

index

LETTER TO STAKEHOLDERS	4
METHODOLOGICAL NOTE	7
HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE	10
WHO WE ARE AND WHAT WE DO	13
MISSION	14
SHAREHOLDING STRUCTURE	14
CORPORATE GOVERNANCE	16
Board of Directors	17
Internal Committees of the BoD	18
Board of Statutory Auditors	18
System of powers and duties	19
Management remuneration	19
Internal control system	19
MODEL AND BUSINESS AREAS	21
ORGANIZATIONAL STRUCTURE	23
LINATE AND MALPENSA AIRPORTS	26
OUR COMPETITIVE ENVIRONMENT	31
AIR TRANSPORT MARKET IN EUROPE AND ITALY	32
TRAFFIC TREND IN ITALIAN AND EUROPEAN AIRPORTS	32
COMPETITIVE POSITIONING OF OUR AIRPORTS	34
Catchment area	34
Capacity	34
Air transport offer	37
Conditions of direct and indirect competition	38
Current and prospective accessibility to airports	40
HOW WE INTEGRATE SUSTAINABILITY INTO BUSINESS	44
SUSTAINABLE DEVELOPMENT GOVERNANCE	45
Relevant socioeconomic ecosystem	45
CSR strategy and sustainability governance model	46
Strategy's drivers	47
ETHICAL SYSTEM AND THE DIAMOND OF VALUES	48
What is its function?	48
How it was implemented	50
The Diamond's values	51
HOW WE DEFINE THE PRIORITIES OF OUR EFFORTS: THE MATERIALITY MATRIX	51
What is materiality	51
Building the materiality dashboard	51
How we created the materiality matrix	52

HOW WE CULTIVATE EXCELLENCE IN PROCESSES	53
<i>Our environmental and energy policy</i> •	53
<i>Certified management systems</i> •	54
<i>Green innovation projects in Europe</i> •	54
OUR CORPORATE CITIZENSHIP	55
<i>Corporate Citizenship Policy</i> •	55
<i>Investments in Corporate Citizenship</i> •	56
<i>A social investment model that involves employees: The Social Challenge</i> •	56
<i>From solidarity donation to investment in social enterprises: impact investing projects</i> •	57
VALUE DISTRIBUTED TO OUR STAKEHOLDERS	57
SOCIOECONOMIC IMPACT OF MALPENSA AIRPORT	58
IMPACTS OF INFRASTRUCTURE CAPITAL MANAGEMENT AND DEVELOPMENT ■	61
EVOLUTION OF INFRASTRUCTURE INVESTMENT	62
<i>Investments made at Malpensa airport</i> •	62
<i>Investments made at Linate airport</i> •	62
HOW WE SHARE OUR DEVELOPMENT PROJECTS: THE 2030 MASTER PLAN FOR MALPENSA	63
ENVIRONMENTAL EXTERNALITIES LINKED TO AIRPORT ACTIVITY	65
<i>CO₂ emissions</i> •	65
<i>Air quality</i> •	66
<i>Noise emissions</i> •	68
<i>Effluents and spills</i> •	70
AVIATION SAFETY	73
VALUE GENERATED BY AVIATION BUSINESS ■	75
THE PROFILE OF OUR AVIATION CUSTOMERS	76
<i>Main passenger carriers operating at Malpensa</i> •	76
<i>Main passenger carriers operating at Linate</i> •	76
<i>Main Cargo carriers</i> •	77
THE PROFILE OF OUR PASSENGERS	78
ECONOMIC PERFORMANCE OF AVIATION BUSINESS	78
COMPETITIVE PERFORMANCE OF AVIATION BUSINESS	79
<i>Passenger traffic</i> •	79
<i>Punctuality of passenger flights</i> •	83
<i>Cargo traffic</i> •	83
<i>Connectivity</i> •	85
QUALITY OF AVIATION SERVICES PROVIDED TO PASSENGERS	88
<i>Customer satisfaction</i> •	92
<i>Customer relationship management and complaints management</i> •	93
VALUE GENERATED BY NON AVIATION BUSINESS ■	95
THE PROFILE OF NON AVIATION CUSTOMERS	96
<i>Points of sale to public</i> •	96
<i>Food & Beverage</i> •	96
ECONOMIC PERFORMANCE OF NON AVIATION BUSINESS	97
<i>Retail</i> •	98
<i>Car parks</i> •	102

QUALITY OF NON AVIATION SERVICES PROVIDED TO PASSENGERS	104
<i>Travel safety indicators and personal and property security</i> •	104
<i>Indicators of comfort during the stay at airport</i> •	105
<i>Indicators of cleanliness and hygienic conditions</i> •	106
<i>Indicators of additional services</i> •	107
<i>Indicators of modal integration</i> •	108
QUALITY OF COMMERCIAL OFFER	109
MANAGEMENT AND PRODUCTIVITY EFFICIENCY ■	113
ORGANIZATIONAL MANAGEMENT	114
<i>Our people</i> •	114
<i>Empowerment policies</i> •	115
<i>Engagement policies</i> •	121
MANAGING ENVIRONMENTAL RESOURCES	126
<i>Energy consumption</i> •	126
<i>Water consumption</i> •	128
<i>Waste management</i> •	129
SUPPLY CHAIN MANAGEMENT	131
<i>Purchasing policy</i> •	131
<i>Classification of suppliers according to CSR criteria</i> •	132
<i>Selection of suppliers</i> •	133
<i>Value generated for supply's induced business</i> •	133
ANNEX: OTHER SUSTAINABILITY PERFORMANCES ■	135
ANALYSIS OF SCOPE OF MATERIAL TOPICS AND RECONCILIATION WITH GRI ASPECTS ■	153
GRI CONTENT INDEX ■	156
AUDITOR'S REPORT ■	168

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SEA

LETTER TO STAKEHOLDERS

“The ability to learn and change faster than your competitors may be the only sustainable competitive advantage.”
(Philip Kotler)

It’s spelled “crisis”, it’s pronounced “complexity”

The density of change factors in air transportation over the last 5-10 years has been greater than in the previous 50 years. There is little doubt that over the next 5 years we will be involved in further deep changes. Being immersed in a context marked by change events, often disruptive and increasingly frequent and invasive, is an undeniable shared experience. Less frequent is the managerial awareness about these disruptions requiring a significantly greater effort of interpretation and an ability to respond and adapt than in the recent past.

A crisis is the way reality claims a need for change. Rather than affecting the whole economy, a crisis only involves those sectors continuously basing their development expectations on a closed and self-referential vision of choices and decisions.

The Values, complexity reducers

In facing such changes, disrupting our old points of reference, we all look for something helping manage this complexity. Otherwise, being rooted in the Values, we avoid to give prepared and ready-made answers and we deploy critical thinking and free choice. These beliefs have led us to the launch of a new Ethical System in 2015.

Not merely updating the previous “Code of Ethics”, The Ethical System launched a new phase where rules of conduct combine with “frameworks of meaning”: the Ethical Vision and the Values.

Our aim is to build up trust between our partners and us and challenge the conformism, opportunism and resignation often sounding as the only and inevitable consequences of crisis.

Ethics enable a dynamic and shared reading of reality

Currently, we have started to disseminate Values throughout the company, but it is important to reflect on the meaning and the role we want to give them, to define them as they are: real managerial and organizational tools. Two distinct decision-making and behavioural frameworks have taken the place of the Code of Ethics adopted 15 years ago.

On one hand there is a Code of Conduct, drawing the distinction between appropriate and unacceptable behaviours, laying in the field of formal legitimisation of actions. Whatever is covered in the Code of Conduct refers to the distinction between what is correct and what is not, as required by law.

The Code of Conduct just needs to be followed. The source of inspiration of its rules is not the company, but the legislative system. Company acts as a “transmission belt” to employees, thus not suffering the consequences in case of non compliance.

On the other hand, there is the Ethical System, which includes the Values.

Nobody imposed us the nine values of Diamond. They are the result of “internal reading” of our situation and depend on the company desire to create its own future.

Values, in turn, do not impose anything on us (and indeed they do not include disciplinary penalties, unlike the Code of Conduct rules). They suggest a path, an itinerary of cultural evolution.

Failure in following such path exposes us to just one penalty: the risk no to able to share a common language to refer to, resulting in growing fragmentation and fences being raised among different departments, fuelling internal competition in response to the pressure of external complexities.

Finally the risk to be unprepared and divided when facing problems and challenges soon requiring more shared knowledge, synergy, collective talent than put in place so far.

The path makes the result excellent

Choosing to adopt the Values we declare to be aware it is no longer enough to take responsibility for the result: to navigate complex realities we need to take responsibility for the path as well.

That inevitably implies the need to handle more variables than we were used to consider, thus meaning more time, more energies, more focus at decision-making level.

Actually there is no alternative if we want to play a scrupulous and aware role as managers.

A reality where each organization is an issue of a complex and interdependent system, heavily exposed to foreseen and unforeseen effects of its actions and decisions, no longer allows us to explain corporate value destruction by invoking "bad execution".

Such a sophisticated context means to tip the balance of corporate responsibility in favour of the decision-making stage, that is when we more or less thoroughly analyse the scenario, we assess the interconnections between our actions and any relevant stakeholders reaction and we choose whether or not to engage in a pre-emptive confrontation with those people taking part in our activities in order to find shared solutions.

The Values are business performance "accelerators"

The Values we have adopted are a key management tool for improving decision-making quality and reducing the risk to generate underestimated or unexpected side effects, thus jeopardising the result achievement.

Then, the Values talk to us about the need to acquire a higher rationality than the mere technical-economic one.

This rationality looks to a long-term utility and brings about a transparent company, open to dialogue and confrontation, where strategic choices have a "public" effect and where profit is an indicator of correct and sound management and not a one-dimension parameter of success.

Luciano Carbone
SEA Group Chief Corporate Officer





SEA

METHODOLOGICAL NOTE

In its sixth edition, the 2015 Sustainability Report of SEA Group (hereinafter the “Group”) was prepared in accordance with the “G4 Sustainability Reporting Guidelines” (2013) and the “Airport Operators Sector Disclosures” (2014), both published by the Global Reporting Initiative (GRI), based on the “Core” option. The GRI Content Index and the Auditors’ Report are included at the end of the document.

Reporting process and scope

The content and indicators of the 2015 Sustainability Report have been defined according to the results of the materiality analysis. This approach began in 2013, involving the Group’s top management and stakeholders in order to identify the relevant economic, environmental and social aspects through a participatory process.

For completeness, some of the aspects, though not material, are still included in the Report, as in previous years.

The Sustainability Report shows the initiatives and results achieved between 1/1/2015 and 31/12/2015.

This document highlights whenever a reported figure was generated by estimates.

As regards economic data, the reporting scope is the same as SEA Group’s 2015 Consolidated Financial Statements.

The scope of the qualitative information and quantitative data relating to social and environmental aspects refers to companies controlled by the Group, with the exception of:

- Consorzio Malpensa Construction, whose data and information could not at this time be collected uniformly with the Group other companies. We will consider the inclusion of Consorzio Malpensa Construction in the reporting scope over the coming years;
- The following companies considered not significant and still included in the Consolidated Financial Statements with the “equity method”: Dufrital SpA, SACBO SpA, SEA Services Srl, Malpensa Logistica Europa SpA, Disma SpA.

Any specific issues and exceptions to the reporting scope are outlined in the relevant sections.

The document uses the following terms:

- SEA Group for SEA SpA, SEA Energia SpA, SEA Prime SpA and Prime AviationServices SpA;
- SEA for SEA SpA;
- SEA Energia for SEA Energia SpA
- SEA Prime for SEA Prime SpA
- Prime AviationServices for Prime AviationServices SpA.

Reporting principles

Principles for defining the content of the report

The reporting principles regarding the content of this document applied in the drafting phase refer to the GRI guidelines set out above and are summarised below:

Inclusivity, Materiality, Sustainability Context

Relations and involvement actions have been identified for each category of stakeholder.

The document also outlines the main social and environmental impacts of the Group relevant to key stakeholders.

Completeness

In relation to the principle of completeness, refer to the previous paragraph "Reporting Process and Scope".

Quality assurance principles of the report

Similarly, quality guarantee principles of the current document are also reported:

Balance

Figures are objectively and systematically reported. The result indicators reflect the assessment of the performance regardless of improvements or deteriorations from previous periods.

Comparability, Clarity

In order to make this document easier to read, the disclosure contains graphs, tables and a clear and accessible language. Where possible, the indicators are compared with those of the previous two years and are commented, highlighting any significant variations. Tables and charts without comparisons refer to indicators whose time comparison is not considered important or indicators for which data from previous years was unavailable. Reference to the model provided by the Global Reporting Initiative also enables a comparison with domestic and international organizations adopting the same model.

Accuracy

All data have been checked by the various area managers. The reported economic and financial data are the same data used for the Consolidated Financial Statements, prepared by applying international accounting standards.

Timeliness

The 2015 Sustainability Report is an annual reporting document.

Reliability

The Sustainability Report was approved by the Board of Directors and submitted to external and independent review by the audit firm Deloitte, whose activity has ended with the issuance of the "Auditor's Report".

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HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE

Highlights of sustainability performance (million of Euro)

Economic-competitive sustainability indicators	2015	2014	2013
Revenues (thousands of Euro)	694,792	685,100	645,539 (*)
EBITDA (thousands of Euro) ⁽¹⁾	219,831	205,883	182,852 (*)
Net profit (thousands of Euro)	83,850	54,858	33,707
Distributed economic value (thousands of Euro)	545,002	499,290	523,356 (*)
Commercial Aviation business operating revenues (thousands of Euro)	610,741	590,304 (*)	n.d.
General Aviation operating revenues (thousands of Euro)	16,179	16,477 (*)	n.d.
Energy Business operating revenues (thousands of Euro)	15,488	14,853 (*)	n.d.
Infrastructure investments (millions of Euro)	86.8	97.7	96.5
Number of movements - airport system	252,691	253,786	251,828
Number of passengers - airport system	28,083,541	27,654,025	26,764,838
Cargo - airport system (tons)	512,488	472,415	436,125
Sales areas - airport system (thousands of m ²)	29,379	27,294	24,600
Average sales receipt per passenger in sales to the public - Terminal 1 (Euro)	30.62	26.24	27.66
Average sales receipt per passenger in sales to the public - Terminal 2 (Euro)	12.73	11.73	11.45
Average sales receipt per passenger in sales to the public - Linate (Euro)	19.05	18.79	18.46
Environmental sustainability indicators	2015	2014	2013
CO ₂ emissions (goal 1 and 2) - Linate (tons) ⁽²⁾	58,670	-	-
CO ₂ emissions (goal 1 and 2) - Malpensa (tons) ⁽²⁾	117,791	-	-
Water withdrawals - Linate (m ³)	1,382,054	992,936	1,475,598
Water withdrawals - Malpensa (m ³)	2,601,772	2,031,625	2,774,168
Water withdrawals/Passenger traffic - Linate (m ³ /pax)	0.14	0.11	0.16
Water withdrawals/Passenger traffic - Malpensa (m ³ /pax)	0.11	0.09	0.15
Electricity usage - Linate (GJ) ⁽²⁾	563,295	-	-
Electricity usage - Malpensa (GJ) ⁽²⁾	1,829,966	-	-
Drained de-icing liquid - Linate (tons)	91	45	68
Drained de-icing liquid - Malpensa (tons)	0	15	44
Number of spills (oil, diesel, kerosene) - Linate ⁽³⁾	5	3	11
Number of spills (oil, diesel, kerosene) - Malpensa ⁽³⁾	77	75	35
Number of noise monitoring units - Linate	4	4	4
Number of noise monitoring units - Malpensa	10	10	10
Separate collection (% of total urban solid waste and the like) - Linate	50.9	50.5	47.9
Separate collection (% of total urban solid waste and the like) - Malpensa	32.1	33.9	34.2
Wildlife strikes (rate x 10,000 movements) - Linate	3.1	2.7	5.8
Wildlife strikes (rate x 10,000 movements) - Malpensa	2.2	3.2	3.0

Highlights of sustainability performance (million of Euro)

Socioeconomic sustainability indicators	2015	2014	2013
Number of employees	2,905	2,684	2,765 (*)
Average number of hours of training per capita, men	8.2	2.6 (*)	4.4 (*)
Average number of hours of training per capita, women	5.8	4.4	4.7 (*)
Unionisation rate (%)	59	59	60 (*)
Accidents - frequency index - airport system	3.31	3.34	3.38 (*)
Accidents - severity index - airport system	98.54	101.38	96.71 (*)
Number of successful contract bidders	1,245	1,162	1,182 (*)
Value of orders assigned to local suppliers (millions of Euro)	125.6	122.5	127.3 (*)
Punctuality of departing passenger flights - Linate (%)	88.5	90.9	90.7
Punctuality of departing passenger flights - Malpensa (%)	83.8	84.5	85.8
Number of misdirected bags (x 1,000 passengers) - Linate	2.8	3.1	3.9
Number of misdirected bags (x 1,000 passengers) - Malpensa	1.5	1.7	2.1
Customer Satisfaction Index - Linate (%) ⁽⁴⁾	70	67	99
Customer Satisfaction Index - Malpensa T1 (%) ⁽⁴⁾	73	70	98
Mystery Shopping - average perceived quality of businesses	75.9	79.2	79.2
Donations (Euro)	901,742	764,900	865,218
Investments in Corporate Citizenship (Euro)	81,500	150,400	199,421

(1) The EBITDA was defined as the difference between total revenue and total operating costs, including provisions and write-downs, with the exception of the provision for the fund for renovation and replacement.

(2) The emission calculation criterion (calculated on the basis of energy consumption of the entire SEA Group) has been modified since 2015 and therefore the values are no longer comparable with the previous years.

(3) Significant spills (those involving an area equal to or greater than 20 m²).

(4) The new Customer Satisfaction assessment system based on the Customer Satisfaction Index was adopted in 2014, therefore the data is not comparable with 2013. The 2014 and 2015 data is not expressed as a percentage.

(*) Restated values.



SEA

WHO WE ARE
AND WHAT WE DO

SEA Group manages Milan airport system, based on a forty-year agreement signed in 2001 with ENAC, which renewed the previous concession of May 7, 1962. The parent company SEA SpA is a joint-stock company, incorporated and registered in Italy.

Malpensa and Linate airports are among the top ten operators in Europe for traffic volume in passenger segment and among the top five in cargo market, while in Italy, Milan airport system is the second largest operator for passenger traffic volume and the first in cargo segment.

Key Facts

- Founding of SEA:** May 22, 1948
- Registered office:** Airport Milano Linate - 20090 Segrate (MI)
- Registration number at Milan Companies Register:** 00826040156
- Share capital:** 27,500,000 Euro
- Number of employees of the Group in 2015:** 2,905

2015 HIGHLIGHTS

- Total Revenues:** 694.8 million Euro
- EBITDA:** 219.8 million Euro
- Net profit:** 83.9 million Euro
- Passengers:** 28.1 million
- Aircraft movements:** 252.7 thousand
- Cargo:** 512.5 thousand (tons)

SEA and the Group companies manage and develop Milan Malpensa and Milan Linate airports, providing all related services and activities, such as arrivals and departures of aircraft, management of airport security, continuous development of commercial services to passengers, operators and visitors, through a wide and differentiated offer.

SEA Group also produces electricity and thermal energy for sale on the external market, in addition to covering the needs of its airports.

Mission

The mission of SEA Group is to create value for all parties directly involved in Group activities: shareholders, customers and employees.

This is achieved through the provision of services and solutions according to the growing demands of the market, consisting of several parties, including passengers, carriers, airport operators and commercial partners at Malpensa and Linate airports.

The airport infrastructures managed by SEA Group provide air access to the main international destinations to a large number of users in one of the most developed catchment areas of Europe, thus providing a key hub for economic growth in whole Northern Italy.

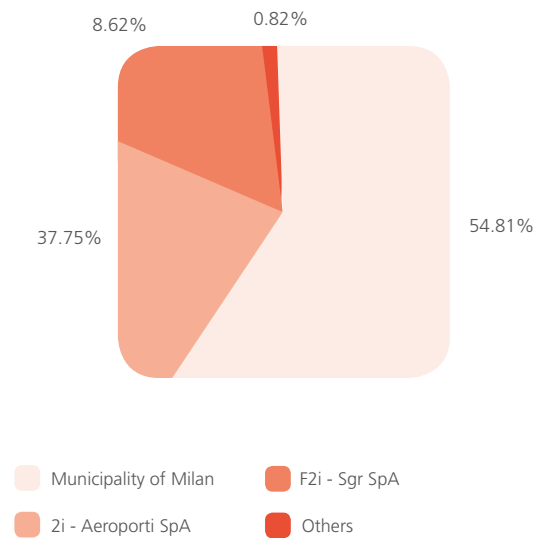
Services provided by SEA Group are guaranteed by the management and the development of a secure and cutting-edge infrastructure, focusing on the development of the host community and environmental protection.

Shareholding structure

The share capital of SEA amounts to 27,500,000 Euro, comprising 250 million shares of a par value of 0.11 Euro, of which 137,023,805 Class A shares, 74,375,102 Class B shares and 38,601,093 other shares.

In case of divestment of the majority of the Company's capital, Class A shareholders must guarantee Class B shareholders a right to co-sale. Class A shareholders have a pre-emption right on the sale of Class B shares.

Structure of the Share Capital



Structure of the Share Capital

Public shareholders

10 bodies/companies	Municipality of Milan (*)	54.81%
	Province of Varese	0.64%
	Municipality of Busto Arsizio	0.06%
	Other public shareholders	0.08%
	Total	55.59%

Private shareholders

	2i Aeroporti SpA (**)	35.75%
	F2i Sgr SpA (***)	8.62%
	Other private shareholders	0.04%
	Total	44.41%

(*) Holder of Class A shares.

(**) Aeroporti SpA has changed its name to "2i Aeroporti SpA" with an act dated April 24, 2015

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

Structure of SEA Group

SEA holds controlling shareholdings in the companies listed below, upon which direction and coordination

are exercised in accordance with Article 2497 and subsequent of Italian Civil Code:

Company	Country of establishment/location	% of the share capital
SEA Energia SpA	Italy, Segrate (MI)	100.00
Consorzio Malpensa Construction	Italy, Milan	51.00
SEA Prime SpA	Italy, Milan	98.34
Prime Aviation Services SpA*	Italy, Milan	98.34

* Indirectly through SEA Prime SpA

SEA SpA

Airport management	Utilities	Commercial activities	Other activities	Handling
S.A.C.B.O. SpA Società per l'aeroporto civile di Bergamo - Orio al Serio 30.98%	SEA Energia SpA 100%	Dufrital SpA 40%	Consorzio Malpensa Construction** 51%	Prime Aviation Services SpA*** 98.34%
Aeropuertos Argentina 2000 SA* 8.5%	Disma SpA 18.75%	SEA Services Srl 40%	Romairport SpA 0.23%	Malpensa Logistica Europa SpA 25%
SEA Prime SpA 98.34%			SITA Società Cooperativa arl 12 share	

— Controlling shareholding
— Associated company
— Investment in other companies

* In relation to the holding of SEA in AA2000, on June 30, 2011, SEA SpA and Cedcor S.A, in execution of the agreement of August 9, 2006, signed a contract concerning the sale by SEA of the above stake in AA2000, subject to the approval of the Regulator del Sistema Nacional de Aeropuertos, which has not yet been issued at the approval date of the 2015 Annual Financial Report of the SEA Group.

** On November 6, 2014, the Board of Directors confirmed the expiration of the Consortium as of December 31, 2014, pursuant to art. 5 of the By-Laws. The Consortium will continue to operate until the full fulfilment of all the contractual commitments in progress.

*** Company indirectly controlled through SEA Prime SpA.

Corporate Governance

The Corporate Governance structure is voluntarily based (as SEA is not listed on the stock market) on the recommendations and principles contained in the "Self-Governance Code of Listed Companies" promoted by Borsa Italiana.

The corporate governance structure of SEA follows a traditional organizational model and consists of the following bodies:

- Shareholders' Meeting, the body representing the interests of the majority of shareholders, with a duty to

take the most important decisions for the company, appointing the Board of Directors, approving the financial statements and amending the By-laws;

- Board of Directors, which operates through executive directors and directors with representative powers. Among its members, a Control and Risks Committee and the Remuneration Committee has been set up;
- Board of Statutory Auditors.

The structure of powers and duties completes the Governance structure.

Board of Directors

The Board of Directors of SEA consists of seven members (executive and non-executive). The Board of Directors of SEA in office at December 31, 2015 was appointed by the Ordinary Shareholders' Meeting on June 24, 2013, for 3 years until the approval of the Financial Statements at December 31, 2015. In 2015, the verification of independence requirements of directors was not considered necessary by the Company, considering the number of non-executive directors adequate.

The Company is not subject to special rules regarding the composition of the Board of Directors, in relation to minority shareholders or the number of independent directors.

The Board of Directors of SEA has determined the remuneration of Chairman, Deputy Chairman and other directors on the basis of what agreed by the appointing Shareholders' Meeting. For the financial year ended December 31, 2015, the remuneration for the Board of Directors was 799,000 Euro.

The Board of Directors has a central role within the company's organisation.

It is responsible for strategic and organizational guidelines within the corporate scope, holding all the powers that by law or by the By-laws are not expressly reserved to the Shareholders' Meeting and therefore carries out the ordinary and extraordinary administration of the Company.

Structure of the Board of Directors and the SEA 2015 Committees

Board of Directors				Control and Risks Committee	Remuneration Committee	Ethics Committee	Age groups	
Position	Members	Executive	Non executive	*	*	*	30-50	> 50
Chairman	Pietro Modiano	X						X
Deputy Chairman	Armando Brunini ⁽¹⁾		X	X				X
Director	Mario Aspesi		X		X			X
Director	Salvatore Bragantini		X	X		X		X
Director	Stefano Mion ⁽¹⁾		X		X		X	
Director	Susanna Stefani		X		X			X
Director	Susanna Zucchelli		X	X				X

(*) Membership of the BoD member in the Committee.

⁽¹⁾ They were appointed on April 30, 2015 following the resignation of the Directors Renato Ravasio and Mauro Maia. On the same date, Director Armando Brunini was appointed as member of the Audit and Risk Committee and Director Stefano Mion as member of the Remuneration Committee.

The Board monitors the general operating performance, particularly in relation to conflicts of interest, taking into specific account any information received from the Chairman and SEA Control and Risks Committee, as well as periodically comparing results with forecasts.

In addition, the Board of Directors examines and approves operations with significant strategic, economic, equity or financial value, the strategic, industrial and financial plans of the Company and the Group in general, corporate governance system and Group's structure.

Internal Committees of the Board of Directors

The Board of Directors of SEA, in accordance with the recommendations of the Self-Governance Code, has internally set up, through special resolutions, additional committees among its members, composed of non-executive independent directors, with proposal and con-

sultation functions, and set the number of members and duties. These committees regularly carry out their duties through meetings whose minutes are drafted and kept in the Company's records.

Meetings held by the Board of Directors and the Committees in 2015

Board of Directors	Control and Risks Committee	Remuneration and Appointments Committee	Ethics Committee
15	5	6	4

For the discharge of their duties, committees may access information and corporate functions necessary to carry out their tasks. Committees may also use external consultants, within the budget limits approved by the Board. The Board of Directors has set up:

- the Ethics Committee, chaired by a non-executive director;
- the Remuneration Committee;

- the Control and Risks Committee.

The Board has not set up internally an Appointments Committee, as it is considered that the slate voting mechanism provided for under the By-laws for the appointment of Directors guarantees sufficient transparency and publicity for the entire process of appointing members of the Board of Directors.

Board of Statutory Auditors

The Board of Statutory Auditors consists of five Statutory Auditors and two Alternates. Two Statutory Auditors are members of the Board of Statutory Auditors: one performs the function of Chairman of the Board and is appointed by the Minister of the Treasury, the other by the Minister of Infrastructure and Transport. The appointment of the remaining three Statutory Auditors and

the two Alternate Auditors takes place through the slate voting system, presented by shareholders with holdings of at least 20%.

The Statutory Auditors remain in office for three years, may be re-elected, and lapse on the date of the Shareholders' Meeting called for the approval of financial statements of the final year in office.

Structure of SEA 2015 Board of Statutory Auditors

Board of Statutory Auditors			
Position	Members	In office since	In office until
Chairman	Rita Cicchiello	30/10/2013	2015 Financial Statements approval
Statutory auditor	Andrea Galli	24/06/2013	2015 Financial Statements approval
Statutory auditor	Paolo Giovanelli	24/06/2013	2015 Financial Statements approval
Statutory auditor	Antonio Passantino	24/06/2013	2015 Financial Statements approval
Statutory auditor	Ezio Maria Simonelli	24/06/2013	2015 Financial Statements approval
Statutory auditor	Andrea Cioccarelli	24/06/2013	2015 Financial Statements approval
Statutory auditor	Ilaria Moretti	24/06/2013	2015 Financial Statements approval

⁽¹⁾ Ministerial appointment, replacing auditor Rita Cicchiello.

For 2015, the total amount of remuneration for the Board of Statutory Auditors is 315,000 Euro.

System of powers and duties

The highest managerial responsibilities within the Company are shared among a Chief Corporate Officer (CCO), a Chief Executive Officer (CEO) and a Chief Financial and Risk Officer (CFRO), according to the powers granted by the Board of Directors.

The Board of Directors of SEA has not appointed a Chief Executive Officer and has granted to the Chief Officers of the Company the powers to manage, within specific limits, the ordinary activities of the Company and the implementation of the guidelines dictated by the administrative body.

Each of the Chief Officers, in turn, has sub-delegated some of the delegated powers. This system of powers contemplates a constant disclosure to the Board of Directors regarding the exercise of delegated powers and hence the developments and conclusion of the main corporate operations.

The system is based on a formalized and clear internal organizational structure, divided into distinct units, each of which is specifically identified for its hierarchical reporting line, mission and responsibility.

The organizational structure lays out responsibilities so as to leverage skills while enabling the activation of checks and balances, including:

- the Auditing Department reports hierarchically to the Chairman and functionally to the Board of Directors and the Control and Risks Committee;
- Staff structures are merged under the Chief Corporate Officer, with the Purchasing Department being centralised and segregated from the main corporate spenders;
- Business Development responsibilities are centralised under the Chief Operating Officer.

SEA Chief Executive Officers “delegated” to management duties, each for his own area, regularly attend the meetings of the Board of Directors to provide the required in-depth reporting on topics on the agenda.

Management remuneration

SEA Group remuneration policy reflects its characteristics as a service company focused on operational performance excellence and on the quality of service offered to customer, aiming to align corporate interests with value creation for shareholders. The remuneration policy is defined in order to attract, motivate and retain highly qualified managerial personnel.

The variable incentive system (MBO) intended for the Group’s Management is consistent with the Business Plan and is designed to implement it. The variable remuneration component recognizes the achieved results

by establishing a correlation between performance and remuneration.

Annual targets are predetermined by the budget approved by the Board of Directors and assigned to the positions in relation to areas of performance and responsibility of each role.

The Group’s profitability is the Management’s main objective, shared at all levels, and is the condition of access to the recognition of the individual bonuses. Performance is measured not only on economic and financial terms, but also on achieving department targets linked to indicators of operational excellence and customer service levels.

Internal control system

SEA has adopted an internal control system consisting of rules, procedures and an organizational structure to monitor:

- efficiency and effectiveness of corporate processes;
- reliability of financial disclosure;
- compliance with laws, regulations, By-laws and internal procedures;
- safeguarding of the company’s assets;

Particular attention is also given to the Organization and Management Model as per Italian Legislative Decree 231/01.

Organization and management model as per Legislative Decree 231/01

In 2003, SEA adopted an “Organization, Management and Control Model” in line with the provisions of Italian Legislative Decree 231/2001, taking into account the Guidelines published by Confindustria to ensure fairness and transparency in conducting the company’s activities.

The Model of Organization and Management sets out the principles adopted and the activities carried out by SEA to prevent offences under Italian Legislative Decree 231/2001 and to avoid incurring in administrative and criminal liability of the legal persons set forth in the decree.

The effectivity and adequacy of the Model is ensured by the Supervisory Body appointed by the Board of Directors and composed of four members (one Board member without operating duties, two external independent members and the Auditing Manager).

The Supervisory Body has independent powers of initiative and control, professionalism and continuity of action, in addition to independent spending powers. The Supervisory Body prepares periodic information flows for the Board of Directors on the effectiveness,

adequacy and maintenance of the Model.

To monitor the implementation of the Model, a special channel has been set up for reports, including anonymous ones, from employees, corporate bodies and third parties regarding illegal conduct or situations posing the potential risk of committing illegal conduct to the Supervisory Body (so-called "Whistleblowing"). The following are an integral part of SEA's Model 231:

- Code of Conduct;
- risk mapping;
- company's organizational system;
- company's procedural system;
- system of authorization and signatory powers;
- management control system;
- reward system and penalty mechanisms;
- personnel training and communication;
- company's information system;
- company's governance system;
- control activities in general.

In 2015, SEA Supervisory Body met ten times. Minutes of each meeting were drawn up.

