internal control and risk management system which, on the basis of information provided to the Chairman and to the Control and Risk Committee by the departments/bodies responsible for internal control and the management of business risks, establishes the guidelines, verifies their suitability and effective functioning and ensures the identification and correct management of the main business risks.

The procedures and organisation subject to the internal control and risk management system is implemented in order to ensure:

- compliance with the laws, regulations, By-Laws and policies;
- the safeguarding of the company's assets;
- the efficiency and effectiveness of the business processes;
- the reliability of financial disclosure.

Main features of the risk management and internal control systems in relation to the financial reporting process contained in the financial statements and in the half-year report

SEA's Internal Control System on financial reporting ensures the exchange of data and information with its subsidiary companies and implements its coordination. In particular, this activity is carried out through the dissemination, by the SEA parent company, of regulations on the application of the accounting policies for the preparation of the SEA Group consolidated financial statements and the procedures regulating the drafting of annual and consolidated financial statements and half-year financial statements and reports. The setting of controls occurs at the end of a process carried out by the SEA parent company according to a targeted approach to identify the individual organisational entities' typical critical issues that could have significant impacts on financial reporting.

Description of the risk management and internal control systems' main features in relation to the financial reporting process

As regards the financial reporting process, the risk management system should not be considered as distinct from the internal control system. The System is intended to ensure the trustworthiness, accuracy, reliability and timeliness of financial reporting.

The Risk Management and Internal Control System's monitoring process over financial reporting is divided into the following phases:

1. Identification of risks on financial reporting: the activity is carried out with reference to the SEA separate financial statements and the SEA Group consolidated financial statements, taking qualitative and quantitative aspects into account primarily for the selection of the relevant companies to be included in the analysis and, thereafter, of significant transactions.
2. Assessment of risks on financial reporting: risks are assessed in terms of the potential qualitative and quantitative impact. Risk assessment is carried out at both the individual company and specific process levels.
3. Identification of controls implemented to mitigate previously-identified risks, both at the individual company and process levels.

In 2017, the Board of Directors approved the Enterprise Risk Management Policy, which defined an ERM division, under the responsibility of the Chief Financial and Risk Officer, as a second level of risk management control to support corporate structures in the identification and management of business risks, through the development of tools, frameworks and methodologies, and to guarantee periodic reporting to middle and top management on the evolution of the risk profile.

This means that, with the support of risk specialists and the ERM division, corporate and line managements are the primary owners of the identification, assessment and management of the risks for which they are responsible. Top management then periodically reviews the overall company risk profile and opportunely orients the management of the main emerging risks, approving proposed response plans in line with the strategic objectives and corporate risk propensity defined by the Board of Directors.

The described Internal Control and Risk Management System's components are mutually coordinated and interdependent and the System as a whole involves - with different roles and according to a rationale of collaboration and coordination - administrative bodies, supervisory and control bodies, and the company and SEA Group management. The SEA Board of Directors has not appointed an executive director responsible for overseeing the functionality of the internal control and risk management system.

Control and Risks Committee Functions

The Committee performs advisory and recommendation functions to the Board of Directors on internal control and risk management. The CRC identifies business risks and submits them for examination by the Board of Directors, and finally implements the Board's guidelines through the internal control system's definition, management and monitoring. The Control and Risk Committee also examines and approves the Annual Audit Plan.

The Committee also fulfils the functions of Related Parties Committee (except for transactions concerning matters that are the exclusive prerogative of the Remuneration and Appointments Committee).

Internal Audit Manager

The audit on the suitability and functionality of the Internal Control and Risk Management System is entrusted to the Internal Audit Department. The Internal Audit Manager reports to the Chairman and to the Control and Risk Committee; he/she is not responsible for any operational area and does not hierarchically report to any manager responsible for operational areas, including the administration and finance areas. The Internal Audit Manager audits the functionality and suitability of the internal control and risk management system and compliance with internal procedures issued for this purpose. The Internal Audit Manager has autonomy in expenditure and extends his/her activities to all the companies in the SEA Group through specific service contracts. Similarly, the SEA Internal Audit Department reports hierarchically to the Chairman and functionally, to the Board of Directors. The Internal Audit Department is entrusted with auditing the effectiveness, suitability and upkeep of the Organisation and Management Model pursuant to Legislative Decree No. 231/2001, on the instructions of the SEA Supervisory Boards and the subsidiary companies.

Independent Audit Firm

Deloitte & Touche SpA is the Independent Audit Firm appointed to audit the separate and consolidated annual financial report, to periodically verify corporate accounting practices and to carry out the limited audit of the SEA consolidated half-year financial report. The appointment was conferred by the Shareholders' Meeting on June 24, 2013 and extended to financial year 2022 by the Shareholders' Meeting of May 4, 2016. The Board of Statutory Auditors and the Independent Audit Firm regularly exchange information and data in relation to the controls carried out.

Supervisory Board as per Legislative Decree 231/2001

The Supervisory Board, appointed by the Board of Directors and in office at June 30, 2018, is composed of four members: two external independent members - Alberto Mattioli (appointed on May 4, 2016) and Giovanni Maria Garegnani (appointed on January 25, 2018) - the Auditing Department Manager - Ahmed Laroussi (appointed on May 4, 2016) - and a non-executive member of the Board of Directors - Michaela Castelli (appointed on May 25, 2017).

On February 8, 2018, the Supervisory Board appointed Giovanni Maria Garegnani as Chairman.

The Supervisory Board regularly reports to the Board of Directors on the Model's effectiveness, its suitability and upkeep. It sends a written report to the Board of Directors every six months and annually on the 231 Model's implementation status and, in particular, on controls and audits performed and on any critical issues that emerged.

The Supervisory Board has autonomous powers of initiative, control and expenditure.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

SEA has adopted an Organisation and Management Model pursuant to Legislative Decree 231/2001 - which lays down the *"Rules on the administrative liability of legal persons, companies and associations, including those without legal status"* (the "Decree") to prevent the offences envisaged by the Decree. The Model is, therefore, adopted in compliance with the Decree's provisions. The Model was adopted by the SEA Board of Directors by resolution of December 18, 2003 and more recently amended and supplemented by the resolution of the Board of Directors of June 28, 2018. The Model was therefore updated in line with the offences set out in the Decree. The Model consists of a "General Section", a "Special Section" and individual "Components". SEA's subsidiary companies have adopted their

own Organisation and Management Model pursuant to Legislative Decree 231/2001.

Related Parties Transactions Policy

The company has adopted a Related Parties Transactions Policy (the "RPT Policy"), in effect since February 2, 2015. The Policy was updated in the period by Board of Directors' motion of February 22, 2018.

The RPT Policy is also available on the company's website *www.seamilano.eu.*

In assessing the substantial and procedural correctness of transactions with related parties, the Board of Directors is assisted by the Related Parties Committee which is identical to the Control and Risk Committee or the Remuneration and Appointments Committee, depending on the matters dealt with from time to time.

Code of Conduct

The applicable Code of Conduct was approved by the Board of

Directors on December 17, 2015 and is an integral part of the Organisation and Management Model pursuant to Legislative Decree 231/2001.

The Code of Conduct forms part of the broader "Ethics System" adopted by the Board and defines the framework of the reference values and principles which the SEA Group proposes to adopt in the corporate decision-making process.

The main duties of the Ethics Committee, composed of a member of the SEA Board of Directors and the "Human Resources and Organisation", "Legal and Corporate Affairs" and "Audit" departmental managers, is to promote the Code of Conduct's dissemination and to monitor compliance thereof.

Anti-Corruption Focal Point

With effect from January 31, 2014, the company identified an anti-corruption focal point in the person of the Legal & Corporate Affairs Director who is also a member of the Ethics Committee.

The anti-corruption focal point deals with any communication on corruption, including toward third parties; the role, prerogatives and responsibilities are therefore not comparable with those provided for by applicable legislation in relation to the Anti-Corruption Manager (namely, the person in charge pursuant to Law 190/2012).

Management system for the prevention of corruption (UNI ISO 37001:2016 certified)

SEA, confirming its commitment to the prevention and combatting of illegal practices, has adopted a System for the Prevention of Corruption, approved by the Board of Directors on February 22, 2018, which integrates, using an organic framework, existing company corruption prevention and combatting tools.

SEA's Management System for the Prevention of Corruption was certified on March 8, 2018 according to the UNI ISO 37001:2016 "Anti-bribery Management System" standard.

Diversity policies

The obligations of article 123(a), paragraph 2 of Legislative Decree No. 58/1998 require a description of the Company's policies on the composition of the administrative, management and governing bodies taking into account aspects such as age, gender, professional and educational background. For cases where no policy has been adopted, there is a requirement to explain this decision which we now outline below.

SEA's By-Laws, in compliance with the legislative provisions, comprehensively cover gender diversity within the Board of Directors and Board of Statutory Auditors; no policy on diversity was adopted with regard to the two aforementioned aspects of age and professional and educational background.

Adopting a diversity policy could however be reviewed given that the SEA corporate bodies are subject to renewal for the 2019 financial year with the approval of the financial statements at December 31, 2018. This is also the first renewal taking place after the implementation of the aforementioned legal provision.

The Board of Directors, therefore at its Board meeting of February 22, 2018 decided to research the option of adopting a policy on diversity based the above conditions.

SEA Group – Consolidated Financial Statements

Consolidated Financial Statements

Consolidated Statement of Financial Position

		June 30, 2018		December 31, 2017	
(Euro thousands)	Note	Total	of which related parties	Total	of which related parties
Intangible assets	8.1	993,327		998,182	
Property, plant & equipment	8.2	202,515		204,971	
Investment property	8.3	3,410		3,394	
Investments in associates	8.4	53,413		54,054	
AFS Investments	8.5	26		26	
Deferred tax assets	8.6	53,284		51,152	
Other non-current financial assets	8.7	7,190		7,190	
Other non-current receivables	8.8	200		280	
Total non-current assets		**1,313,365**	**0**	**1,319,249**	**0**
Inventories	8.9	3,605		4,104	
Trade receivables	8.10	129,099	9,417	111,077	9,419
Tax receivables	8.11	1,516		14,941	
Other current receivables	8.11	10,897	2,914	9,200	
Other current financial assets	8.7	7,500		13,300	
Cash and cash equivalents	8.12	49,889		67,194	
Total current assets		**202,506**	**12,331**	**219,816**	**9,419**
Assets held-for-sale	8.13	5,800			
TOTAL ASSETS		**1,521,671**	**12,331**	**1,539,065**	**9,419**
Share capital	8.14	27,500		27,500	
Other reserves	8.14	294,412		279,584	
Net Profit	8.14	57,443		84,070	
Group Shareholders' Equity		**379,355**		**391,154**	
Minority int. interest share. equity	8.14	**24**		**23**	
Group & Minority int. share. equity		**379,379**		**391,177**	
Provision for risks and charges	8.15	171,637		169,935	
Employee provisions	8.16	47,062		47,834	
Non-current financial liabilities	8.17	535,905		546,289	
Other non-current payables	8.18	15,803		17,588	
Total non-current liabilities		**770,407**		**781,646**	
Trade payables	8.19	124,730	5,208	153,497	4,519
Income tax payables	8.20	35,078		8,370	
Other payables	8.21	189,713		174,592	
Current financial liabilities	8.17	22,364		29,783	
Total Current Liabilities		**371,885**	**5,208**	**366,242**	**4,519**
TOTAL LIABILITIES		**1,142,292**	**5,208**	**1,147,888**	**4,519**
TOTAL LIAIBILITIES & SHARE. EQUITY		**1,521,671**	**5,208**	**1,539,065**	**4,519**

Consolidated Income Statement

(Euro thousands)	Note	H1 2018 Total	H1 2018 of which related parties	H1 2017 restated Total	H1 2017 restated of which related parties
Operating revenues *	9.1	324,749	20,028	311,593	19,544
Revenue for works on assets under concession	9.2	11,889		9,286	
Total revenues		**336,638**	**20,028**	**320,879**	**19,544**
Operating costs					
Personnel costs	9.3	(94,903)		(98,919)	
Consumable materials	9.4	(17,521)		(16,442)	
Other operating costs	9.5	(84,986)		(78,169)	
Costs for works on assets under concession	9.6	(11,039)		(8,597)	
Total operating costs		**(208,449)**	**(7,276)**	**(202,127)**	**(6,502)**
**EBITDA ** **		**128,189**	**12,752**	**118,752**	**13,042**
Provisions & write-downs	9.7	(976)		(2,488)	
Restoration and replacement provision	9.8	(7,539)		(6,055)	
Amortisation & Depreciation	9.9	(35,934)		(34,134)	
EBIT		**83,740**	**12,752**	**76,075**	**13,042**
Investment income/(charges)	9.10	4,248	4,248	4,080	4,080
Financial charges	9.11	(8,838)		(9,036)	
Financial income	9.11	983		251	
Pre-tax profit		**80,133**	**17,000**	**71,370**	**17,122**
Income taxes	9.12	(22,689)		(20,270)	
Continuing Operations profit		**57,444**	**17,000**	**51,100**	**17,122**
Discontinued Operations profit	6	**0**	**0**	**1,556**	**0**
Minority interest profit		1		18	
Group Net Profit		**57,443**	**17,000**	**52,638**	**17,122**
Basic net result per share (in Euro)	10	0.23		0.21	
Diluted net result per share (in Euro)	10	0.23		0.21	