Code of Conduct and Ethics Committee

The Code of Conduct is an integral part of the Organization, Management and Control Model under Italian Legislative Decree 231/2001. It is a self-governance tool first adopted in April 2000, identifying values and codes of conduct informing SEA's activities. The members of SEA corporate bodies, employees and associates linked to SEA and SEA Group companies must comply with contractual employment relationships (including occasional or temporary ones). Other specific categories of stakeholders (in particular suppliers and major trading partners) are also required to comply with specific conduct rules set forth in the Code of Conduct and formalized in the relevant contracts.

In conducting its business, SEA and the Group companies follow the principles of maximum transparency, clarity, correctness, integrity and fairness.

The Code of Conduct Rules make an essential part of contractual obligations of Company's management, employees and associates. Therefore, any conduct disregarding its rules constitutes a breach of the obligation of diligence set forth by the current CCNL National Collective Bargaining Agreement.

For other stakeholders, compliance with the Code of Conduct is an essential prerequisite for establishing and/or continuing the relationship with SEA.

SEA has set up an Ethics Committee to ensure dissemination, observance, correct interpretation and updating of the Code of Conduct, consisting of a director repre-

senting the Company's Board of Directors (who chairs the committee) and the corporate Heads of "Human Resources and Organization", "Legal and Corporate Affairs" and "Auditing". In 2015, the Ethics Committee met four times, addressing the state of dissemination and implementation of the Code of Conduct and reviewing the received reports concerning alleged violations of the Code.

The dissemination of the Organization and Management Model as per Italia Legislative Decree 231/01 and the Code of Conduct continued in 2015 with the following initiatives:

- disclosure to Corporate Executives about offences introduced in Italian Legislative Decree 231/01 by Italian Law 190/2012;
- publication of General Part 10th Edition on the institutional website;
- publication of General Part 10th Edition and Special Part 7th Edition on corporate intranet;
- forwarded to Corporate Executives:
 - updating of Potential Risk Mapping;
 - General Part - 10th Edition;
 - Special Part - 7th Edition;
- prompt update on corporate intranet site about changes made to the "Model", disclosure for employees and FAQs;
- providing new recruits with credentials to access the reserved intranet section, which contains the Code of Conduct and the Organization and Management Model.

Training sessions, on the other hand, were structured as follows:

- continuation of e-learning training for SEA "administrative" employees (launched in 2014);
- launch e-learning training for SEA "operational" employees ;
- disclosure on the Model and on Italian Legislative Decree 231/01 in compulsory courses, issue/renewal of airport badge, training on occupational health and safety in compliance with Italian Legislative Decree 81/08.

In addition, training is also provided to newly recruited Executives and personnel in areas deemed sensitive in terms of application of the Model.

Anti-Corruption Representative

In compliance with the so-called "Anti-Corruption Law", on January 31, 2014 SEA identified its Anti-Corruption Representative in the person of the Legal & Corporate Affairs Director, who is also a member of the Ethics Committee.

The Anti-Corruption Representative is solely responsible for dealing with anti-corruption communications,

as defined in Italian Law 190/2012, also towards third parties. Role, prerogatives and responsibilities of the Anti-Corruption Representative are therefore not

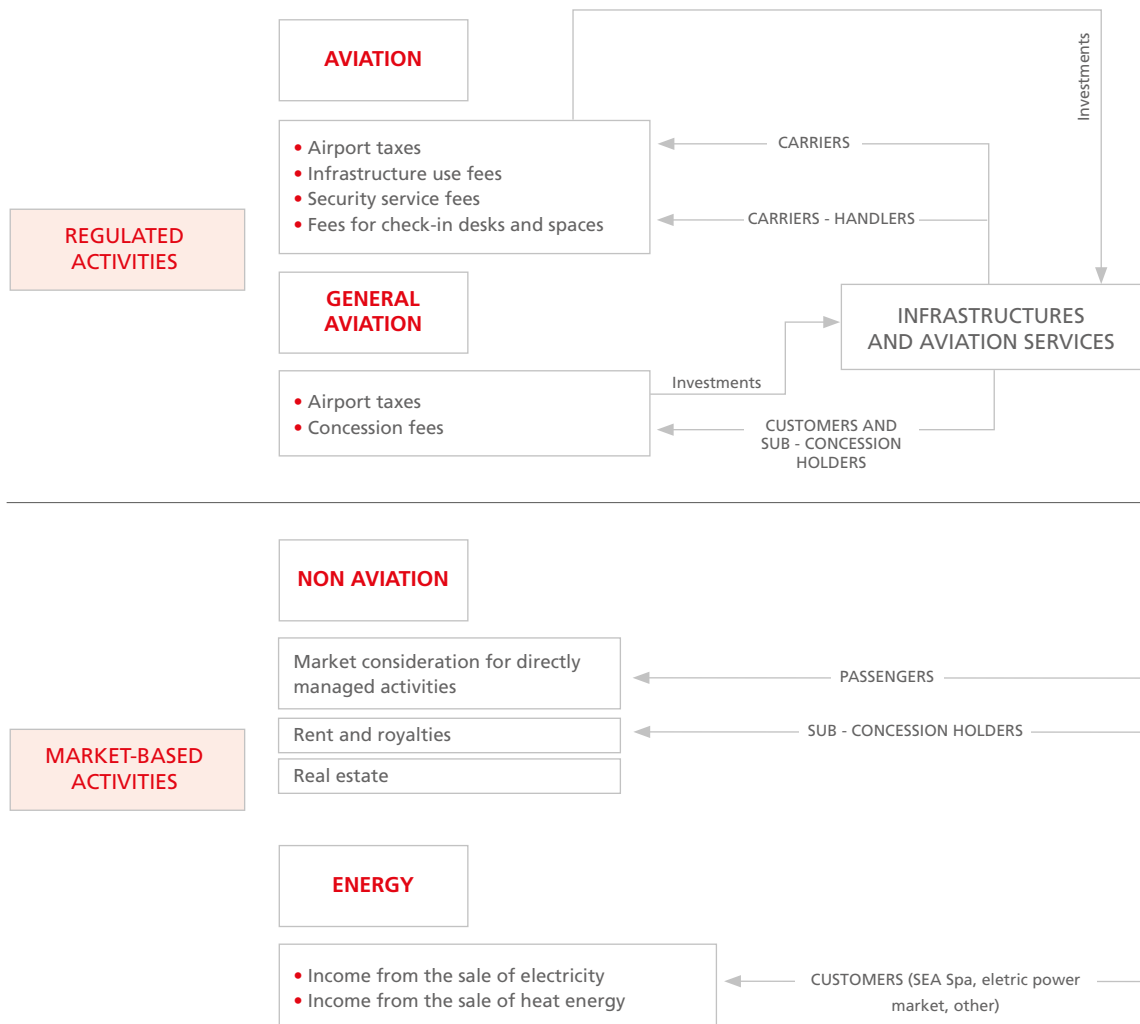
comparable to those assigned by applicable law to the anti-corruption manager (i.e. the Representative under Italian Law 190/2012).

Model and business areas

As a result of the change in the scope of consolidation of SEA Group (departure of Airport Handling SpA and liquidation of SEA Handling SpA), business

model is structured taking into account the areas currently managed by SEA Group.

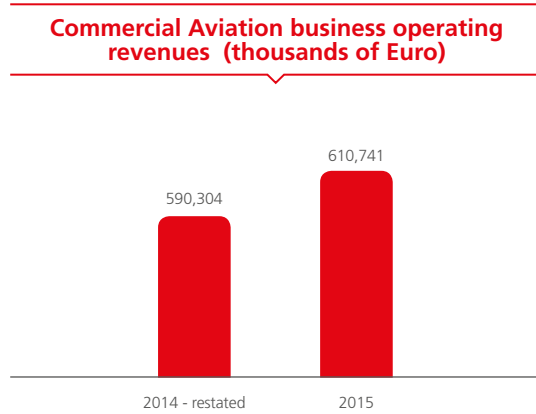
SEA Group business model



SEA Group's management of airports is performed by specific business units.

Commercial Aviation

The Commercial Aviation business unit includes Aviation and Non Aviation activities.



Source: SEA

Aviation business concerns management, development and maintenance of infrastructure and plants within the airports and offer of services, activities related to aircraft arrival and departure and security services to customers.

Revenues generated by these activities are defined by a system of regulated fees and are represented by:

- airport fees (aircraft, passengers and cargo);
- fees for use of centralised infrastructures (e.g. loading bridges, BHS, centralised information systems);
- fees for security checks (regarding passengers, carry-on baggage and 100% of hold baggage).

Security taxes and fees are set by Ministerial Decrees, while fees for use of centralised infrastructure are monitored by ENAC, which checks their fairness.

Non Aviation activities refer to services supporting the aviation activities and include a wide and varied offer, both in direct management and in sub-concession to third parties. These include commercial services for passengers, operators and visitors in airports, as well as the real estate business.

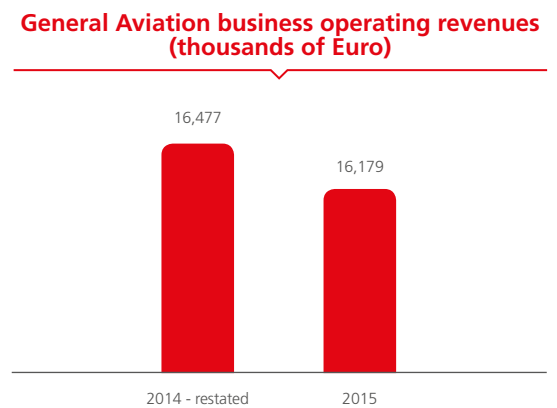
Revenues are represented by market fees for Non Aviation activities carried out directly and by royalties expressed as percentages of turnover, with guaranteed minimum, in case of activities carried out by third parties in sub-concession.

Specifically, it includes the following activities:

- retail (duty-free and duty-paid sales to the public, catering, car rental, management of spaces for third parties to carry out banking activities);
- management of car parks;
- management of cargo spaces;
- other activities, grouped under "services and other revenues" (ticketing, vehicle maintenance, real estate, including leases and concessions for parts of airport grounds, technological and design services and unregulated security services).

General Aviation

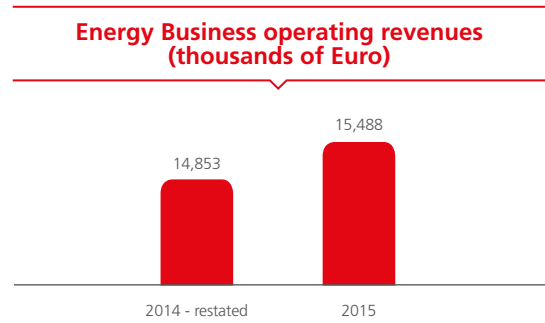
General Aviation business includes both general aviation activities carried out through subsidiary SEA Prime, which was acquired in 2013 and which provides the full range of services related to business traffic within the west apron of Linate airport, and general aviation handling activities of subsidiary Prime Aviation Services, which carries out its activity at Linate airport and offers services at General Aviation airports of Milan Malpensa, Venezia Tessera and Roma Ciampino.



Source: SEA

Energy

SEA Group guarantees energy self-sufficiency (heating and electrical) of both airports using a production system based on low environmental impact methane cogeneration plants managed by subsidiary SEA Energia. Malpensa cogeneration plant has an estimated annual maximum capacity of 613 GWh of electricity and 543 GWh of heat energy. Linate has an estimated annual maximum production capacity of 210 GWh of electricity and 157 GWh of heat energy. Electricity produced in excess of needs is sold through the electric power market. Surplus of heat energy produced by Linate power plant is used to supply Santa Giulia district of Milan. Through SEA Energia, the Group has green certificates that confirm the characteristics of the plants used.



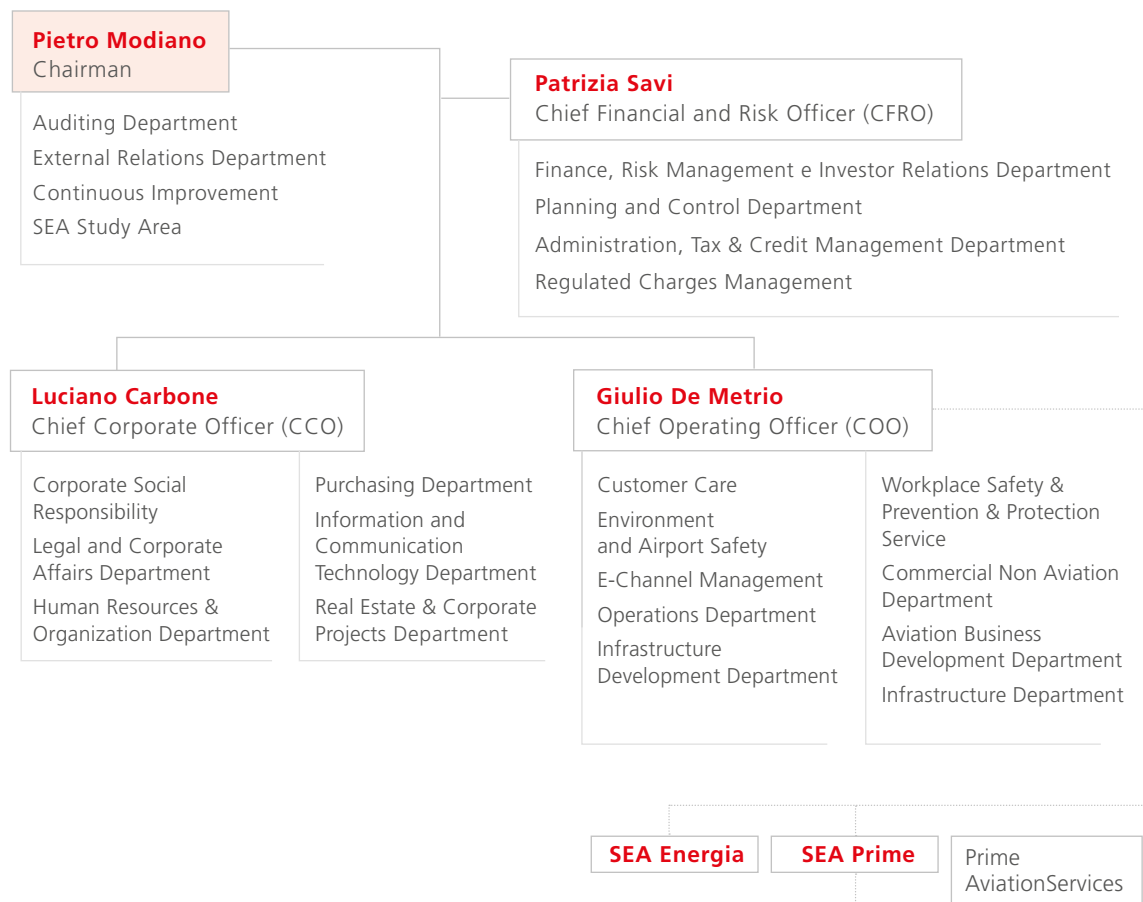
Source: SEA

Organizational structure

The organizational structure of SEA is divided into different departments and staff functions, each of them respectively reporting to Chairman, Chief Corporate Officer, Chief Operating Officer and Chief Financial and Risk Officer.

porate Officer, Chief Operating Officer and Chief Financial and Risk Officer.

Organizational chart at 31/12/2015



SEA has adopted a Steering Process as a management and control method, which through the cross-functional and inter-operational involvement of company's operating management and staff, seeks to achieve business targets and strengthen team spirit. The Steering Process is divided into seven committees:

Executive Committee

Develops the corporate strategic guidelines and oversees the implementation of consequent actions, also ensuring the management of any information and authorisation required by the Governance model.

Group Business Development Committee

Analyses and evaluates qualifying development projects and/or investments for corporate business strategies, while also ensuring the review of potential risks/opportunities.

Group Management Committee

Ensures the management's information alignment on business targets of a cross-company nature and interest.

Group Business Execution Committee

Examines the performance of airports in the specifics of their respective economic, operational, infrastructural and commercial aspects, as well as monitoring the actions taken.

Group Business Economics Committee

Ensures the integrated disclosure on the main economic, financial and administrative aspects concerning the Group's management developed through a reporting system and defined information standards, in order to identify the points of attention and to address any corrective action.

Safety Board

Analyses and evaluates the monthly safety performance of airport operations and directly or indirectly related issues/problems (including insurance implications) in order to find out actions resolving for the resolution of problems and activate initiatives for effective prevention.

Steering Process

	Executive Committee	Group Business Development Committee	Group Management Committee	Group Business Execution Committee	Group Business Economics Committee	Safety Board
Chairman	X	X	X			
Chief Operating Officer	X	X	X	X	X	X
Chief Corporate Officer	X	X	X	X	X	X
Chief Financial and Risk Officer	X	X	X	X	X	
Accessibility of the Airport System and Special Projects			X	X		
Administration, Tax and Credit Management		X			X	
Auditing			X			
Aviation Business Development		X		X	X	
Commercial Non Aviation		X		X	X	
Corporate Social Responsibility		X	X			
Airport Coordination				X		
Customer Care		X		X	X	
E-Channel Management			X			
Environment and Airport Safety			X			X
Finance, Risk Management and Investor Relations		X			X	X
Information and Communication Technology		X		X	X	
Infrastructure		X		X	X	
Legal and Corporate Affairs		X			X	
Operations		X		X	X	X
Planning and Control		X		X	X	
Integrated Operational Planning			X			
Purchasing		X		X	X	
Real Estate and Corporate Projects		X		X	X	
External Relations		X		X	X	
Human Resources and Organization		X		X	X	X
Occupational Safety and Prevention and Protection Service			X			X
Technical Director of SEA Energia		X		X	X	
Project managers or special initiatives		X		X		

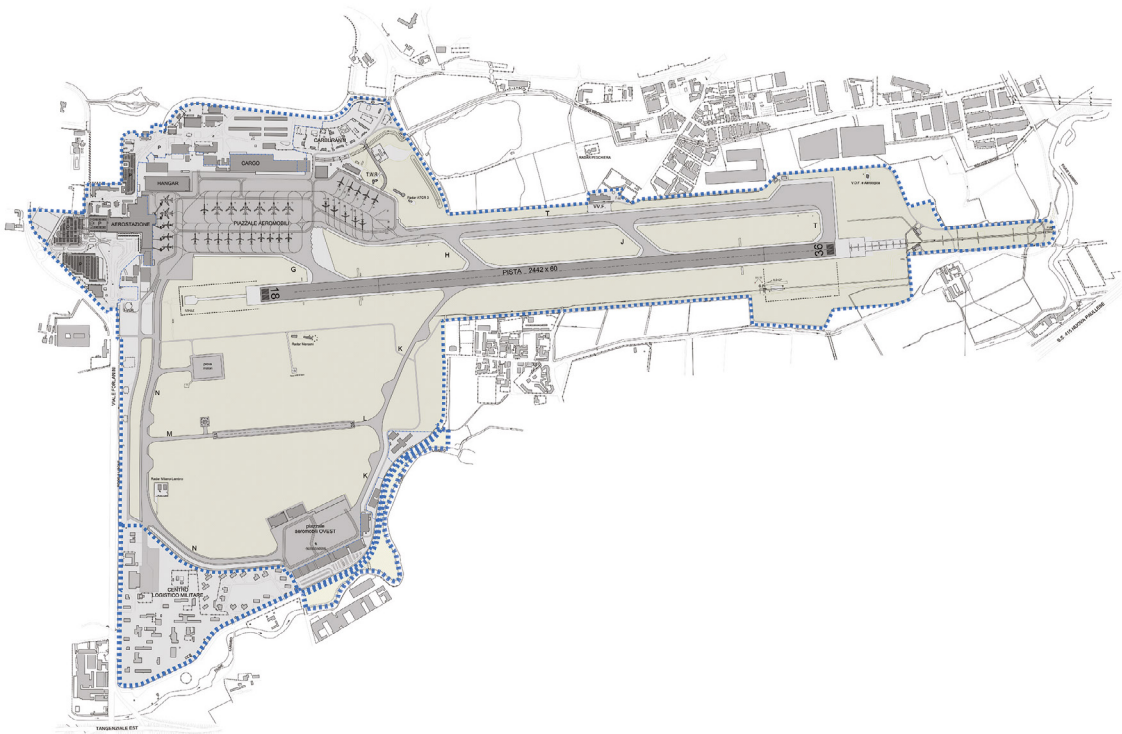
Linate and Malpensa airports

Linate Airport

Linate Airport covers an area of approximately 350 hectares in the south-eastern section of the province of Milan, in the areas of Peschiera Borromeo, Segrate

and Milan. Forlanini Park, one of the largest parks in Milan metropolitan area and Idroscalo are adjacent to airport grounds.

Linate - Airport map, air-side



The airport is mainly dedicated to frequent flyer customers on particularly attractive domestic and international routes (both within European Union and beyond). In 2015, Linate handled 6.2% passengers, 8.1% aircraft movements and 1.6% total cargo in Italy. The airport has two landing and take-off runways,

the first (2,442 metres long) for commercial aviation and the second (601 metres long) for general aviation. Flight infrastructure includes a main taxiway, approximately 2,100 metres long, a 4,000-metre fence system and 2 aircraft aprons. There are 45 stands, which offer a simultaneous parking capacity of 40 aircraft.

Linate Airport chart

Traffic	2015	Δ 15/14	ITA Rank
Passengers	9,638,763	7.3%	4 th
Movements	96,049	5.7%	3 rd

Operating standards 2016

Departure punctuality (delays less than 15')	88.5%
Delivery of first bag within 18'	95.5%
Number of misdirected bags/1,000 passengers	2.8

Infrastructure features

Surface area of grounds	350 ha
No. of runways	2
No. of aircraft stands	45
No. of check-in counters	83
No. of boarding gates	24
Terminal surface area dedicated to commercial businesses	21%
Cargo warehouse surface area	16,800 m ²
Cargo handling capacity	80-100 thousand t/y
Cogeneration plant - installed electric power	24 MWe
Cogeneration plant - installed heat power	18 MWt
No. of car parks	3
No. parking spaces reserved for passengers	3,736
No. of parking spaces reserved for airport operators	1,850
No. of taxi parking spaces	169

Source: Assaeroporti (www.assaeroporti.it)

The passenger terminal extends over 3 levels with a total surface area of about 75,000 m² (of which about 33,000 m² open to the public), and is equipped with 83 check-in counters and 24 gates, of which 5 are served by loading bridges and the remaining for aircrafts located in remote stands accessible by runway shuttles. 21% of terminal surface area open to

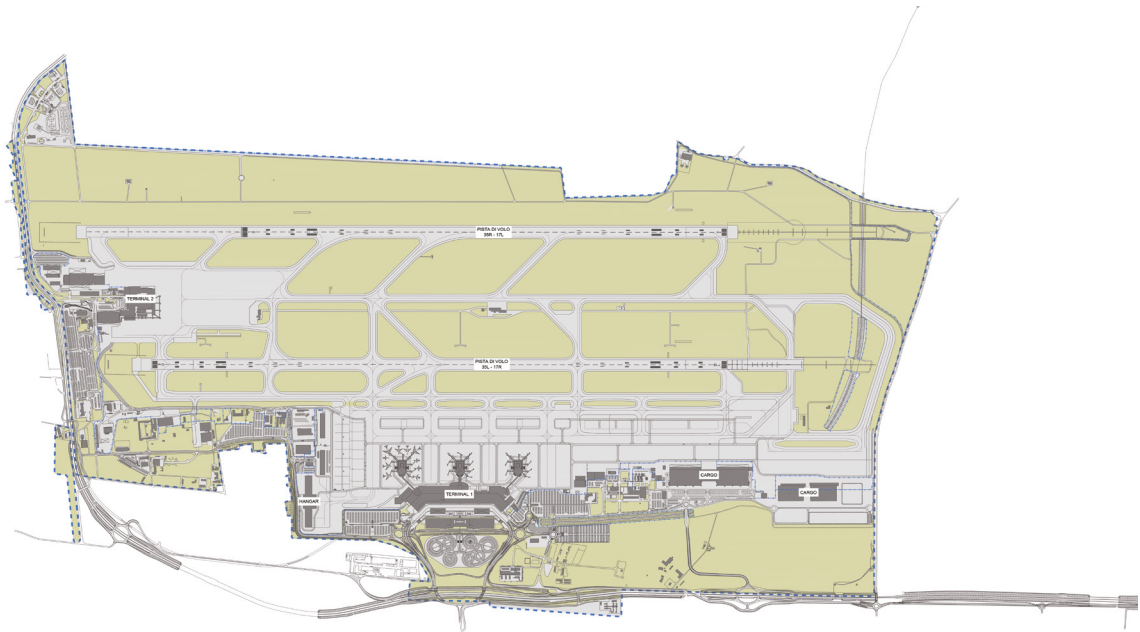
the public is dedicated to commercial activities (retail and catering, car rental and banking) and 7.5% to services provided by airlines (check-in and ticketing). The cargo area has a goods warehouse measuring approximately 16,800 m² with a processing capacity of 80-100,000 tons/year.

Malpensa Airport

Malpensa Airport is located in high Lombardy valley, in the south-west section of the province of Varese, 48 km from Milan, linked via the railway network and a

road system, including motorways, which connects the airport with the main cities of Northern Italy and Switzerland.

Malpensa - Airport map, air-side



The land area covers 1,220 hectares on territories of seven municipalities: Somma Lombardo, Casorate Sempione, Cardano al Campo, Samarate, Ferno, Lonate Pozzolo and Vizzola Ticino.

The entire airport grounds are part of Lombardy Park of Ticino Valley, the first regional park in Italy, born in 1974 to preserve the river and many natural environments of Ticino Valley from increasingly invasive urbanisation and industrialisation, and to safeguard its rich biodiversity.

Malpensa airport is the second in Italy for total number of aircraft movements and passenger number. In

2015, Malpensa managed 11.0% of total movements, 11.8% of passenger traffic and 51.9% of cargo transport recorded in Italy. It has two parallel runways, 808 metres apart, each 3,920 metres long, and is enabled for all aircraft in service. Runways do not allow independent parallel approaches. Taxiway and junction system extends about 19.4 km overall (28.5 km if you also consider the taxiing routes on the aprons). The 203 aircraft stands, of which 111 at Terminal 1, 43 at Terminal 2 and 49 at Malpensa Cargo, provide a maximum capacity of 155 aircraft parked simultaneously.

Malpensa Airport chart

Traffic	2015	Δ 15/14	ITA Rank
Passengers	18,444,778	-1.2%	2 nd
Cargo (tons/year)	500,054	8.8%	1 st
Movements	156,642	-3.9%	2 nd

2015 operating standards

Departure punctuality	83.8%
Delivery of first bag within 27'	
• Malpensa T1	96.5%
• Malpensa T2	97.1%
No. of misdirected bags/1,000 passengers	1.5

Infrastructure features

Surface area of grounds	1,220 ha
No. of runways	2
No. of aircraft stands	203
No. of check-in counters:	
• Malpensa T1	286
• Malpensa T2	57
No. of boarding gates:	
• Malpensa T1	76
• Malpensa T2	27
Terminal surface area dedicated to commercial businesses:	
• Malpensa T1	16.0% of the surface area open to the public
• Malpensa T2	17.8% of the surface area open to the public
Baggage Handling System Malpensa T1	10,650 bags/hour
Baggage Handling System Malpensa T2	4,800 bags/hour
No. of baggage claim carousels:	
• Malpensa T1	10
• Malpensa T2	5
Cargo handling capacity	500-560,000 tons/year
Cogeneration plant - installed electric power	70 MWe
Cogeneration plant - installed heat power	62 MWt
No. of car parks:	
• Malpensa T1	4
• Malpensa T2	1
No. parking spaces reserved for passengers:	
• Malpensa T1	6,642
• Malpensa T2	2,000
No. of parking spaces reserved for airport operators:	
• Malpensa T1	2,563
• Malpensa T2	1,160
• Malpensa T1-Malpensa T2 Intermediate Area	1,609
• Malpensa Cargo	1,159
No. of taxi parking spaces:	
• Malpensa T1	280
• Malpensa T2	20

Source: Assaeroporti (www.assaeroporti.it)

There are two airport terminals for passengers. Malpensa Terminal 1, operational since 1998, was built based on a modular structure and consists of a main body (with 6 floors) and three satellites arranged on the aircraft apron and their loading bridges.

The three satellites are connected to the main body by a double tunnel for incoming and outgoing passengers and a covered corridor for baggage handling.

It has 286 check-in counters and 76 gates, of which 30 are served by 41 loading bridges and the remaining for aircrafts located on parking stands accessible by runway shuttles.

Approximately 16% of the surface area open to the public is devoted to commercial activities (retail and catering, car rental and banking). Malpensa Terminal 2 has 57 check-in counters and 27 gates for aircraft located on parking stands accessible by runway shuttles. Approximately 17.8% of surface area open to the public is devoted to retail activities. Malpensa Cargo has warehouses covering an area of 50,000 m², with a capacity between 700,000 and 750,000 tons of cargo per year. The airport also has a hangar for recovery and maintenance of aircrafts and office space.



SEA

OUR COMPETITIVE ENVIRONMENT

Air transport market in Europe and Italy ⁽¹⁾

In 2015, passenger traffic in European countries increased by 5.2% on average, despite the low growth (+3.9%) of air traffic in some non-EU countries, mainly Russia and Ukraine, the impact of the repeated strikes that affected German airlines and terrorist attacks in Paris.

The estimates for 2015 are around 1.95 billion passengers, also thanks to the continuous growth of low-cost carriers.

While EU economy grew by less than +3% between 2008 and 2015, time passenger traffic at EU airports increased by +13.6% over the same period. This disparity is causing a permanent discontinuity in the relationship between GDP growth and passenger traffic. It reflects the existence of new market dynamics and consumer behaviours marking an increased importance of air transport for European economy. Considering the traffic at major airports in major European countries (UK, Germany, France, Italy, Spain, Greece, Switzerland, the Netherlands, Norway, Sweden, Turkey), 2015 shows a slight drop after the strong growth of 2014.

The country with the largest volume of passenger traffic is the United Kingdom, which saw a 5.5% growth in 2015. The next countries both for traffic volumes and

growth rates are Germany, Spain, Italy and France. Italy grew by 4.3% in 2015, less than the European average, but more than France and Germany. At level of five-year variations, European area grew by 18.4% over 5 years, despite the weak growth of continental economy.

Cargo traffic at European level marked a +0.8% in 2015, but Italy and Belgium showed significant progress. In the last five years, the mostly grown countries in freight traffic have been Germany, Netherlands and Italy, which maintained its 6th continental position for traffic volumes. At European Union airports, the average increase in passenger traffic was +5.6%, while non-EU airports grew by +3.9%.

Traffic trend in Italian and European airports

In 2015, 71% of European airports recorded a positive trend, with an average traffic increase of 5.9%. Growth affected medium-large airports, while small airports faced great difficulties, after the previous years when they experienced a phase of great effervescence driven by the growth of low-cost carriers. The system continues to be characterised by high concentration, where almost 80% of traffic is handled by the top 20% of the airports.

Ranking European airports by volume of traffic in 2015

Rank	Code	City	Passengers 2015
1	LHR	London, GB	74,989,795
2	CDG	Paris, FR	65,766,986
3	IST	Istanbul, TR	61,346,229
4	FRA	Frankfurt, DE	61,032,022
5	AMS	Amsterdam, NL	58,284,864
6	MAD	Madrid, ES	46,779,554
7	MUC	München, DE	40,981,522
8	FCO	Rome, IT	40,422,156
9	LGW	London, GB	40,269,087
10	BCN	Barcelona, ES	39,674,095

⁽¹⁾ Sources: ACI Europe, ICCSAI Fact Book 2015

The ranking of the busiest continental airports in 2015 sees three airports exceeding the threshold of 60 million passengers (Heathrow, Paris CDG and Frankfurt), followed by Amsterdam, which is poised to do so in 2016 and Madrid, which recorded the best absolute growth in volume for the year, increasing its lead (nearly 47 million passengers) from the set of airports that hover around 40 million (Monaco, Fiumicino, Gatwick and Barcelona).

The 2014 ranking remained unchanged in 2015 with regard to the top twelve positions. With nearly 75 million passengers, the top spot goes to London's Heathrow airport, which, after increasing traffic by 11% in 2014, recorded a further 2.16% increase in 2015.

The major French (CDG, +3.06%) and German airports (Frankfurt, +2.46%) experienced a similar growth rate. In the second half of the rankings, we note a strong turnaround of Dublin Airport, moving from 20th place in 2014 to 13th in 2015, due to a +15.37% growth in passenger traffic. In cargo transport, the percentage of airports experiencing growth is just over 53%. In this respect, traffic concentration is even more intense than

passenger market, since the top 5 European airports handle over 50% of the entire continental cargo traffic. However, the four leading cargo hubs saw a slowdown in 2015, while there was significant growth at secondary hubs such as Leipzig (+77.5 thousand tons), Liege (+59.8 thousand tons), Malpensa (+40.4 tons) and Monaco (+25.9 thousand tons). In Italy, the top 3 airports for cargo traffic volumes (Malpensa, Fiumicino and Orio al Serio) represent 85% of national air cargo traffic. The financial performance of European airports in 2015 continued to improve, with an average return on investment (ROIC) of +7.2%, in line with the cost of capital. Improving airport finance continues to be driven mainly by a strong cost discipline rather than revenue growth. Operating costs per passenger fell by 6.7% since 2008, while revenues increased by just 1.6%. Scale is a decisive factor: smaller airports often fail to be profitable in a lasting way due to their inability to achieve economies of scale and generate revenue that will cover their total costs. While 51% of European airports run at a loss, this percentage reaches 77% for airports with less than 1 million passengers per year.