* *From 2018, following the entry into force of IFRS 15 which provides for the combined presentation of contracts with a single commercial objective, the incentives provided to airline companies to develop traffic were classified as a reduction of revenues. In 2017, they were classified under "Other operating costs". For comparability purposes, the 2017 figures were reclassified.*
** *EBITDA is calculated as the difference between total revenues and total costs, excluding provisions and write-downs.*

Consolidated Comprehensive Income Statement

(Euro thousands)	H1 2018 Total	H1 2018 of which related parties	H1 2017 Total	H1 2017 of which related parties
Group Net Profit	**57,443**	**17,000**	**52,638**	**17,122**
- Items reclassifiable in future periods to the net result				
Fair value measurement of derivative financial instruments	853		1,435	
Tax effect from fair value measurement of derivative financial instruments	(205)		(344)	
Total items reclassifiable, net of tax effect	**648**		**1,091**	
- Items not reclassifiable in future periods to the net result				
Actuarial gains/(losses) on post-employment benefits	539		1,484	
Tax effect on actuarial gains/(losses) on post-employment benefits	(129)		(356)	
Total items not reclassifiable, net of tax effect	**410**		**1,128**	
Total other comprehensive income items	**1,058**		**2,219**	
Total comprehensive profit	**58,502**		**54,875**	
Attributable to:				
- Parent company shareholders	58,501		54,857	
- Minority interest	1		18	

Consolidated Cash Flow Statement

(Euro thousands)	H1 2018 Total	H1 2018 of which related parties	H1 2017 Total	H1 2017 of which related parties
Cash flow from operating activities				
Pre-tax profit	80,133		71,370	
Adjustments:				
Amortisation, depreciation and write-downs	35,934		34,134	
Net change in provisions (excl. employee provision)	1,972		(1,789)	
Changes in employee provisions	(544)		(1,450)	
Net changes in doubtful debt provision	636		3,327	
Net financial charges	7,304		8,786	
Investment income	(4,248)		(4,080)	
Income from Anti-trust judge. (exc. interest portion)			(2,429)	
Other non-cash changes	107		(769)	
Cash generated (absorbed) from operating activities before changes in working capital of discontinued operations			(217)	
Cash flow from operating activities before changes in working capital	**121,294**		**106,883**	
Change in inventories	284		83	
Change in trade and other receivables	(17,398)	(2,912)	(48,520)	(4,119)
Change in other non-current assets	80		18	
Change in trade and other payables	(16,599)	689	(22,741)	1,964
Receipt IRES receiv. from click day 2013	10,712			
Cash generated (absorbed) from changes in working capital of discontinued operations			(475)	
Cash flow from changes in working capital	**(22,921)**	**(2,223)**	**(71,635)**	**(2,155)**
Income taxes paid			(16,324)	
Anti-trust penalty reimburse. (inc. interest portion)	2,430			
Cash generated (absorbed) from oper. activities of discontinued operations				
Cash flow from operating activities	**100,803**	**(2,223)**	**18,924**	**(2,155)**
Investments in fixed assets:				
- intangible assets (*)	(16,815)		(14,136)	
- tangible assets	(8,673)		(7,510)	
Divestments from fixed assets:				
- tangible assets	111		1,101	
Dividends received	2,166	2,166	4,169	4,169
Cash generated (absorbed) from investing activities of discontinued operations			32	
Cash flow absorbed from investing activities	**(23,211)**	**2,166**	**(16,344)**	**4,169**
Change in gross financial debt				
- increase/(decrease) of short & medium-term debt	(10,405)		71,139	
Changes in other financial assets/liabilities	(1,322)		(899)	
Dividends distributed	(70,262)		(70,304)	
Interest and commissions paid	(12,910)		(13,153)	
Interest received	2		6	
Cash generated (absorbed) from financing activities of discontinued operations				
Cash flow absorbed from financing activities	**(94,897)**		**(13,211)**	
Increase/(decrease) in cash and cash equivalents	**(17,305)**	**(57)**	**(10,631)**	**2,014**
Opening cash and cash equivalents	67,194		56,414	
Closing cash and cash equivalents	49,889		45,783	
-of which cash and cash equivalents of discontinued operations			8,518	
Cash and cash equivalents at period-end reported in financial statements	49,889		37,265	

(*) *The investments in intangible assets are net of the utilisation of the restoration provision, which in H1 2018 amounted to Euro 3,334 thousand (Euro 3,217 thousand in H1 2017).*

Statement of changes in Consolidated Shareholders' Equity

(Euro thousands)	Share Capital	Legal reserve	Other reserves and retained earnings (accumulated losses)	Actuarial gains/ (losses) reserve	Derivative contracts hedge accounting reserve	Net profit	Consolidated share-holders' equity	Minority interest capital and reserves	Group & Minority int. share. equity
Balance at December 31, 2016	**27,500**	**5,500**	**256,707**	**(1,258)**	**(6,804)**	**93,619**	**375,264**	**566**	**375,830**
Transactions with shareholders									
Allocation of 2016 net profit			93,619			(93,619)			**0**
Dividend approved			(70,300)				**(70,300)**		**(70,300)**
Acquisition SEA Prime shares			228				**228**	(478)	**(250)**
Other movements									
Other comprehensive income statement items result				42	1,850		**1,892**		**1,892**
Net profit						84,070	**84,070**	(65)	**84,005**
Balance at December 31, 2017	**27,500**	**5,500**	**280,254**	**(1,216)**	**(4,954)**	**84,070**	**391,154**	**23**	**391,177**
Transactions with shareholders									
Allocation of 2017 net profit			84,070			(84,070)			**0**
Dividend approved			(70,300)				**(70,300)**		**(70,300)**
Other movements									
Impact IFRS 9			1		(1)		**0**		**0**
Other comprehensive income statement items result				410	648		**1,058**		**1,058**
Net profit						57,443	**57,443**	1	**57,444**
Balance at June 30, 2018	**27,500**	**5,500**	**294,025**	**(806)**	**(4,307)**	**57,443**	**379,355**	**24**	**379,379**


3

Notes to the Condensed Consolidated Half-Year Financial Statements

1. General information

Società per Azioni Esercizi Aeroportuali SEA 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 manages Milan Malpensa Airport and Milan Linate Airport under the 2001 Agreement signed between SEA and ENAC with a forty year duration (renewing the previous agreement 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).

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.

In 2017 and 2018 the Handling business only concerned the general aviation handling of the associated company Signature Flight Support Italy Srl (held indirectly 39.96% by SEA) and of the associated company Malpensa Logistica Europa SpA (held 25%), which operates outside of the commercial aviation handling business.

The Group also holds the following investments in associates and measured under the equity method: (i) Dufrital (held 40%) which undertakes commercial activities at other Italian airports, including Bergamo, Genoa and Verona; (ii) Malpensa Logistica Europa (held 25%) which undertakes integrated logistics activities; (iii) SEA Services (held 40%) which operates in the catering sector for the Milan airports; (iv) Disma (held 18.75%) which manages a plant for the storage and distribution of aviation fuel at Milan Malpensa Airport; (v) Signature Flight Support Italy Srl (indirectly held 39.96%) which provides general aviation handling services and (vi) SACBO (held 30.98%) which manages the airport of Bergamo, Orio al Serio.

The activities carried out by the SEA Group, as outlined above, are therefore structured into the business units Commercial Aviation, General Aviation and Energy, with the Group sourcing revenues as illustrated in paragraph 7 "Operating segments".

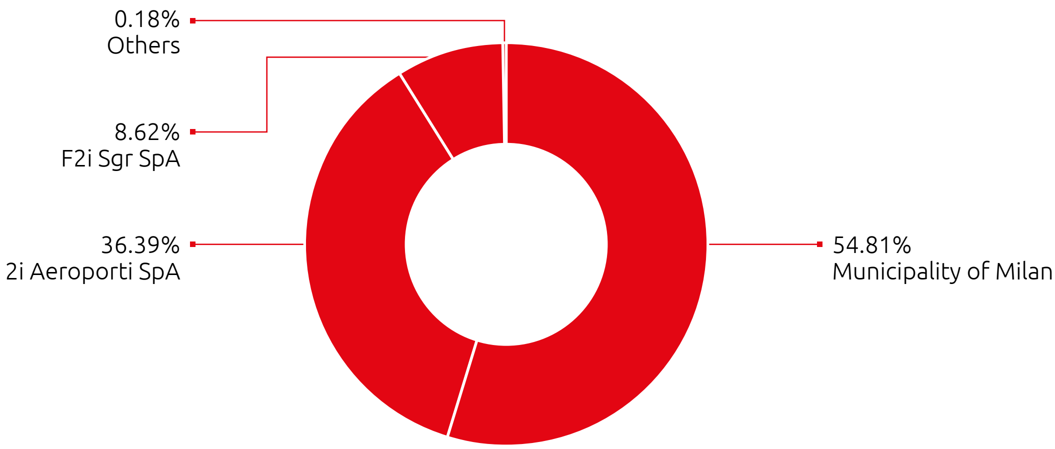
At the preparation date of the present document, the shareholder structure was as follows:

PUBLIC SHAREHOLDERS 8 companies	
Municipality of Milan (*)	54.81%
Municipality of Busto Arsizio	0.06%
Other public shareholders	0.08%
Total	**54.95%**

PRIVATE SHAREHOLDERS	
2i Aeroporti SpA	36.39%
F2i Sgr SpA (**)	8.62%
Other private shareholders	0.04%
Total	**45.05%**

(*) Holder of Class A shares

(**) On behalf of F2i - second Italian Fund for infrastructure



On February 15, 2018, the shares held by the Province of Varese were purchased by 2i Aeroporti SpA.

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, 2017, with particular reference to the analysis of the individual accounts, with the disclosure in the present Half-Year Report, as per IAS 34, and the explanations for the changes to the comparative accounts. In the preparation of the condensed consolidated financial statements at June 30, 2018, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements at December 31, 2017, updated as indicated below to take account of those issued recently.

The preparation of the condensed consolidated half-year financial statements and the relative 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, 2018. 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.

For the present Half-Year Report, indicators of impairment requiring advanced testing from the usual year-end test did not emerge.

2.1 Recently issued accounting standards

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2018:

- Standard **IFRS 15 - Revenue from Contracts with Customers** (published on May 28, 2014 and supplemented with further clarifications on April 12, 2016) which replaces IAS 18 - Revenue and IAS 11 - Construction Contracts, in addition to the interpretations IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfers of Assets from Customers and SIC 31 - Revenues-Barter Transactions Involving Advertising Services. The standard establishes a new revenue recognition model, which will apply to all contracts with clients, with the exception of those falling under the application of other IAS/IFRS such as leasing, insurance contracts and financial instruments. The essential issues for the recognition of revenues according to the new model are:
  - the identification of the contract with the client;
  - the identification of the performance obligations contained in the contract;
  - the establishment of the price;
  - the allocation of the price to the performance obligations of the contract;
  - the recognition criteria of the revenue where the entity satisfies the performance obligations.

  This standard is effective as of January 1, 2018. Reference should be made to the Notes in the Income Statement which describe the effects of this standard.
- Final version of **IFRS 9 - Financial Instruments** (published on July 24, 2014). The document incorporates the results of the IASB project to replace IAS 39:

- introduces new criteria for the classification and measurement of financial assets and liabilities (together with the measurement of the non-significant adjustments of the financial liabilities);
- the impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model, utilising supporting information, available without unreasonable charges or effort, which includes historic, current and projected figures;
- introduces a new hedge accounting model (increase in the types of transactions eligible for hedge accounting, changes in the accounting method of forward contracts and options when included in a hedge accounting relationship, change in the effectiveness test).

The new standard is effective as of January 1, 2018. Reference should be made to the Notes in the Balance Sheet which describe the effects of this standard.

- Amendment to **IFRS 2 "Classification and measurement of share-based payment transactions** (published on June 20, 2016) which contains clarifications upon the recognition of the effects of vesting conditions in the presence of cash-settled share-based payments, on the classification of share-based payments with characteristics of net settlement and the recognition of the amendments to the terms and conditions of a share-based payment which changes the classification from cash-settled to equity-settled. The amendements were applied from January 1, 2018: The adoption of this amendment does not have effects on the consolidated financial statements of the Group.
- **"Annual Improvements to IFRSs: 2014-2016 Cycle"**, published on December 8, 2016 (including IFRS 1 First-Time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters, IAS 28 Investments in Associates and Joint Ventures - Measuring investees at fair value through profit or loss: an investment-by-investment choice or a consistent policy choice, IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the Standard) which partially integrates the pre-existing standards. The majority of the changes were applied from January 1, 2018. The adoption of these amendments does not have any effects on the Group consolidated financial statements.
- Amendment to IAS 40 **"Transfers of Investment Property"** (published on December 8, 2016). These changes clarify the transfers of a building to, or from, investment property. In particular, an entity shall reclassify a building to, or from, investment property only when there has been a change in use of the building, related to a specific event. The changes were applied from January 1, 2018. Their introduction does not have any effects on the Group consolidated financial statements.
- **Interpretation IFRIC 22 "Foreign Currency Transactions and Advance Consideration"** (published on December 8, 2016). The interpretation provides guidelines for transactions in foreign currencies where advances or non-monetary payments on account are recorded in the financial statements, before the recognition of the relative asset, cost or revenue. This document provides indications on how an entity should determine the date of a transaction, and consequently, the exchange rate to be utilised concerning operations in foreign currencies concerning payments made or received in advance. IFRIC 22 was applied from January 1, 2018. The adoption of this interpretation did not have any effects on the Group consolidated financial statements.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at June 30, 2018

- **IFRS 16 - Leases** (published on January 13, 2016) which replaces IAS 17 - Leases, as well as the interpretations IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases—Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard provides a new definition of leases and introduces a criterion based on control (right of use) of an asset to distinguish leasing contracts from service contracts, identifying essential differences: the identification of the asset, the right of replacement of the asset, the right to obtain substantially all the economic benefits from the use of the asset and the right to use the asset underlying the contract. The standard establishes a single model to recognise and measure leasing contracts for the leasee (lessees) which provides also for the recognition of operating leases under assets with a related financial payable, providing the possibility not to be recognise as leasing contracts "low-value assets" (leasing contracts with an asset value below Euro 5,000) and leasing contracts less than 12 months. This Standard does not contain significant amendments for lessors. The standard will be effective from January 1, 2019, although advance application is permitted. Not having opted for early application, it is not possible to provide a definitive estimate of the effects until the Group has completed a detailed analysis of the relative contracts.

- Amendment to **IFRS 9 "Prepayment Features with Negative Compensation** (published on October 12, 2017). This document specifices that instruments which provide for an advance repayment could comply with the "SPPI" test also in the case where the "reasonable additional compensation" to be paid in the event of advance repayment is a "negative compensation" for the lender. The amendment applies from January 1, 2019, although early application is permitted. The directors are currently assessing the possible effects from the introduction of these amendments on the Group consolidated financial statements.

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

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On May 18, 2017, the IASB published **IFRS 17 - Insurance Contracts** which replaces IFRS 4 - Insurance Contracts. The new standard ensures that an entity provides pertinent information which accurately presents the rights and obligations under insurance contracts. The IASB developed the standard in order to eliminate inconsistencies and weaknesses in the existing accounting policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer. The standard is effective from January 1, 2021, although advance application is permitted, only for entities applying IFRS 9 - Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The Directors do not expect this standard to have a significant impact on the Group consolidated financial statements.
- On June 7, 2017, the IASB published the interpretative document **IFRIC 23 - Uncertainty over Income Tax Treatments**. The document deals with uncertainties on the tax treatment to be adopted for income taxes. It establishes that uncertainties in the calculation of tax liabilities or assets are reflected in the financial statements only where it is probable that the entity will pay or recover the amount in question. In addition, the document does not contain any new disclosure obligations, but underlines that an entity should establish whether it will be necessary to provide infor-

mation on considerations made by management and the relative uncertainty concerning the accounting of income taxes, in accordance with IAS 1. The new interpretation applies from January 1, 2019, although early application is permitted. The directors are currently assessing the possible effects from the introduction of this interpretation on the Group consolidated financial statements.

- Amendment to **IAS 28 "Long-term Interests in Associates and Joint Ventures"** (published on October 12, 2017). This document clarifies the need to apply IFRS 9, including the impairment requirements, to other long-term interests in associates and joint ventures for which the equity method is not applied. The amendment applies from January 1, 2019, although early application is permitted. The directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.
- **"Annual Improvements to IFRSs 2015-2017 Cycle"**, published on December 12, 2017 (among which IFRS 3 Business Combinations and IFRS 11 Joint Arrangements - Remeasurement of previously held interest in a joint operation, IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity, IAS 23 Borrowing costs Disclosure of Interests in Other Entities - Borrowing costs eligible for capitalisation) which include the amendments to some standards within the annual improvement process. The amendments are applicable from January 1, 2019, although advance application is permitted. The directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.
- Amendment to **IAS 19 "Plant Amendment, Curtailment or Settlement"**, published on February 7, 2018. The document clarifies that an entity must recognise a change (i.e. a curtailment or a settlement) of a defined benefit plan. The amendments require the entity to update their assumptions and remeasure the net liability or asset from the plan. The amendments clarify that after the occurrence of this event, an entity utilises updated assumptions to measure the current service cost and interest for the remainder of the period. The amendments are applicable from January 1, 2019, although advance application is permitted. The directors are currently assessing the possible effects from the introduction of these amendments on the Group consolidated financial statements.
- On September 11, 2014, the IASB published an amendment to **IFRS 10 and IAS 28 "Sales or Contribution of Assets between an Investor and its Associate or Joint Venture"**. The document was published in order to resolve the current conflict between IAS 28 and IFRS 10 relating to the measurement of the gain or loss from the sale or conferment of a non-monetary asset to a joint venture or associate in exchange for a share of the capital of this latter. Currently, the IASB has suspended the application of this amendment. The directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

2.2 Financial Statements

These Condensed Consolidated Half-Year Financial Statements, as part of the Half-Year Report, include the consolidated statement of financial position at June 30, 2018 and at December 31, 2017, the consolidated income statement, the comprehensive consolidated income statement, the consolidated cash flow statement, the change in consolidated shareholders' equity at June 30, 2018 and December 31, 2017 and the relative explanatory notes.

In relation to the presentation method of the financial statements "the current/non-current" criterion was adopted for the statement of financial position 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 Report at June 30, 2018 was prepared in thousands of Euro, as were the tables reported in the Explanatory Notes.

The Half-Year Report at June 30, 2018 was subject to limited review by the Independent Audit Firm Deloitte & Touche S.p.A., the Auditor of the Company and of the

Group and approved by the Board of Directors of the Parent company SEA S.p.A. on July 31, 2018.

2.3 Consolidation scope and changes in the year

The registered office and the share capital of the companies included in the consolidation scope at June 30, 2018 under the full consolidation method and equity method are reported below:

Company	Registered office	Share capital at 30/06/2018 (Euro)	Share capital at 31/12/2017 (Euro)
SEA S.p.A.	Milan Linate Airport - Segrate (MI)	27,500,000	27,500,000
SEA Energia S.p.A.	Milan Linate Airport - Segrate (MI)	5,200,000	5,200,000
SEA Prime S.p.A.	Viale dell'Aviazione, 65 - Milan	2,976,000	2,976,000
Signature Flight Support Italy S.r.l. (1)	Viale dell'Aviazione, 65 - Milan	420,000	420,000
Dufrital S.p.A.	Via Lancetti, 43 - Milan	466,250	466,250
SACBO S.p.A.	Via Orio Al Serio, 49/51 - Grassobbio (BG)	17,010,000	17,010,000
SEA Services S.r.l.	Via Caldera, 21 - Milan	105,000	105,000
Malpensa Logistica Europa S.p.A.	Milan Linate Airport - Segrate (MI)	6,000,000	6,000,000
Disma S.p.A.	Milan Linate Airport - Segrate (MI)	2,600,000	2,600,000

The companies included in the consolidation scope at June 30, 2018 and the respective consolidation methods are reported below:

Company	Consolidation method at 30/06/2018	Group % holding at 30/06/2018	Group % holding at 31/12/2017
SEA S.p.A.	Parent company		
SEA Energia S.p.A.	Line-by-line	100%	100%
SEA Prime S.p.A.	Line-by-line	99.91%	99.91%
Signature Flight Support Italy S.r.l. (1)	Net Equity	39.96%	39.96%
Dufrital S.p.A.	Net Equity	40%	40%
SACBO S.p.A.	Net Equity	30.979%	30.979%
SEA Services S.r.l.	Net Equity	40%	40%
Malpensa Logistica Europa S.p.A.	Net Equity	25%	25%
Disma S.p.A.	Net Equity	18.75%	18.75%

(1) *Associate of SEA Prime SpA*

3. Accounting policies and consolidation methods

In the preparation of these Condensed Consolidated Financial Statements, the same accounting policies and consolidation methods adopted for the preparation of the 2017 Annual Financial Statements were applied.

4. Risk Management

The risk management strategy of the Group is based on minimising potential negative effects related to the financial and operating performance. Some types of risk are offset through recourse to derivative instruments. The management of the above-mentioned risks is undertaken by the parent company which identifies, evaluates and undertakes hedging of financial risks, in close collaboration with other entities of the Group.

4.1 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 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.

A summary of the trade receivables and the relative doubtful debt provisions is reported below:

TRADE RECEIVABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Trade receivables - customers	222,095	203,516
- of which overdue	123,463	121,048
Doubtful debt provision - customers	(102,413)	(101,858)
Trade receivables - associates	9,880	9,815
Doubtful debt provision - associates	(463)	(396)
Total net trade receivables	**129,099**	**111,077**

The aging of the overdue receivables is as follows:

TRADE RECEIVABLES - CUSTOMERS

(Euro thousands)	June 30, 2018	December 31, 2017
less than 180 days	17,283	22,661
more than 180 days	106,180	98,387
Total trade receivables overdue	**123,463**	**121,048**

The doubtful debt provision was amended in accordance with the methods described in IFRS 9, whose application is obligatory from January 1, 2018. A key element of the new standard is the transition from the concept of 'Incurred Loss' to that of 'Expected Loss': the doubtful debt provision must be determined by taking into account the risks of non-collection related not only to past-due receivables but also on those falling due. There is, therefore, a need to determine a 'risk ratio', representative of the riskiness of commercial counterparties, which varies according to the credit position (performing or expired, with different bands for those that expired based on overdue days). There is also the need to include forward-looking elements when determining the 'risk ratio'. A provision matrix was therefore constructed for the write-down of trade receivables. This matrix provides rating classes in rows and the different bands of past-due or falling due in columns. The calculated risk ratio represents the probability that the client does not honour its debt and the percentage of credit, obtained from a historical analysis, with the possibility of the client being in default. The provision was recalculated at December 31, 2017 in accordance with the matrix, and the difference recorded with the provision calculated in the 2017 accounts was not material. This result is justified by the fact that the evaluation model in use until December 2017 also includes forward-looking elements that allow management to value the expected loss.

4.2 Market risks

The market risk to which the SEA Group is exposed comprises all types of risks directly and indirectly related to market prices. In H1 2018, the market risks to which the SEA Group were subject were:

a. interest rate risk;
b. currency risk;
c. commodity risk, related to the volatility of the energy commodity prices, in SEA Energia.

a) 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 makes 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.

At June 30, 2018, the gross financial debt of the SEA Group was comprised of medium/long-term loans (medium/long term portions of loans) and short-term loans (the medium/long-term portion of loans maturing within 12 months). At this date the SEA Group did not make recourse to short-term debt.

The medium/long term debt at June 30, 2018 is reported in the following table, which shows each loan at the nominal value (which includes a spread of between 0.20% and 1.62%, not considering the hedging operations and any accessory guarantees):

MEDIUM/LONG TERM LOANS

		June 30, 2018		December 31, 2017	
(Euro thousands)	Maturity	Amount	Average rate	Amount	Average rate
Bonds	**2021**	**300,000**	**3.125%**	**300,000**	**3.125%**
Bank loans - EIB funding	**from 2018 to 2037**	**251,707**	**1.06%**	**261,849**	**1.07%**
o/w at Fixed Rate		48,296	3.90%	51,557	3.89%
o/w at Variable Rate (*)		203,411	0.39%	210,292	0.38%
Other bank loans	**2020**	**110**	**0.50%**	**154**	**0.50%**
o/w at Fixed Rate		110	0.50%	154	0.50%
o/w at Variable Rate					
Medium/long-term gross financial debt		**551,817**	**2.18%**	**562,003**	**2.17%**

(*) *Includes: (i) variable rate tranche subject to interest rate hedge (ca. 31% at 30.06.2018 & 32% at 31.12.2017);*
(ii) Euro 80 million of EIB loans with specific bank guarantee

The total value of medium/long-term loans at June 30, 2018 amounts to Euro 551,817 thousand, a reduction of Euro 10,186 thousand compared to December 31, 2017, due to repayments on these loans. The average cost of this debt remained stable, reaching 2.18% at June 30, 2018. Also considering the hedging transactions against the interest rate risk and the cost of bank guarantees on EIB loans, the average cost of debt amounts to 2.78%, stable compared to December 2017.

At June 30, 2018, the Group has the following bond issue with a total nominal value of Euro 300 million.

Description	Issuer	Listing market	ISIN Code	Term (years)	Maturity	Par value (in Million of Euros)	Coupon	Annual rate
SEA SpA 3 1/8 04/17/21	SEA SpA	Irish Stock Exchange	XS 1053334373	7	04/17/2021	300	Fixed annual	3,125%

The fair value of the overall bank and bond medium/long-term Group debt at June 30, 2018 amounts to Euro 573,207 thousand (reduction on Euro 593,482 thousand at December 31, 2017). This value was calculated as follows:

- for the loans at fixed interest rates, the capital portion and interest were discounted utilising the spot rates for each contractual maturity, extrapolated from the market rates;
- for the bond listed on a regulated market, reference was made to the market value at June 30, 2018;
- for the loans at variable interest rates, the interest portion was calculated utilising the estimate of the expected rates at the end of each contractual maturity, increased by the spread defined contractually. The interest portion defined as outlined above and the capital on maturity was discounted utilising the spot rate for each contractual maturity, extrapolated from the market rate.