Competitive positioning of our airports

Catchment area

Milan area's catchment area includes first of all the Lombardy Region, where Malpensa and Linate airports are located, representing their user base. Lombardy, which has an area of 23,861 km², recorded in 2011:

- GDP of 337.2 billion Euro (21.3% of the national GDP), thus reaching 2nd place among the European airport catchment areas, below Paris-Ile de France (GDP of 608.6 billion) and above London (or rather "Inner London" with a GDP of 276.3 billion)⁽²⁾, Madrid (GNP 188.4 billion) and Frankfurt (GDP of 160.3 billion);

- population of over 9.7 million inhabitants;
- company density of more than 34.4 per km²⁽³⁾.

In confirmation of the favourable geographic location of Milan airports in terms of user base, notice that the catchment area of these airports is characterised by a strong presence of advanced industrial activities and services, served by logistic infrastructures that favour the development of economic activities, in particular for ports and airports, as illustrated in the following table.

Socioeconomic indicators of SEA Group's catchment area

	Natural catchment area (*)	% on Italy total
Surface area (km ²)	49,324	16.4
Population	14,310,655	24.1
No. of active companies	1,234,205	23.8
GDP (millions of Euro)	471,601	29.8
Employed	6,233,787	27.8
Exports (millions of Euro)	144,262	38.4
Imports (millions of Euro)	155,363	38.8

(*) The catchment area of the Milan airports includes the provinces of: Sondrio, Bergamo, Brescia, Cremona, Como, Varese, Lecco, Lodi, Milan, Pavia, Piacenza, Monza Brianza, Parma, Novara, Biella, Verbania, Vercelli, Turin, Asti, Alessandria and Aosta.

Capacity

The capacity of an airport, which in Italy is set by ENAC with the involvement of concerned parties (ENAV and the airport manager), is determined by the receiving possibilities of the individual airport, which in turn depend on:

- sectoral aviation plan, i.e. air traffic management and control capabilities of ENAV;
- runway system and related infrastructure, in particular aprons and terminals;
- traffic demand factors;
- environmental restrictions such as noise suppression procedures and flight suspensions at night.

Airport capacity translates into the number of "move-

ments per hour" ("movement" means an aircraft landing or taking off, regardless of type of traffic). The capacity of Milan airports was established by ENAC at a total of 88 movements per hour, broken down as follows:

- Malpensa airport: 70 movements/hour (counting take-offs and landings together);
- Linate airport: 18 movements/hour (counting take-offs and landings together);

The distribution of movements between Malpensa and Linate has been defined according to the reorganization of Milan airport system, in favour of the development of Malpensa.

⁽²⁾ Source: Eurostat - News Release February 2014 (Regional GDP 2011).

⁽³⁾ Source: Istat - Data 2012.

Malpensa airport capacity

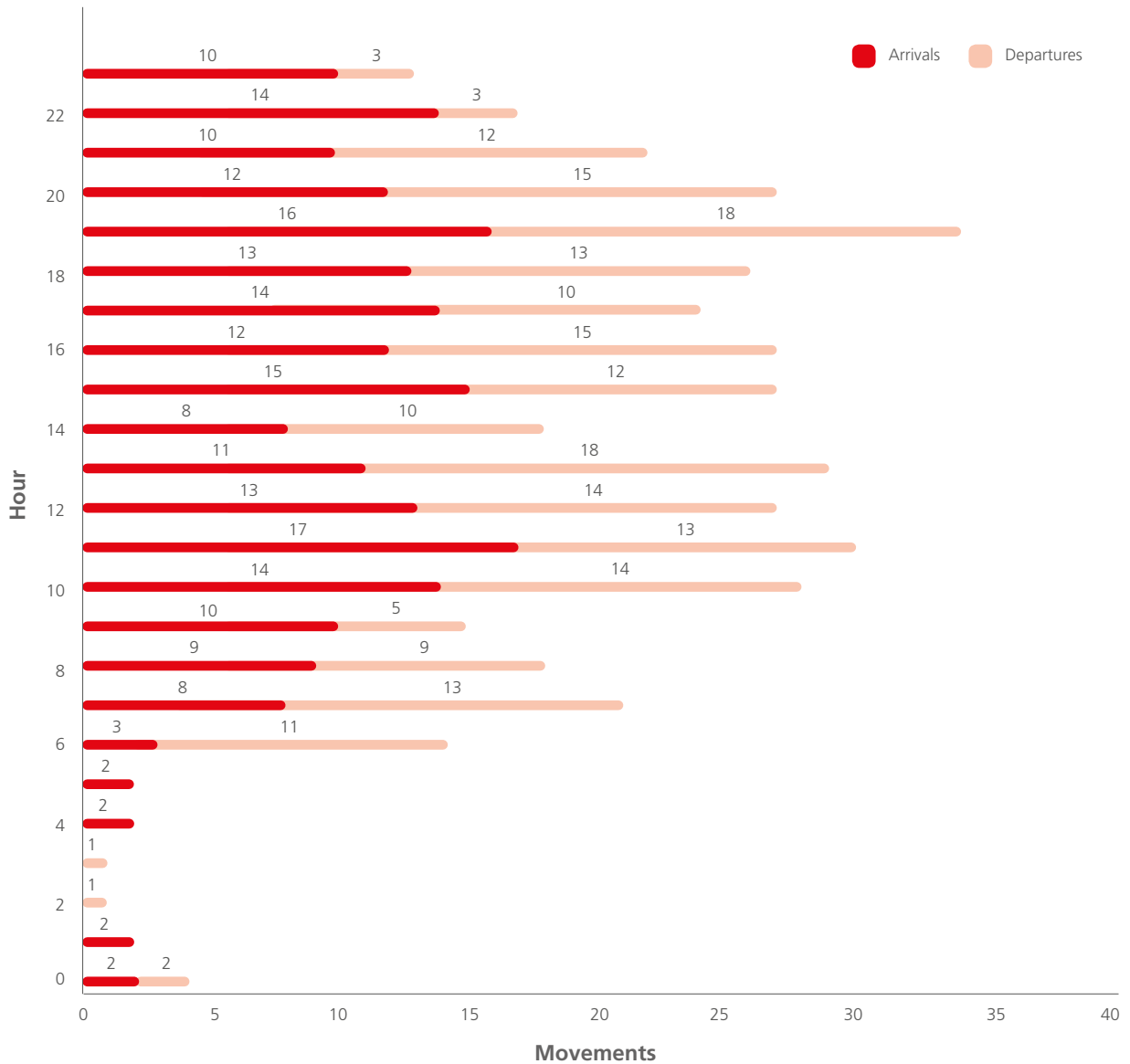
The capacity of Malpensa airport is subject to further limitations of:

- 39 take-off movements (i.e. movements of the same type, landings or take-offs separately) and 31 opposing movements (i.e. movements of different types, take-offs and landings jointly) each hour;
- 6/7 similar movements every 10 minutes, 6/7 similar

movements in the subsequent 10 minutes (up to 13 similar movements every 20 minutes) and 5 opposing movements every 10 minutes.

Time slots have some margins of further exploitation that can be used in the future by carriers already operating at the airport or by new carriers.

Malpensa - Movements/hour on the average day of 2015



Linate airport capacity

Linate Airport's capacity of 18 movements per hour is subject to the following additional limitations:

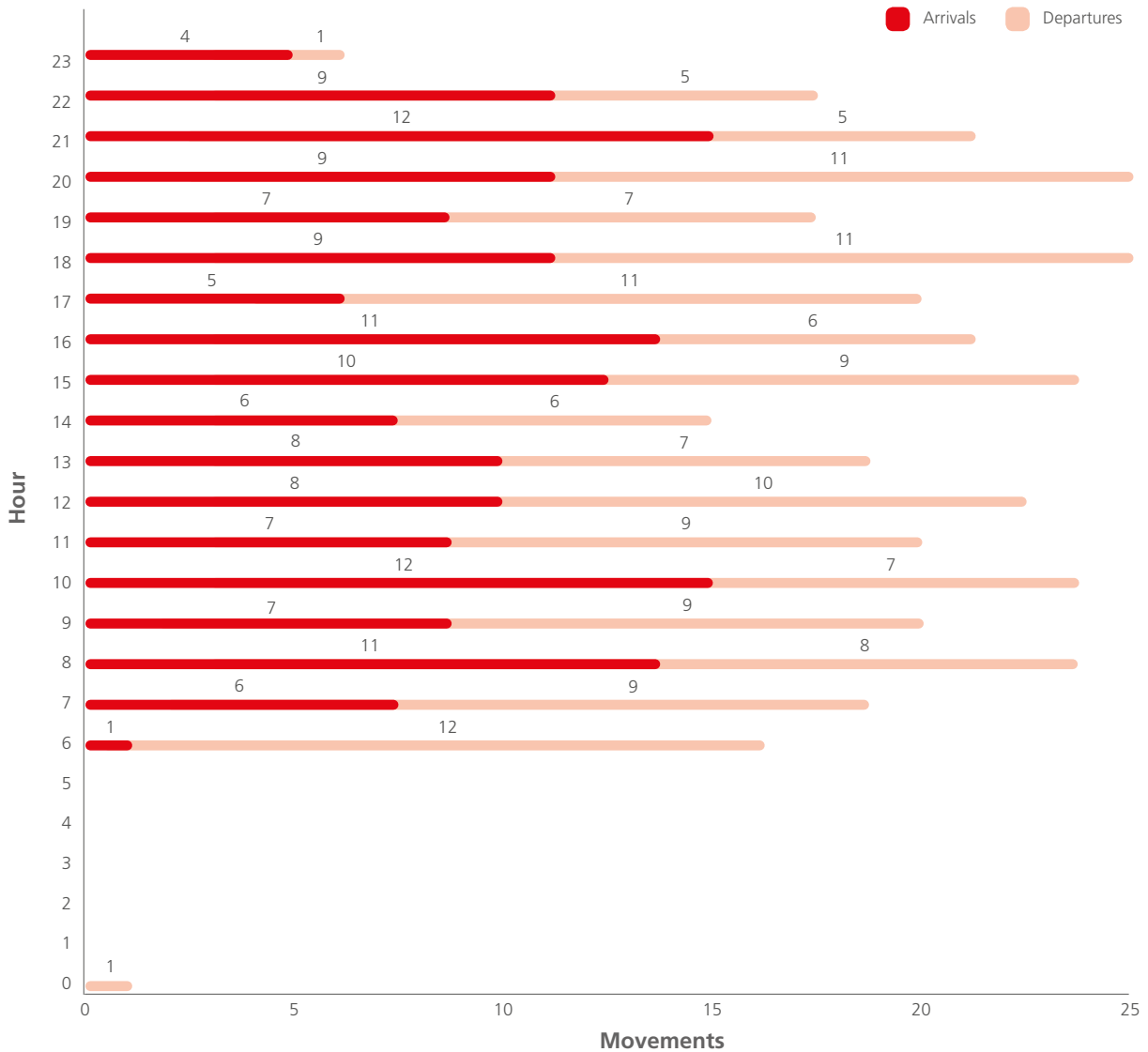
- 14 take-off movements (i.e. movements of the same type, landings or take-offs separately) and 4 opposing movements (i.e. movements of different types, take-offs and landings jointly) each hour;
- maximum of 6 total movements every 20 minutes.

This capacity has been set for commercial flights and

does not include local flights (i.e. flights to and from particular disadvantaged regions of Italy, including Sicily and Sardinia, which provide links to the main Italian airports) and General Aviation flights. Linate airport infrastructure can handle up to 32 movements per hour.

The threshold of 18 movements/hour has also been identified based on the criteria introduced by the Bersani and Bersani bis Decrees.

Linate - Movements/hour on the average day of 2015



Air transport offer

Airports operated by SEA can rely on a particularly favourable geographic location in terms of catchment area, which is characterised by a strong presence of industrial and advanced service businesses, and is served by logistics infrastructures that promote economic development.

Passenger air traffic distribution Italy 2015 (%)

Northern Italy	42
Central Italy	34
Southern Italy	24
Total passengers Italy (,000)	156,906

Source: SEA, Assaeroporti

The geographical positioning of Milan airports is also enhanced by its location along some of the main trans-European transport network development lines. Because of this, in 2015 the Milan airport system managed 18% of Italian passenger traffic and 43% of that in Northern Italy.

Passenger air traffic distribution Northern Italy 2015 (%)

Milan	43
Rest of Lombardy	16
Rest of Northern Italy	41
Total passengers Northern Italy (,000)	65,294

Source: SEA, Assaeroporti

The portfolio of served destinations and frequencies is broad and diversified: at December 31, 2015, there are 175 destinations at Malpensa and 49 at Linate. The portfolio of destinations is also constantly expanding, in

SEA boasts a diverse and balanced mix of carriers operating at its airports. At the end of 2015, each carrier did not represent more than 30% of system's total traffic.

Passenger market shares in Milan airport system 2015 (%)

Carrier	2015
EasyJet	25.49
Alitalia	22.84
Lufthansa	5.08
Meridiana fly	3.98
Emirates	2.96

Source: SEA

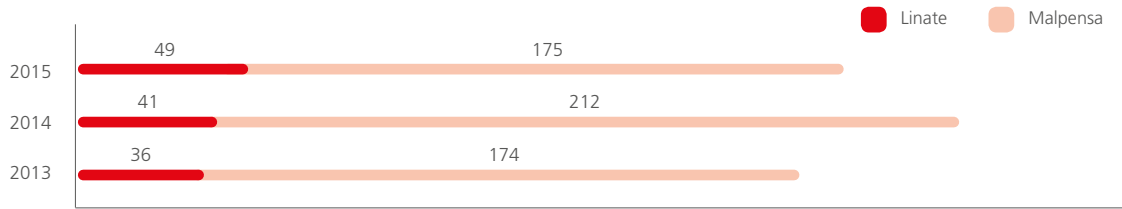
particular to and from the Middle and Far East, which represent high potential areas for the development of passenger and cargo traffic.

Evolution of the number of carriers (passenger and cargo with at least 10 movements per year)



Source: SEA

Evolution of the number of passenger destinations (with at least 1,000 passengers per year)



Source: SEA

Conditions of direct and indirect competition

Direct competition

Analysing the degree of airport dependence on airlines (summarised by the Herfindahl-Hirschman-HHI concentration index, which reaches a value of 10,000 if an airport's offer is completely in a sin-

gle carrier's hands), it emerges that Malpensa is the European mid-sized airport (the second after Venice) with the lowest level of dependence on a single carrier.

Direct competition of the major European airports based on the HH index

Rank companies	Airport	Index of HH on ASK	Index of HH on seats	No. of
1	VENICE	514	627	53
2	MILAN MALPENSA	533	1,121	88
3	NICE	824	1,237	58
4	BARCELONA	934	1,800	81
5	PRAGUE	955	869	60
6	BRUSSELS	1,016	1,233	67
7	GENEVA	1,105	1,726	60
8	ATHENS	1,217	2,523	62
9	ROME	1,467	1,914	99
10	DÜSSELDORF	1,650	1,679	62

Source: ICCSAI Fact Book 2015

Direct competition is also measured by a different indicator, called entropy index (H), which is calculated (also in terms of ASK or seats) as if the airport offer share was equally divided among all carriers present. Therefore, low values of this index define situations where

the traffic offer of a particular airport is highly concentrated. Using this index, Milan Malpensa Airport is the leading one in Europe in terms of lower dependence on individual airline carriers.

Direct competition of the major European airports based on the H index

Rank	Airport	Index of H on ASK	Index of H on seats
1	MILAN MALPENSA	1.50	1.42
2	VENICE	1.42	1.39
3	BARCELONA	1.40	1.16
4	ROME FIUMICINO	1.36	1.24
5	BRUSSELS	1.33	1.33
6	PRAGUE	1.32	1.35
7	NICE	1.32	1.21
8	ATHENS	1.28	1.05
9	GENEVA	1.27	1.13
10	LONDON HEATHROW	1.22	1.15

Source: ICCSAI Fact Book 2015

Indirect competition

Indirect competition concerns the competition to get and nearby airports. the same catchment area by air services of alternative

Major European airports by indirect competition level

Rank	Airport	Number of nearby airports	No. of routes in indirect competition	ASK competitors/ASK competed for
1	LONDON GATWICK	13	112	1.98
2	LONDON HEATHROW	13	68	1.50
3	MILAN MALPENSA	3	100	1.43
4	PARIS - ORLY	6	85	1.28
5	MANCHESTER	5	85	0.99
6	DÜSSELDORF	7	88	0.87
7	PARIS CDG	4	92	0.85
8	BRUSSELS	7	82	0.76
9	ZURICH	8	71	0.45
10	COPENHAGEN	4	16	0.29

Source: ICCSAI Fact Book 2015

Indirect competition level refers to each route offered by a specific airport for which there are alternative routes offered by other close airports or for near or coinciding destinations to the concerned route. The concept of "proximity", both for departing and destination airports, relates to locations within 100 km. Exposure of an airport to indirect competition is one of the elements that leads to questioning the view of an airport as a natural monopoly.

At European level, the area around London contains a large number of active airports, which are therefore in

indirect competition. Almost all routes to Europe departing from Gatwick or Heathrow have indirect alternatives. Indirect competition is also relevant in Lombardy area around Milan. From Malpensa, over 93% of European routes offered is subject to competition from other airports in the area, such as Linate and Orio al Serio. Malpensa Airport is in third place, after Gatwick and Heathrow airports, for indirect competition intensity. Ratio between the volume of alternative offer of locally competing airports (including Linate) and the offer of the airport on competing routes is significantly higher than one.

Current and prospective accessibility to airports⁽⁴⁾

From an airport point of view, i.e. from the point of view of service to demand of transportation generated within the airport relevant area, the scale of priority in terms of land-based accessibility to airport is:

- links to the key city with the highest concentration of transport demand (in this case Milan City);
- links to metropolitan area gravitating around the key city or anyway in the “narrow” catchment area (around the 60-minute isochron from the airport). As far as Malpensa is concerned, this area corresponds to Milan hinterland, the most urbanised parts of the foothill strip (from the provinces of Varese to Bergamo), the eastern provinces of Piedmont (Verbano-Cusio-Ossola, Novara, Vercelli) and the Canton Ticino;
- links to other large and medium-sized cities located at greater distances but served by means of transport (particularly High Speed Rail) that guarantee travel times of less than two hours. In case of Malpensa, this includes first of all Turin and Lower Piedmont (Alessandria, Asti) and then Genoa, Emilia (from Piacenza to Bologna), Florence, East Lombardy (Brescia) and Western Veneto (Verona).

Current rail accessibility to Malpensa Airport

Regarding quantity and quality of rail links, the throughput of Trenord in the offer of connection service between Milan City and Malpensa airport is definitely significant. In overall terms, there are 129 daily journeys that give rise to an average hourly rate during the 20 operating hours of one journey every 18-19 minutes per direction. The minimum travel time (29') is absolutely adequate and competitive with international standards (the centre of Munich is connected to airport with two different services, 43' and 53' respectively). All journeys are entirely made with rolling stock specifically designed for airport service, of recent construction, with good performance and good comfort levels. Except for the few municipalities along the route between Malpensa and Saronno (Ferno-Lonate Pozzolo, Busto Arsizio Nord, Castellanza, Rescaldina) served by some of Malpensa Express stops and the cities where Swiss TILO service to Locarno stops within two hours of the airport (Gallarate, Luino), Malpensa is not connected directly by rail to its immediate catchment area.

Future rail accessibility to Malpensa Airport

Upgrading of Novara-Malpensa segment

The overall project consists in enhancing a rail route in-

tended as a northern line for passengers and freight. On one hand, this will decongest Milan hub and, on the other hand, it will establish a direct connection corridor between the high-capacity Turin-Milan railway, Malpensa airport, Brianza and, eventually, the north-east railway line running from the Gotthard to Bergamo. Novara-Malpensa link is indispensable for a direct connection between Turin-Milan high-capacity line and Malpensa airport. The operation concerns an upgrading of Ferrovie Nord Milano (North Milan Railways) segment from Novara to Busto Arsizio, where it connects with Novara-Malpensa line already in operation. At the same time, the functional integration of the line with Novara HS/HC (High Speed/High Capacity) station on Turin-Milan is planned. The executive project of Castano Primo-Turbigo line was approved in December 2011, and the work was completed in December 2014. Galliate variant, which deserves a separate discussion, is a project that also includes the connection between the historic line and HS/HC Milan-Turin line, allowing the activation of a direct service between Turin and Malpensa using the HS/HC network. From 2011 until now, the preliminary project is still pending at CIPE (Interministerial Committee for Economic Planning) for lack of funding needed for its implementation, amounting to 87 million Euro. However, the urgent need to re-modernise three bridges along Langosco stream has made it necessary to carry out a functional fragmentation of works funded with 6 million Euro from Lombardy Region.

Rho-Gallarate rail link upgrade and Y connection for direct connection between Rho-Fiera/Expo and Malpensa

The project includes the creation of a quadrupling segment, alongside the two existing ones, along the railway segment between Rho and Parabiago, with a continuation that includes the construction of a third track between the stations of Parabiago and Gallarate. The upgrade of the above route allows for an increase in available capacity to meet the mobility requirements of the route, as part of the broader infrastructure context of the south access to Malpensa Airport. The overall project involves the construction of a single-track at-grade link connecting RFI line Rho-Arona (at Legnano) to Saronno-Malpensa FNM line (at Busto Arsizio). The total cost of the operations is approximately 622 million Euro. As far as Rho-Parabiago section is concerned, the tender for the executive design and execution of works was in progress in 2011. Following the acceptance by the TAR (Re-

⁽⁴⁾ OTI North-West, “Objective 2021: Intermediate Report”, 2016

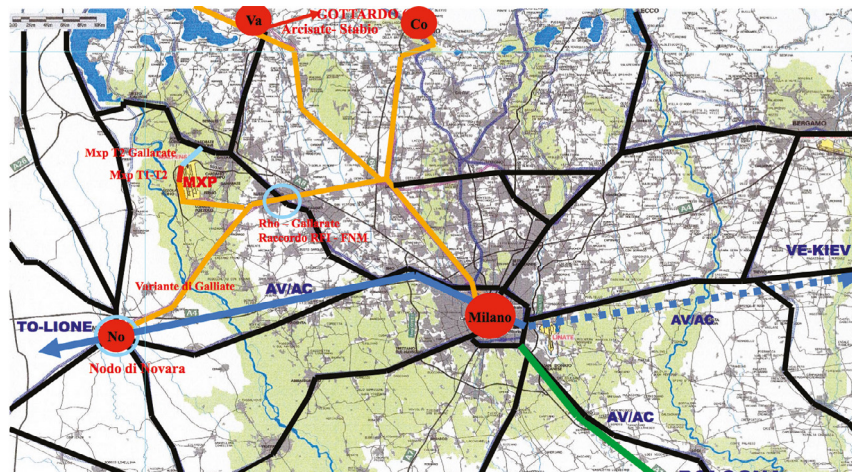
gional Administrative Court) of the appeal lodged by the Rho-Parabiago Civic Committee, which cancelled the CIPE Resolution approving and funding the final project, the Higher Council of Public Works met on September 26, 2014 and made significant changes to the design of Rho-Parabiago and the “Y” junction. At the end of 2015, RFI was still awaiting a response on how to proceed from the Ministry of Infrastructure and Transport. Meanwhile, the project, which had 402 million Euro of government appropriations, lost funding for about 380 million as a result of the cancellation of the CIPE Resolution. As for Parabiago-Gallarate segment, the final project, which lacks financial cover, has been pending CIPE approval since 2011.

North link from Malpensa with the railway lines to Sempione and Gotthard

The project consists of a double-track link to Malpensa Terminal 2 and the existing line of Sempione via two connections, towards Gallarate (Milan direction) and towards Domodossola (Sempione direction). This long-

term project will meet the strategic goal of networking Malpensa Airport with the local territory through Sempione and Gotthard routes, significantly increasing the catchment area. The recent RFI guidelines provide for a first functional phase with an investment of 135 million Euro (compared to over one billion of the final project), allowing the construction of a simple rail line between Terminal 2 and the Gallarate-Domodossola line to and from the north (direction Sempione) and to and from the south (direction Milan). In 2011, the preliminary draft prepared by RFI had to be approved, setting out a total investment of 1 billion Euro, with a functional carving out of the works costing 135 million consisting of a single track line up to the current Gallarate-Domodossola line. During 2015, Ferrovie Nord and SEA obtained from the European Commission a 50% co-funding of the cost of designing a dual-track line between Terminal 2 and the current Sempione line. The preliminary project, currently underway, should be completed in September 2016, and the cost of the operation should be between 170 and 250 million Euro.

New railway works to upgrade accessibility to Malpensa



Arcisate-Stabio railway

The project involves the construction of a new railway line between Mendrisio and Varese linking the historic Gotthard line, via Milan-Varese line, to Malpensa Airport (via X-link at Busto Arsizio). The project involves the construction of a new dual-track line that connects the existing Stabio track with Varese-Porto Ceresio line at Arcisate. The new connection is approximately 8 km long, of which 3.3 km are newly built. Work on the Swiss segment was underway in 2011, and was

completed on November 26, 2014. In 2011, work was underway on the Italian segment (started in 2010), interrupted in 2013 for problems related to the disposal of excavated soil containing arsenic. At the session of August 6, 2015, CIPE approved the variant of the excavation soil and rocks management plan and the identification of new landfill sites. The work is approximately 50% complete. The activation of the new line is scheduled for December 2017.

Road accessibility to Malpensa Airport

Roads are currently the most important link system to Malpensa Airport. Private vehicles can rely on two existing motorways (A8 and A4 connected via Malpensa-Boffalora motorway link) and one under construction (Pedemontana). Private vehicles also include hotel shuttles and tourist buses.

The road system is also used by a variety of collective and individual public transport: airport bus, taxi, limo and car sharing (e-Vai).

Over the next few years, large-scale infrastructure investments are planned on Lombardy road network. These should have a positive impact on the quality of links to Milan airports, both in terms of travel time and ease of access.⁽⁵⁾

Magenta-Abbiategrasso-Vigevano-Milan West Ring Road

The operation is a continuation of Malpensa-Boffalora/A4 motorway and, as part of the links to Malpensa, it provides a roadway outside Milan West Ring Road, aimed at facilitating the connections between Milan, the west of Milan and A4 at Malpensa-Boffalora motorway. The Project is divided into three sections: segment A from Magenta to Albairate; segment B from Albairate to Milan west ring road; segment C from Albairate to Vigevano (Abbiategrasso variant and adaptation to the new bridge on the Ticino River). In 2011, the final design phase of Magenta-Abbiategrasso-Vigevano functional carving out was underway, due to be launched as a priority with the available funding, and the construction of the new Ticino bridge at Vigevano was underway. In 2015, the operation was funded under ANAS Economic Regulation Agreement for 220 million Euro, but due to the opposition of several local authorities regarding the planned route, ANAS is preparing a feasibility study for a new route between Albairate and Magenta to be presented to CIPE by the summer of 2016 along with the final project of Vigevano-Albairate segment (whose route has been confirmed). The construction sites of the

new bridge on the Ticino river in Vigevano, under the jurisdiction of the Province of Pavia, were underway in 2011, and at the end of 2015 they had progressed only 35%, following the bankruptcy of the contracted company, which stopped the works for over a year.

SS341 Vanzaghello-Samarate variant

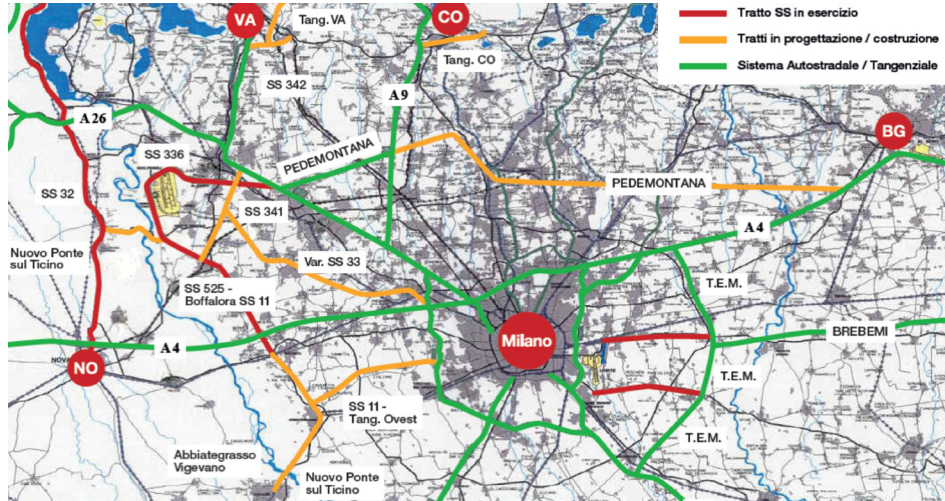
9.4 km operation aims to connect Malpensa-Boffalora, at Vanzaghello, and A8 motorway, through the new Gallarate road link. Works will reach Pedemontana Lombardia, in order to make a quick link between the north of Lombardy with A4 (Turin direction) and Milan (SS11 and West Ring Road). Works cost 261.78 million Euro, of which 133.02 million Euro are available, which make it is possible to achieve a functional segment consisting of the section between SS 336 and A8 motorway (Bretella di Gallarate), indispensable to ensuring transport continuity of vehicle flows from Pedemontana Lombardia towards Malpensa and vice versa. The final project was completed in 2011 and at the end of 2015 it was still pending (since 2013) at the Ministry of Infrastructure and Transport for the approval by CIPE.

SS33 variant of the Sempione Rho-Gallarate

Sempione variant, known as "Sempione bis", consists of a single roadway of about 30 km with one lane in each direction of travel. The proposed route splits off from the current SS33 at Rho, at the intersection with Milan West Ring Road, and crosses the municipalities of Pogliano Milanese, Vanzago, Nerviano, Parabiago, Canegrate, Busto Garolfo, Dairago, Villa Cortese and Busto Arsizio, ending at Samarate, where it intersects with another infrastructure being designed, variant of SS341, creating a link with A8 motorway. The cost of the works is 420 million Euro, of which 42.27 million are funded. In 2011, the preliminary draft of a functional carving out was underway, due to be launched with the available funding, and at the end of 2015 it was still pending (since 2013) at the Ministry of Infrastructure and Transport for the approval by CIPE.

⁽⁵⁾ Source: Nomisma processing of the 2010-2013 Economic and Financial Planning Document, Infrastructures Annex

New roadworks to upgrade accessibility to Malpensa



Current and future accessibility to Linate Airport

Metro system Line 4 Lorenteggio-Linate

The project involves the construction of a completely automated metro line (without driver) connecting along 14.2 km Linate airport with FS San Cristoforo railway station (on Milan-Mortara railway line), with a total of 21 stops. The total cost of the works is 1.8 billion Euro, of which 958 million Euro are funded by the State, 461 by private entities and 400 by the Municipality of Milan.

In 2011, construction sites were yet to be opened, and they were launched in 2012. At the end of 2015, work was ongoing on the segment between Linate and Forlanini FS, as well as the preparatory works at stations outside Cerchia dei Bastioni. Tunnel excavation and station construction will be launched between 2016 and 2019, while plants will be built between 2020 and 2022, when operation is expected to open.