The following table reports the derivative instruments utilised by the SEA Group to cover the interest rate risk (measured based on the cash flow hedge method).

INTEREST RATE HEDGES

	Notional at signing date	Residual Notional at 30/06/2018	Date of signing	Start	Maturity	Fair value at 30/06/2018	Fair value at 31/12/2017
IRS	10,000	8,065	05/18/2011	09/15/2012	09/15/2021	(902)	(1,020)
	5,000	4,032	05/18/2011	09/15/2012	09/15/2021	(451)	(510)
	15,000	10,862	05/18/2011	09/15/2012	09/15/2021	(1,179)	(1,342)
	10,000	6,429	06/06/2011	09/15/2012	09/15/2021	(657)	(751)
	11,000	6,828	06/06/2011	09/15/2012	09/15/2021	(697)	(797)
	12,000	7,034	06/06/2011	09/15/2012	09/15/2021	(706)	(812)
	12,000	7,034	06/06/2011	09/15/2012	09/15/2021	(706)	(812)
Collar	10,000	6,429	06/06/2011	09/15/2011	09/15/2021	(525)	(597)
	11,000	6,448	06/06/2011	09/15/2011	09/15/2021	(516)	(587)
Total		**63,161**				**(6,339)**	**(7,228)**

"-" indicates the cost for the SEA Group of any early closure of the transaction
"+" indicates the benefit for the SEA Group of any early closure of the transaction

The fair value of the derivative financial instruments at June 30, 2018 and December 31, 2017 was determined in accordance with IFRS 13.

b) 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.

c) Commodity risk
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 and environmental certificates connected to the operating management of the company. These risks derive from the purchase of the above-mentioned commodities, which in the case of gas 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 2018, the SEA Group did not undertake any hedging of this risk, although not excluding the possibility in the future.

We also highlight that the SEA Group, through the subsidiary SEA Energia, in order to reduce its exposure to the risk of changes in methane prices, largely ensures procurement through gas supply contracts at fixed prices.

4.3 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;
- obtains committed credit lines (revolving and non), which covers the financial commitments of the Group in the coming 12 months deriving from the investment plans and contractual debt repayments;
- monitors the liquidity position, in relation to the business planning

At June 30, 2018, the SEA Group had irrevocable unutilised credit lines of Euro 180 million, of which Euro 120 million relating to a revolving line available until April 2020 and Euro 60 million relating to a EIB line, utilisation until December 2018, for duration until December 2037. At June 30, 2018, the SEA Group also had a further Euro 158 million of uncommitted credit lines available for immediate cash requirements.

The SEA Group has available committed and uncommitted credit lines which guarantee the covering of future financial needs and current operational needs, with an average maturity of medium/long-term debt of approx. 5 years, including the bond issued in 2014. If the bond loan is excluded, the remaining debt has a maturity of over 6 years (18% over 10 years).

Trade payables are guaranteed by the SEA Group through careful working capital management which largely concerns trade receivables and the relative contractual conditions established.

The tables below illustrates for the SEA Group the breakdown and maturity of the financial debt (capital, medium/long-term interest, financial charges on derivative instruments and leasing) and trade payables at June 30, 2018 and December 31, 2017:

LIABILITIES AT JUNE 30, 2018

(Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	33.6	77.5	360.0	154.5	625.6
Trade payables	124.7				124.7
Total payables	**158.3**	**77.5**	**360.0**	**154.5**	**750.3**

LIABILITIES AT DECEMBER 31, 2017

(Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	35.4	75.0	368.0	169.1	647.5
Trade payables	153.5				153.5
Total payables	**188.9**	**75.0**	**368.0**	**169.1**	**801.0**

At June 30, 2018, loans due within one year relate to the capital portion to be paid on some of the EIB loans and interest due on the total debt. The loan repayment scheduling reflects the capacity of the SEA Group funding to cover medium/long-term needs.

4.4 Sensitivity

In consideration of the fact that for the SEA Group the currency risk is almost non-existent, the sensitivity analysis refers to statement of financial position accounts which could incur changes in value due to changes in interest rates.

In particular, the analysis considered:

- bank deposits;
- loans;
- interest risk derivative hedge instruments.

The assumptions and calculation methods utilised in the sensitivity analysis undertaken by the SEA Group were as follows:

a. Assumptions:
The effect was analysed on the SEA Group income statement for H1 2018 and H1 2017 of a change in market rates of +50 or -50 basis points.

b. Calculation method:
- the remuneration of the bank deposits is related to the interbank rates. In order to estimate the increase/decrease of interest income to changes in market conditions, the change was assumed as per point a) on the average annual balance of bank deposits of the SEA Group;
- the loans measured were those at variable interest rates, which incur interest payable linked to the Euribor at 6 months. The increase/decrease of the interest payable to changes in market conditions was estimated applying the changes assumed as per point a) on the capital portion of the loans held during the year;
- the interest risk derivative hedge instruments were measured both in terms of cash flows and fair value (in terms of changes compared to the same period of the previous year). In both cases, the values were estimated applying the changes as per point a) to the forward curve expected for the period.

The results of the sensitivity analysis are reported below:

(Euro thousands)	June 30, 2018 -50 bp	June 30, 2018 +50 bp	June 30, 2017 -50 bp	June 30, 2017 +50 bp
Current accounts (interest income)	-2.37	233.50	-6.25	130.44
Loans (interest charges)(1)	155.58	-528.65	211.98	-511.94
Derivative hedging instruments (flows)(2)	-167.08	167.08	-183.68	183.68
Derivative hedging instruments (fair value)(3)	-834.98	814.68	-1,193.89	1,155.43

(1) + = lower interest charges; - = higher interest charges
(2) + = revenue from hedge; - = cost of hedge
(3) amount entirely allocated to Net Equity given full efficacy of hedges

The results of the sensitivity analysis undertaken on some accounts of the previous tables are impacted by the low level of the market interest rates. By applying a variation of -50 basis points to the current market interest rate curve, the cash flow corresponding to current accounts and loans would be opposite to those provided for by the related types of contracts; in these cases, these cash flows are set at zero.

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. It should be noted that, for some loans, non-compliance of the covenant terms results in, for the following half-year period, the application of a correlated predetermined spread (in accordance with a contractually defined pricing grid).

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.

5. Classification of the financial instruments

The following tables provide a breakdown of the financial assets and liabilities by category at June 30, 2018 and at December 31, 2017 of the Group.

	June 30, 2018				
(Euro thousands)	**Financial assets measured at Fair Value**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Other comprehensive income statement items**	**Total**
AFS Investments	26				26
Other non-current financial assets		7,190			7,190
Other non-current receivables		200			200
Trade receivables		129,099			129,099
Tax receivables		1,516			1,516
Other current receivables		10,897			10,897
Other current financial assets		7,500			7,500
Assets held-for-sale		5,800			5,800
Cash and cash equivalents		49,889			49,889
Total	**26**	**212,091**	**-**	**-**	**212,117**
Non-current financial liabilities			529,566	6,339	535,905
-of which payables to bondholders			298,661		298,661
Other non-current payables			15,803		15,803
Trade Payables			124,730		124,730
Income tax payables			35,078		35,078
Other current payables			189,713		189,713
Current financial liabilities excl. leasing			22,363		22,363
Current financial liabilities for leasing			1		1
Total	**-**	**-**	**917,255**	**6,339**	**923,594**

	December 31, 2017 (Restated)				
(Euro thousands)	**Financial assets measured at Fair Value**	**Financial assets measured at amortised cost**	**Financial liabilities measured at amortised cost**	**Other comprehensive income statement items**	**Total**
AFS Investments	26				26
Other non-current financial assets		7,190			7,190
Other non-current receivables		280			280
Trade receivables		111,077			111,077
Tax receivables		14,941			14,941
Other current receivables		9,200			9,200
Other current financial assets		13,300			13,300
Cash and cash equivalents		67,194			67,194
Total	**26**	**223,182**	**-**	**-**	**223,208**
Non-current financial liabilities			539,061	7,228	546,289
-of which payables to bondholders			298,441		298,441
Other non-current payables			17,588		17,588
Trade Payables			153,497		153,497
Income tax payables			8,370		8,370
Other current payables			174,591		174,591
Current financial liabilities excl. leasing			29,781		29,781
Current financial liabilities for leasing			3		3
Total	**-**	**-**	**922,891**	**7,228**	**930,119**

The values resulting from the utilisation of the amortised cost method approximates the fair value of the category. The figures at December 31, 2017 were reclassified in accordance with the new categories of IFRS 9 applied by the SEA Group from January 1, 2018.

5.1 Disclosure on fair value

In relation to financial instruments measured at fair value, the table below reports information on the method chosen by the Group to measure the fair value. The methods applied are broken down into the following levels, based on the information available, as follows:

- level 1: prices practiced on active markets;
- level 2: valuation techniques based on observable market information, both directly and indirectly;
- level 3: other information.

The following table shows the Group assets and liabilities measured at fair value at June 30, 2018 and at December 31, 2017:

	June 30, 2018		
(Euro thousands)	Livello 1	Livello 2	Livello 3
AFS Investments			26
Derivative financial instruments		6,339	
Total		**6,339**	**26**

	December 31, 2017		
(Euro thousands)	Level 1	Level 2	Level 3
AFS Investments			26
Derivative financial instruments		7,228	
Total		**7,228**	**26**

6. Discontinued Operations profit/(loss)

The accounting and administration transactions related to the liquidition of SEA Handling Spa in liquidation concluded on June 30, 2017. Therefore the income statement in the first half of 2018 reported a zero result. The Income Statement with a comparison with the first half of 2017 is illustrated below.

DISCONTINUED OPERATIONS INCOME STATEMENT

	H1 2018	H1 2017
(in migliaia di euro)	Total	Total
Operating revenues		299
Total revenues	**0**	**299**
Operating costs		
Personnel costs		(10)
Other operating costs		(369)
Total operating costs	**0**	**(379)**
EBITDA	**0**	**(80)**
Provisions & write-downs		1,636
EBIT	**0**	**1,556**
Financial income		0
Pre-tax result	**0**	**1,556**
Income tax		0
Discontinued Operations profit	**0**	**1,556**

Reference should be made to the paragraph *"Risk related to the European Commission Decision of 19.12.2012 concerning presumed State Aid to SEA Handling and the Decision of July 9, 2014 to explore the establishment of a newly incorporated and capitalised company Airport Handling* in the section "Legal and compliance risks".

7. Disclosure by operating segment

Following the issue of the fixed rate bond of Euro 300 million in April 2014, the Parent Company joins the category of companies with listed securities on regulated markets required to provide disclosure as per IFRS 8. Therefore, the present half-year report includes the figures for the operating segment in H1 2018 and the relative comparative figures for H1 2017 and FY 2017. It is important to highlight that due to the type of activities undertaken by the Group, "traffic" is conditioned by the results of all activities. The SEA Group has identified three operating segments, as further described in the Directors' Report and specifically: *(i)* Commercial Aviation, *(ii)* General Aviation, *(iii)* Energy. Therefore, these data may differ with respect to those presented at the level of the individual legal entity. The information currently available concerning the principal business operating sectors identified is presented below.

Commerical Aviation: This includes Aviation and Non Aviation: the former concerns the management, development and maintenance of infrastructure and plant and the offer to SEA Group customers of services and activities related to the arrival and departure of aircraft, in addition to airport safety services. The revenues generated by these activities are established by a regulated tariff system and comprise airport fees, fees for the use of centralised infrastructure, in addition to security fees and tariffs for the use of check-in desks and spaces by airlines and handlers. The Non-Aviation business however provides a wide and segregated offer, managed both directly and under license to third parties, of commercial services for passengers, operators and visitors to the Airports, in addition to the real estate segment. The revenues from this area consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum.

General Aviation: the business includes the full range of services relating to business traffic at the western apron of Linate airport.

Energy: the business includes the generation and sale of electricity and heat on the market.

The main results of each of the above businesses are presented below. The following tables present the segment income statements and balance sheets, reconciled with the figures presented in the Directors' Report, to which reference should be made for further details.

SEGMENT DISCLOSURE: INCOME STATEMENT & BAL. SHEET AT JUNE 30, 2018

(Euro thousands)	Commercial Aviation	General Aviation	Energy	IC Elims.	Consolidated Financial Statements
Revenues	315,523	7,781	18,986	(17,541)	324,749
of which Intercompany	(3,981)	(1,972)	(11,588)	17,541	
Total operating revenues (third parties)	**311,542**	**5,809**	**7,398**	**0**	**324,749**
EBITDA	**123,702**	**3,887**	**600**		**128,189**
EBIT	**80,545**	**2,885**	**310**		**83,740**
Investment income/(charges)					4,248
Financial charges					(8,838)
Financial income					983
Pre-tax result					**80,133**
Fixed asset investments	**26,845**	**848**	**1,152**		**28,845**
Tangible assets	7,523	0	1,152		8,675
Intangible assets	19,322	848	0		20,170

SEGMENT DISCLOSURE: INCOME STATEMENT AT JUNE 30 2017 RESTATED & BAL. SHEET AT DECEMBER 31, 2017

(Euro thousands)	Commercial Aviation	General Aviation	Energy	IC Elims.	Consolidated Financial Statements
Revenues	301,579	8,171	20,940	(19,098)	311,593
of which Intercompany	(3,912)	(2,030)	(13,156)	19,098	
Total operating revenues (third parties)	**297,667**	**6,141**	**7,785**	**0**	**311,593**
EBITDA	**114,836**	**3,552**	**364**		**118,752**
EBIT	**73,357**	**2,799**	**(81)**		**76,075**
Investment income/(charges)					4,080
Financial charges					(9,036)
Financial income					251
Pre-tax result					**71,370**
Fixed asset investments	**64,729**	**5,964**	**1,447**		**72,140**
Tangible assets	32,273	2,054	1,447		35,774
Intangible assets	32,456	3,910	0		36,366

8. Notes to the Balance Sheet

8.1 Intangible assets

The following table summarises the movements in intangible fixed assets between December 31, 2017 and June 30, 2018.

INTANGIBLE ASSETS

(Euro thousands)	December 31, 2017	Increases in the period	Reclass./ transfers	Destruct./ sales	Amort./ write-downs	June 30, 2018
Gross value						
Rights on assets under concession	1,477,949	2,772	10,038	(1,120)		1,489,639
Rights on assets under concess. in prog. & advances	32,486	11,736	(9,426)			34,796
Patents & right to use intel. property & others	72,881		3,575		(52)	76,404
Assets in progress and advances	8,752	5,650	(3,575)			10,827
Other	16,945	12			(36)	16,921
Total Gross Value	**1,609,013**	**20,170**	**612**	**(1,120)**	**(88)**	**1,628,587**
Accumulated amortisation						
Rights on assets under concession	(533,340)		554	1,059	(22,923)	(554,650)
Rights on assets under concess. in prog. & advances						
Patents & right to use intel. property & others	(62,163)				(3,119)	(65,282)
Assets in progress and advances						
Other	(15,328)					(15,328)
Total accumulated amortisation	**(610,831)**	**0**	**554**	**1,059**	**(26,042)**	**(635,260)**
Net value						
Rights on assets under concession	944,609	2,772	10,592	(61)	(22,923)	934,989
Rights on assets under concess. in prog. & advances	32,486	11,736	(9,426)			34,796
Patents & right to use intel. property & others	10,718		3,575		(3,171)	11,122
Assets in progress and advances	8,752	5,650	(3,575)			10,827
Other	1,617	12			(36)	1,593
Total net value	**998,182**	**20,170**	**1,166**	**(61)**	**(26,130)**	**993,327**

As per IFRIC 12, rights on assets under concession amount to Euro 934,989 thousand at June 30, 2018 and Euro 944,609 thousand at December 31, 2017. These rights are amortised on a straight-line basis over the duration of the concession from the State, as they will be returned to the grantor at the end of the concession. Amortisation in the first six months of 2018 amounted to Euro 22,923 thousand.

On these assets, as per IFRIC 12, the SEA Group 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:

- Malpensa Terminal 1 where upgrading and restyling work continued on new and existing commercial areas in addition to the creation of the Schengen Baggage Reclamation area;
- the Cargo City area where works for the construction of a second warehouse are almost complete. The warehouse will consist of an area of about 15,000 sq. m.;
- Linate airport, the first phase works were completed on the Terminal's functional upgrading and restyling;
- Malpensa and Linate link road works continued in view of the preparation of the ASMGCS systems (Advanced Surface Movement Guidance and Control Systems).

The intellectual property rights, with a net residual value of Euro 11,122 thousand at June 30, 2018, principally relate to company software licenses concerning both airport and operational management and to the purchase of software components. The total amortisation amounted to Euro 3,171 thousand.

8.2 Property, plant and equipment

The following tables summarises the movements in property, plant and equipment between December 31, 2017 and June 30, 2018:

PROPERTY, PLANT & EQUIPMENT

(Euro thousands)	December 31, 2017	Increases in the period	Reclass./ transfers	Destruct./ sales	Deprec./ write-downs	June 30, 2018
Gross value						
Property	224,519		3,051	(89)		227,481
Plant and machinery	108,170	887				109,057
Industrial and commercial equipment	44,189	383				44,572
Other assets	69,310	1,273	544	(504)		70,623
Assets in progress and advances	9,754	6,132	(4,224)			11,662
Total Gross Value	**455,942**	**8,675**	**(629)**	**(593)**		**463,395**
Accumulated depreciation & write-downs						
Property	(94,457)		(549)	42	(3,501)	(98,465)
Plant and machinery	(67,914)				(1,300)	(69,214)
Industrial and commercial equipment	(34,673)				(2,209)	(36,882)
Other assets	(53,926)			403	(2,794)	(56,317)
Assets in progress and advances						
Total accum. deprec. & write-downs	**(250,970)**		**(549)**	**445**	**(9,804)**	**(260,878)**
Net value						
Property	130,062		2,502	(47)	(3,501)	129,016
Plant and machinery	40,256	887			(1,300)	39,843
Industrial and commercial equipment	9,516	383			(2,209)	7,690
Other assets	15,383	1,273	544	(102)	(2,794)	14,304
Assets in progress and advances	9,754	6,132	(4,224)			11,662
Total net value	**204,971**	**8,675**	**(1,178)**	**(149)**	**(9,804)**	**202,515**

The investments principally concerned the restyling of Malpensa Terminal 1 and the Linate Terminal and for the purchase of new loading equipment for that not included under assets under concession.

8.3 Investment property

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

8.4 Investments in associated companies

The change in the account "investments in associated companies" from December 31, 2017 to June 30, 2018 is shown below:

INVESTMENTS IN ASSOCIATES COMPANIES

	Movements			
(Euro thousands)	December 31, 2017	Increases / revaluations	Decreases/ write-downs	June 30, 2018
SACBO SpA	36,626	1,563	(2,026)	36,163
Dufrital SpA	12,411	1,409	(2,052)	11,768
Disma SpA	2,633	186	(253)	2,566
Malpensa Logistica Europa SpA	1,923	953	(750)	2,126
SEA Services Srl	461	329		790
Total	**54,054**	**4,440**	**(5,081)**	**53,413**

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 SEA Group share of adjusted net equity at June 30, 2018 amounts to Euro 53,413 thousand (Euro 54,054 thousand at December 31, 2017).

8.5 AFS Investments

The investments available for sale are listed below:

AFS INVESTMENTS

	% held	
Company	June 30, 2018	December 31, 2017
Consorzio Milano Sistema in liquidation	10%	10%
Romairport Srl	0.227%	0.227%
Aereopuertos Argentina 2000 SA	8.50%	8.50%
Sita Soc. Intern. De Telecom.Aereneonautiques (Belgian reg. company) (*)		6 shares

(*) *In February 2018, SEA SpA submitted a request for withdrawal from SITA SC which was effective as of February 28, 2018.*

The following table summarises the movements in AFS investments between December 31, 2017 and June 30, 2018:

AFS INVESTMENTS

		Movements		
(Euro thousands)	December 31, 2017	Increases / revaluations / reclassifications	Decreases/ write-downs	June 30, 2018
Consorzio Milano Sistema in liquidation	25			25
Romairport Srl	1			1
Aereopuertos Argentina 2000 SA				
Sita Soc. Intern. De Telecom. Aereneonautiques (Belgian reg. company)				
Total	**26**	**-**	**-**	**26**

The investment of SEA in the share capital of Aeropuertos Argentina 2000 (hereafter AA2000) amounted to 8.5% following the conversion, by the Argentinian government, of the bonds issued in 2008 by AA2000 into shares.

On June 30, 2011, an agreement was signed with CEDICOR for the sale of all the investment held by SEA in the share capital of AA2000, equal to 21,973,747 ordinary Class A shares with 1 vote for each share.

The consideration paid was Euro 14,000,000 entirely received in 2011.

The transfer of the shares will only be completed with authorisation by the ORSNA regulator (Organismo Regulador del Sistema Nacional de Aeropuertos).

At the date of the present document, ORSNA had not yet formalised the authorisation of the sale of the investment in favour of Cedicor and, therefore, SEA still holds 8.5% of the share capital of AA2000; therefore the investment of 1 Euro was maintained in the 2018 half-year financial statements.

8.6 Deferred tax assets

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

NET DEFERRED TAX ASSETS

(Euro thousands)	June 30, 2018	December 31, 2017
Deferred tax assets	87,288	86,484
Deferred tax liabilities	(34,004)	(35,332)
Total net deferred tax assets	**53,284**	**51,152**

The movement in net deferred tax assets in the first six months of 2018 was as follows:

(Euro thousands)	December 31, 2017	Released / allocated to P&L	Released / allocated to Equity	June 30, 2018
Total deferred tax assets	86,484	1,138	(334)	87,288
Total deferred tax liabilities	(35,332)	1,328		(34,004)
Total deferred tax assets, net of liabilities	**51,152**	**2,466**	**(334)**	**53,284**

8.7 Other current and non-current financial assets

"The account "Other current and non-current financial assets" relates to the capital paid in favour of Airport Handling less write-downs made in 2013, 2014 and 2017 and net of the reclassification to the account "Assets held for sale". In particular "Other current financial assets" refers to the sale value of 30% of the Financial Instruments of Participation and share capital of Airport Handling, which was sold in March 2016.

The formalisation of the sale of the further holding in Airport Handling with the transfer of the shares and winding-up of the trust took place in July 2018, and therefore at June 30, 2018 the value of the Financial Instruments of Participation and the Equity share subject to the call option was reclassified to "Assets held-for-sale".

In the first half of 2018 no events occurred which would require a change in the considerations in the financial statements at December 31, 2017, to which reference should be made, on the recoverability of these assets.

OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

(Euro thousands)	June 30, 2018	December 31, 2017
Other non-current financial assets	7,190	7,190
Other current financial assets	7,500	13,300
Other current and non-current financial assets	**14,690**	**20,490**

8.8 Other non-current receivables

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

OTHER NON-CURRENT RECEIVABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Other receivables	200	280
Total other non-current receivables	**200**	**280**

Other receivables, amounting to Euro 200 thousand at June 30, 2018 (Euro 280 thousand at December 31, 2017) did not change significantly and mainly relates to employee receivables and deposit guarantees.

8.9 Inventories

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

INVENTORIES

(Euro thousands)	June 30, 2018	December 31, 2017
Raw material, ancillaries and consumables	4,323	4,607
Inventory obsolescence provision	(718)	(503)
Total Inventories	**3,605**	**4,104**

The account principally comprises consumable goods held for airport activities.

At June 30, 2018 no goods held in inventories comprised guarantees on loans or concerning other commitments.

The comparison of inventories with the realisable value or replacement necessitated an obsolescence inventory provision amounting to Euro 718 thousand at June 30, 2018 (Euro 503 thousand at December 31, 2017). The amounts are reported net of the relative provision.

8.10 Trade receivables

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

TRADE RECEIVABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Trade receivables - customers	119,682	101,658
Trade receivables - associates	9,417	9,419
Total net trade receivables	**129,099**	**111,077**

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

For an analysis of trade receivables in the first half of 2018, reference should be made to the Directors' Report.

The criteria for the adjustment of receivables to their realisable value takes account of evaluations regarding the level of the credit risk.

The changes in the doubtful debt provision were as follows:

DOUBTFUL DEBT PROVISION

(Euro thousands)	**June 30, 2018**	**December 31, 2017**
Opening provision	(102,254)	(80,263)
(Increases)/releases	(636)	(27,498)
Utilisations	14	5,507
Total doubtful debt provision	**(102,876)**	**(102,254)**

The provisions are recorded net of reversals and amount to Euro 636 thousand for the first six months of 2018 (Euro 27,498 thousand for the year 2017). The doubtful debt provision was calculated to take into account the risk in deterioration of the financial positions of the principal operators with which disputes exist and write-downs for receivables under administration, and of the risk assessed by the Company which reflects the expected loss on each receivable, as per IFRS 9. The reversals and utilisations refer to the closure during the year of disputes in which the provisions were accrued to cover such risks in previous years.

8.11 Tax receivables and other current receivables

The following table provides the breakdown of other current receivables:

TAX RECEIVABLES AND OTHER CURRENT RECEIVABLES

(Euro thousands)	**June 30, 2018**	**December 31, 2017**
Tax receivables	1,516	14,941
Other current receivables	10,897	9,200
Total tax receivables and other current receivables	**12,413**	**24,141**

Tax receivables of Euro 1,516 thousand at June 30, 2018 mainly refers to:

- for Euro 769 thousand (Euro 2.902 thousand at December 31, 2017) VAT receivables;
- for Euro 0 thousand (Euro 873 thousand at December 31, 2017) current income tax receivables;
- for Euro 747 thousand (Euro 764 thousand at December 31, 2017) other tax receivables.