SEA

**HOW WE INTEGRATE
SUSTAINABILITY
INTO BUSINESS**

Sustainable development governance

We pursue a value-creating strategy, safeguarding its shareholders' capital performance, based on the following principles:

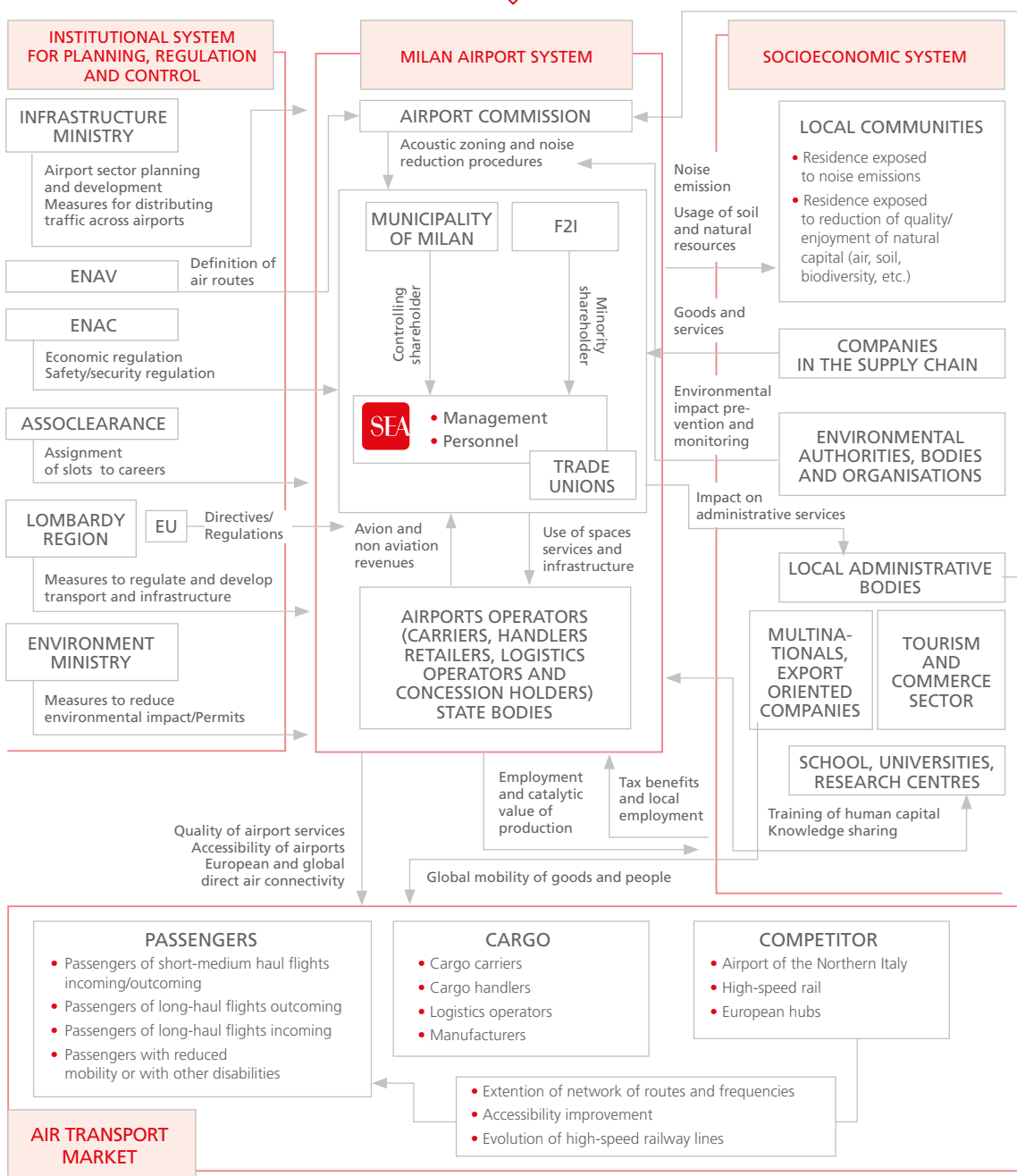
- priority to choices aimed at increasing corporate value over the medium to long term;
- constant striving to harmonise economic objectives with quality of air connection offer provided to territory, given the general interest profile underlying the role we play;
- careful and systematic analyses and assessments of strategic, systemic and operational risks;

- confrontation with stakeholders to define and implement development guidelines, with a view to generating widespread benefits and minimizing negative externalities.

Relevant socioeconomic ecosystem

As manager of public transport sector infrastructure, we strive to acquire, assess and include any variables meeting the interests and expectations of our stakeholders in the decision-making process.

Map of SEA group's 1st level stakeholders



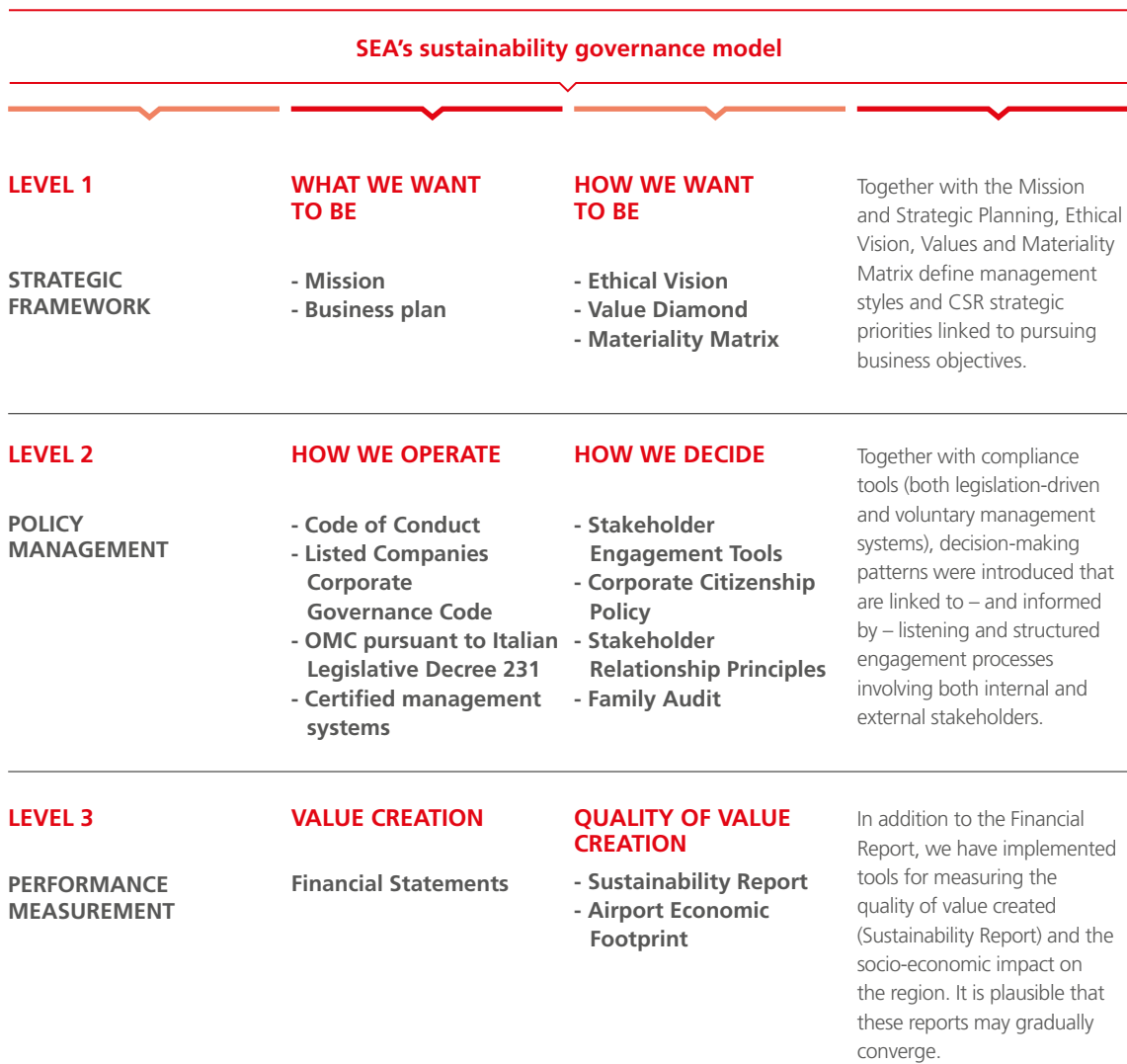
Thus both in airport expansion works, in providing space and services to airport operators and in ensuring synergy of action among airport operators to guaran-

tee continuous, safe and efficient flights to passengers. The map shows our main 1st level stakeholders, that is our strict and direct partners.

CSR strategy and sustainability governance model

Our Corporate Social Responsibility strategy aims to enhance relational dynamics between our organization and its stakeholders, thus becoming -more than just recipients of a share of value generated by the company- true qualified contributors of the key strategic business choices having significant impact on the

context they belong to. This goal is the rightest answer to the deep and delicate interdependencies of choices and decisions of companies such as SEA. Called to design, implement and manage aviation transport infrastructure, the choices SEA makes have a strong impact on its medium- to long-term results.



The Corporate Social Responsibility function was set up at SEA in 2011, reporting directly to CCO, with the aim of managing relations with stakeholders and making them functional to business goals. Decision-making and planning governance of sustainable development has been entrusted to the Group

Sustainability Committee since 2012, integrated in the Steering Process with the following aims:

- analyse the guidelines for development, implementation and monitoring of sustainability policies to be integrated into our business model;
- according to main stakeholders features, find objec-

tives and methods for their involvement in defining the company's choices and their implementation;

- discuss and participate in defining the integrated reporting model of sustainability performance;
- monitor corporate performance indicators that are relevant to sustainability and propose any corrective action.

The Group's Sustainability Committee is chaired by the Chairman and convened quarterly, and it is attended by the three corporate Chiefs and the Heads of the Departments/Functions that report to them directly. During 2015, the Group Sustainability Committee held 2 meetings.

Strategy's drivers

CSR strategy developed over the last few years can be summed up with four main scopes:

- Integrated Decision-Making;
- Stakeholder Engagement;
- Reporting;
- Corporate Citizenship.

Integrated Decision-Making

We are working on the managerial mindset to enhance the ability to contextualise business projects and to expand any possible considered variables.

The goal is to properly assess consequences and impacts of company decisions on the quality of stakeholder relations, to effectively prevent/manage any negative feedback from them, with an impact on costs, timing and effectiveness of business projects.

By the **Developing Sustainability Culture** project (2012-2014), we have created the conditions to define our Sustainability Vision and its effects on business challenges. Among other things, the project included interviews with management and stakeholders, focus groups and web discussions with SEA employees and top-middle management workshops.

Listening to and involving the stakeholders

We conduct an annual survey of a sample (100-120) of company stakeholders, split into categories, to learn their perception of the quality of their relationship with SEA, their assessment of SEA management and SEA actions that have had a direct impact on them. In 2012, these findings were supplemented by a Multi-Stakeholder Workshop, a structured opportunity for interaction with the most representative business stakeholders on major strategic issues and projects.

In 2015, we carried out an in-depth study of issues emerging over the past years by means of a qualitative

survey based on 21 in-depth interviews with members of various stakeholder categories.

The involvement of our internal and external stakeholders is particularly significant on corporate projects, such as the development of the Ethical System and the Social Challenge.

Accountability

Accountability for our strategies, processes and impacts is not limited to the implementation of the Sustainability Report.

For four years now we have had a partnership with CeRSt-LIUC, which aims to measure more and more accurately and reliably the socioeconomic externalities generated on different territorial scales by our Malpensa and Linate airports. The objective is to define the economic role of our airports in Lombardy and nationally, as well as supporting optimal modes of engagement with the territory.

Social Citizenship

In 2012, we developed a Corporate Citizenship Policy. The statement was created to define social investment strategies that would be organic, effective and progressively related to the company's business profile. Social investments that have been made over the past four years have raised the awareness that our duty as a company is not limited to well managing our airports, but it also includes ability to build harmonious relationships:

- with the surrounding area hosting our infrastructures;
- with non-profit entities that try to give answers to the community around;
- with people of SEA, not only in their role as employees, but also as citizens who, after clocking out for the day, also want to contribute to a good cause as an important part of their personal fulfilment.

Ethical System and The Diamond of Values

We have defined a new Ethical System, endorsed by the BoD in December 2015, consisting of three statements:

- Code of Conduct;
- Ethical Vision and Diamond of Values;
- Principles of Relationship with Stakeholders.

What is its function?

The essential review of content and role played by the

Code of Ethics since 2000 was dictated by the need to complement rule-based contents, which had been prevalent, with value-based contents. These are based on mutual business commitments between the company and its stakeholders, aimed at influencing people to adopt ethical principles in a self-determined and responsible way.

Classification of ethical system's statements

	CODE OF CONDUCT	VISION, VALUES AND PRINCIPLES
NATURE	Corporate governance code.	Strategic policy.
OBJECTIVE	Defines behavioural rules that are functional to regulatory compliance in performance of work duties, corporate offices and contracts.	It defines decision-making Values and Principles by which the Company is inspired and which it engages to be consistent with in pursuing its mission.
CONTENTS	<ul style="list-style-type: none"> - Prohibitions and obligations framework. - It refers to individual behavioural principles (correctness, integrity, fairness, diligence, etc.). 	<p>Factors that enable long-term value creation</p> <ul style="list-style-type: none"> - They offer reference patterns for decision-making process; - They consider the "company system" rather than single individuals; - They highlight what the company is not prepared to give up its development.

The Ethical System has the task of highlighting to recipients our business style and the related decision-making and operating environments. Those who have a certain level of discretion in these scenarios can potentially cause

an unfair distribution of costs and benefits between company and stakeholders (so-called ethical dilemmas), and the Ethical System aims to direct them towards response models inspired by the core of our corporate values.

 From mission to ethical vision

 FROM MISSION...

SEA Group's mission is **value creation** for all individuals directly involved in the Group's activities: **shareholders, clients and employees**.

This objective is pursued by offering services and solutions aligned with the growing demands of the market, which consists in a variety of entities, including **passengers, air carriers, airport operators and commercial partners operating at Malpensa and Linate airports**. Airport infrastructures managed by SEA guarantee air access to main international destinations to a variety of users operating in a catchment area among the most developed in Europe, acting as a **reference point for the development of economy and of Northern Italy as a whole**.

Services supplied by SEA Group are guaranteed by the management and the **development of safe, cutting-edge infrastructure**, with a key focus on the **social development of the reference community and environmental protection**.

 ... TO ETHICAL VISION

SEA recognises as a specific and distinctive features of its value creation processes:

- their connection with **public interest** that underlines the management and development of airport infrastructures that act as a point of access to the world and prosperity of the relevant region;
- its preference of **innovation** as elective response to the growing complexity that characterised business management and increases business risk;
- constant search for **efficiency**, meant as focus on optimising the use of company resources and identifying the best way of using them.

In pursuing that value creation profile, SEA implements a service management approach focused on nurturing **professional excellence**, consolidating and progressively expanding **meritocracy criteria** for allocation of roles and responsibilities within the organization and developing a **team spirit** that inspires vision and co-operative solutions, both within the company and with respect to its relationship with the surrounding environment.

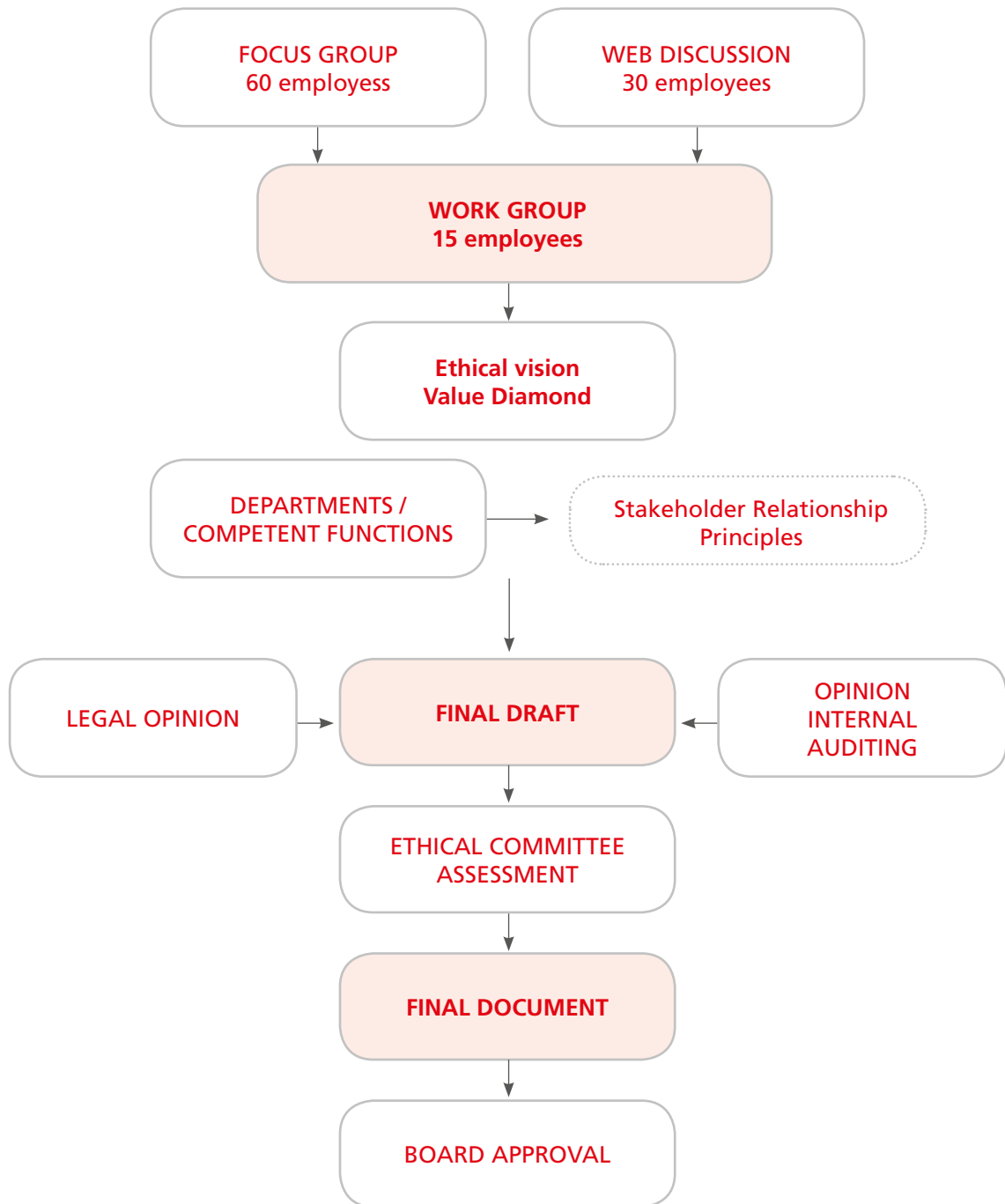
SEA identifies the founding principles of this entrepreneurial approach in the development of relationship, both within business and between the company and its stakeholders, which are characterised by actual **respect, transparency and co-operation**.

How it was implemented

The reviewing and supplementing process of the Code of Ethics followed a bottom-up approach, based on the broad involvement of all professional categories of the organization and representatives

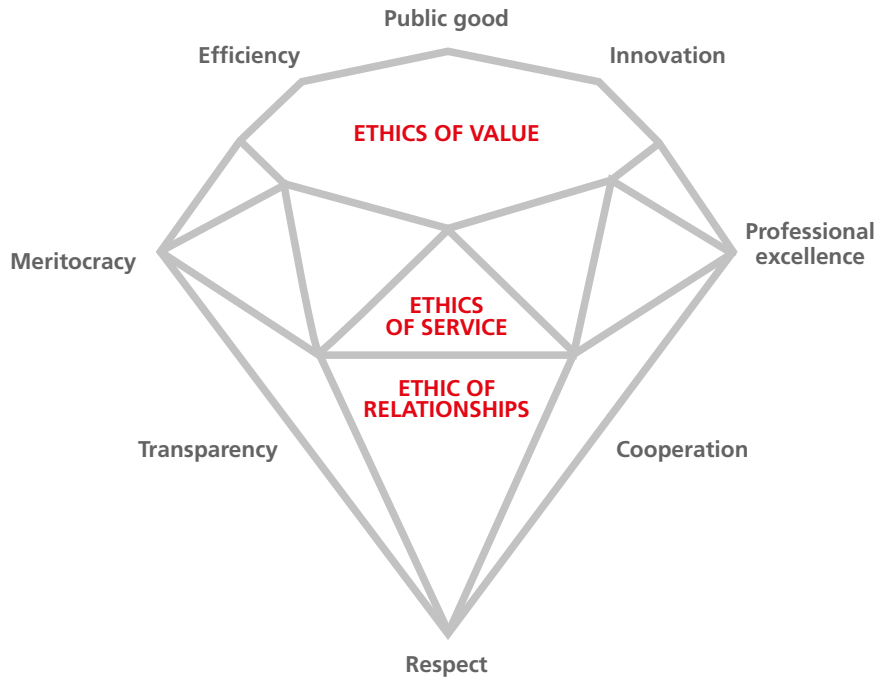
of the main stakeholder categories. Elaboration has been made through listening tools such as focus groups, web discussions, etc. and a planned involvement.

Process for development of ethical system



The Diamond's values

- They are our good practices trace, supporting our company in different phases of evolution;
- They are also paradigms of practices not yet or not fully implemented, requiring our organization to strive for a change;
- Their fabric underlies a conception of our company as "part of a complex and interdependent system".



How we define the priorities of our efforts: the materiality matrix

What is materiality

Materiality is the dimension within which a certain aspect of the relationship between the company and its stakeholders is able to influence the former's ability to create value.

There are two characteristics that need to be considered to evaluate the materiality of an aspect of business activity:

- if it produces significant impacts from an economic, social or environmental point of view;
- if it can substantially affect assessments or decisions by stakeholders about the company.

Determination of material aspects of company-stakeholder relationship is not only important in identifying topics to be included in the sustainability report, but it also helps identify the areas for governing relationships with stakeholders to bring the company to a sustainable and long lasting path towards economic and competitive value generation.

Building the materiality dashboard

In order to make an assessment of the materiality of an aspect, it is necessary to take into consideration all factors characterizing the relationship between the company and its audiences. In the definition of materiality, a strong emphasis is placed on both external and internal stakeholders, as their reasonable expectations and interests have to be taken into account as an important point of reference.

The company and its stakeholders conduct a joint assessment of the meaning of these factors in terms of impact on each other's expectations and benefits. This process enables the selection of items that make up primary engagement fronts to undertake a development path that is sustainable for the company.

How we created the materiality matrix

The starting point in our process of identifying the materiality matrix is represented by business challenges

that define our medium-term horizon.

Medium-term business challenges

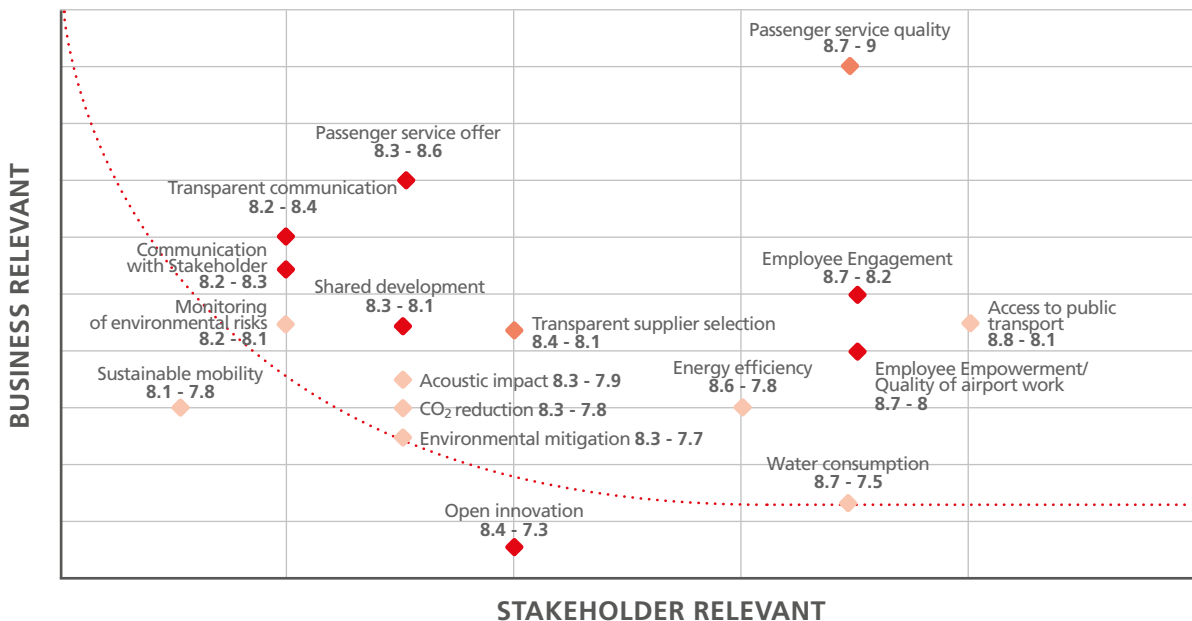
- 1. Development of infrastructure capital** New Master Plans for Malpensa and Linate fundamental for the development strategy. Infrastructure development of the two airports consistent with the long-term strategic vision.
- 2. Increased value generated by Aviation Business** Short-medium haul: further development of low-cost carriers.
Long-haul: development of new carriers and connections; development of incoming extra-EU traffic.
Cargo: consolidation of Malpensa as cargo hub.
- 3. Expansion of Non Aviation Business** Further diversification and improvement of commercial offerings.
Continuous investment in improving service quality.
Become an airport operator of reference for digital innovation at a European level.
- 4. Operational efficiency** Improve productivity by continuing the streamlining initiated in the past years.
Significant reorganization plan, to be managed in a changed regulatory environment.
External costs: redefining purchasing conditions and volumes.

The items that characterize our relationship with our stakeholders were identified between 2012 and 2013, when we launched a number of initiatives to survey the “stakeholder voice”. Subsequently, the identified items were weighed through a survey conducted in 2013, involving a total of 111 subjects, of which 80 external stakeholders and 31 SEA man-

agers (14 executives and 17 managers). Overall, 45 items were submitted for sampling, distributed in four categories, corresponding to business challenges. Both stakeholders and SEA management being surveyed assessed all items based on two dimensions of impact:

- importance according to their expectations;
- usefulness/consistency with SEA’s business challenges.

Materiality Matrix



Allocation of materiality issues to business challenges

1 - Development of infrastructure capital

Shared development
 Communication with stakeholders
 Acoustic impact
 Environmental mitigation measures
 CO₂ reduction
 Monitoring of environmental risks

2 - Increase of value created by Aviation Business

Passenger services quality
 Accessibility of airports using public transport
 Quality of airport work

3 - Expansion of Non-Aviation Business

Widening in passenger service offering

4 - Operational efficiency

Employee Empowerment
 Employee Engagement
 Transparent supplier selection
 Energy savings
 Water consumption

How we cultivate excellence in processes

The search for excellence in process management in SEA means not to settle for ourselves and to require to the company and to ourselves whatever is needed to constantly overcome our abilities.

Cultivating excellence means taking on the challenge of a job well done every day, the result of a conscious attitude towards our task, well-directed towards achieving our own objectives and our shared goals.

We believe we have hit the target of excellence when:

- we succeed in combining the generation of economic value with that of public utility, underpinned by management and development of efficient, functional, accessible and inclusive airport infrastructures;
- we subject our choices to a careful environmental impact assessment and we engage in international research and partnership programmes to identify and design innovative solutions for reducing natural resource consumption and limiting emissions;
- we pursue innovation to respond to the growing complexity that characterizes business management, raising business risk;
- we seek efficiency, intended as a focus on the best use of corporate resources and the identification of the best conditions for their use.

Our environmental and energy policy

We are firmly committed to combining the respect and safeguard of the environment.

Our environmental and energy policy is inspired by the

following principles:

- extensive compliance with regulatory requirements;
- ongoing commitment to improving environmental and energy performance;
- education and engagement of all actors involved in the airport system for a responsible commitment to respecting and protecting the environment as our common;
- priority given to the purchase of products and services that adopt similar environmental sustainability parameters, with particular attention to energy conservation, reduction of atmospheric and noise emissions and water usage;
- identification of sources and controls of CO₂ emissions produced, both direct and indirect, through the involvement of stakeholders, in order to reduce greenhouse gas emissions in line with Kyoto protocol and subsequent international agreements;
- a constant level of monitoring and verification of processes related to energy, atmospheric emission, noise and water cycle and in general various phenomena concerning interaction with the ecosystem;
- highly developed system of listening and communication with a wide range of external actors to ensure transparency and sharing.

Our commitment to reducing environmental impact makes it increasingly necessary to integrate key environmental management issues into business strategies and management.

To that effect, the Environment and Airport Safety func-

tion holds monthly committees to provide the stakeholders involved in aviation activities of our airports with the information regarding operational safety and environment and, on the external front, it ensures an adequate relationship with local and institutional bodies.

Guidelines and tools for managing our environmental and energy policies are periodically subjected to internal and external audits, thus spreading our effort towards our stakeholders through detailed reporting on environmental and energy processes of our airports.

Certified management systems

Implementation of sustainable management practices also goes hand in hand with a broad set of certified

management systems, which encompass the areas of quality, safety, environment and social aspects.

Certified management systems				
	ENVIRONMENT	SAFETY	SOCIAL	QUALITY
SEA SpA	Airport Carbon Accreditation – Neutrality Level ¹	OHSAS 18001 ⁴	Dasa Register ⁵	UNI EN ISO 9001:2008 ⁷
	ISO 14001 ²		UNI CEI EN 45011 ⁶	
	ISO 50001 ³			
SEA Energia	EMAS registration ⁸	OHSAS 18001		
	ISO 14001			

⁽¹⁾ Certification promoted by ACI Europe (Airport Council International) to encourage concrete contributions from airports to combat climate change. It includes the launch of a series of actions to control and reduce direct and indirect CO2 emissions. In June 2010, SEA reached level 3+, classifying Linate and Malpensa as the first airports in Italy (and among the first in Europe) to achieve “neutrality”.

⁽²⁾ It deals with the development of an Environmental Management System designed to identify, control and monitor the organization’s performance.

⁽³⁾ International Standard for energy management, which focuses on the organization’s energy efficiency and requires that the promotion of energy efficiency be considered across the entire organization’s supply chain, as a requirement to be fulfilled by the suppliers.

⁽⁴⁾ It attests to the voluntary application within the organization of a management system that ensures adequate control over the Health and Safety of Workers, in addition to compliance with mandatory regulations.

⁽⁵⁾ It relates to the upgrade of Linate and Malpensa airport infrastructures to enable their use by persons with reduced mobility, in compliance with regulations on equal opportunities.

⁽⁶⁾ It concerns the service to passengers with reduced mobility in airport.

⁽⁷⁾ Management System for the Quality of Services Delivered.

⁽⁸⁾ The EU eco-management and audit scheme (EMAS) can be voluntarily joined by companies and organizations wishing to engage in evaluating and improving their environmental performance. EMAS is primarily intended to provide stakeholders with a tool through which information about the organization’s environmental performance can be obtained.

Green innovation projects in Europe

In Europe SEA settles its presence in the Environmental Strategy Committee and in the Technical and Operational Safety Committee of ACI Europe, the European Airports Association.

In addition, SEA has strengthened its presence in Europe by promoting partnerships with primary airport, territorial and scientific entities.

The action is also aimed at providing a necessary international scale and a stronger presence of culture and exper-

ience in the European interchange. SEA believes that the European context increasingly represents the development arena for dialogue and synergies in the logic of maintaining the technical and cultural leadership position historically held. In this regard, it has promoted and continues promoting significant collaborations with other European airports and local entities for projects focused on energy management and on the development of maintenance procedures and airport infrastructure control systems. This

refers to strategic infrastructure in relation to the surrounding area, aimed at the reduction and rationalization of emissions and energy and water usage.

SEA international design dimension is therefore focused on the following issues:

- energy
- emissions
- water
- noise
- sustainable mobility
- safety and security.

The following projects are currently in progress:

- **DREAM** (Distributed Renewable Resources Exploitation in electric grids through Advanced heterarchical Management) which uses smart grids to lay the foundations of a new heterarchical approach to complex electrical networks. The application of principles based on independent agents in controlling and managing the power distribution network will enable the system to continuously monitor and optimise operational conditions and will make the distribution network less vulnerable to failure. The economic and technical feasibility of these new control mechanisms will be assessed by carrying out several specific tests on sites of European project partners. Milan Malpensa Airport has been chosen among these sites due to the presence of a modern and sophisticated distribution network and its trigeneration plant managed by SEA Energia. This plant produces electricity, heat and refrigerated water (part of electricity is sold outside through the national grid, while heat and refrigerated water are used only within the airport). Based on such tests, computer simulations will also be performed to study the large-scale effects and benefits.
- **WATERNOMICS** ICT for Water Resource Management, which aims to improve the management of the whole water distribution networks to reduce energy consumption and rationalize flow rates and operating pressures. The Water Footprint governance will involve an approach that will initially be highly geared towards measurements and controls (both dynamic and in real time) of consumption by types and users. Aimed at rationalizing consumption, this approach will provide real-time water usage and availability information to end users and decision-makers in this domain. Improvement of management aimed at achieving significant reductions in consumption will be implemented later, through a complex action on plant components. SEA has provided the project with a test area in Milan Linate Airport where it can implement, test and validate the solution developed by the project.

A further 24 months project was launched in 2015 under

the new HORIZON 2020 European programme:

- **OCTAVE**, focused on security, aimed at implementing a Trusted Biometric Authentication Service (TBAS) that uses voice recognition to allow access to sensitive areas that are not monitored, to facilities and to online services. For this project too, SEA will provide the international consortium with an area to test the management of accesses: Linate sanitation platform, which is accessible to aircraft cleaners and other entities operating on behalf of SEA. The commitment to the various environmental issues and challenges puts both SEA airports in a clear leadership position nationally, and among the most advanced countries in Europe.

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Our corporate citizenship

Corporate Citizenship policy

We have defined a policy on “Corporate Citizenship”, whose fundamentals are:

- relevance of corporate citizenship is defined by the intensity of its connection with corporate strategy and not by the amount of resources employed;
- corporate citizenship activities are carried out responding to the need to protect the rights of:
 - shareholders, in terms of the most correct, efficient and profitable use of the resources managed by company;
 - non-profit stakeholders, regarding the need for transparency and objectivity of criteria with which the company chooses partners for social investments;
 - the company itself, in terms of credibility and reputation regarding its ability to be transparent about mechanisms for accepting contribution requests from non-profit world;
- our corporate citizenship activities core is represented by the funded project, whose credentials (completeness, endorsement by national and international institutions, scalability, clarity of objectives, measurability, accountability) must be added to those of its proponents;
- we favour projects that are consistent with the identity, features and distinctive factors of SEA, which plays an active role (not mere donor, but partner) in managing the initiative. Factors considered important in choosing a project therefore include the ability to mobilize corporate community participation, as well as the opportunity to reconcile needs in the airports local area with international scenarios.

Investments in Corporate Citizenship

SEA Group considers the relationship with economic and social environment to be very important. It is engaged in a frank and ongoing dialogue with local governments and with any issue expressed over time by the local community. Most donations support cultural initiatives, in particular activities of the Teatro alla Scala Foundation in Milan. SEA

is a founding partner of the Foundation, and as such it actively participates in pursuing dissemination of musical culture in the world, supporting the promotion of national artistic heritage, contributing to maintaining its high level of quality and taking part in the artistic life of La Scala.

Charitable donations in the last three years (Euro)

	2015	2014	2013
Total donations	820,242	614,500	665,797
of which: culture/education	714,900	584,000	625,197
of which: sporting events	27,000	12,000	12,000
of which: social/welfare	78,342	18,500	28,600
Corporate Citizenship Projects	81,500	150,400	199,421
Total donations	901,742	764,900	865,218

Source: SEA

A social investment model that involves employees: The Social Challenge

In 2015 we launched a new way of selecting social funding initiatives, called "The Social Challenge". This is a participatory process of identifying and selecting social projects developed by non-profit organizations operating in the provinces of Milan and Varese, and every year we grant them six contributions of 10,000 Euro each. The only projects taken into consideration are those to be implemented in the provinces of Milan or Varese (where our Linate and Malpensa airports are respectively located) and are concerned with the social, environmental or cultural sphere. At the heart of the process there are SEA employees, who are invited every year to:

- identify non-profit organizations with operational offices in the provinces of Milan and Varese;
- receive or formulate environmental or cultural project

in cooperation with them;

- present the project to SEA, which submits it to an Assessment Committee (consisting of three SEA representatives and three non-profit world experts) for an initial selection;
- if the project is selected, encourage colleagues to support it, expressing their preference in a referendum held on Seonet intranet platform.

Non-profit organizations with operational offices in the provinces of Milan and Varese are also asked to play an active role by submitting social projects to the Promoters. These are submitted in turn to employees of SEA and any projects chosen by them are subsequently admitted to the same assessment and voting process applied to projects submitted by employees.

The Social Challenge: 2015 edition's numbers

	No. OF PROJECTS	MILAN	VARESE	MI/VA
Projects submitted	138	94	39	5
by Employees	40	26	22	-
by Associations	90	68	17	5
of which adopted	56	41	14	1
Projects admitted to evaluation	104	67	36	1
Employees involved in the project submission		84		
Employees voting in the referendum		588		

Source: SEA

From solidarity donation to investment in social enterprises: impact investing projects

In order to further qualify our social investments, in 2015 we established a partnership with Opes Foundation, a qualified fund for investments in high social impact entrepreneurial projects. We thus acquired the role of provider of philanthropic capital to invest through Opes in economically viable businesses able to promote social progress and emancipation from poverty. Opes is the first Italian Social Venture Capital able to fund social enterprises operating in critical development areas: health, access to water and basic sanitation, energy, education, and food sovereignty. Its mission is to support social enterprises and enlightened entrepreneurs who propose innovative and durable solutions to meet the most persistent needs of the population at the foot of the social ladder. Opes targets existing social enterprises located in East Africa (Kenya, Uganda, Tanzania) and India when they are at an early stage of development, trying to validate their business model. Opes channels philanthropic capital, in form of investments, to pursue social impact and financial returns. All funds returning to Opes are re-invested in new social enterprises.

Value distributed to our stakeholders

In 2015, SEA Group generated an economic value of 642.4 million Euro, up 3.3% over the previous year.

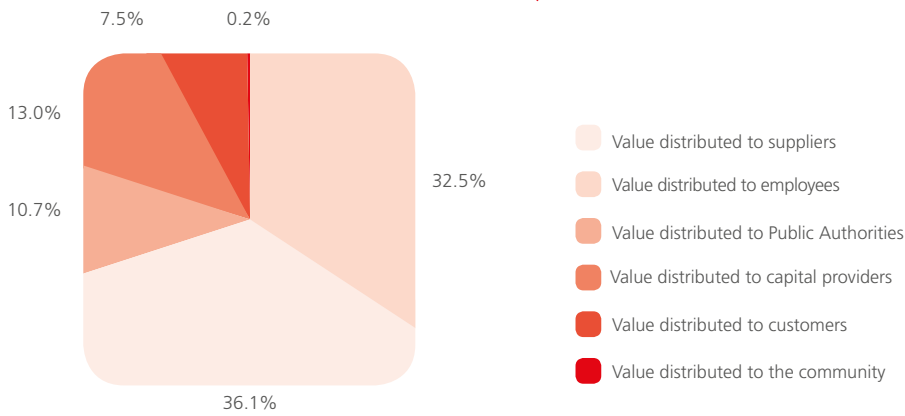
The distributed economic value increased by 9.2% compared to the previous year, going from 499.3 million in 2014 to 545.0 million in 2015. In 2015, 177.0 million Euro were allocated to staff remuneration, equal to 32.5% of the value and to 27.5 % of what was generated. Compared with the previous year, the share of value assigned to the organization's providers of capital (shareholders and lenders) has increased, both in absolute terms (51.0 million in 2014 and 70.8 million in 2015), and as a share of the total distributed value (respectively 10.2% in 2014 and 13.0% in 2015). In particular, the amounts of dividends (ordinary and extraordinary), which amounted to 26.5 million Euro in 2014, totalled 50.9 million Euro in 2015. The share of value reserved for suppliers of goods and services (restated operating costs) was 196.9 million Euro in 2015 (compared to 188.6 million Euro in 2014) and accounts for 36.1% of the total distributed value. Meanwhile, the share allocated to Public Administration in form of taxes and fees was 58.5 million Euro (10.7% of the distributed value). Finally, the share of distributed value destined for the company and the local area was equal to 0.17% in 2015, corresponding to the sum of donations provided to third sector organizations and associations, supporting cultural, humanitarian, scientific and sporting projects.

Table of economic value generated and distributed by the Group (.000 Euro)

		2015	2014
Economic value generated directly		642,408	621,634
a) Revenues	Operating revenues	642,408	621,634
Distributed economic value		545,002	499,290
b) Restated operating costs	Consumable costs and other reclassified operating cost	196,990	188,554
c) Commercial costs	Commercial costs	40,786	43,101
d) Wages and benefits for human resources	Labour costs	176,979	161,501
e) Payments to capital providers	Financial charges and dividends distributed during the year	70,845	51,029
f) Payments to Public Administration	Current incomes taxes and tax charges	58,500	54,340
g) Investments in the community	Donations, sponsorships and collaborations	902	765
Retained economic value	Calculated as the difference between the generated economic value and the distributed economic value	97,406	122,344

Source: SEA

Economic value distributed in 2015



Source: SEA

Socioeconomic impact of Malpensa airport

Malpensa airport acts as a capital attractor, job generator, and activator or catalyst of investment initiatives for the whole Lombardy region (and you could say the whole north-west area of Italy).

It also acts as an extraordinary driver in some specific economic sectors such as tourism, logistics, transport and trade.

Therefore, we have built a data platform to periodically measure the socioeconomic impact locally generated by Malpensa airport.

In line with the most common approaches in the literature on infrastructure and transport networks, direct, indirect, induced and catalytic impact analyses have been combined and integrated. The aim is to understand what are the socioeconomic impacts where airport is direct protagonist as well as originator, rather than just an activator or even a central though not exclusive player.

Types of impacts analysed

Direct impact

Generated by the whole range of economic activities that provide services to passengers and goods by operating in airport grounds (e.g. carriers, shops, cafés and restaurants, car rentals, banks, freight forwarders, cargo, handlers, catering companies etc.).

Indirect impact

Induced economic activity generated by businesses providing passenger and cargo services while operating

outside airport grounds and the supply chains, activated by the direct activity operators, which do not provide direct services.

Induced impact

Increase in demand caused by spending by income earners involved in various capacities in activities triggered by the presence of airport.

Tourism catalytic impact

Impact generated through spending in local businesses (hotels and restaurants located outside the airport, car hire, etc.) by tourists and all those who reach the area through the airport.

We assessed repercussions of airport activity on business system, on labour market, on specialization model, on the competitiveness and attractiveness of local area, on its tendency to innovation and on tax revenue collected by local Public Administrations.

Based on data updated at 2015, contained in a study commissioned by Mr Massimiliano Serati, Director of the Research Centre for Territorial Development - LIUC Cattaneo University, direct, indirect, induced and tourism catalytic impacts of our airport system generates repercussions on Lombardy region quantifiable at over 13 billion Euro, corresponding to the capacity to create over 80,000 jobs. Such numbers confirm how the airport infrastructure ensemble managed by SEA is one of the most important "production systems" in the entire region.

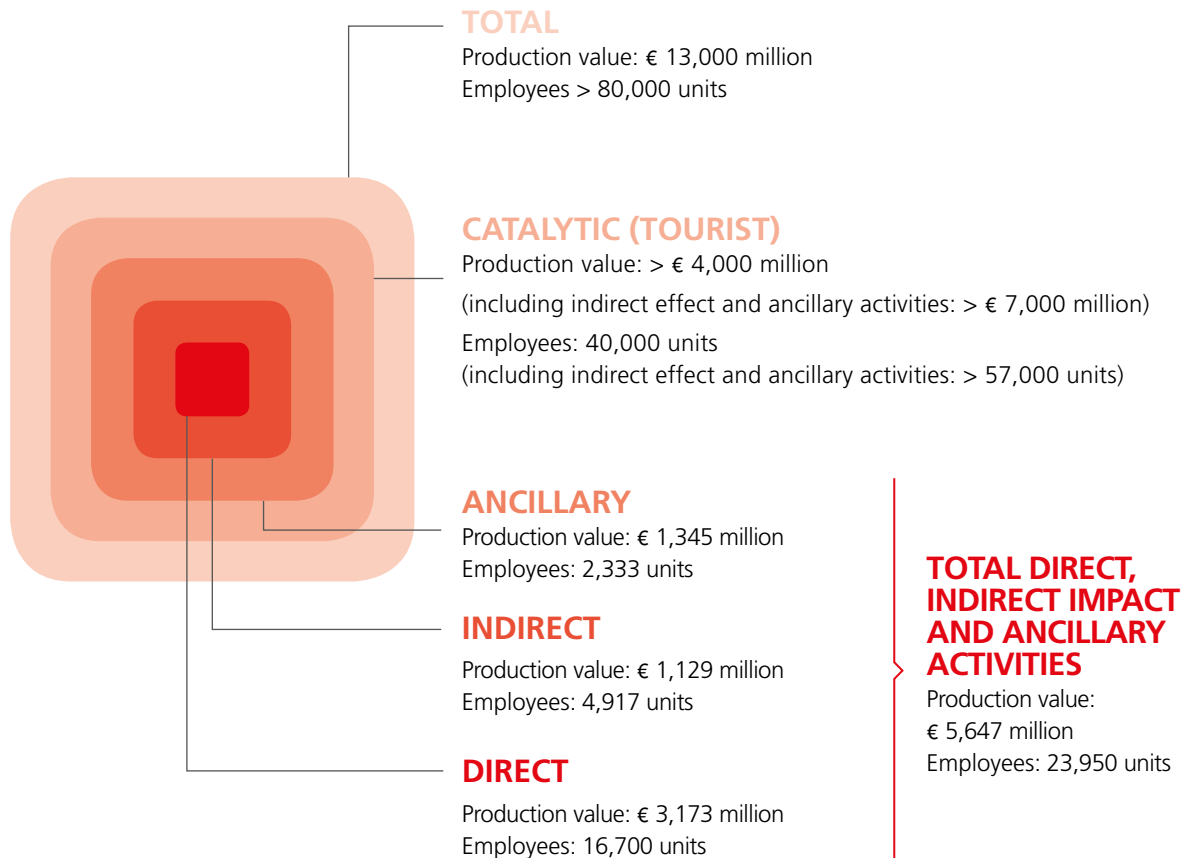
In 2015, there were about 500 on-site businesses at Malpensa Airport. Businesses taken into account correspond to the amount of companies requesting the issue of badges to operate within the terminal.

Based on data updated at 2015, Malpensa's production system generates repercussions on Lombardy region quantifiable at 16 billion Euro, which corresponds to the capacity to create over 110,000 jobs. These numbers confirm the airport as one of the most important "production facilities" in the region.

Airport's direct impact in terms of employment is quantified in approximately 16,700 created jobs (SEA accounts for 9.5% of the total figure) and a value of

production of 3,173 billion Euro. Local distribution of direct employment repercussions generated by Malpensa Airport was analysed by reclassifying the badges issued to employees based on their municipality of residence in 2015. This analysis shows that over 70% of those employed are resident in Lombardy, over 6% in the neighbouring Province of Novara, and about 20% are resident outside the region. Almost half workers are employed in Province of Varese, where Malpensa Airport is based, while CUV municipalities account for 17-18% of the employment generated by airport (37% of the employment directly generated by Malpensa in Province of Varese).

Socioeconomic impact generated by Malpensa airport



The value of production due to on-site economic activities in 2015 is 3 billion and 173 million Euro. Of these, 9.3% is directly due to SEA. The value of production is the sum of the added value and final sector prices. Based on direct effects, we can calculate indirect and induced effects generated by airport using the multipliers (respectively Leontievan and Keynesian) produced by the regionalised input/output table.

The total production value (direct, indirect and induced) generated by activity of Malpensa Airport is approximately 5.6 billion Euro, while the derived employment is close to 24,000 units. Among the catalytic effects, tourism has been particularly assessed. A survey was carried out with a panel of disembarked passengers at Malpensa investigating their local expenses for transport, hotels, restaurants, shopping, leisure and entertainment: 3,000 interviews during 2013-

2014 among international passengers departing from T1 or T2 having spent one night in Lombardy at least. For each item of expenditure and each airport Terminal, the declared average daily per capita expenditure was multiplied by the average stay and then by the number of international visitors who passed through Malpensa in 2014. This gave the overall expenditure for each Terminal. These figures were related to the average employee productivity per worker in each sector considered, generating the figures on catalytic occupational impact. The economic scale of incoming tourism is over 4 billion Euro. Taking into account indirect and induced business impacts generated in the local area, this exceeds 7 billion. Employment generated by incoming tourism at Malpensa exceeds 40,000 units. If indirect impacts are also taken into consideration, it exceeds 57,000 jobs.

The logo consists of the letters 'SEA' in white, set within a red square. This square is part of a larger grid of light gray squares that spans across the middle of the page.

SEA

**IMPACTS OF INFRASTRUCTURE
CAPITAL MANAGEMENT
AND DEVELOPMENT**

Evolution of infrastructure investment

For the 2013-2015 three-year period, SEA Group invested a total of 281.0 million Euro, mainly for the development of infrastructure in order to improve service

and cargo service offered to passengers, guaranteeing the increasing levels of quality, safety, operational efficiency and preservation of the environment.

SEA Group investments (millions of Euro)

	2015	2014	2013	Total 2013-2015
Malpensa Terminal 1	35.4	59.4	43.8	138.6
Malpensa Terminal 2	0.7	0.3	0.7	1.7
Milano Malpensa Cargo	5.9	0.4	9.5	15.8
Milan Linate	3.3	0.1	1.1	4.5
Flight infrastructure	4.6	3.7	18.4	26.7
Various actions	24.1	13.3	14.4	51.8
Movable assets	12.7	13.0	8.6	34.3
Free building donations	-	7.5	-	7.5
Total	86.8	97.7	96.5	281.0

Source: SEA

Below is a description of some of the major investments made over the three-year period.

Investments made at Malpensa airport

Airside interventions carried out in 2015 included some works aimed at progressive development of airport and, above all, activities related to maintaining/increasing the levels of safety and operational functionality.

Movement area was affected by several scheduled and unscheduled maintenance works, by infrastructure adaptations to new types of large aircraft (code F), now regularly using the airport, by the renewal of lighting visual aids in some taxiways, by a first step of renovation and upgrading works on de-icing area in the south-west part of the grounds and by other works aimed at increasing the level of functionality (new kilfrost tanks for de-icing) and safety (Fire Brigade Emergency Simulation platform) of airport.

During 2015, work was completed on extending Terminal 1, as part of the so-called "third/third" project (in total, about 90,000 m² of additional space were made available, of which about 65,000 m² dedicated to direct service to passengers and businesses). Significant restyling was carried out on different areas of the existing building to achieve quality and refinishing levels as the newly opened areas. The south satellite was affected by works meant to fit the progressive development of low-

cost traffic (new Ryanair flights).

Operational enhancements of the entire facility were implemented at Terminal 2. In 2015 they only concerned pre-boarding areas and some departure lounge services, part of a redevelopment plan that will unfold in 2016, including the reconfiguration of departure lounge, the upgrade of departing passenger security check systems, the renewal of baggage claim carousels, the development of some shopping areas, etc.

As far as cargo area is concerned, work was launched on the construction of the new FedEx warehouse, located in the south-west part of the grounds. The new building will be operating in 2016, and simultaneously starting other development projects in the same area. These will involve the implementation of new land-side vehicular access systems and the construction of other "front line" buildings for the management of freight traffic and managed by specialized industry operators.

Investments made at Linate airport

Over the course of 2015, a number of operations were also carried out at Linate on the airport's airside infrastructure, dictated by the need for some unscheduled maintenance of

the existing configuration, and by the desire to ensure an increasingly safe and functional use of the airport by aircraft. Among the projects deserving a special mention in repaving of some areas of the main runway and of certain stretches of taxiways and aircraft apron, upgrade of 18/36 runway's malfunctioning light detection system, the various ongoing AVL system adaptations (e.g. replacement of low-insulation cables) and the cabin and tower equipment. New aircraft release points were also identified on northern apron, enabling easier aircraft movements.

In passenger terminal, the area for security checks of departing passengers was enhanced (after moving the "staff access gate") and various restyling, extraordinary maintenance and revamping works on existing installations were carried out.

Other operations concerned the west area of grounds, with various renovations of existing facilities for business aviation, which will continue in 2016 and will include the construction of a new aircraft hangar and reconfiguration of part of the aircraft apron.

How we share our development projects: 2030 Master Plan for Malpensa

During the reformulation of Malpensa Master Plan due to be completed by 2030, we launched an extensive public consultation plan aimed at involving our key stakeholders.

The goal we set ourselves is to adopt structured modes of dialogue with local actors, in order to understand how to make their needs complementary, not conflicting, with needs of airport traffic development. We believe that working with local communities as well as with airlines, regulatory authorities, experts and other stakeholders, it is possible to identify sustainable solutions to our challenges, sharing benefits, costs and risks associated with a fair and effective management of our airports.

The approach is based on four methodological assumptions, taken as essential for an effective and constructive interaction:

- maximum transparency, clarity and dissemination of information regarding the project;
- SEA proactivity in initiating dialogue and consultation processes;
- use of the best available expertise for assessing environmental impacts;
- a clear separation between the dialogue/consultation process regarding the content of Master Plan and donations contributed locally by SEA.

In the process of engaging stakeholders on the guidelines of 2030 Master Plan, we expressed the most advanced regulatory provisions and applied the best international experiences.

Indication of regulations for future implementation already acquired during the master plan process

LEGAL FRAMEWORK

DIRECTIVE 2014/52/EU

About environmental impact assessment
Transposal obligation into Member States' law by May 2017.

DIRECTIVE 2014/24/EU

About public works tenders Transposed into Italian Law with Italian Legislative Decree 50/2016 – so-called "Public Contracts Code" Pending publication of the Implementing Regulation.

INFORMATION COLLECTED DURING THE MASTER PLAN PROCESS

- Involvement of the public interested in project at an early stage of decision-making procedures (Article 6, paragraph 2).
 - Electronic access to relevant information (Article 6, paragraph 3)
 - Time scales for consultation with the interested public of no less than 30 days (Article 6, paragraph 4).
 - Careful consideration of reports on health impact (Article 3, paragraph 1).
 - Call for «débat public» during planning and design stage of large infrastructure projects that have an impact on the environment or town and country planning.
-

The process for the involvement of stakeholder community entails 3 levels:

INFORMATION

Availability, in paper and electronic format, of information tools (Guidelines booklet, documents on technical project, scenario analysis, socio-economic impact and environmental impacts) providing stakeholder community all the elements required to a full understanding of the project.

COMMUNICATION

Implementation of a digital platform through which qualified stakeholders have been able to access information material, forwarding us their opinion, comments, proposals, analyses and assessments about project’s guidelines.

EXCHANGING IDEAS

A cycle of 6 workshops to explain project guidelines to representatives of all stakeholder categories. We also joined, upon invitation of the authorities involved, 5 public debates in municipalities of the airport catchment area.

ENGAGEMENT TOOLS

INFORMATION

Master Plan guidelines in paper and electronic format (downloadable from on-line platform and corporate website).

COMMUNICATION

Digital platform, developed as an “online public forum”, through which it is possible to exchange documents and send comments and opinions.

EXCHANGING IDEAS

Organization of 6 workshops for the following stakeholder classes:

- Regional agencies (2)
- Air carriers and airport operators
- Inhabitants, Civic Committees and Environmental Associations (2)
- Business Community.

The structured stakeholder consultation process regarding Master Plan does not aim to achieve total satisfaction of the parties involved, but rather is aimed at guaranteeing that:

- contents of the project are fully evaluated and understood by all stakeholders;
- SEA has the ability to take into consideration and evaluate all alternative proposals to those suggested in guidelines.

Our participatory process is intended to provide stakeholders with the opportunity to influence SEA’s perspective on project, thus generating a collective legitimacy of airport development choices.

Environmental externalities linked to airport activity

CO₂ Emissions

For many years now we have been involved in initiating a number of measures to control and reduce direct and indirect CO₂ emissions produced in airport grounds and deriving from airport operator's activities.

Carbon dioxide emissions are broken down as follows:

Scope 1 - Direct emissions associated with sources owned by or under control of Group companies, such as fuel used for heating and operational vehicles needed for airport activities.

Scope 2 - Indirect emissions associated with generation of electricity or heat purchased and used by Group companies.

Scope 3 - Other indirect emissions arising from activities of Group companies, but produced from sources not owned or controlled by the Company itself, such as business trips and employee commuting.

We participate in Airport Carbon Accreditation initiative

launched by ACI Europe (Airport Council International) to promote concrete contributions by airports towards tackling climate change. The project included the launch of a number of actions to control and reduce direct and indirect CO₂ emissions by airport operator, aircraft and all parties working in the airport system.

Airport Carbon Accreditation provides four possible levels of accreditation:

- Mapping – checking of emissions under direct control of airport operator (scope 1 and 2).
- Reduction - creation of an emission reduction plan (scope 1 and 2);
- Optimisation - calculation of emissions produced by airport stakeholders and their involvement in reduction plans (scope 3);
- Neutrality - achieving Carbon Neutrality for emissions under direct control of airport operator (scope 1 and 2) by offsetting.

In 2015 we confirmed our European leadership position for both Linate and Malpensa airports, as part of the "3+ neutrality" group.

CO ₂ emissions of SEA Group (tCO ₂)		
	2015	
	MALPENSA	LINATE
Scope 1	117,675	58,580
Scope 2	116	90
Scope 3	2,343	889

Source: Electric power, emission factor used: Emission factor for grid electricity @ Airport Carbon Accreditation Guidance Document Issue 9 v2: August 2015,

Oil for heating and natural gas, conversion and emission factors used: national standard parameters table; coefficients used to inventory the CO₂ emissions in the UNFCCC national inventory (average values for the years 2012-2014). This data can be used to calculate the emissions from January 1, 2016 to December 31, 2015.

CO ₂ emissions of SEA Group (KgCO ₂ /units of traffic)			
	2015		
	MALPENSA	LINATE	TOTAL
Scope 1	5.02	6.00	5.31
Scope 2	0.00	0.01	0.01
Scope 3	0.10	0.09	0.10
Scope 1 + Scope 2	5.02	6.01	5.31

Note: The units of traffic is equivalent to one passenger or 100 kg of freight.

Source: SEA

Air quality

Air quality in Malpensa area

The atmospheric impact associated with activities of airport systems concerns a number of main emission sources ranging from internal (airport grounds) and external vehicle traffic to emissions from vehicles used for loading/unloading and ground assistance (handling), emissions due to aircraft movements on ground and their LTO (Landing Take Off) cycle.

As airport operator, SEA has no way of affecting air carrier processes, such as the level of technological evolution of fleets and efficiency in terms of emissions, or the option to define routes and in-flight scenarios. It also cannot influence the effects from external vehicular traffic closely related to intermodality level characterizing the local area of each airport.

To ensure the effective control of air quality, the Regional Environmental Protection Agency (ARPA) of Lombardy monitors the presence of pollutants in the atmosphere throughout regional territory using 158 detection stations.

In province of Varese, air quality detection network consists of 7 fixed stations, 2 mobile stations and 4 gravimetric samplers for measuring fine dust.

Average monthly data, derived from daily values published by ARPA for Malpensa area, are derived from the 3 monitoring stations located in close proximity of airport (Ferno, Lonate Pozzolo, Somma Lombardo) and other units located in the urbanised area (Busto Arsizio, Gallarate, Varese).

Monitoring areas adjacent to Malpensa - Average monthly nitrogen dioxide values (NO₂)

NO ₂ Annual limit: 40 µg/m ³ annual average	Ferno µg/m ³	Lonate µg/m ³	Somma Lombardo µg/m ³	Busto Arsizio µg/m ³	Gallarate µg/m ³	Varese µg/m ³
January	41.3	45.7	48.9	53.0	62.1	56.1
February	46.5	48.0	47.7	57.3	68.5	55.7
March	50.0	38.6	37.5	44.0	55.9	51.8
April	26.7	25.0	30.3	28.9	41.4	43.2
May	15.4	19.2	26.2	24.1	31.0	37.2
June	15.7	17.6	18.4	21.9	27.2	34.5
July	14.8	19.8	48.4	23.8	26.6	35.5
August	11.8	21.1	34.5	17.7	24.1	29.0
September	20.8	26.4	39.9	29.7	38.6	34.4
October	30.3	28.3	41.9	31.1	42.0	36.5
November	48.2	45.7	55.8	36.5	53.7	51.4
December	55.8	59.0	62.5	45.4	59.6	56.5

Source: Arpa Lombardia, 2015

Nitrogen oxides in general (NO_x), are produced during combustion processes due to the reaction that occurs at high temperatures between nitrogen and oxygen contained in the air. Therefore, such oxides are emitted directly into atmosphere following all

high temperature combustion processes (heating systems, vehicle motors, industrial combustion, power plants, etc.), by atmospheric ozone oxidation and, to a minor extent, by oxidation of nitrogen compounds contained in fuels.

Monitoring areas adjacent to Malpensa - Average monthly particulate values (PM10)

PM10 Annual limit: 40 µg/m ³ annual average	Ferno µg/m ³	Busto Arsizio µg/m ³	Gallarate µg/m ³	Varese µg/m ³
January	39	44	46	34
February	41	47	45	36
March	38	38	40	39
April	24	21	24	24
May	19	18	23	20
June	20	19	21	20
July	26	24	26	26
August	19	18	19	19
September	17	14	16	17
October	29	27	33	26
November	46	45	50	38
December	68	73	77	55

Source: Arpa Lombardia, 2015

Air quality in Linate area

For Linate area, we used data from monitoring stations located in the airport's close proximity (Limite-Pioltello and Milan-Parco Lambro), in addition to

other monitoring stations in urban areas (Milan-Città Studi. Milan-Marche. Monza. Vimercate).

Monitoring areas adjacent to Linate - Average monthly nitrogen dioxide values (NO₂)

NO ₂ Annual limit: 40 µg/m ³ annual average	Limite Pioltello µg/m ³	MI Città studi µg/m ³	Monza µg/m ³	Vimercate µg/m ³	MI Parco Lambro µg/m ³	MI Marche µg/m ³
January	49.7	61.2	59.4	59.0	71.2	91.4
February	52.0	61.2	58.8	57.8	74.8	99.3
March	41.6	49.2	45.4	42.3	55.7	90.7
April	29.2	34.3	38.0	33.0	32.2	76.2
May	26.7	28.6	29.4	23.4	20.1	57.6
June	26.8	28.4	27.2	21.8	22.2	57.0
July	22.9	23.2	26.4	21.6	20.3	47.5
August	23.5	29.5	26.2	16.8	27.1	46.7
September	35.4	33.6	39.7	23.8	30.4	84.1
October	48.1	51.0	46.6	26.1	37.9	86.4
November	68.5	66.8	70.4	-	56.3	86.8
December	71.3	66.3	96.6	71.5	65.8	80.2

Source: Arpa Lombardia, 2015

Monitoring areas adjacent to Linate - Average monthly particulate values (PM10)

PM10 Annual limit: 40 µg/m ³ annual average	Limite Pioltello µg/m ³	Mi - Città studi µg/m ³	Monza µg/m ³	Vimercate µg/m ³
January	56	58	57	58
February	56	60	50	55
March	38	43	46	48
April	23	31	27	28
May	24	26	24	24
June	25	27	23	25
July	27	36	26	29
August	24	22	23	25
September	22	23	20	21
October	40	36	33	32
November	59	64	52	53
December	77	83	84	87

Source: Arpa Lombardia, 2015

Overall, on the basis of extensive data gathered at the areas adjacent to the two Milan airports over the years, we noted that while airports are an important source of emissions, there is no significant difference in air quality around the airport compared to other areas of the provincial territory.

Noise emissions

Since 2001, we have been monitoring aviation noise at Linate and Malpensa airports, in compliance with applicable national regulations.

The system has 22 field stations (16 at Malpensa and 6 at Linate) and 4 mobile units, the latter used for specific measurement campaigns.

We work in partnership and under the strict control of ARPA (Regional Environmental Protection Agency) in order to improve monitoring and safeguarding of the area around our airports.

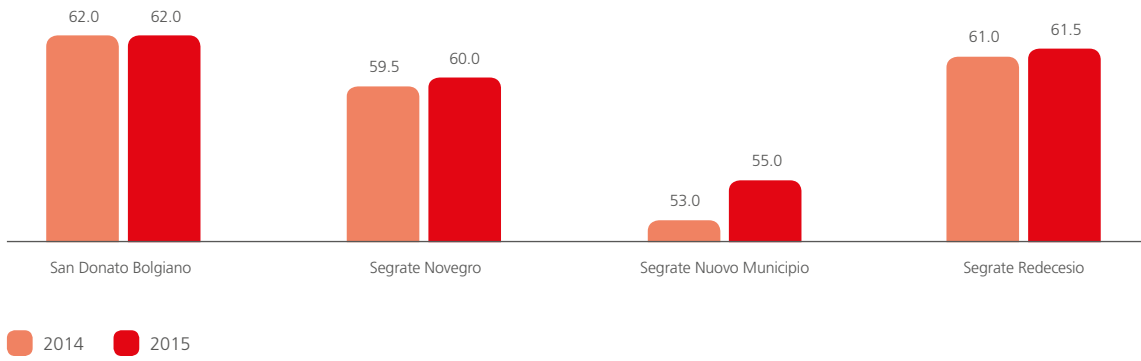
Based on criteria defined in Guidelines of Lombardy Region, ARPA has classified as "Monitoring" 4 of 6 Linate stations and 10 of current 16 Malpensa stations. Italian Ministerial Decree of October 31, 1997 establishes the index to be used for measuring airport noise and the level of airport noise assessment (LVA). It also classifies the area around airports into three areas of compliance, with maximum permissible noise levels based on type of settlements:

- **ZONE A:** LVA index is between 60 and 65 dB(A). There are no restrictions on this range;
- **ZONE B:** LVA index is between 65 and 75 dB(A). This area can host farming and cattle breeding, industrial and related activities, businesses, offices, services and related activities.
- **ZONE C:** LVA index may exceed 75 dB (A) produced solely by activities functionally linked to airport infrastructure.

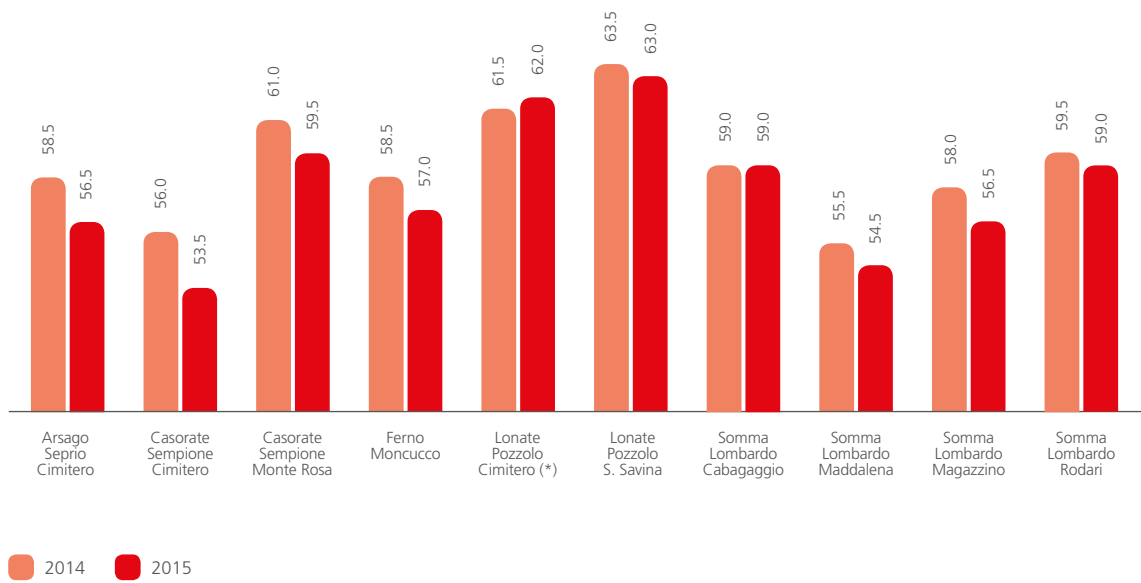
Boundaries of each area of compliance are identified by Airport Commissions (Italian Ministerial Decree October 31, 1997).