In April 2018 the Group received the IRES receivable relating to the deductibility of the IRAP from IRES for the years 2017 to 2011, equal to Euro 10,402 thousand at December 31, 2017. For further details, reference should be made to the Directors' Report.

The account "Other current receivables", reported net of the relative provision, is broken down as follows:

OTHER CURRENT RECEIVABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Receivables from GSE for white & green certs.	560	1,120
Other receivables	4,936	6,813
Misc. receivables	825	821
Receivables from insurance companies	911	206
Employee & soc. sec. receivables	696	236
Post & tax stamps	55	4
Receivables for dividends	2,914	
Total other current receivables	**10,897**	**9,200**

"Other current receivables" amount to Euro 10,897 thousand at June 30, 2018 (Euro 9,200 thousand at December 31, 2017) and is comprised of the accounts outlined below.

Receivables from GSE for white certificates amount to Euro 560 thousand. This amount includes the receivables claimed by SEA Energia from the Energy Service Operator relating to the portion of white certificates in 2016 not yet received on the combined cycle 1.

Receivables from the State under SEA/Ministry for Infrastructure and Transport case, following the judgement of the Court of Cassation, which recognised to the Company the non-adjustment of handling tariffs for the period 1974-1981, in addition to interest and expenses incurred by the Company, for Euro 3,889 thousand at June 30, 2018 (Euro 3,889 thousand at December 31, 2017), entirely covered by the doubtful debt provision, relate to the residual amount not yet received from the Ministry for Infrastructure and Transport, in addition to interest up to December 31, 2014.

The receivables for dividends to be collected, totalling Euro 2,914 thousand, refers to dividends approved by associated companies. Specifically the receivables for dividends refer to Disma for Euro 113 thousand, Malpensa Logistica Europa for Euro 750 thousand and Dufrital for Euro 2,051 thousand.

Other receivables principally concerns accrued income related to revenues accrued in the year and costs relating to future years. The account also includes reimbursements, supplier advances and other minor positions.

The changes in the doubtful debt provision were as follows:

OTHER RECEIVABLES DOUBTFUL DEBT PROVISION

(Euro thousands)	June 30, 2018	December 31, 2017
Opening provision	(3,889)	(4,196)
(Increases)/releases		250
Utilisations		57
Total other receivables doubtful debt provision	**(3,889)**	**(3,889)**

8.12 Cash and cash equivalents

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

CASH AND CASH EQUIVALENTS

(Euro thousands)	June 30, 2018	December 31, 2017
Bank and postal deposits	49,799	67,120
Cash in hand and similar	90	74
Total	**49,889**	**67,194**

Cash and cash equivalents at June 30, 2018 decreased Euro 17,305 thousand compared to the previous year. The account at June 30, 2018 comprises bank and postal deposits on demand for Euro 49,695 thousand (Euro 64,667 thousand at December 31, 2017), restricted bank deposits of Euro 104 thousand (Euro 2,453 thousand at December 31, 2017, this significant decrease derives from the cancellation of pledges on an EIB loan - now completed amortised - which covered the portion of loans due in the coming 12 months) and cash amounts for Euro 90 thousand (Euro 74 thousand at December 31, 2017).

It should be noted that at June 30, 2018 liquidity does not include the escrow account in which Euro 6,000 thousand is deposited in respect of income from the sale price of 30% of the Financial Instruments of Participation held by the SEA Group in Airport Handling. This sum is part of the Euro 13.3 million collected in July 2018, in accordance with dnata's increase in its investment in Airport Handling. The escrow account was simultaneously closed. (Reference should be made to the paragraph *"H1 2018: significant events"*).

For further information on the movements reference should be made to the Consolidated Cash Flow Statement.

8.13 Assets held-for-sale

"Assets held-for-sale" refer to the Financial Instruments of Participation and the share capital of Airport Handling subject to the call option, exercised by dnata on June 30, 2018. For further details, reference should be made to the paragraph *"H1 2018: significant events"*.

8.14 Share capital and reserves

At June 30, 2018, 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 statement of financial position.

8.15 Provisions for risks and charges

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

PROVISION FOR RISKS AND CHARGES

(Euro thousands)	December 31, 2017	Provisions/ increases	Utilisations / reclassifica-tions	Releases	June 30, 2018
Restoration and replacement provision	137,713	7,539	(3,334)		141,918
Provision for future charges	32,222	560	(3,034)	(29)	29,719
Total provision for risks and charges	**169,935**	**8,099**	**(6,368)**	**(29)**	**171,637**

The restoration and replacement provision on assets under concession, created in accordance with IFRIC 12, amounting to Euro 141,918 thousand at June 30, 2018 (Euro 137,713 thousand at December 31, 2017), 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.

The movements of the future charges provision were as follows:

PROVISIONS FOR FUTURE CHARGES

(Euro thousands)	December 31, 2017	Provisions/ increases	Utilisations / reclassifica-tions	Releases	June 30, 2018
Labour provisions	4,708		(383)	(3)	4,322
Insurance excesses	1,510	368	(63)	(25)	1,790
Tax risks	1,983		(41)		1,942
Green & white certificates	990				990
Provision for future charges on equity investments	152	192	(273)		71
Other provisions	22,879		(2,274)	(1)	20,604
Total provision for future charges	**32,222**	**560**	**(3,034)**	**(29)**	**29,719**

The employee provisions relate to the expected streamlining actions to be undertaken on operations. The utilisations in the year are related to the departures for which a specific provision was made in the accounts in 2017.

"Insurance excesses" equal to Euro 1,790 thousand refers to the charges payable by the SEA Group for damages deriving from civil responsibility.

The "Tax risk" account refers to:

- Euro 1,500 thousand allocated by SEA Prime SpA, to cover liabilities related to the non-payment of Group VAT by the former parent company for the years 2011 and 2012;
- Euro 442 thousand accrual by

SEA SpA against disputes on VAT and register taxes currently pending before the competent Tax Commission in first and second level as previously illustrated. The utilisation of the tax risk provision in the first half of 2018 is substantially due to the payment requested by the Tax Authorities following the unfavourable outcome for SEA of the Judgment issued by the Milan Provincial Tax Commission in relation to VAT and, against which an appeal was proposed.

In relation to the provision for Green and White Certificates there is no further information to that illustrated in the 2017 Annual Report.

The "Provision for future charges on equity investments" of Euro 71 thousand at June 30, 2018 (Euro 152 thousand at December 31, 2017) was allocated against the valuation of the stake in Signature Flight Support Italy Srl, which has a negative shareholders' equity at the same date. In this regard, it should be noted that in its meeting of February 26, 2018, the shareholders' meeting of Signature Flight Support Italy Srl., resolved to cover losses of Euro 923 thousand and to recapitalise the company as follows:

- To cover losses by cancelling the share capital of Euro 420 thousand and reserves - net of losses carried forward - of a total Euro 240 thousand;
- To recapitalise the share capital through an increase up to a nominal Euro 420 thousand, with a total share premium of Euro 263 thousand, equivalent to the residual losses, to be offered for subscription to all shareholders in proportion to the shares held.

The account "Other provisions" for Euro 20,604 thousand at June 30, 2018 is mainly composed of the following items:

- Euro 7,590 thousand for legal disputes related to the operational management of the airports;
- 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 847 thousand for disputes with ENAV;
- Euro 3,000 thousand for various legal disputes;
- Euro 1,167 thousand for risks relating to revocatory actions taken against the Group and relating to airline companies declared bankrupt.

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

8.16 Personnel provisions

The changes in the employee provisions are shown below:

EMPLOYEE PROVISIONS

(Euro thousands)	June 30, 2018	December 31, 2017
Opening provision	47,834	49,220
Financial (income)/charges	310	686
Utilisations	(543)	(2,016)
Actuarial losses/(profits)	(539)	(56)
Total employee provisions	**47,062**	**47,834**

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:

ECONOMIC-FINANCIAL TECHNICAL PARAMETERS

	June 30, 2018	December 31, 2017
Annual discount rate	1.45%	1.30%
Annual inflation rate	1.50%	1.50%
Annual increase in employee leaving indemnity	2.63%	2.63%

Assumptions undertaken in the Actuarial Report.

The annual discount rate, utilised for the present value of the bond, was based on the Iboxx 10+ Eurozone Corporate A index.

8.17 Current and non-current financial liabilities

The table below provides a breakdown of current and non-current financial liabilities at June 30, 2018 and December 31, 2017.

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES BREAKDOWN

	June 30, 2018		December 31, 2017	
(Euro thousands)	Current portion	Non-current portion	Current portion	Non-current portion
Long-term loans	19,311	230,838	19,766	240,532
Loan charges payable	1,107		1,153	
Derivatives fair value		6,339		7,228
Bank payables	**20,418**	**237,178**	**20,919**	**247,760**
Loan charges payable		298,661		298,441
Payables for charges on bonds	1,901		6,627	
Lease payables			3	
Payables for subsidised loans	44	66	66	88
Other financial payables			2,169	
Payables to other lenders	**1,945**	**298,727**	**8,865**	**298,529**
Total current and non-current liabilities	**22,363**	**535,905**	**29,784**	**546,289**

The financial debt of the Group at June 30, 2018, as illustrated in the table below, is almost exclusively comprised of medium/long-term debt - of which over half concerning the "SEA 3 1/8 2014 -2021" bond issue (expressed at amortised cost). The remainder of the debt is comprised of Euro 110 thousand EIB subsidised loans (of which 54% with maturity beyond 5 years and 8% due in the next 12 months).

The breakdown of the Group net debt at June 30, 2018 and December 31, 2017 is reported below:

NET FINANCIAL DEBT

	(Euro thousands)	June 30, 2018	December 31, 2017
A.	Cash and Cash Equivalents	(49,889)	(67,194)
B.	Other cash equivalents		
C.	Securities held for trading		
D.	**Liquidity (A) + (B) + (C)**	**(49,889)**	**(67,194)**
E.	**Financial receivables**		
F.	Current financial payables	3,008	7,780
G.	Current portion of medium/long-term bank payables	19,355	19,832
H.	Other current financial payables	1	2,172
I.	**Payables and other current financial liabilities (F) + (G) + (H)**	**22,364**	**29,784**
J.	**Net current financial debt (D) + (E) + (I)**	**(27,525)**	**(37,410)**
K.	Non-current portion of medium/long-term bank payables	230,838	240,531
L.	Bonds issued	298,661	298,441
M.	Other non-current financial payables	6,406	7,316
N.	**Payables and other non-current financial liabilities (K) + (L) + (M)**	**535,905**	**546,288**
O.	**Net Financial Debt (J) + (N)**	**508,380**	**508,878**

At the end of June 2018 the net debt of Euro 508,380 thousand decreased Euro 498 thousand on the end of 2017 (Euro 508,878 thousand).

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

a. the continuation of the repayment of part of the EIB loans (principal repaid in the first half of the year totalling Euro 10,186 thousand);
b. lower liquidity of Euro 17,305 thousand, despite the extraordinary IRES receivable collected of Euro 10,712 thousand of (see paragraph *"Principal disputes at June 30, 2018"*). The SEA Group made recourse exclusively to own resources for operating requirements and the payment of the 2017 dividends at the end of June;
c. lower IAS adjustments for Euro 5,449 thousand, principally deriving from *(i)* lower accruals on loans for Euro 4,772 thousand, due to the payment of the annual bond coupon in April; *(ii)* improvement in the fair value of the derivatives for Euro 853 thousand for the continuation of the amortisation on the nominal amount; *(iii)* lower residual amortised costs for Euro 214 thousand relating to the EIB loans and Bond; *(iv)* lower leasing payables for Euro 3 thousand.

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) 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.

8.18 Other non-current payables

The table below reports the breakdown of the account "Other non-current payables".

OTHER NON-CURRENT PAYABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Employee payables	13,429	14,946
Social security institutions	2,374	2,642
Total	**15,803**	**17,588**

The item includes payables to employees and the corresponding obligation due to the INPS resulting from the signing of early retirement agreements in the context of the Personnel Restructuring Industrial Plan 2018-2023.

"Other non-current payables" refers to payables to employees and associated social security contributions, recorded as a result of the mobility procedure's commencement on December 27, 2017. Through the mobility procedure, early retirement incentive payments were established for a pre-determined number of workers who will qualify for pension benefits by August 2023 (early retirement or old age pension). The agreement with Trade Unions covering this procedure was signed on January 15, 2018.

8.19 Trade payables

The breakdown of trade payables is follows:

TRADE PAYABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Trade payables	111,699	141,353
Advances	7,823	7,625
Payables to associates	5,208	4,519
Total trade payables	**124,730**	**153,497**

Trade payables (which includes invoices to be received of Euro 67,278 thousand at June 30, 2018 and Euro 109,445 thousand at December 31, 2017) refers to the purchase of goods and services relating to operations and Group investments.

The payables for advances at June 30, 2018 amounting to Euro 7,823 thousand (Euro 7,625 thousand at December 31, 2017) principally refer to advances from clients.
Payables to associated companies relate to services and charges.