Linate Commission approved the zoning in 2009, while Malpensa Airport Commission is yet to do so. Noise data detected by monitoring stations are analysed with the aid of a computer system. Using radar tracks of individual flights provided by ENAV, it is possible to distinguish aviation noise from overall noise. Data on noise emissions and the operation of our airports are available in a dedicated section of website www.seamilano.eu

Linate - Noise monitoring LVA dB(A)



Malpensa - Noise monitoring LVA dB(A)



Note: LVA - Airport Assessment Level: calculated according to Italian Ministerial Decree 31/10/1997 - Airport noise measurement methodology, based on LVAj data for the three weeks of most intense traffic identified in 2015.

Source: SEA

Effluents and spills

Effluent management

The management of water effluents is mainly related to catchment and removal/treatment systems of civil effluents (or the like) coming from airport infrastructures and the rainwater flowing from waterproof surfaces.

Catchment and removal of domestic wastewater from all the buildings on airport grounds is ensured at Malpensa by the sewer system carrying wastewater to S. Antonino consortium treatment plant, and at Linate by the sewer system connected to Peschiera Borromeo treatment

plant. The water drained into the sewers (black waters and treated storm waters) are subjected to systematic quality controls.

At both airports, the quality of wastewater falls within the limits set by current environmental legislation, as shown in tables reporting monitored parameters.

Linate - Characterisation of sewer drainage

Parameter	Unit of measure	Average annual value			Parameter values Italian Legislative Decree 152/06
		2015	2014	2013	
COD	mg/l	47.7	86.0	151.4	500
BOD5	mg/l	23.1	27.0	52.5	250
Total phosphorous	mg/l	1.3	1.0	2.7	10

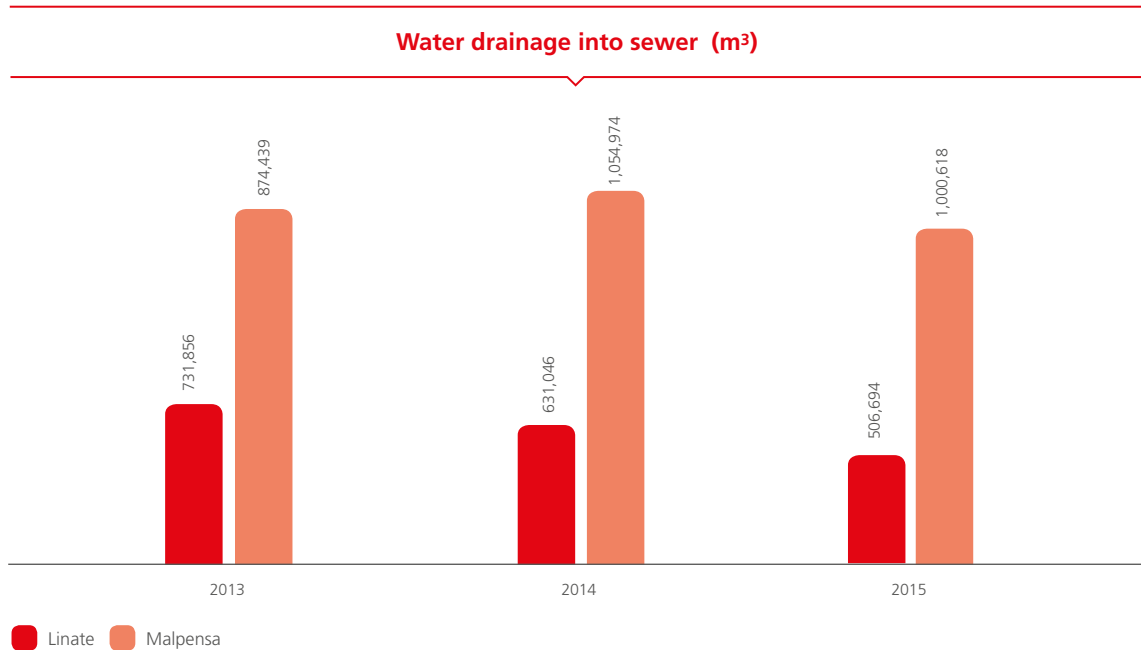
Source: SEA

Malpensa - Characterisation of sewer drainage

Parameter	Unit of measure	Average annual value			Parameter values Italian Legislative Decree 152/06
		2015	2014	2013	
COD	mg/l	203.5	254.4	246.7	500
BOD5	mg/l	87.4	73.1	86.4	250
Total phosphorous	mg/l	3.5	3.3	3.8	10

Source: SEA

The following graph shows wastewater drained into the sewer system, while the remaining quantities are drained on surface by dispersion.



Note: Linate data do not include SEA Energia drainage values. With reference to the Linate airport in 2013, the drainage was equal to the total withdrawals from the wells. Since 2014 the drainage was estimated to be equal to the total withdrawals from the wells, net of the estimated losses of the aqueduct network.

Source: SEA

De-icing treatment of aircraft during the winter, when requested by airlines, is carried out in dedicated stands equipped with a collection system for any effluents from the activity, which are treated as special waste.

Storm waters from airport surfaces flow into surface water bodies (Linate) or in the superficial part of the subsoil (Malpensa). For those areas subject to regional regulations, the first rain water is separated beforehand (treated with oil removal systems and conveyed to public sewer system).

Prior to final delivery, rainwater undergoes periodic quality checks on parameters highlighted in tables, with qualitative characteristics that are broadly in line with environmental standards of reference.

Disposed de-icing liquid (tons)

	2015	2014	2013
Malpensa	0	15	44
Linate	91	45	68

Source: SEA

Linate - Characterisation of surface water drainage

Parameter	Unit of measure	Average annual value			Parameter values Italian Legislative Decree 152/06
		2015	2014	2013	
Chromium VI	mg/l	0.01	0.005	0.0	0.2
Copper	mg/l	0.02	0.006	0.0	0.1
Lead	mg/l	0.01	0.005	0.0	0.2
Zinc	mg/l	0.10	0.05	0.2	0.5
Total hydrocarbons	mg/l	0.29	0.2	0.5	5.0

Source: SEA

Malpensa - Characterisation of surface water drainage

Parameter	Unit of measure	Average annual value			Parameter values Italian Legislative Decree 152/06
		2015	2014	2013	
Ph	pH unit	7.3	7.3	7.4	8.0
COD	mg/l	14.4	10	16.3	100.0
BOD5	mg/l	10.3	10	6.8	20.0
Total suspended solids	mg/l	6.4	5	6.5	25.0
Total phosphorous	mg/l	0.1	0.1	0.5	2.0
Lead	mg/l	0.01	0.01	0.0	0.1
Chromium VI	mg/l	0.01	0.01	0.0	0.2
Copper	mg/l	0.01	0.01	0.0	0.1
Total hydrocarbons	mg/l	0.1	0.1	0.5	5.0
Zinc	mg/l	0.05	0.01	0.0	0.5
Total surfactants	mg/l	0.2	0.2	0.3	0.5

Source: SEA

There are currently no water reuse systems at airports. Along with other important European players, SEA Group is delving into many aspects related to water

saving systems and the possibility of re-using rainwater, with a view to reducing groundwater extraction and rationalizing water consumption.

Spill management

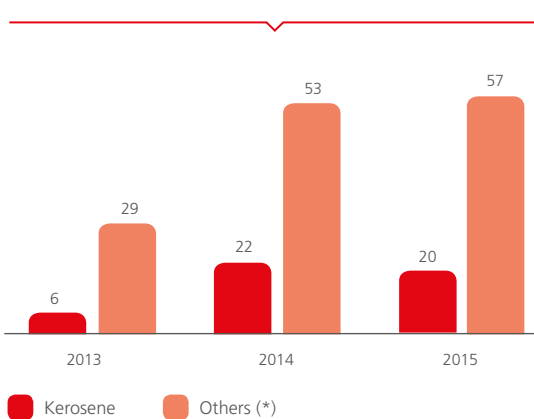
We strive to act with care and ensure proper management of potential spills. In the event of accidental spills of fuel or oil in operating areas, runways and aprons, fluids are intercepted before they enter rainwater drainage system.

Airports have a specific procedure applicable to terminal movement areas in compliance with environmental protection standards.

In these cases, our Airport Maintenance and Environmental Operations Management functions are activated in order to coordinate cleaning and reclamation measures in the concerned areas, and the restoration of conditions of compliance and safety, after Fire Brigade lays an adequate number of oil-absorbing panels to contain the area affected by spill. At each airport, waste generated in cleaning operation is transferred to appropriate facilities of airport sanitation islands, as required by company procedures, in compliance with environmental protection and occupational safety and sanitation standards applied at both our airports.

Spills taken into consideration are those deemed to be significant, that is, those that have affected an area equal to or greater than 20 m².

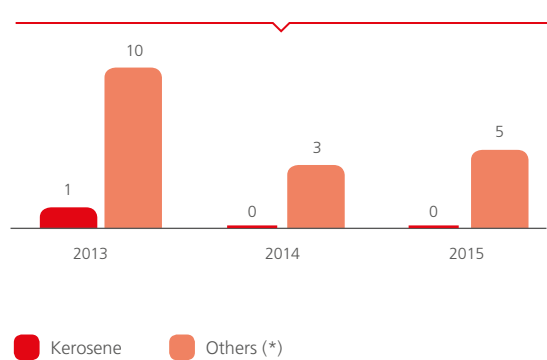
Malpensa - Major spillages (No.)



^(*) Spills of hydraulic oil from an aircraft, hydraulic oil from operating vehicles and spills of diesel/gasoline from operating vehicles.

Source: SEA

Linate - Major spillages (No.)



^(*) Spills of hydraulic oil from an aircraft, hydraulic oil from operating vehicles and spills of diesel/gasoline from operating vehicles.

Source: SEA

Malpensa airport has recorded a slight improvement for kerosene spills, while there was a slight increase in hydraulic oil spills caused by operational vehicle faults, mainly due to old age of vehicles used by handlers working under aircraft. Specific Working Groups for event mitigation were activated, and some handlers are carrying out a fleet modernisation.

Aviation safety

Milan airports have an effective Safety Management System (SMS) validated and monitored by ENAC, ensuring the highest levels of aviation safety and quality of service through the maintenance of flight infrastructure and systems, operating processes and procedures and the training of personnel.

Every month, Safety Boards and Safety Committees of Linate and Malpensa consult and review the topics forming the basis of the Safety Management System, ensuring comprehensive and widespread discussion of operational safety issues. The active participation of all airport operators, airlines, institutional bodies and actors of various businesses at the two airports enables a broad consultation and a constructive discussion of main topics.

To monitor effectiveness of airport's Safety Management System, SEA uses some quantitative elements related to both Linate and Malpensa. Indicators of the main events at SEA's airports did not reveal any particular problems from the point of view of maintaining adequate aviation safety levels. The percentage of three significant indicators compared to the GSRs (Ground Safety Reports) received is shown below.

In 2015, 641 GSRs were received for Malpensa and 701 for Linate. Indicators of the main events at SEA's airports did not highlight any particular problems from the point of view of maintaining adequate aviation safety levels, in fact they showed a definite improvement in safety performance.

MALPENSA (%)	2015	2014	2013
Damage to aircraft	3.9	5.4	4.2
FOD	3.1	3.7	4.8
Right-of-way violations	8.7	7.7	8.4

LINATE (%)	2015	2014	2013
Damage to aircraft	2.3	3.8	2.5
FOD	1.3	2.5	3.5
Right-of-way violations	9.6	9.3	4.3

Source: SEA

Wildlife Strikes: prevention and monitoring

Prevention and monitoring of wildlife strikes is governed by "Bird and Wildlife Strike Risk Reduction Plan" and the related Operating Procedure, both included in airport manuals (separate for Linate and Malpensa) and drawn up by SEA as airport operator, in accordance with ENAC Circular APT 16/2004 and certified by the body itself. They are also periodically subject to audits by authority and by internal personnel.

Specific aspects of bird strikes are addressed in ENAC Circular APT-01B "Guidelines on procedures to be followed for the prevention of bird impact risks at airports", in line with ICAO Annex 14. Both Plan and Operational Procedure follow the circular's guidelines, ensuring a constant monitoring and removal of birds and fauna from grounds. Particular attention is given to manoeuvring area by using modern equipment available on international market. To

support this activity, SEA relies on BCI (Bird Control Italy, the leading Italian bird strike prevention company, which carries out its activity in most domestic airports).

All interventions are documented with bird strike monitoring forms and bird strike reporting forms, which are entered in a database managed through a software application called "Bird Strike Management System".

Compared to 2014, bird strike reports at Linate and Malpensa are basically unchanged, as can be seen from annual rate on 10,000 movements and the risk indicator (BRIZ) in the table.

Wildlife strike risk indicators

MALPENSA (%)	2015	2014	2013
Wildlife Strike ⁽¹⁾	2.2	3.2	3.0
Wildlife Strike ⁽²⁾	0.14	0.19	0.17

LINATE (%)	2015	2014	2013
Wildlife Strike ⁽¹⁾	3.1	2.7	5.8
Wildlife Strike ⁽²⁾	0.22	0.20	0.28

⁽¹⁾ Annual rate per 10,000 movements.

⁽²⁾ BRIZ risk indicator calculated according to the new ENAC Circular APT-01B.

Source: SEA

SEA continues to monitor and manage the issue by implementing systematic prevention and mitigation actions, such as increased deterrence, using products after grass mowing to control invertebrate populations, and a campaign to contain avian species and worms. At Malpensa, the different natural environment, the behaviours of hazardous species (pigeons, crows, kestrels, etc.), combined with good management of vegetation help to limit wildlife's interference with air traffic.

The logo consists of the letters 'SEA' in white, set within a red square. This square is part of a larger grid of light gray squares that spans across the middle of the page.

SEA

VALUE GENERATED BY AVIATION BUSINESS

The profile of our Aviation customers

In 2015, the reduced concentration of traffic shares continued to be a feature of Milan airport system. In particular, in 2015 Malpensa was yet again the airport with the lowest share of offerings by the first carrier in the continent. Offerings at Malpensa are the least concentrated in comparison with all other major European airports. 48% of passenger traffic is handled by easyJet and Alitalia, with substantially equivalent weight (25.5% and 22.8%), with more than 7 million passengers (mostly served at Malpensa) for easyJet and over 6 million for Alitalia Group.

Main passenger carriers operating at Malpensa

At Malpensa Airport on December 31, 2015, there were 120 airlines, i.e. 4% less than 2014. The presence of all major international carrier alliances was reconfirmed:

- Star Alliance at December 31, 2015, accounted for 19% of passenger traffic (18% in 2014);
- At the end of 2015, Sky Team and One World account for 9% (10% at December 31, 2014) and 8% (9% at December 31, 2014) of Malpensa's passenger traffic.

At December 31, 2015, Malpensa is linked to 175 domestic and international destinations, 17% less than 2014 (when they were 212). The list of the top 10 airlines, in terms of percentage on the total number of passengers, still sees the supremacy of easyJet, representing 36.4% of Malpensa passenger traffic. The UK company confirmed the role of Malpensa Terminal 2 as an important base for Continental Europe, with a 3.7% growth for 2015.

Malpensa - Top 10 passenger carriers (% on No. of passengers)

Carriers	2015	2014
easyJet	36.4	34.7
Lufthansa	5.8	5.9
Emirates	4.5	3.8
Alitalia	4.3	5.1
Neos	2.9	2.6
Vueling Airlines	2.6	1.8
Turkish Airlines	2.5	2.4
Meridiana fly	2.2	2.6
TAP	1.8	1.7
Qatar Airways	1.6	-
Other carriers	35.5	37.3

Source: SEA

Main passenger carriers operating at Linate

At December 31, 2015, Linate airport hosts 20 airlines (compared to 21 in the previous year) and was connected to 49 domestic and intra-EU airports. Linate's business is significantly influenced by Alitalia Group's traffic, which in 2015 represented 58.4% of traffic. Table shows the top 10 airlines operating at Linate in 2015 in terms of percentage of total number of passengers.

Linate - Top 10 passenger carriers (% on No. of passengers)

Carriers	2015	2014
Alitalia Group	58.4	60.3
Meridiana fly	7.4	8.1
British Airways	5.2	5.6
Air France	4.9	4.7
easyJet	4.6	5.3
KLM	4.0	4.2
Lufthansa	3.7	4.2
Air Berlin	3.1	-
Iberia	2.2	2.2
Brussels	1.5	1.4
Other carriers	5.1	2.9

Source: SEA

Main Cargo carriers

At December 31, 2015, there were 16 all-cargo carriers operating at Malpensa airport. Malpensa's business cargo is distributed among a large number of carriers: in 2015, 65% of the total transported cargo was spread over 13 airlines. Among these, Cargolux, the leading industry operator, has an absolute dominance, while the highest growth (68.7% over 2014) was recorded by European Air Transport.

Malpensa - Volumes moved by the main cargo carriers (tons)

Carriers	2015	2014
Cargolux Group	80,171	80,700
Air Bridge Cargo Airlines	37,720	28,597
Federal Express Corporation	34,821	35,812
Qatar Airways	34,535	35,499
European Air Transport	27,386	16,232
Silk Way	18,806	22,083
Etihad Airways	17,915	18,424
Nippon Cargo Airlines	16,901	14,632
Korean Air	16,376	19,881
Saudi Arabian Airlines	13,051	12,032
Asiana Airlines	11,766	12,326
Cathay Pacific Airways	8,529	10,217
Turkish Airlines	7,793	10,675
Other	29,690	11,718
Total all-cargo activity *	355,460	328,828
Total Malpensa cargo activity	500,054	459,696

^(*) The figure refers solely to all-cargo moved volumes

Source: SEA

The following table lists the top 10 carriers operating at Malpensa in 2015, in terms of percentage on total volume of cargo.

Malpensa - % of goods moved by the top 10 cargo carriers

Carriers	2015	2104
Cargolux Group	16.0	17.6
Qatar Airways	9.3	9.2
Air Bridge Cargo Airlines	7.5	6.2
Federal Express	7.0	7.8
Emirates	6.0	6.9
European Air Transport	5.4	3.5
Etihad Airways	5.2	5.6
Korean Air	4.2	4.6
SW Italia	3.8	-
Cathay Pacific Airways	3.6	4.3
Other carriers	32.0	29.4

The profile of our passengers

Objective of survey is to identify the characteristics of passengers using the airports operated by SEA (socio-demographic data, travel habits, etc.) in order to offer a service in line with their particular characteristics. A monthly survey is carried out to verify the profile of SEA airports' passengers, based on sampling rates specific to the three terminals. The total number of respondents in 2015 is 4,725.

Subjects to be interviewed are selected according to a systematic procedure (one every 10) at security checks, i.e. upon departure. This procedure introduces randomness, so that the sample interviewed for each of the three terminals is representative.

The sample check (and data weighing) includes verifying the destinations and the share of passengers in transit, by terminal and by quarter.

Economic performance of Aviation Business

Aviation Business operating revenues (airport charges and centralised infrastructure management fees, security services and fees to use regulated areas) recorded by SEA in 2015 amounted to 395.9 million Euro (+2.3% over the previous year), accounting for 57.0% of total Group revenues.

This trend was influenced by the increase in airport fees resulting from the Economic Regulation Agreement

Main characteristics of our passengers in 2015			
	Malpensa T1	Malpensa T2	Linate
Male gender	62%	55%	65%
Average age (years)	42	42	44
University education	49%	40%	48%
Residing in Italy	73%	85%	75%
Main reason for travel	Holiday/Tourism	Holiday/Tourism	Work/Business/Study
Average stay at the airport (minutes)	137	125	104

Source: CFI Group

and from the increased traffic volumes resulting from new connections or increased frequencies on existing routes. The main component of Aviation revenues is the income from centralised infrastructure and charges, which in 2015 accounted for 84.4% of the total, followed by fees for security services (12.3%) and fees to use regulated areas (3.3%).

Percentage of revenues from Aviation activities

	2015	2014 - restated
Aviation management revenues (thousands of Euro)	395,877	386,884
Aviation revenues (% of total revenues)	57.0	56.5
Other revenues (% of total revenues)	43.0	43.5

Source: SEA

Type of revenues from Aviation activities (thousands of Euro)

	2015	2014	% of total Aviation Revenues for 2015
Centralised infrastructure and rights	333,923	316,701	84.4
Use of regulated spaces	13,121	20,935	3.3
Security checks	48,833	49,248	12.3
Total	395,877	386,884	100

Source: SEA

Competitive performance of Aviation Business

SEA implements its business model based on a variety of carriers competing for passengers and cargo. This traffic model is still today a winning strategic choice that has enabled SEA to read market developments

in a timely manner, implementing full flexibility and independence from choices of individual carriers. 2015 saw the opening of 13 new destinations and entry of 7 new carriers.

Traffic expansion measures at Malpensa (No.)

	2015	2014	2013	Total 2013-2015
New carriers	7	7	5	19
New services*	24	24	27	76
Increasing frequencies by existing carriers on routes they already serve	13	55	59	127
Total increase in weekly frequencies (new services + frequency increases)	112	147	168	427

^(*) New services means introduction of new destinations served by existing carriers, or new carriers operating on already served routes, or new carriers that serve new destinations.

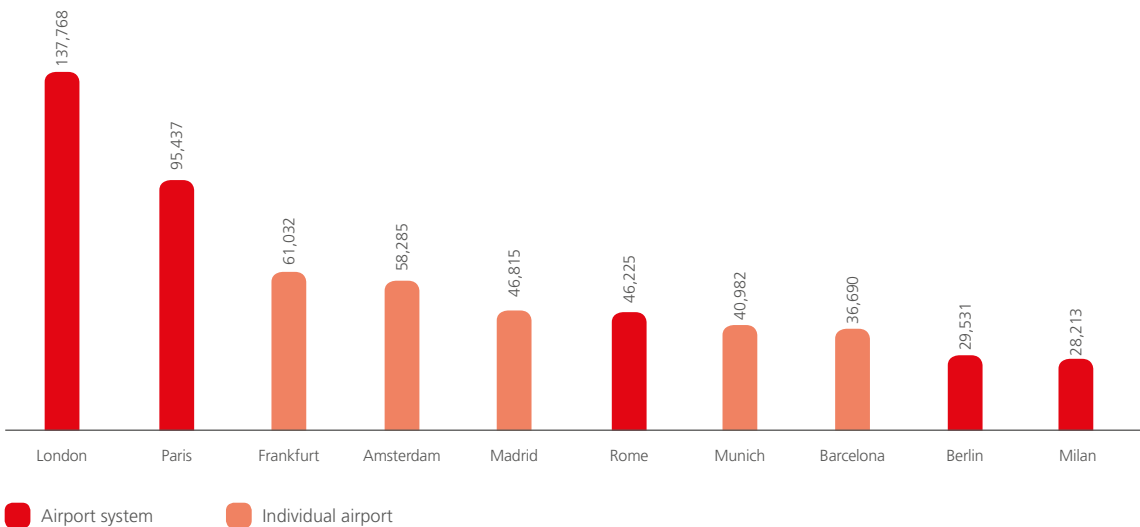
Source: SEA

Passenger traffic

Milan airports are among the major European airport systems, with 28.1 million passengers transported in 2015 (net of transits), in 2nd place in Italy and 10th place in Europe for passenger traffic volumes and 1st place in Italy and 5th place in Europe for freight traffic volumes.

At a national level, Malpensa is the second airport for passenger traffic volumes, with about 18.5 million passengers in 2015 (net of transits), as well as that with the greatest impact from non-EU traffic in Italy, while Linate in 2015 became the fourth Italian airport, with more than 9 million passengers.

Ranking of main European airports/airport systems by passenger traffic volumes - 2015 (,000 pax)*



^(*) Including transit passengers.

Source: SEA, ACI Europe

In the course of 2015, airports managed by SEA Group showed an increase of more than 429 thousand passengers (+1.6%) and a decrease of more than 1,000 movements (-0.4%) over 2014. Malpensa recorded a

1.2% decrease in passengers and a 3.9% decrease in movements, while Linate recorded a 7.3% increase in passenger numbers and 5.7% increase in movements.

Performance indicators of Aviation Business of SEA airport system

	Movements (No.)			Passengers (No.)			Cargo (tons)		
	2015	2014	Δ %	2015	2014	Δ %	2015	2014	Δ %
Malpensa	156,642	162,953	-3.9	18,444,778	18,669,740	-1.2	500,054	459,696	8.8
Linate	96,049	90,833	5.7	9,638,763	8,984,285	7.3	12,434	12,719	-2.2
Airport system	252,691	253,786	-0.4	28,083,541	27,654,025	1.6	512,488	472,415	8.5

Source: SEA

Malpensa

In 2015, traffic on intercontinental routes served by Milan Malpensa was approximately 5.6 million passengers (+4.8% compared to 2014).

Daytime and night-time movements* (inbound and outbound) - 2015

Movements	Passengers	Cargo	General aviation	State flights	Total
Daytime arrivals	66,994	3,614	-	-	-
Daytime departures	71,051	3,785	-	-	-
Night-time arrivals	6,081	1,630	-	-	-
Night-time departures	2,016	1,471	-	-	-
Total	146,142	10,500	3,842	not available	160,484

^(*) Night-time movements are those made from 23:00 to 6:00.

Source: SEA

During 2015, SEA Aviation sales policy was further enhanced, with specific activities aimed at increasing traffic and the network of connections, by securing new carriers and increasing the number of flights by the existing carriers, with a view to improving connectivity of airports and serving its catchment area.

SEA development strategy is aimed at identifying and acquiring new non-European carriers operating mainly on large hubs with a broad portfolio of connections. At the same time, it aims at expanding its European and domestic network, stimulating the existing carriers to make new investments and trying to seize new opportunities, both among legacy operators and low-cost carriers.

Particular attention is devoted to cargo segment, with the

aim of attracting new carriers and activating new routes, also by collaborating with integrated operators, in order to consolidate market leadership of Malpensa, which in 2015 managed over 50% of national activity in air freight sector. Aviation business is developed through constant daily contact with carriers, participating in international industry events and organizing dedicated roadshows. The main marketing tools include specific support programmes such as welcome packages and tailor made initiatives aimed at supporting and communicating airlines' programmes. In this context, it is also worth mentioning the intense lobbying activity in negotiations for revising the Bilateral Agreements, with the aim of pursuing wider liberalisation of traffic rights, including the fifth freedom rights.

Number of arriving and departing passengers - 2015

	Domestic flights	International flights	Total
Arriving passengers	1,271,511	7,965,083	9,236,594
Departing passengers	1,263,364	7,944,820	9,208,184
Total passengers	2,534,875	15,909,903	18,444,778

Source: SEA

Number of passengers by origin and destination, transfers and transit - 2015

	Origin and destination	Direct transits	Total
Domestic	2,534,875	-	-
International	10,317,490	-	-
Intercontinental	5,592,413	-	-
Total	18,444,778	127,604	18,572,382

Source: SEA

On the front of long-haul offerings, several carriers increased their capacity: Oman Air increased its frequencies by establishing daily connections to Muscat, Korean Air has operated three direct flights to Seoul (previously combined with Rome) since summer and added a fourth frequency, Air China boosted its connections from Malpensa making flights to Beijing and Shanghai daily (the latter becomes daily for the first time even in winter), Thai added a fourth frequency to Bangkok, Qatar increased its capacity by 30% with the introduction of the A330 also on the second daily flight, and United also increased the seats offered by operating with B777 instead of B767, during Expo, Alitalia boosted long-haul flights from Malpensa with a new daily flight to Abu Dhabi, three seasonal weekly flights to Shanghai, two to Algiers and made service to Tokyo daily instead of the current four weekly flights. Among service upgrades, we note Emirates, which on June 1 introduced the A380 for its flight to New York. A new destination, Santiago de Chile, was added to intercontinental connectivity: in winter Latam replaces TAM by introducing the continuation of San Paolo flight to the Chilean capital.

The new Iranian private carrier Mahan Air inaugurated two new flights to Tehran in June, and increased the service with a third frequency at the beginning of winter. European network is expanded with new destinations: Antwerp (Jetairfly), Izmir (Sun Express), Southampton and Cardiff (Fly Be).

Low-cost offerings also recorded several increases: the new

Turkish carrier Pegasus introduced a service to Istanbul (4 flights/week), Wizzair increased frequencies to Budapest (from 11 to 14 per week), Vueling expanded its presence at Malpensa with new flights to Paris Orly, announcing a development for 2016 with Amsterdam, Las Palmas and Alicante. EasyJet introduced three new destinations in the network departing from Malpensa (Stuttgart from April, Glasgow and Tallin from December) and announced the addition of three aircraft from summer 2016.

December saw the start of Ryanair's activity from Terminal 1 connecting four destinations, for a total of 28 weekly frequencies: London Stansted (2 flights per day), Comiso (1 flight per day), Bucharest (4 flights per week) and Seville (3 flights per week).

Destinations of passenger traffic from Terminal 1 - 2015

Geographical area	%
Europe	54.5
Middle East	17.7
Far East	8.1
North America	8.8
Central/South America	4.2
Africa	6.7

Source: SEA

The distribution of passenger traffic by geographical area mainly showed growth in North America (+6.1%), Middle East (+15%), Far East (+19.6%) and Central America (+13.6%).

Linate

Starting from 2014 winter season, the Lupi Italian Ministerial Decree extended the possibility of operating point-to-point connections with all EU airports, leaving unaltered airport's hourly capacity limits. Etihad partner

carriers such as airberlin and FlyNiki, in agreement with Alitalia, transferred their operations from Malpensa to Linate, resulting in a reduction in Alitalia's direct market share in favour of these carriers.

During 2015, Alitalia showed a positive trend for passengers (+4%) mainly thanks to Cagliari and Alghero routes, where the carrier plays the key role that guarantees territorial continuity service. Trends were also positive towards Amsterdam, London City, Copenhagen, Berlin and Düsseldorf (the latter were not present in 2014).

Number of arriving and departing passengers - 2015

	Domestic flights	International flights	Total
Arriving passengers	2,537,544	2,307,942	4,845,486
Departing passengers	2,482,416	2,310,861	4,793,277
Total passengers	5,019,960	4,618,803	9,638,763

Source: SEA

Linate-Fiumicino shuttle fell by 6% to 1.2 million passengers. This result is due to easyJet, which from May

2015 progressively reduced connections until their final suppression.

Number of passengers by origin and destination, transfers and transit in 2015

	Origin and destination	Direct transits	Total
Domestic	5,019,960	-	-
International	4,618,803	-	-
Total	9,638,763	2,300	9,641,063

Source: SEA

Number of daytime and night-time movements* (inbound and outbound) - 2015

Movements	Passengers	Cargo	General aviation	State flights	Total
Daytime arrivals	46,171	173	-	-	46,344
Daytime departures	47,469	192	-	-	47,661
Night-time arrivals	1,465	215	-	-	1,680
Night-time departures	168	196	-	-	364
Total	95,273	776	22,601	not available	118,650

^(*) Night-time movements are those made from 23:00 to 6:00

Source: SEA

Punctuality of passenger flights

According to 2015 punctuality data collected by the members of the European Airport Punctuality Network (EAPN), in Europe there is a slight worsening compared to 2014, both for departures and arrivals.

Punctuality figures for Malpensa and Linate airports are still above the average of EAPN network.

Linate holds the top spot for departure punctuality among airports included in EAPN ranking.

Malpensa consolidates its position above the European average and is in line with similar European airports (in-

cluding Vienna, Athens and Manchester).

2015 will be remembered for unpredictable events that resulted in emergency situations with heavy repercussions on punctuality. In Stockholm in April, as in Malpensa in May, violent rains flooded part of terminals. In Rome Fiumicino, in May, a major fire devastated the airside area of Terminal 3, and in July another violent fire near the airport reduced its functionality. The German airports of Frankfurt, Düsseldorf and Munich faced the heaviest labour strike in Lufthansa's history.

EAPN departing flight punctuality ranking (% within 15 minutes)

	2015	2014	2013
Malpensa	82.3	82.6	84.0
Linate	88.4	90.8	92.2
EAPN	79.5	81.6	83.5

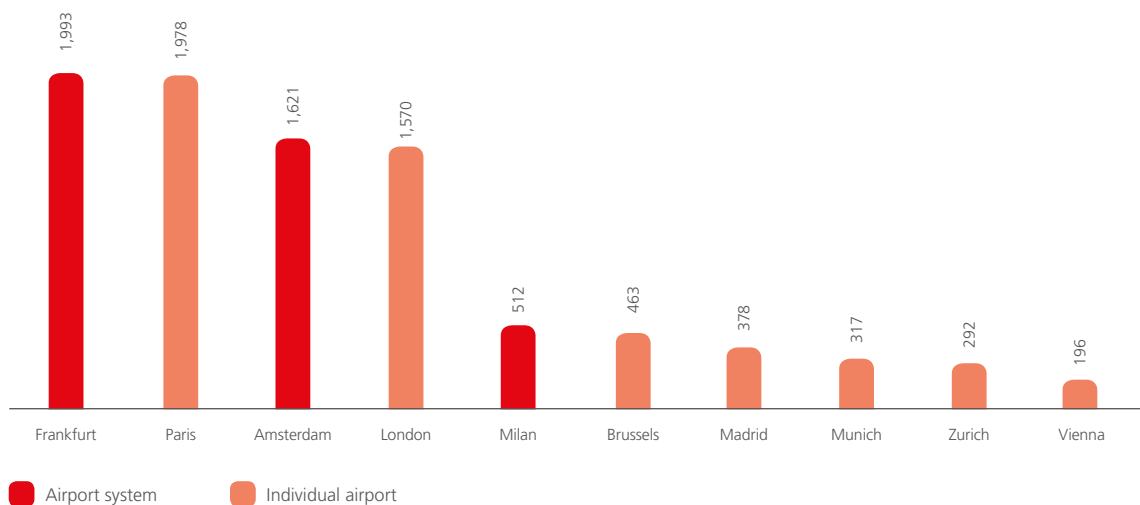
Source: SEA

Cargo traffic

Also in freight sector, Milan airports are among the leading airports/airport systems in Europe (5th place), and first in Italy with over 500,000 tons transported by

air. Cargo traffic at Malpensa in 2015 increased (8.8%) over the previous year, which allowed Milan airport system to maintain its 5th place in European ranking.

Ranking of main European airports/airport systems for cargo traffic volumes in 2015 (thousands of tons)



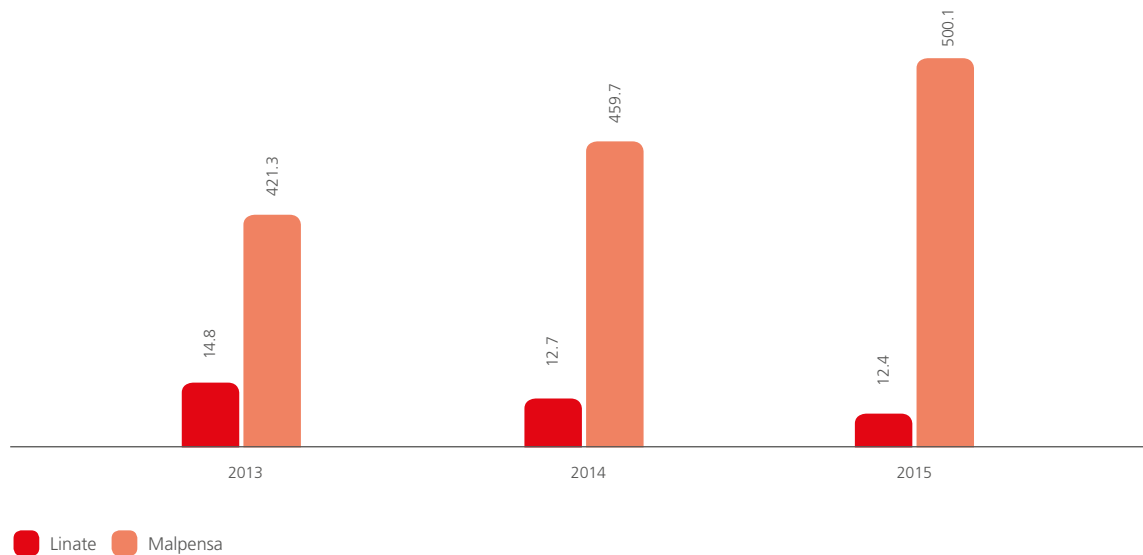
Source: SEA, ACI Europe

Note: Cargo in transit is not included.

In 2015, cargo traffic operated by Malpensa and Linate airports amounted to over 512,000 tons, recording an

increase of over 40,000 tons (85%) compared to 2014.

Cargo traffic managed by Milan airport system (.000 tons)



Source: SEA

In particular, Malpensa Airport achieved a historical record of freight volumes processed at airport exceeding 500,000 tons of transported cargo, marking a 9% growth.

All-cargo traffic performance showed an increase of 8.0% to 355,000 tons of cargo transported.

In February 2015, DHL Express further strengthened its presence at Malpensa by basing 3 aircraft dedicated to new routes to Leipzig, United States and Hong Kong. We also note the start of operations of a new cargo carrier, SW Italia, which operated to Baku in Azerbaijan with a B747-400. Other all-cargo carriers that contrib-

uting to development during the year were: AirBridges-Cargo, Nippon Cargo and Saudi Arabian.

Freight transport of all-cargo carriers served by SEA Group at Malpensa shows different growths depending on final destination areas (Europe +24.6%, Far East +12%, North America +3.9%).

Belly traffic grew by +11%, reaching 145,000 tons of transported cargo. Among the carriers with mixed-configuration aircraft, Emirates is the main carrier by handled cargo volume, while the main increases compared to the previous year are attributed to Qatar Airways, Alitalia, Korean Airlines, Turkish Airlines and Oman Air.

Malpensa - Arriving and departing cargo on all flights (cargo and passenger) in 2015 (tons)

	Cargo	Passengers	Total
Arrival	132,970	67,148	200,118
Departure	222,490	77,446	299,936
Total cargo	355,460	144,594	500,054

Source: SEA

Linate - Arriving and departing cargo on all flights (cargo and passenger) for 2015

	Cargo	Passengers	Total
Arrival	4,769	1,075	5,844
Departure	5,201	1,389	6,590
Total cargo	9,970	2,464	12,434

Source: SEA

Cargo traffic served by airports operated by SEA showed significant differences depending on final destination areas.

Malpensa - Distribution of cargo traffic by destination geographical area (% on total cargo volume)

Geographical area	2015	2014
Europe	24.5	22.7
Middle East	29.8	31.6
Far East	26.0	25.8
North America	15.8	16.7
Central/South America	2.9	2.4
Africa	1.0	0.8

Source: SEA

Connectivity

Connectivity of an airport is an indicator of its relative position, and therefore of its competitiveness, within the airport network being considered. A first index of connectivity is based on the average number of flights needed to reach other airports: if airport is directly connected to all the other network airports, its connectivity index is 1. There are airports reachable by using more than one flight, and in this case we speak of indirect connection, which involves the presence of a connecting airport. In the ranking of the 30 airports with the best global connections (selected on a network that includes 3,875 airports worldwide) there are 2 Italian

airports: Fiumicino occupies 17th place (-4 compared to the previous year) and Malpensa is in 26th place (unchanged from the previous year), with a connectivity index of 2.66.

A comparison of global and European connectivity indexes (referring to a sample of 471 continental airports) shows how large airports are more concentrated on intercontinental flows, while smaller airports develop a more intense point-to-point network at European level. At European level of connectivity, Malpensa is the airport having gained most positions within the first 30, going from 28th to 19th place (index of 1.90).

Connectivity index of top 10 Italian airports

Rank	Airport	Global connectivity index	European connectivity index
1	Rome Fiumicino	2.61	1.89
2	Milan Malpensa	2.66	1.90
3	Venice	2.83	1.97
4	Pisa	3.06	2.03
5	Bologna	3.08	2.06
6	Naples	3.06	2.09
7	Catania	3.10	2.10
8	Olbia	3.13	2.14
9	Palermo	3.09	2.15
10	Bergamo	3.27	2.18

Source: ICCSAI Fact Book 2015

An indicator giving a more accurate measure of the degree of accessibility to Europe by individual airports is based on minimum travel time to reach other European airports. Travel time includes both flight times and waiting times at intermediate airports (in the event that more than one flight is required to reach a particular destination). For Malpensa airport, the number of linked airports per day was 403, with average travel time of 325 minutes.

Linate airport also shows good connectivity in relation to travel time, connected with 400 airports reachable in an average time of 344 minutes.

Accessibility to European gross domestic product

Continental connectivity index is calculated in reference to the percentage of population and GDP that can be reached by direct or indirect links.

Malpensa airport is ranked 9th in the European ranking based on the continental GDP percentage that can be reached. 80.39% of European GDP can be reached directly from Malpensa airport, while an additional 18.95% can be reached via an intermediate stop. Mal-

pensa is instead ranked 14th (gaining 6 positions compared to the previous year) in European airport rankings based on percentage of continental population that can be reached. 92.9 % of the EU population can be reached directly from Malpensa, while the remaining 7.1% is accessible through an intermediate stop. In addition to the overall ability to reach European network, which also includes destinations with high travel times, indication of the part of Europe reachable in a limited time also plays a significant role, considering in particular the set of destinations for which it is possible to make a return flight within the same day (day trip). The table below shows the list of European airports by number of destinations for which a day trip can be made while staying at least 4 hours. Malpensa airport is ranked 14th among European airports for number of continental destinations for which it is possible to make a day trip, with an average time of 744 minutes. This last figure is particularly important for those airports (including those in Milan) that develop traffic mainly through business customers.

European network accessible with a day trip

Rank	Airport	Number of airports linked within the day	Average time
1	Copenhagen	220	719'
2	Amsterdam	216	693'
3	Munich	209	694'
4	Oslo	209	736'
5	Düsseldorf	209	737'
6	Stockholm-Arlanda	207	733'
7	Brussels	204	726'
8	Zurich	202	713'
9	London Heathrow	202	724'
10	Barcelona	199	738'
11	Hamburg	194	738'
12	Frankfurt	190	666'
13	Paris CDG	187	691'
14	Milan Malpensa	178	744'
15	Vienna	176	737'

Source: Calculation using 2015 ICCSAI Fact Book data

A ranking based on the share of European GDP reachable within the first two hours of flight was also drawn up. Unlike the reachability measured only by the presence of links, the reachability of various destinations ac-

ording to travel times is more indicative of the quality of connections offered by each airport.

Frankfurt is the top airport in Europe in terms of percentage of European GDP available based on travel time.

Reachable European GDP based on travel time

Rank	Airport	Number of airports linked within the day	Average time
1	Frankfurt	88.84	10.71
2	Paris CDG	87.50	11.79
3	Zurich	87.41	11.99
4	Amsterdam	87.23	12.13
5	Munich	86.24	13.04
6	Stuttgart	82.26	16.91
7	Brussels	81.64	17.54
8	Geneva	80.48	18.57
9	Milan Malpensa	80.39	18.95
10	Basel	79.12	20.30

Source: Calculation using 2015 ICCSAI Fact Book data

Starting from Frankfurt, 89% of European GDP can be reached within 2 hours of travel. Malpensa holds first place among Italian airports, and the only one among the European top 10, with 9th place (6 plac-

es gained compared to 2013) with more than 80% of European GDP reachable within 2 hours and over 98% reachable within 4 hours.

Quality of aviation services provided to passengers

From January 1, 2015, new ENAC Circulars came into force:

- GEN-06 - Quality of air transport services: standard Service Charters for airport managers and airline carriers;
- GEN-06 - Application of Regulation (EC) no. 1107/2006 and quality of services provided to persons with disabilities and reduced mobility in air transport which modified quality indicators set of the Airport Manager's Service Charter.

The new dashboard of indicators most consistent with the evolution of airport services is enhanced with specific parameters to measure satisfaction of passengers

with reduced mobility who benefit from airport services. 2015 targets are included only for indicators already in the old regulatory scheme and confirmed by new Circulars. Only for these indicators was it possible to share with stakeholders the results achieved in 2014 and formalize the related targets for 2015.

For new quality indicators introduced by Circulars, performance tracking began in 2015 and allowed to gather the elements necessary to formalize the 2016 targets.

Overall, performance recorded in 2015 was very positive. All parameters reached very satisfactory service levels and targets (where formalized) were almost all achieved.

Service regularity indicators

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Overall flight punctuality	% of flights on time/total departing flights	Target 2015	78.0%	80.0%	85.0%
		Result 2015	83.7%	84.0%	88.5%
Delivery time of first bag from aircraft block-on	Time in minutes calculated from aircraft block-on to the delivery of the first bag in 0% of the cases	Target 2015	27'	26'	18'
		Result 2015	23'	23'	17'
Delivery time of last bag from aircraft block-on	Time in minutes calculated from aircraft block-on to the delivery of the last bag in 90% of the cases	Target 2015	37'	37'	25'
		Result 2015	36'	27'	24'
Waiting time on board until first passenger disembarks	Waiting time in minutes from block-on in 90% of cases	Target 2015	3'	3'	4'
		Result 2015	4'	3'	2'
Overall perception of regularity and punctuality of services received at the airport	% of satisfied passengers	Target 2015	95.0%	95.0%	95.0%
		Result 2015	98.0%	97.5%	98.2%

Source: SEA, CFI Group

In terms of targets, improvement in punctuality of departing flights continued in 2015, especially from Linate, which holds the primacy of departure punctuality among European airports included in EAPN ranking, confirming airports' ability to manage and coordinate the set of ground activities of all involved Bodies.

At Malpensa Airport, despite recovery in punctuality (+1.8 points) compared to last year, departure punctuality is declining, influenced by the sharp worsening of arrival punctuality.

The same is true for Linate airport, despite airport's recovery in punctuality of +1.9 percentage points

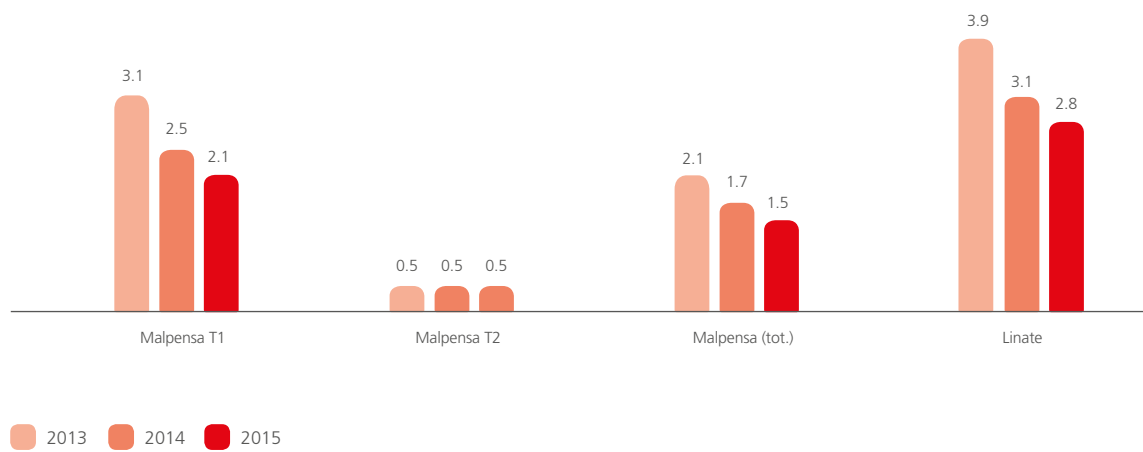
over the previous year.

Again this year, baggage delivery times achieve values well above levels stated in Service Charter at all terminals, despite tighter standards compared to the previous year (90% of cases).

At Terminal 1, delivery of first bag within 23 minutes was achieved for 96.5% of flights, while delivery of last bag within 36 minutes was achieved for 93.1%.

At Terminal 2, delivery of first bag within 23 minutes was achieved for 97.1% of flights, while delivery of last bag within 36 minutes was achieved in 98.8% of cases.

Number of misdirected bags (every 1,000 passengers)



Source: SEA

The amount of misdirected baggage at Terminal 1 is improving, while Terminal 2 figure is considered

normal and not reducible. Linate's figure has slightly improved.

Check-in and security service indicators

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of ticketing service	% of satisfied passengers	Target 2015	n. d.	n. d.	n. d.
		Result 2015	100.0%	100.0%	100.0%
Waiting time at check-in	Waiting time in minutes in 90% of surveyed cases	Target 2015	10'	14'	6'
		Result 2015	20'53"	14'46"	6'50"
Perception of waiting time at check-in	% of satisfied passengers	Target 2015	93.0%	93.0%	95.0%
		Result 2015	97.5%	98.3	96.7
Waiting time for security checks	Waiting time in minutes in 90% of surveyed cases	Target 2015	7'50"	8'10"	9'40"
		Result 2015	6'28"	7'57"	8'53"
Perception of waiting time at passport control	% of satisfied passengers	Target 2015	95.0%	95.0%	95.0%
		Result 2015	98.5%	100.0	98.0

Source: SEA, CFI Group

SEA's commitment is to facilitate all check-in and boarding activities, while fully complying with security and control procedures. To this end, SEA also provides a Fast Track for eligible passengers who wish to minimise queuing wait time at security filters. In airport terminal, in addition to check-in desks normally operated by support personnel, passengers also find self-service check-in kiosks, provided to the most important carriers. They are simple and fast to use, even for less experienced passengers. In case of Terminal 1, the failure to meet the targets set for check-in waiting is linked to

the procedures required for handling high-risk flights (including, for example, passenger profiling) and charters. These types of flight require longer times, even though these do not cause disruption or dissatisfaction among passengers. The problem remains that their negative impact on the results cannot currently be unbundled.

To cope with the rise in security measures, SEA enhanced infrastructure and human resources dedicated to these activities, managing to keep waiting times in line with stated targets.

Indicators of customer information services

Indicator	Unit of measure	Malpensa T1	Malpensa T2	Linate
Easy-to-browse and up-to-date website	% of satisfied passengers	Target 2015	n.d.	n.d.
		Result 2015	89.2%	91.8%
Perception of effectiveness of operational information points	% of satisfied passengers	Target 2015	95.0%	95.0%
		Result 2015	98.9%	98.4%
Perception of clarity, comprehensibility and effectiveness of internal signage	% of satisfied passengers	Target 2015	92.0%	92.0%
		Result 2015	97.1%	98.3%
Perception of the personnel's professionalism (info point, security)	% of satisfied passengers	Target 2015	95.0%	95.0%
		Result 2015	96.4%	97.6%
Overall perception of effectiveness and accessibility of public information services (monitors, announcements, internal signage, etc.)	% of satisfied passengers	Target 2015	93.0%	93.0%
		Result 2015	98.7%	98.8%
Airports in numbers		T1	T2	Linate
Operational information points (desks + virtual desks)		14	4	5
No. of information monitor blocks		210	66	46

Source: SEA, CFI Group

Information on flights that SEA make available to public follows the directions received from airlines or control bodies.

Information service managed by SEA is available to passengers through a virtual desk at airport and through a Call Centre reachable at 02.232323.

All real-time information on flights, airport function-

ality, public transport (lines, frequencies, timetables, prices) and car parks are available on website www.seamilano.eu and on Televideo and Mediavideo pages. "Milan Airports Official Guide" is available at airport, updated with flight time information and detailed information on city/airport access and car parks.

Customer Satisfaction

Opinions of its users (passengers, accompanying persons, visitors and employees) are of great importance to SEA Group. With this feedback, SEA Group implements a continuous policy of monitoring and improving quality level and standards of offered services. Surveys conducted by CFI Group (leading market research institute) in 2015 regarding services provided

at Malpensa and Linate airports showed a stable and positive level of satisfaction among passengers.

In 2015, the new customer satisfaction assessment system based on the Customer Satisfaction Index (CSI) showed CSI values (0-100 scale) that were improving compared to 2014 figures.

Evolution of Customer Satisfaction Index

	2015	2014
Malpensa T1	73	70
Malpensa T2	72	70
Linate	70	67
System	72	69

Source: SEA, CFI Group

For some years now SEA has participated in ACI ASQ (Airport Service Quality) programme, which involves about 300 airports worldwide and over 90 in Europe.

The programme is based on the results of interviews with passengers departing from participating airports. The questionnaire used is common to all airports, and this provides a uniform benchmark of the satisfaction expressed for services received at various locations in the world and helps identify the best practices that SEA increasingly references in implementing new services and improving passengers' travel experience at Milan airports. During 2015, passengers passing through Malpensa Terminal 1 expressed an appreciation for all services of the newly renovated airport that was significantly higher than in 2014. Airport's restyling affected many of its spaces, improving operational efficiency and the general appearance of waiting and shopping areas by offering a renovated, bright, spacious, comfortable and relaxing environment.

ACI AWARDS: Milan Malpensa best airport in Europe

In 2015, Milan Malpensa was recognised as the best European airport in 10-25 million passenger category by a jury of industry experts in the scope of ACI EUROPE for the excellent results achieved in service quality and for the new infrastructure offered to airlines and passengers. The award recognised quality levels achieved in delivering customer services, security, shopping experience and innovative services dedicated to various types of passengers travelling to Malpensa (Chinese Friendly Airport, Geronimo Stilton for Families, etc.). This included the development of the latest technology to stay in touch with passengers (for example: Virtual Desk, Wearable App) and to offer state-of-the-art operating services (variable-height mobile boarding piers for the new A380).

Customer relationship management and complaints management

SEA is aware of the importance of maintaining and promoting a direct and constructive dialogue with customers, believing that this resource is a key customer experience element, in order to meet the ever increasing needs of users and to improve the quality of services being offered. There are several channels to send alerts:

- website (www.seamilano.eu - "contacts" section);
- fax;
- form delivered at the Info desks;
- letter.

SEA handles all complaints and reports about services offered with the utmost care and discretion, and strives to respond as soon as possible, and in any case within 28 days from when communication is received. To give a consistent and thorough response to all requests, all complaints and reports are carefully considered and forwarded to SEA representatives, according to areas of responsibility, or to representatives of airport authorities and the many companies operating at airport.

In the same way as quality surveys, as airport operator SEA analyses all complaints (although fewer than one third of them refer to services or responsibilities of Group companies) in order to address all critical elements reported in airport system, given that SEA's institutional role is the overall good operation. The operating CRM system, operational since 2012, helps passengers in submitting their complaints and SEA structure in managing them. By calling the call centre, passenger can receive information about the status of his complaint. In 2015, percentage of complaints filed through web was 64%, in line with 2014 (65%) and rate of complaints at Milan airports amounted to about 26.0 complaints per million passengers. Both figures are in line with 2014 and continue to place airports operated by SEA among the best European airports.

Classification of complaints for topical areas in 2015 (%)

Type	No.
Baggage and lost & found	27
Security checks	14
Check-in, boarding	10
Flights	5
Car parks	17
Comfort	6
Information	1
Retail	3
Other	17

Source: SEA

In order to complete the perceived quality monitoring system, an H24 passenger satisfaction surveying tool was introduced in May for individual services.

Tool is simple because it allows passenger to express their opinion immediately after having accessed the service by clicking on one of four buttons available on a totem keyboard, identified with a different emoticon symbol (from "smiling face" to "sad face"). This tool is present in more than 50 airports in the world (e.g. Heathrow UK, Orlando US, Melbourne AU and Hong Kong). There are 20 devices deployed in the 3 terminals to monitor security, sanitation, shopping and maintenance areas in general, and these will become 30 by mid-May to intensify detection points.

This monitoring provides daily and hourly results, enabling targeted actions and improving quality standards by avoiding deviations thanks to new resource planning. Devices monitored over 90 different areas (individual bathrooms, cafes, shops, etc.) delivering daily results to relevant managers via email (155 RITs and security supervisors, 65 retail managers, and 10 maintenance managers with related suppliers). Computerisation has made it possible to monitor the quality performance day by day by both to top management and to operational managers, thus becoming a shared goal for everyone.

Customer relationship projects

Passenger information

A path of renovation has begun at Terminal 1 to improve passenger satisfaction at our airports, and this has required some action on issues of communication and information. In collaboration with External Relations Department and in agreement with all involved operating departments, a stylised hand was chosen as core image of new passenger information channels.

With a simple design, the hand uses special gestures and signals to direct/guide traveller on how to behave correctly in various spaces of airport.

Communicative style is highly recognizable, informative and immediate, with ample space devoted to images, understandable in every language of the world.

The choice of guiding colours was fundamental, allowing white designs to stand out on shades of blue backgrounds that lend brightness, modernity and lightness. The main therapeutic characteristic of blue is its soothing effect, like blue of the sky or water.

Dark blue with an open hand is used to signal prohibited actions, while blue raised index is used for allowed action. In addition to using fixed or animated figures and gestures, communication is in three languages, Italian, English and Chinese, and it starts in check-in areas with information on hand and checked baggage.

New signage also involved the renewed security area of Malpensa Terminal 1, working together with furnishings to guide passengers on the path from entrance turnstiles to security filters. Designed to improve passenger satisfaction and quality of service, the area integrates security regulations, technology, design and communication.

Family Friendly Airport

The Family Friendly Airport initiative introduced in 2013 has been made permanent to make it easy for our passengers to travel with children between 0 to 12 years of age during school holidays.

The project aims to improve the Customer Experience of passengers travelling with children and has a cross-sectional impact on comfort, security checks, information, catering and shopping; by improving the aspects of path through airport, the initiative aims to stimulate propensity to buy of this particular segment of users.

Activities carried out in 2015 at Linate and Malpensa Terminal 1 during Christmas, Easter and Summer holidays had the positive results described below.

Family lane

- about 140,000 people passed through the dedicated Family security lane at Malpensa Terminal 1 and Linate;
- over 50,000 brochures were distributed in 2 editions with growing collaboration of the commercial operators;
- positive assessment of the Family Lane during Christmas period with HappyOrNot detectors (December 23-31, 2015 - index 86/100).

Play areas

Five floor interactive projector systems were installed with Geronimo Stilton's images, located at Terminal 1 in satellites, at Terminal 2 and at Linate. Games were very popular and were easy to maintain. In addition, collaboration between the projector supplier and the manager of the Atlantyca brand and comics allowed them to be customised and varied according to the season of the year.

A play area was furnished with a cloud-shaped sofa as possible seating.



SEA

**VALUE GENERATED
BY NON AVIATION
BUSINESS**

The profile of Non Aviation customers

Non Aviation business activities not directly handled by us are governed by special contracts signed with third parties. Based on these, we allow organization and management of non relevant activities at any given time, as well as the use of airport spaces necessary to carry out such activities. These contracts have varying durations (averaging 3 years) and do not allow tacit renewals. These contracts generally include the following remuneration for SEA:

- annual fixed fees for the use of spaces;
- variable fees (royalties) calculated on the basis of different parameters based on the activity being performed (such as, for example, achieved sales or goods handled), with a minimum guaranteed fee usually backed by a bank surety.

Development of Non Aviation activities requires the implementation of differentiated strategies at different terminals at Malpensa and Linate, with the aim of meeting the needs of different types of passengers and users attending these airports.

This strategy has been developed and expressed from a perspective of collaboration and partnership with key industry players. It has led not only to the introduction of innovative sales models and to the expansion of the brand portfolio operating at Milan airports, but also to using analytic tools (including customer profiling, specific marketing plans and quality control systems) to help identify and better meet customer needs.

Points of sale to public

In 2015 there are 150 shops in the Milan airports, corresponding to 16,137 m² of commercial space (+1,445

m²), of which 12,550 m² in Malpensa (10,270 at T1 and 2,280 at T2) and 3,587 m² in Linate.

Points of sale at Milan airports

	m ² 2015	m ² 2014	Points of sale 2015	Points of sale 2014
Malpensa Terminal T1	10,270	8,957	90	87
Malpensa Terminal T2	2,280	2,136	18	18
Linate	3,587	3,599	42	44

Source: SEA

Food & Beverage

In 2015, there are 60 cafes and restaurants in Milan airports, covering a surface area of approximately

12,152 m² (+640 m²), of which 9,214 in Malpensa (7,521 m² at T1 and 1,693 at T2) and 2,938 m² at Linate.

Food & beverage businesses at Milan airports

	m ² 2015	m ² 2014	Food & Beverage points 2015	Food & Beverage points 2014
Malpensa Terminal T1 ^(*)	7,521	6,823	31	31
Malpensa Terminal T2	1,693	1,738	11	11
Linate ^(*)	2,938	2,951	18	18

^(*) VIP lounges and outdoor areas are not included.

Source: SEA

Economic performance of Non Aviation business

Non Aviation activities concern the provision of aviation support operations completion services and include:

- retail activities (duty-free and duty-paid sales to public, catering, car rental, management of spaces for third parties to carry out banking activities);
- management of car parks;
- management of cargo spaces;
- management of advertising spaces;
- other activities, grouped under “services and other revenues” (such as ticketing, vehicle maintenance, real estate, including leases and concessions for parts of the airport grounds, technological and design services, and unregulated security services).

Percentage of revenues from Non Aviation activities

	2015	2014
Non Aviation management revenues (thousands of Euro)	214,864	203,420
Non Aviation revenues (% of total revenues)	30.9	29.3
Other revenues (% of total revenues)	69.1	70.7

Source: SEA

Type of revenues from Non Aviation activities

	2015 (thousands of Euro)	2014 (thousands of Euro)	% of total 2015 Non Aviation Revenues
Retail	88,468	78,847	41.2
Car parks	57,150	56,746	26.6
Cargo	12,572	11,799	5.9
Advertising	12,137	9,844	5.6
Premium service	16,806	15,237	7.8
Real estate	2,610	2,965	1.2
Services and other revenues	25,121	27,982	11.7
Total	214,864	203,420	100

Source: SEA

Management revenues from Non Aviation business recorded in 2015 totalled 215 million Euro (+5.6% from the previous year), accounting for approximately 30.9% of total Group revenues.

This result contributed to the growth in retail revenues

(+12.2%) compared to 2014 and in advertising revenue (+23.3%). For retail revenues in particular, shop income rose by 17.4%, while food and beverage sales increased by 5.6% compared to last year.

Retail

Retail sales accounted for 41.2% of total Non Aviation business revenue. The most significant retail revenues come from sales to public (50.2% of the total),

followed by food and beverage (20.6%), car rental (16.4%) and banking services (10.8%).

Type of Retail revenues

Retail services turnover	2015 (thousands of Euro)	2014 (thousands of Euro)	% of total 2015 Retail
Shop	46,190	39,348	52.2
Food & beverage	18,211	17,238	20.6
Car Rental	14,472	14,106	16.4
Banking services	9,596	8,155	10.8
Total Retail revenues	88,469	78,847	100

Source: SEA

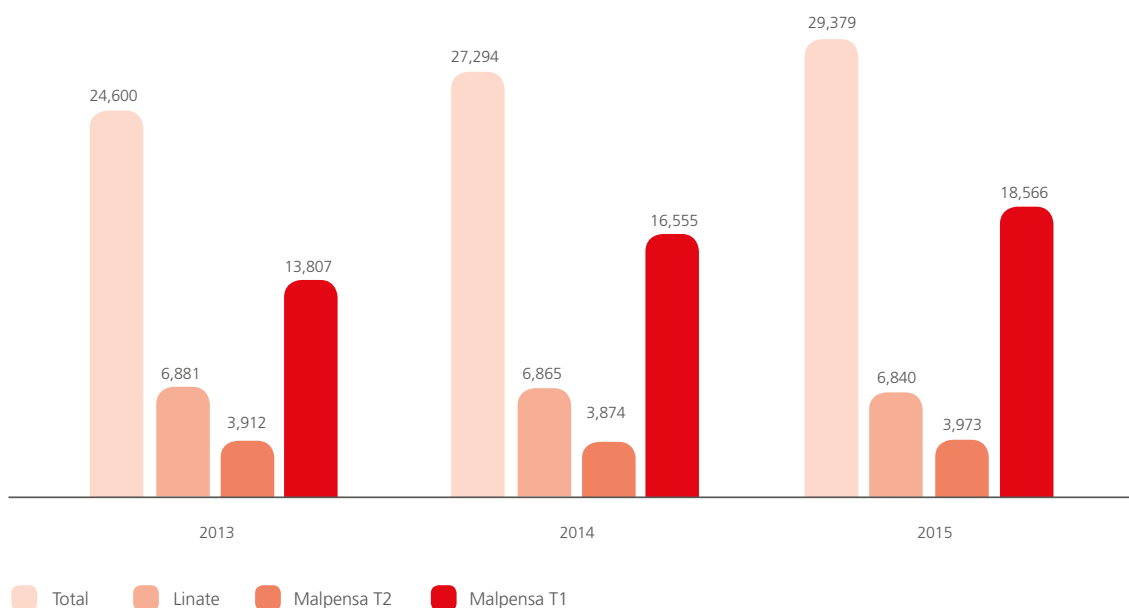
Retail outlets located in passenger terminals offer both duty-free products (i.e. exempt from VAT and excise duty) and duty-paid products (i.e. under ordinary purchase arrangements and excluding the benefit of the aforesaid exemption).

Retail sales activity carried out at our airports offer the public and passengers a wide range of products and brands aimed at different types of users and entail a

significant characterization of commercial offerings of each terminal:

- Malpensa Terminal 1 dedicated to luxury and duty-free shopping;
- Malpensa Terminal 2 dedicated to low-cost;
- Linate dedicated to high-end offerings specialised in business customers.