8.20 Income tax payables

Payables for income taxes amounting to Euro 35,078 thousand at June 30, 2018 (Euro 8,370 thousand at December 31, 2017), mainly relate to employee and consultant's withholding taxes for Euro 3,893 thousand (Euro 5,626 thousand at December 31, 2017) and IRES and IRAP current taxes for Euro 25,608 thousand (Euro 2,003 thousand at December 31, 2017). The difference between the two periods is due to the payment on account, in July 2018 for the first half of 2018, of VAT payables for Euro 4,964 thousand at June 30, 2018 (Euro 709 thousand at December 31, 2017) and other taxes for Euro 612 thousand (Euro 32 thousand at December 31, 2017).

8.21 Other payables

The table below reports the breakdown of the account "Other payables".

OTHER PAYABLES

(Euro thousands)	June 30, 2018	December 31, 2017
Airport fire service	62,077	59,040
Payables for additional landing rights	51,590	46,131
Other payables	27,279	21,845
Employee payables for amounts matured	15,909	16,179
Payables to the state for concession fee	14,960	13,634
Payables to social security institutions	12,301	12,968
Employee payables for vacations not taken	3,041	2,625
Third party guarantee deposits	1,057	1,179
Payables to ministry C02 quotas	823	301
Payables to others post-em. ben.	258	253
Payables to BoD & Boards of Statutory Auditors	136	207
Payables to the state for concession fee security service	107	83
Payables to shareholders for dividends	115	77
Payables to third parties for ticketing collections	61	70
Total	**189,714**	**174,592**

In relation to the SEA Group's payables for airport fire protection services, the appeal made before the Rome Civil Court by the Parent Company against the payment of this contribution is still pending. For further details, reference should be made to the Directors' Report in the section *"Principal disputes at June 30, 2018"*.

"Payables for additional landing rights" represent the additional landing charges created by Laws No. 166/2008, No. 350/2003, No. 43/2005 and No. 296/2006.

The account "Other payables", amounting to Euro 27,279 thousand at June 30, 2018 (Euro 21,845 thousand at December 31, 2017), mainly relates to deferred income from clients for future periods and other minor payables.

9. Notes to the Income Statement

9.1 Operating revenues

The table below shows the breakdown of operating revenues for H1 2018 and H1 2017. These data reflect the operational and managerial view of the businesses in which the Group operates. Therefore, these data may differ with respect to those presented at the level of the individual legal entity.

OPERATING REVENUES

(Euro thousands)	H1 2018	H1 2017 restated
Commercial Aviation	311,542	297,667
General Aviation	5,809	6,141
Energy	7,398	7,785
Total operating revenues	**324,749**	**311,593**

In the first six months of 2018 operating revenues totalled Euro 324,749 thousand, increasing 4.2% on H1 2017 (restated as per IFRS 15). Operating revenues include Commercial Aviation, General Aviation and Energy business revenues.

Commercial Aviation Operating Revenues

In the first half of 2018, **Aviation** revenues increased Euro 9,218 thousand (+4.9%) compared to the same period of the previous year. Specifically, the revenues for rights and centralised infrastructure grew net of the incentives to the airline companies to develop traffic of Euro 9,429 thousand, principally due to higher traffic volumes and tariff increases related to the Regulatory Agreement.

COMMERCIAL AVIATION OPERATING REVENUES

(Euro thousands)	H1 2018	H1 2017 restated
Aviation	196,801	187,583
Non aviation	114,741	110,084
Total Commercial Aviation operating revenues	**311,542**	**297,667**

The breakdown of Non Aviation operating revenues is reported below.

NON AVIATION OPERATING REVENUES

(Euro thousands)	H1 2018	H1 2017
Retail	47,412	46,048
Parking	32,934	31,134
Cargo	8,071	7,589
Advertising	5,234	5,273
Premium services	9,258	8,902
Real estate	1,554	1,235
Services and other revenues	10,278	9,903
Total Non Aviation operating revenues	**114,741**	**110,084**

Retail revenues increased Euro 1,364 thousand (3%), principally as a net effect between: *i)* food & beverage revenue increase of Euro 714 thousand (7.5%); *ii)* shop revenues up Euro 914 thousand (3.8%); *iii)* car rental revenues rising Euro 641 thousand (8.6%); *iv)* bank service revenues decreasing Euro 905 thousand (-18.3%).

The breakdown of retail revenues is reported below.

RETAIL REVENUES

(Euro thousands)	H1 2018	H1 2017
Shops	25,121	24,207
Food & Beverage	10,205	9,491
Car Rental	8,063	7,422
Bank services	4,023	4,928
Total Retail	**47,412**	**46,048**

General Aviation Operating Revenues

The General Aviation business includes the full range of services relating to business traffic at the western apron of Linate airport. Revenues from the General Aviation business amounting to Euro 5,809 thousand registered a decrease (5.4% on the previous year). For further details, reference should be made to the Directors' Report.

Energy Operating Revenues

The breakdown of Energy operating revenues is reported below.

ENERGY OPERATING REVENUES

(Euro thousands)	H1 2018	H1 2017
Sale of Electricity	3,996	5,066
Sale of Thermal Energy	2,642	2,412
Other Revenues & Services	760	307
Total Energy operating revenues	**7,398**	**7,785**

For further details, reference should be made to the Directors' Report paragraph *"Segment Operating Overview"*.

9.2 Revenue for works on assets under concession

Revenues for works on assets under concession increased from Euro 9,286 thousand in the first half of 2017 to Euro 11,889 thousand in H1 2018 (+28%). These revenues refer to construction work on assets under concession increased by a mark-up of 6% representing the remuneration of the internal cost for the management of the works and design activities undertaken by the Company, which corresponds to a mark-up which a general constructor would request to undertake such activities, and are included in the business unit aviation. This account is strictly related to investment and infrastructure upgrading activities.

9.3 Personnel costs

The breakdown of personnel costs is as follows:

PERSONNEL COSTS

(Euro thousands)	H1 2018	H1 2017
Wages, salaries & social security charges	88,242	86,541
Post-employment benefits	3,919	3,897
Other personnel costs	2,742	8,481
Total	**94,903**	**98,919**

In H1 2018, Group personnel costs decreased Euro 4,016 thousand (-4.2%) compared to the same period of 2017.

The change derives from: increases from the provision for the renewal of the National Labour Collection Contract signed in 2014 and expired at the end of 2016 and higher workforce related to the greater passenger numbers and decreases due to the effect of no extraordinary provisions which were generated in 2017 from the leaving incentive plan agreed with the trade unions.

Passenger traffic growth impacted upon the increase in the average number of FTE employees, which increased from 2,758 in H1 2017 to 2,774 in H1 2018.

The following table outlines the average FTE by category in the period: January-June 2018 and January-June 2017:

AVERAGE FULL TIME EQUIVALENT

	H1 2018	%	H1 2017	%
Executives & Managers	332	12%	326	12%
White-collar	1,752	63%	1,747	63%
Blue-collar	656	24%	666	24%
Total full-time employees	**2,740**	**99%**	**2,739**	**99%**
Temporary workers	34	1%	19	1%
Total employees	**2,774**	**100%**	**2,758**	**100%**

9.4 Consumable materials

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

CONSUMABLE MATERIALS

(Euro thousands)	H1 2018	H1 2017
Raw materials, ancillaries, consumables and goods	17,022	16,359
Change in inventories	499	83
Total	**17,521**	**16,442**

In the first six months of 2018, consumable material costs increased by Euro 1,079 thousand (6.6%) compared to the same period of 2017 - from Euro 16,442 thousand to Euro 17,521 thousand - principally due to: *i)* higher methane and electricity costs; *ii)* higher safety equipment costs; *iii)* higher anti-freezing liquid costs.

9.5 Other operating costs

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

OTHER OPERATING COSTS

(Euro thousands)	H1 2018	H1 2017 restated
Ordinary maintenance costs	13,732	13,506
Cleaning and outsourced cabin cleaning	6,987	6,903
Insurance	709	738
Hire of equipment & vehicles	1,844	1,865
Utilities & security expenses	4,413	3,676
Disabled assistance	1,800	1,809
Losses on disposal of assets	104	6
Public fees	16,566	15,132
Hardware and software fees & rental	2,746	2,119
Professional services	3,436	3,203
Tax charges	4,271	3,778
Emoluments & costs of Board of Statutory Auditors & BoD	368	473
Commercial costs (*)	2,671	2,692
Parking management	7,241	6,700
Costs for issue of services	11,520	11,425
Other operating costs	6,578	4,144
Total other operating costs	**84,986**	**78,169**

(*) *The commercial incentives to the airline companies for the development of traffic are classified as a reduction of revenues in accordance with IFRS 15.*

In the first half of 2018 other operating costs increased Euro 6,817 thousand compared to H1 2017 (+8.7%), from Euro 78,169 thousand to Euro 84,986 thousand. The higher costs reflect the higher volumes of traffic and passengers served.

The "Public fees" include: *i)* concession fees to the State for Euro 12,911 thousand (Euro 11,575 thousand in H1 2017); *ii)* costs for fire-fighting services at the airports for Euro 3,037 thousand (Euro 2,974 thousand in H1 2017); *iii)* concession fees to the tax authorities for security services of Euro 531 thousand (Euro 497 thousand in H1 2017) and concession fees and charges to other entities of Euro 87 thousand (Euro 86 thousand in H1 2017).

9.6 Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 8,597 thousand in the first half of 2017 to Euro 11,039 thousand in the first half of 2018.

These refer to, in accordance with IFRIC 12, the costs for the works undertaken on assets under concession. This movement is strictly related to investment activities.

9.7 Provisions and write-downs

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

PROVISIONS AND WRITE-DOWNS

(Euro thousands)	H1 2018	H1 2017
Write-downs / (releases) of current receivables & cash and cash equivalents	636	3,327
Provisions/(releases) to provisions for future charges	340	(839)
Total provisions and write-downs	**976**	**2,488**

In the first six months of 2018, provisions and write-downs decreased Euro 1,512 thousand on the same period of the previous year, from Euro 2,488 in the first half of 2017 to Euro 976 thousand in H1 2018.

For further details, reference should be made to the account *"Provisions and write-downs"* in the Directors' Report.

9.8 Restoration and replacement provision

RESTORATION AND REPLACEMENT PROVISION

(Euro thousands)	H1 2018	H1 2017
Restoration and replacement provision	7,539	6,055

The restoration and replacement provision amounting to Euro 7,539 thousand in H1 2018 and Euro 6,055 thousand in H1 2017 includes provisions for maintenance and replacements in order to ensure the functioning of the infrastructure held under concession. In 2018 the provision amounted to Euro 7,539 thousand and the utilisation amounted to Euro 3,334 thousand.

9.9 Amortisation and depreciation

The account "Amortisation & depreciation" is comprised of:

AMORTISATION & DEPRECIATION

(Euro thousands)	H1 2018	H1 2017
Amortisation of intangible assets	26,130	25,429
Depreciation of tangible assets & investment property	9,804	8,705
Total amortisation & depreciation	**35,934**	**34,134**

Amortisation and depreciation increased by Euro 1,800 thousand compared to H1 2017 (+5.3%), from Euro 34,134 thousand to Euro 35,934 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 and the depreciation of new assets entering into service in the period.

9.10 Investment income/(charges)

The breakdown of investment income and charges is as follows:

INVESTMENT INCOME (CHARGES)

(Euro thousands)	H1 2018	H1 2017
SACBO SpA	1,563	2,414
Dufrital SpA	1,409	822
Disma SpA	186	123
Malpensa Logistica Europa SpA	953	322
Sea Services Srl	329	451
Signature Flight Support Italy Srl	(192)	(52)
Total income (charges) from investments	**4,248**	**4,080**

In H1 2018, net income from investments increased Euro 168 thousand, from Euro 4,080 thousand in 2017 to Euro 4,248 thousand in 2018 and include investments measured under the Equity method and other revenues and income. The account mainly includes the economic effects deriving from the measurement at Equity of the associated company. The results of the associated companies were adjusted to take account of the Group accounting principles and the measurement of investments as per IAS 28. The net increase in the period of Euro 168 thousand reflects the net effects of the results estimated by the associated companies in the first half of 2018.

9.11 Financial income/(charges)

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

FINANCIAL INCOME (CHARGES)

(Euro thousands)	H1 2018	H1 2017
Exchange gains	4	9
Other financial income	979	242
Total financial income	**983**	**251**
Interest on medium/long term loans	(6,013)	(6,222)
Commissions on loans	(823)	(786)
Exchange losses	(8)	(11)
Other interest charges:	**(1,994)**	**(2,017)**
- financial charges on post-em. bens.	(310)	(319)
- financial charges on Leasing	(1)	(1)
- financial charges on Derivatives	(1,166)	(1,265)
- Other	(517)	(432)
Total financial charges	**(8,838)**	**(9,036)**
Total financial income (charges)	**(7,855)**	**(8,785)**

Net financial charges in H1 2018 amount to Euro 7,855 thousand, a decrease of Euro 930 thousand on the previous year, against a decrease in gross financial charges of Euro 198 thousand.

Financial charges reduced Euro 198 thousand due to the combined effect of lower interest on medium/long-term loans following the decrease in the gross debt and the reduction in the average cost of debt, partially offset by higher commissions on loans in the first half of 2018 due to the guarantee commissions relating to the EIB loans at the end of June 2017.

In the same period financial income increased Euro 732 thousand mainly due to the impact of interest income of Euro 976 thousand matured on the IRES receivable and collected in April 2018 simultaneous to the nominal receivable paid (see paragraph *"Principal disputes at June 30, 2018"*).

9.12 Income taxes

The breakdown of the account is as follows:

INCOME TAXES

(Euro thousands)	H1 2018	H1 2017
Current taxes	25,154	21,672
Deferred income taxes	(2,465)	(1,402)
Total	**22,689**	**20,270**

In H1 2018 income taxes increased by Euro 2,419 thousand, from Euro 20,270 thousand in H1 2017 to Euro 22,689 thousand in H1 2018.

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

(Euro thousands)	H1 2018		H1 2017	
Continuing operations profit before taxes	**80,133**		**71,370**	
Discontinued operations profit before taxes	**0**		**1,556**	
Profit before taxes	**80,133**		**72,926**	
Theoretical income taxes	19,232	24.0%	17,502	24.0%
Permanent tax differences effect	(190)	-0.2%	(532)	-0.7%
IRAP	3,573	4.5%	3,199	4.4%
Other	73	0.1%	99	0.1%
Total	**22,689**	**28.3%**	**20,270**	**27.8%**
Income taxes on continuing operations	(22,689)		(20,270)	
Income taxes on discontinued operations	0		0	
Total Group income taxes	**(22,689)**		**(20,270)**	

10. Earnings per share

The basic earnings per share is calculated by dividing the Group net profit by the weighted average number of ordinary shares outstanding in the period. For the diluted earnings per share, as no equity instruments were issued by the parent company, the weighted average of the shares in circulation is the same as that utilised for the establishment of the basic earnings per share.

Therefore the earnings per share in the first half of 2018 was Euro 0.23 (net profit for the period of Euro 57,443 thousand/number of shares in circulation 250,000,000).

In H1 2017 the earnings per share was Euro 0.21 (net profit for the period of Euro 52,638 thousand/ number of shares in circulation 250,000,000).

11. 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.

They are regulated at market conditions and take account of the characteristics of the goods and services provided.

The following table reports the income statement and statement of financial position values with related parties at June 30, 2018 and for the first half of the year, with indication of the percentage of the relative account:

GROUP TRANSACTIONS WITH RELATED PARTIES

	June 30, 2018				
(Euro thousands)	Trade Receivables	Other receivables	Trade payables	Operating revenues	Operating costs (excl. costs for works on assets under concession)
Investments in associates					
SACBO (*)	198		975	325	5,444
Dufrital	6,488	2,051	1,206	15,701	9
Malpensa Logistica Europa	1,538	750	1,082	2,158	20
SEA Services	732		1,283	1,655	1,801
Disma	66	113	86	106	2
Signature Flight Support Italy	395		576	83	0
Total related parties	**9,417**	**2,914**	**5,208**	**20,028**	**7,276**
Total book value	129,099	10,897	124,730	324,749	197,410
% on total book value	**7.29%**	**26.74%**	**4.18%**	**6.17%**	**3.69%**

(*) *The account "Operating costs" relating to transactions with SACBO, equivalent to Euro 5,444 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.*

The table below shows the cash flows from the transactions of the Group with related parties for the period ended June 30, 2018, with indication of the percentage of the relative account:

GROUP CASH FLOWS WITH RELATED PARTIES

	June 30, 2018				
(Euro thousands)	**Investments in associates**	**Investments in other companies**	**Total transactions with related entities**	**Consolidated balance**	**%**
A) Cash flow from operating activities	(2,223)		(2,223)	100,803	-2.2%
B) Cash flow from investing activities	2,166		2,166	(23,211)	-9.3%
C) Cash flow from financing activities				(94,897)	0.0%

Transactions with Related Parties in the period to June 30, 2018 principally concern:

- parking management transactions at Orio al Serio-Bergamo (SACBO) airport;
- commercial transactions with reference to the recognition to SEA of royalties on sales (Dufrital and SEA Services);
- 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 Dufrital;
- revenue for administration services, as well as payments and concessions issued by SEA Prime for the supply of fuel; push back costs (Signature Flight Support Italy).

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

	June 30, 2017				
(Euro thousands)	Trade Receivables	Other receivables	Trade payables	Operating revenues	Operating costs (excl. costs for works on assets under concession)
Investments in associates					
SACBO [(*)]	194		1,319	334	5,018
Dufrital	6,354	1,678	1,140	15,060	8
Malpensa Logistica Europa	1,282		1,047	2,106	10
SEA Services	1,325		1,806	1,461	1,371
Disma	72	94	86	105	
Signature Flight Support Italy	641		31	478	95
Total related parties	**9,868**	**1,772**	**5,429**	**19,544**	**6,502**
Total book value	134,393	21,095	125,122	334,248	216,185
% on total book value	**7.34%**	**8.40%**	**4.34%**	**5.85%**	**3.01%**

[(*)] *The account "Operating costs" relating to transactions with SACBO, equivalent to Euro 5,018 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.*

The table below shows the cash flows from the transactions of the Group with related parties for the period ended June 30, 2017, with indication of the percentage of the relative account:

GROUP CASH FLOWS WITH RELATED PARTIES

	June 30, 2017				
(Euro thousands)	Investments in associates	Investments in other companies	Total transactions with related entities	Consol. balance	%
A) Cash flow from operating activities	(2,155)		(2,155)	18,924	-11.4%
B) Cash flow from investing activities	4,169		4,169	(16,344)	-25.5%
C) Cash flow from financing activities				(13,211)	0.0%

12. Other transactions with related parties

SACBO SpA
In 2018, SACBO distributed dividends to SEA for Euro 2,026 thousand.

Dufrital SpA
In 2018, Dufrital distributed dividends to SEA for Euro 2,052 thousand.

Malpensa Logistica Europa SpA
In 2018, Malpensa Logistics distributed dividends to SEA for Euro 750 thousand.

Disma SpA
In 2018, Disma distributed dividends to SEA for Euro 253 thousand.

13. 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 2018 to the Board of Directors totalled Euro 223 thousand.

14. Statutory auditors' fees

In the first six months of 2018 the remuneration for the Board of Statutory Auditors, including welfare and accessory charges, amounted to Euro 145 thousand.

15. Commitments and guarantees

15.1 Investment commitments

The Group has investment contract commitments of Euro 30,883 thousand at June 30, 2018 (Euro 36,315 thousand at December 31, 2017), which are reported net of the works already realised and invoiced to the Group, as follows.

BREAKDOWN PROJECT COMMITMENTS

(Euro thousands)	June 30, 2018	December 31, 2017
Design and extraordinary maintenance civil works and plant at Linate & Malpensa	19,522	21,532
Extraordinary maintenance of electrical plant of AVL	4,422	
Executive design and extraordinary maintenance telecommunications and AVL	2,686	3,466
Extraordinary maintenance for civil works and general aviation plant	1,514	1,480
Design and construction of new warehouse at Cargo City of Malpensa	1,497	4,006
Design and extraordinary maintenance flight infrastructure and roadways at Linate and Malpensa	538	1,148
Redesign of the landside frontage and new Linate shelters	505	3,381
General aviation hangar	161	25
Refurbishment flooring general aviation offices	29	
New de-icing area at north apron Linate	9	777
Design and works Lambro river general aviation		400
Final phase new changing rooms, air side area general aviation		100
Total	**30,883**	**36,315**

15.2 Guarantees

At June 30, 2018, the sureties in favour of third parties were as follows:

- two bank sureties, equal respectively to Euro 42,000 thousand and Euro 46,000 thousand, as guarantee on funds drawn down in June 2015 and June 2017 on the EIB line subscribed in December 2014;
- surety of Euro 25,000 thousand to Banca Popolare di Milano to guarantee credit lines received from companies within the centralised treasury system;
- surety of Euro 26,287 thousand in favour of ENAC, as guarantee of the concession fee;
- surety of Euro 2,000 thousand in favour of SACBO as guarantee for the parking management at Bergamo airport;
- surety of Euro 2,000 thousand in favour of the Ministry of Defense as guarantee of the obligations pursuant to the technical agreement of June 4, 2009 following the advance delivery of the "Cascina Malpensa" area;
- surety by Banca Popolare di Milano to Terna (National Electricity Grid) as guarantee of the provision of electricity for Euro 1,214 thousand;
- guarantee by Banca Popolare di Milano to ENEL Distribuzione for the transport of energy for Euro 1.154 thousand:
- guarantee by Banca Popolare di Milano to GESAC for the supply of electricity to the Naples airport for Euro 228 thousand;
- guarantee by Banca Popolare di Milano to GESAC for the participation in a tender for the supply of electricity to the Algeria airport for Euro 55 thousand;
- surety by Banca Popolare di Milano to the Energy Market Operator for participation in the electricity market for Euro 200 thousand;
- guarantee by Banca Popolare di Milano to SAGAT for the supply of electricity to the Turin airport for Euro 211 thousand;
- guarantee by Banca Popolare di Milano to Unareti for the transport of energy for Euro 173 thousand;
- surety of Euro 102 thousand in favour of the supplier Contract GmbH for the rental of airport buses;
- surety by Banca Popolare di Milano in favour of the Milan Customs Agency as guarantee of the correct payment of consumption taxes for Euro 69 thousand;
- surety of Euro 75 thousand in favour of the Milan 3 Customs Office (General aviation);
- surety by Banca Popolare di Sondrio in favour of UTF as guarantee of the correct payment of consumption taxes for Euro 52 thousand;
- Euro 581 thousand for other minor sureties.

16. Seasonality

The Group business is characterised by revenue seasonality, which are normally higher in the periods of August and December due to increased 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.

17. Non-recurring transactions

During the first half of 2018 the Group undertook the following non-recurring transactions:

- Click day repayment equal to Euro 10,712 thousand: collection of the IRES receivable concerning the deductibility of IRAP from IRES for the financial years 2007-2011 ("click day") of the Company SEA.
- Reimbursement of the Anti-Trust Authority (AGCM) penalty (including interest) of Euro 2,430 thousand: reimbursement relating to the review by AGCM of the penalty communicated to SEA following the acquisition of SEA Prime.

18. Transactions relating to atypical or unusual operations

In accordance with Consob Communication of July 28, 2006, the Company did not undertake for the period ended June 30, 2018 any transactions relating to atypical or unusual operations, as set out in the communication.

19. Other information

On May 3, 2018, the Shareholders' Meeting of the Parent Company SEA approved the distribution of dividends of Euro 70,300 thousand relating to the 2017 net profit, which was paid out in June 2018.

20. Contingent liabilities and disputes

Reference should be made to the Directors' Report under "*Risk management framework*" and *"Principal disputes at June 30, 2018"*.

21. Contingent assets

There are no updates on that reported in the 2017 Annual Report.

22. Subsequent events

Reference should be made to the Directors' Report.

The Chairman of the Board of Directors

Pietro Modiano

Auditors' Report

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
SOCIETÀ PER AZIONI ESERCIZI AEROPORTUALI – SEA S.p.A.

INTRODUCTION

We have reviewed the accompanying half-yearly condensed interim consolidated financial statements of Società per Azioni Esercizi Aeroportuali – SEA S.p.A. (the "Company" or "SEA S.p.A.") and subsidiaries (the "SEA Group"), which comprise the consolidated statement of financial position as of June 30, 2018, the consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity and consolidated cash flow statement for the six-month period, and the related explanatory notes. The Directors are responsible for the preparation 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 express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the criteria 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. A review of half-yearly condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed interim consolidated financial statements of the SEA Group as at June 30, 2018 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.

Deloitte.

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EMPHASIS OF MATTER

In the Directors' report, and in particular in the paragraph "Risk related to the European Commission Decision of December 19, 2012 concerning presumed State Aid to SEA Handling and the Decision of July 9, 2014 to explore the establishment of a newly incorporated and capitalised company Airport Handling" the Directors' considerations on the following matters are pointed out: *(i)* on the status of the legal and extra-judicial initiatives undertaken against the European Commission with reference to the investigation procedures of December 19, 2012 on alleged State Aid in favor of SEA Handling S.p.A., with particular reference to the liquidation of the subsidiary SEA Handling S.p.A. and to the initiatives carried out by Trustee regarding the transfer of a quota of the shares of Airport Handling S.p.A. completed in July 2018, following the exercise of the call option on a further quota of shares of Airport Handling S.p.A., circumstance that led to the winding up of the Trust and the retransfer to SEA S.p.A. of the residual 30% of the share capital of the company, and (ii) on the future developments related to the European Commission decision of July 9, 2014, published on February 6, 2015, concerning the incorporation and capitalization of Airport Handling S.p.A., which investigation procedures have been concluded with the European Commission decision of July 5, 2016.

Our conclusion is not qualified in respect of these matters.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Pessina
Partner

Milan, Italy
August 2, 2018

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

The SEA Group's focus on environmental protection, through the adoption of targeted initiatives, has significantly reduced CO_2 emissions.

Milan Malpensa and Milan Linate once again confirmed their exceptional record at European level, achieving "Neutrality" under the Airport Carbon Accreditation Initiative.

SEA - Società per Azioni Esercizi Aeroportuali

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