Shopping areas of Milan airports - Shops + food & beverage (m²)



Source: SEA

Retail areas of Milan airports per million passengers (m²/passengers)

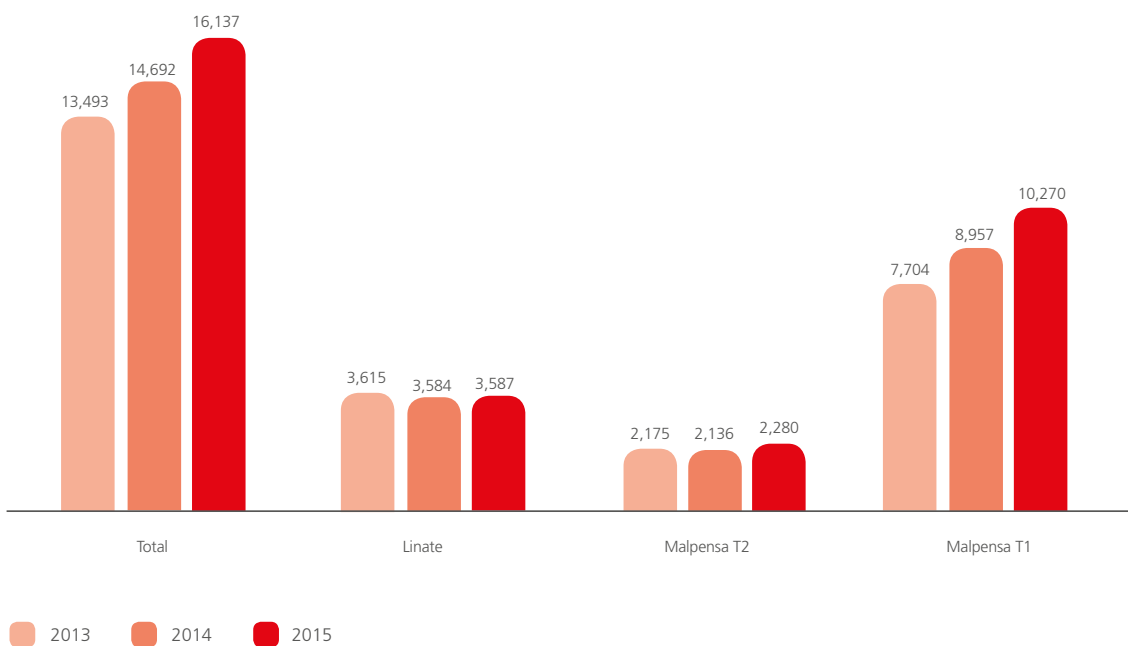
	2015	2014	2013
Malpensa T1	1,583.4	1,357.0	1,199.4
Malpensa T2	591.3	596.0	624.0
Linate	709.6	762.7	766.0

Source: SEA

We do not directly carry out retail activities (duty-free and duty-paid sales to the public, catering, car rental, management of spaces for third parties to carry out

banking activities), but we provide third parties with the use of commercial spaces in Milan airports.

Areas intended for sales to the public (m²)



Source: SEA

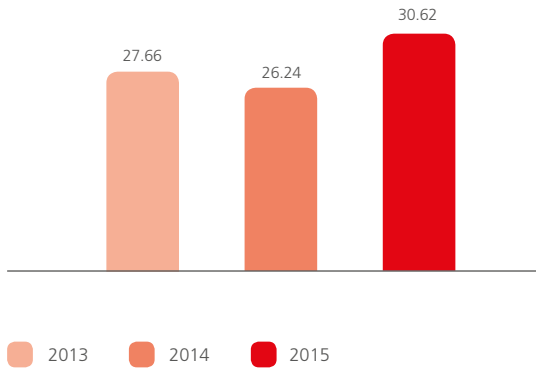
In terms of commercial strategy, 2015 was marked by the completion of the first phase of Malpensa Terminal 1 renovation.

In April, new safety filters area was inaugurated at check-in level, from which passengers can directly access the heart of shopping gallery at boarding level. Commercial offerings are organised on thematic “squares”, based on the positioning of the brands. On the way to non-Schengen flights gate, we first reach

“Piazza del Lusso” for luxury items, then “Piazza del Gusto” for food and beverage, while on the way to Schengen gates we find “Piazza del Pop”, which mainly hosts fast fashion brands. All shopping areas are now accessible to all types of passenger regardless of their destination.

The average sales receipt per passenger at Terminal 1 increased by 16.7%, from 26.24 to 30.62 Euro.

Malpensa T1 - Average sales receipt per passenger in sales to the public (Euro)

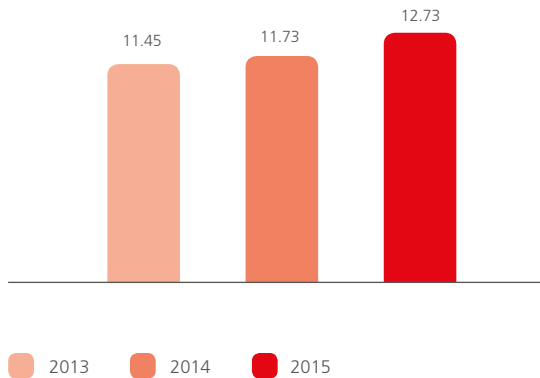


Source: SEA

At Terminal 2, the average sales receipt per passenger rose by 8.5%, from 11.73 to 12.73 Euro compared to last year.

In 2015, Terminal 2 saw the opening of new shops, including Parfois, a Portuguese fast fashion and accessories brand, and Piquadro in December. The latter opening, which will be followed in the first months of 2016 by the opening of Calze Gallo, represents a qualification of offerings that takes into account evolution of the customer profile on terminal, which now counts about one in three passengers flying for business reasons.

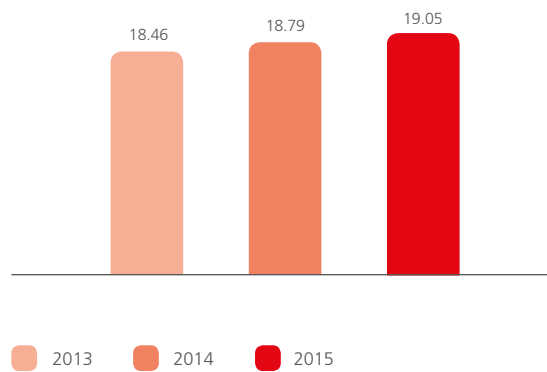
Malpensa T2 - Average sales receipt per passenger in sales to the public (Euro)



Source: SEA

A slight increase of 1.4% in the average sales receipt per passenger is recorded at Linate, from 18.79 to 19.05 Euro. At Linate's boarding area we note the opening by Venchi, with its integrated formula of praline and ice cream, which was met with great pleasure by passengers.

Linate - Average sales receipt per passenger in sales to the public (Euro)

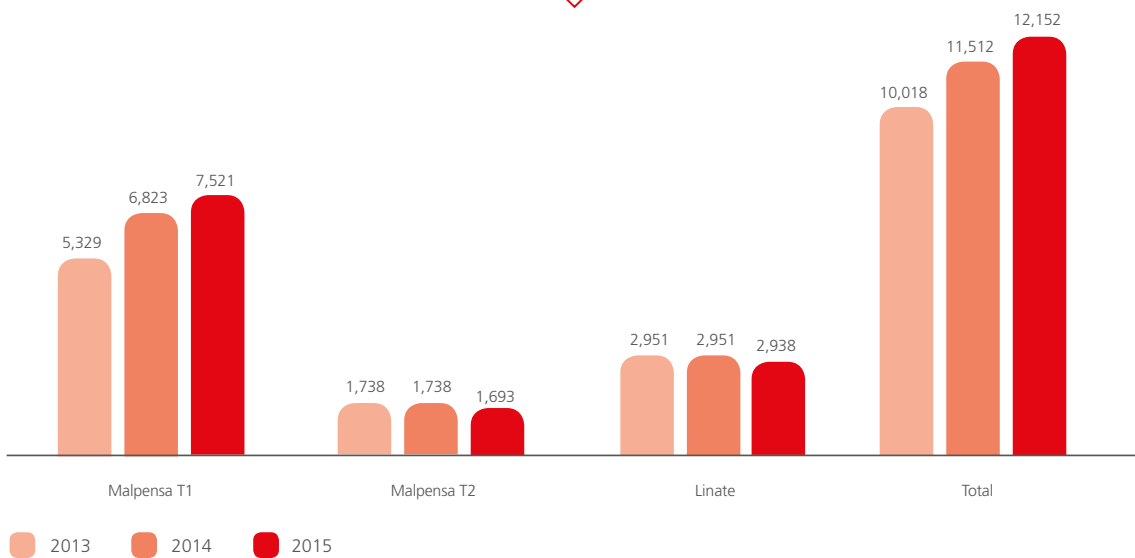


Source: SEA

Catering activities are entrusted by SEA in sub-concession to SEA Services, a subsidiary company, and to other third parties. In particular, contracts with specialised operators (including Autogrill, Chef Express

and MyChef) are in force, according to which SEA has entrusted to them catering activities in sub-concession, thereby granting to these operators some spaces within airports.

Areas intended for food & beverage (m²)

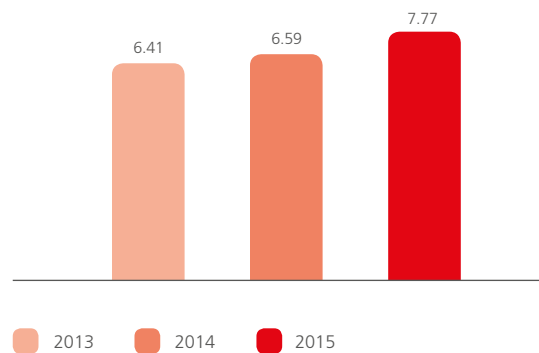


Note: VIP lounges and outdoor areas are not included.

Source: SEA

Malpensa Terminal 1 recorded a positive performance due to the expansion of its offerings and the quality of its formats. An example is “The Italian market & kitchen” and the recent addition of a new coffee shop at check-in floor, both created by My Chef Elior. The success of Juice Bar formula, specialising in health food and already tested by Chef Express at Terminal 2, has led to the decision to a similar restyling of food areas at Terminal 1 arrivals area. The average passenger sales receipt in 2015 increased by 17.9%, from 6.59 to 7.77 Euro.

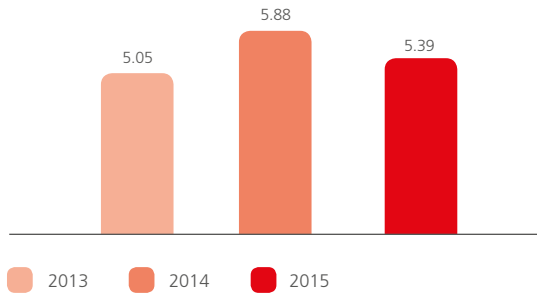
Malpensa T1 - Average sales receipt per passenger in food & beverage segment (Euro)



Source: SEA

At Terminal 2 the average passenger sales receipt decreased by 8.3%, which goes from 5.88 to 5.39 Euro.

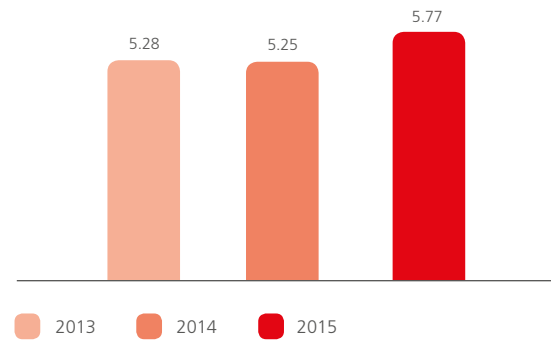
Malpensa T2 - Average sales receipt per passenger in food & beverage segment (Euro)



Source: SEA

Linate reconfirms the positive performance of the existing formats, in particular Bagel Factory and "Panino Giusto". The strategy to increasingly adapt the offerings to market trends is confirmed by the year-end opening of a "Ferrari Spazio Bollicine", a wine bar concept created by My Chef in partnership with Ferrari Lunelli. The average passenger sales receipt in 2015 increased by 9.9%, from 5.28 to 5.77 Euro.

Linate - Average sales receipt per passenger in food & beverage segment (Euro)



Source: SEA

Car parks

Car parks at Milan airports are managed in part directly by SEA and in part in sub-concession to third-party operator APCOA Parking Italia.

SEA manages directly all Linate airport car parks and Malpensa Terminal 2 car parks. Conversely, Terminal 1 car parks have been managed since April 2007 by

APCOA.

Due to Malpensa Terminal 2 railway station erection, the 2015 performance was strongly affected by operational difficulties, which caused a 50% reduction in car park capacity.

Number of car parks (parking spaces)

	2015	2014	2013
Malpensa T1	6,642	7,457	7,416
Malpensa T2	2,000	1,490	4,050
Linate	3,736	3,779	3,940
Total	12,378	12,726	15,406

Note: the figures refer only to the available parking spaces.

Source: SEA

Overall, the growth of parking business was supported by ongoing communication activities focused on establishing the product positioning on the market,

accompanied by campaigns featuring significant price cuts, in particular on the online channel during seasonal traffic peaks.

Malpensa T1 - Parking service performance indicators

Year	Capacity (No. of spaces)	Paying car stays (No.)	Average stay (days)
2015	6,642	662,398	3.3
2014	7,457	928,088	2.6
2013	7,416	849,615	2.7

Note: capacity data refers to spaces available and usable during the year.

Source: SEA

Malpensa T2 - Parking service performance indicators

Year	Capacity (No. of spaces)	Paying car stays (No.)	Average stay (days)
2015	2,000	190,363	2.4
2014	1,490	295,987	3.2
2013	4,050	326,449	3.4

Note: capacity data refers to spaces available and usable during the year.

Source: SEA

Particular attention was given to communication and marketing supporting the growth of ViaMilano Parking, through promotional campaigns linked to seasonality of offerings and enhancement of brand itself.

We used media visible while approaching airports and the road signage, as well as direct communication to

intended target, especially in Milan, but also in Lombardy and neighbouring regions.

Business to Business market was also targeted, with activities aimed at leisure segment (tour operators) and professional segment (large companies) and participation in industry exhibitions and events.

Linate - Parking service performance indicators

Year	Capacity (No. of spaces)	Paying car stays (No.)	Average stay (days)
2015	3,736	660,756	2.6
2014	3,779	725,093	1.6
2013	3,940	642,306	1.7

Note: capacity data refers to spaces available and usable during the year.

Source: SEA

Quality of Non Aviation services provided to passengers

Non Aviation services we provided to passengers in 2015 also recorded a very positive performance, meeting targets in almost all cases.

Travel safety indicators and personal and property security

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Overall perception of the personal and hand baggage security check service	% of satisfied passengers	Target 2015	n.d.	n.d.	n.d.
		Result 2015	94.3%	97.6%	97.0%
Overall perception of the personal and property security level at the airport	% of satisfied passengers	Target 2015	94.0%	94.0%	94.0%
		Result 2015	96.6%	98.7%	97.7%
Airports in numbers			T1	T2	Linate
Internal security monitoring service			24h	24h	24h

Source: SEA, CFI Group

Perception expressed by passengers regarding the level of personal security and hand baggage checking service is very positive both at Malpensa and Linate. At the latter airport, in addition to providing a fast track for VIP customers and “facilitators” (personnel aiding passengers at security filters), there is also a dedicated

passage for passengers of Milan-Rome route. Airport operator’s attention is constantly focused on reducing queuing wait time, without losing sight of thoroughness of the checks.

Monitoring is constant, to identify and implement any corrective actions.

Indicators of comfort during the stay at airport

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the availability of baggage trolleys	% of satisfied passengers	Target 2015	91.0%	91.0%	95.0%
		Result 2015	96.6%	98.5%	97.4%
Perception of the efficiency of the passenger transfer systems (escalators, lifts, people movers, etc.)	% of satisfied passengers	Target 2015	92.8%	92.0%	90.0%
		Result 2015	93.4%	97.3%	92.4%
Perception of the efficiency of the HVAC systems	% of satisfied passengers	Target 2015	95.0%	93.0%	95.0%
		Result 2015	97.4%	95.8%	97.1%
Perception of the overall level of comfort of the terminal	% of satisfied passengers	Target 2015	96.0%	93.0%	87.0%
		Result 2015	98.3%	97.8%	94.9%
Airports in numbers			T1	T2	Linate
Available space (m ²)			146,500	30,000	33,600
Seats in the waiting areas			5,249	874	1,268
Baggage trolleys (€)			2	2	2

Source: SEA, CFI Group

Sense of comfort that passengers perceive is considered of great importance and the overall opinion ex-

pressed is satisfactory, in line with last year's values.

Indicators of cleanliness and hygienic conditions

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the level of cleanliness and functionality of the toilets	% of satisfied passengers	Target 2015	88.5%	83.0%	80.0%
		Result 2015	94.7%	95.6%	93.3%
Perception of the level of cleanliness at the terminal	% of satisfied passengers	Target 2015	95.0%	95.0%	80.0%
		Result 2015	97.7%	97.9%	95.8%
Airports in numbers			T1	T2	Linate
Total number of toilets			546	147	250
Number of toilets for the disabled			57	13	15

Source: SEA, CFI Group

At Malpensa and Linate airports, spaces available to passengers and toilets facilities are constantly monitored, so that cleanliness and decorum are ensured throughout the day. There are toilet facilities dedicat-

ed to people with reduced mobility in all areas of the airport. The level of passenger satisfaction regarding cleanliness and functionality of toilets is slightly lower than the level of satisfaction with terminal cleanliness.

Indicators of additional services

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the wi-fi connectivity inside the airport	% of satisfied passengers	Target 2015	n.d.	n.d.	n.d.
		Result 2015	84.6%	84.0%	94.5%
Perception of mobile phone/laptop charging station availability in public areas, if present	% of satisfied passengers	Target 2015	n.d.	n.d.	n.d.
		Result 2015	69.7%	64.6%	86.9%
Compatibility of the café opening hour with airport opening hours	% of flight arrivals/departures compatible with the opening hours of the cafés in their respective areas	Target 2015	100.0%	100.0%	100.0%
		Result 2015	99.0%	100.0%	99.0%
Perception of the adequacy of smoking rooms, if present	% of satisfied passengers	Target 2015	n.d.	n.d.	n.d.
		Result 2015	76.4%	69.3%	88.7%
Perception of the availability, quality and prices of shops and news stands	% of satisfied passengers	Target 2015	90.0%	90.0%	90.0%
		Result 2015	96.1	94.2%	96.8%
Perception of the availability, quality and prices of cafés and restaurants	% of satisfied passengers	Target 2015	n.d.	n.d.	n.d.
		Result 2015	77.6%	68.0%	72.8%
Perception of the availability of beverage and snack dispensers, if present	% of satisfied passengers	Target 2015	n.d.	n.d.	n.d.
		Result 2015	94.5%	97.5%	98.8%
Airports in numbers			T1	T2	Linate
Baggage storage capacity (m ²)			130	Not present	107

Source: SEA, CFI Group

Information on flights that SEA makes available to the public follows the directions received from airlines or control bodies.

Information service managed by SEA is available to passengers through a virtual desk at airport and through a Call Centre reachable at 02.232323, All real-time information on flights, airport function-

ality, public transport (lines, frequencies, timetables, prices) and car parks are available on website www.seamilano.eu and on Televideo and Mediaset pages. "Milan Airports Official Guide" is available at airport, updated with flight time information and detailed information on city/airport access and car parks.

Indicators of modal integration

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the clarity, comprehensibility and effectiveness of the external signage	% of satisfied passengers	Target 2015	93.0%	93.0%	90.0%
		Result 2015	96.4%	98.4%	97.3%
Perception of the upgrading of city/airport links	% of satisfied passengers	Target 2015	93.0%	93.0%	90.0%
		Result 2015	96.2%	96.0%	96.9%

SEA has the task of supporting and promoting action plans for the upgrading of road and rail links to and from airports, in synergy with relevant institutional bodies. Malpensa Airport is accessible from Milano Cadorna Station via “Malpensa Express” rail service, with travel times starting from 29’ and frequencies every 30’, or by Trenitalia (arriving at Gallarate and continuing by bus or taxi). Road link is provided by SS

336 (Busto Arsizio exit of A8 motorway) and by the highway linking A4 Turin-Milan motorway (Marcallo Mesero exit). Malpensa terminals are linked by a free shuttle service, and a rail link has recently been inaugurated. Linate airport, very close to the city of Milan, is served by bus to the city centre and by shuttles to Central Station and Malpensa Airport.

Quality of commercial offer

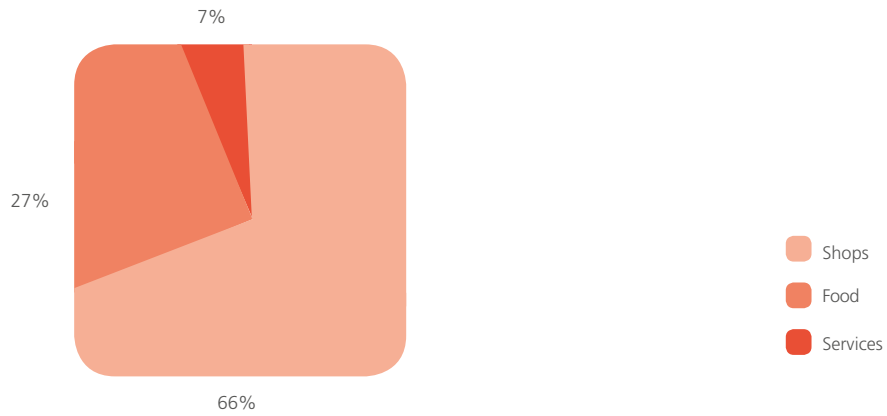
In 2011, SEA introduced the “Mystery shopping”, a quality-assurance tool for commercial services, based on visits and interviews by incognito personnel, with the aim of gathering structured information on users’ purchasing experiences at its airports. In the shop, the mystery shopper simulates the “typical customer” experience, focusing on:

- style and conduct of the sales personnel;
- level of professional expertise and knowledge;

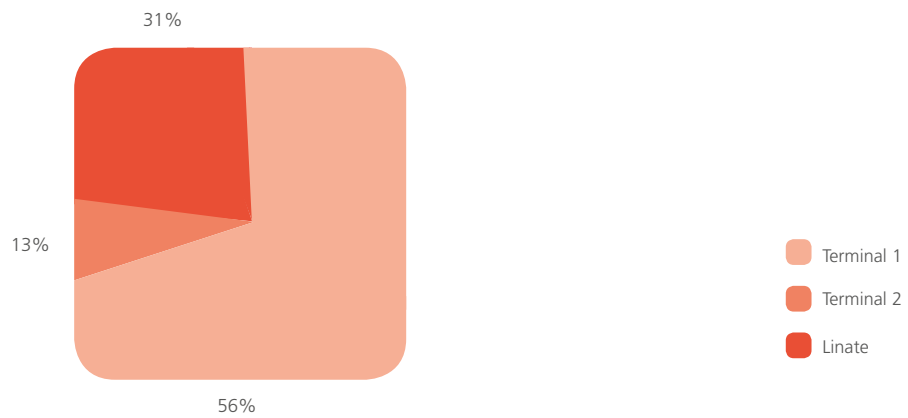
- problem-solving skills;
- effectiveness in sales, customer retention, and in proposing additional purchases;
- ability to listen, empathy, kindness and congeniality;
- consistency with the corporate philosophy;
- in-store feel.

During 2015, 218 businesses were involved in a total of 799 visits, broken down by type of shop and location in the airports.

Mystery Shopping - Visited shops by type of business



Mystery Shopping - Visited shops by location

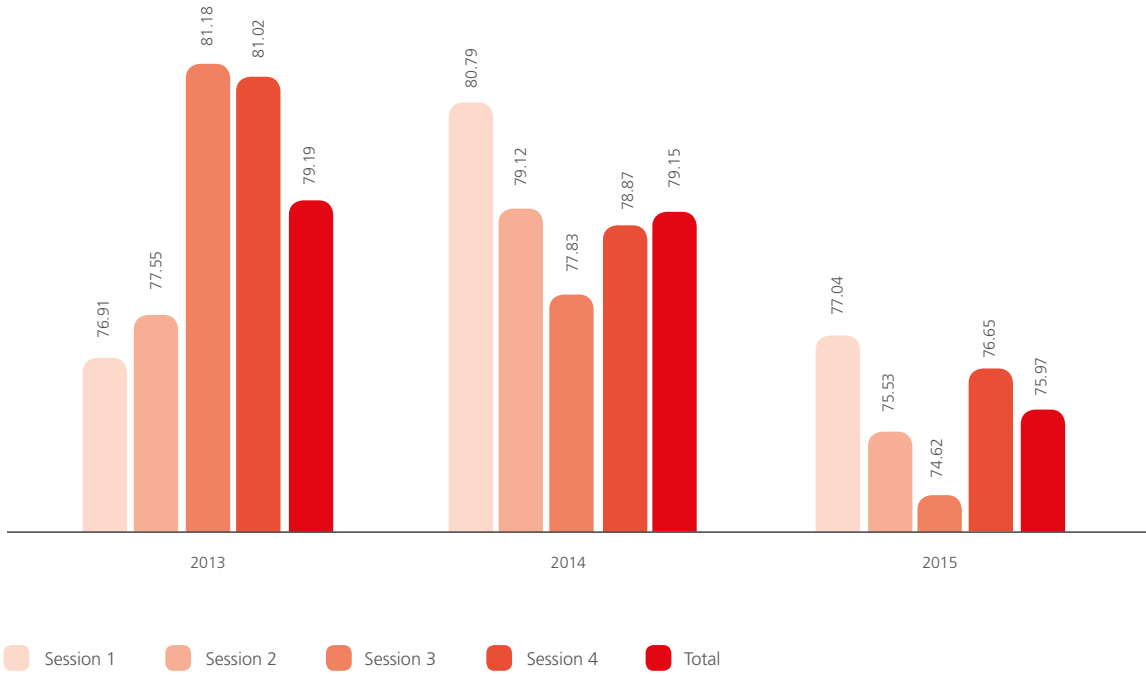


Source: SEA

The perceived quality of the businesses at airports operated by SEA in 2015 stood at an average of nearly

76/100, slightly lower than the previous year.

Mystery Shopping - Average perceived quality (scale 1-100)

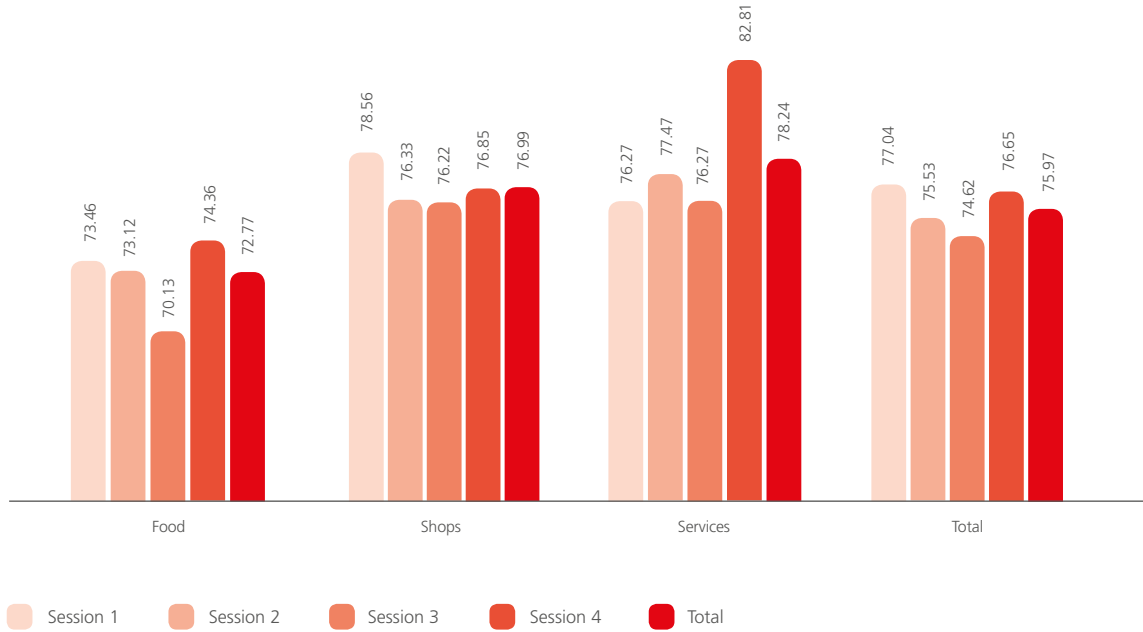


Source: SEA

Looking at the data according to business type, it emerges that services and shops are above the general average (78.24 and 76.99), respectively), while

food category (72.77) is lower than the general average (75.97), even though it improved compared to the 2014 figure (75.87).

Mystery Shopping - Average perceived quality by type of business (scale 1-100)

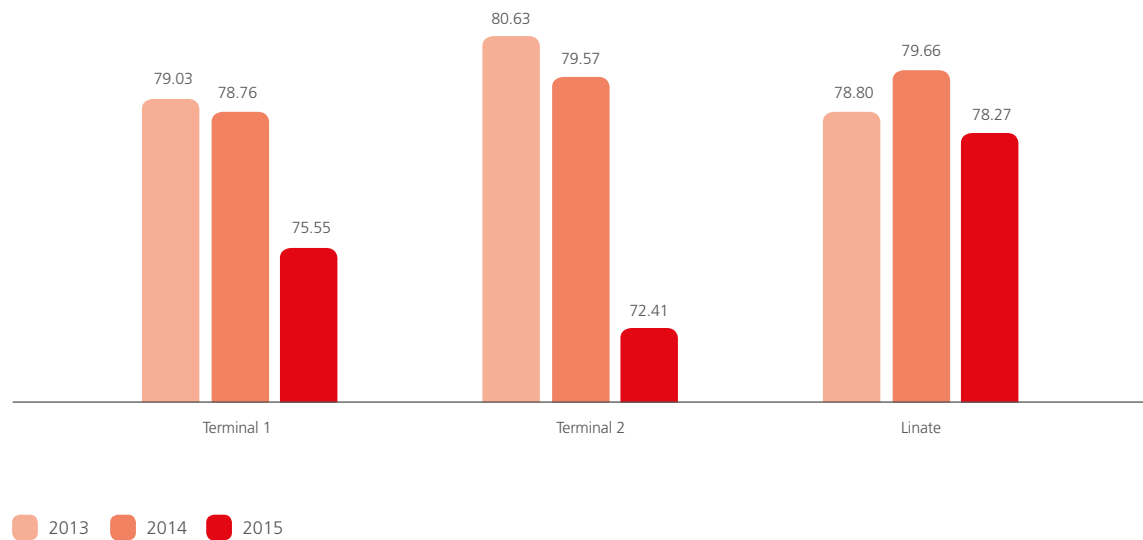


Source: SEA

Observing the average value of perceived quality in the 2013-2015 three-year period, there is a more marked

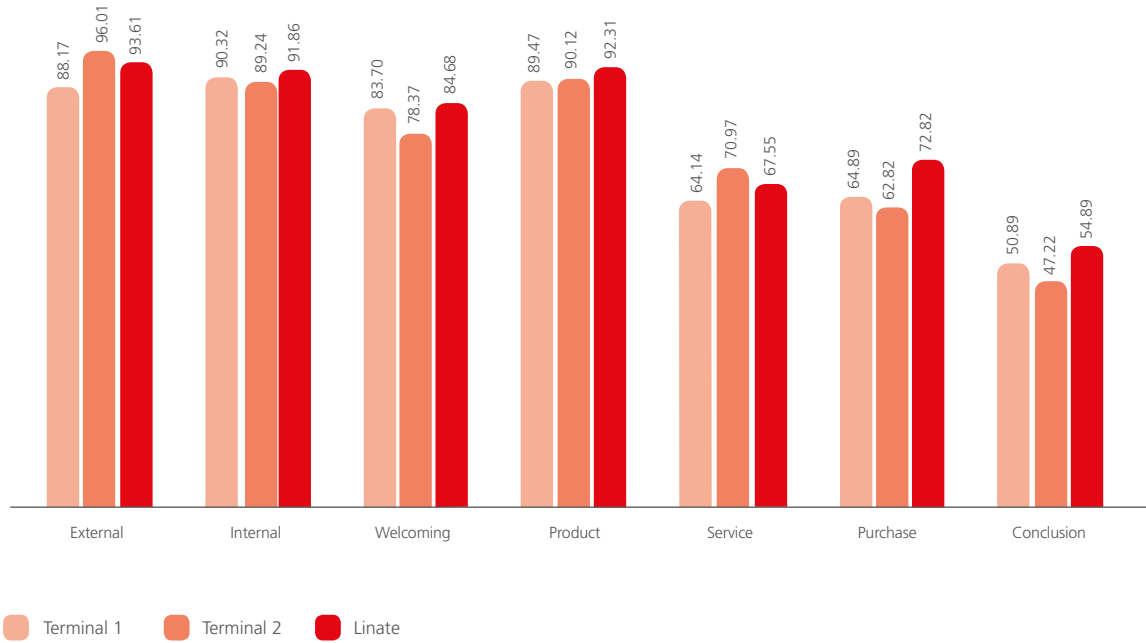
decrease for Malpensa airport, while decrease is less pronounced for Linate airport.

Mystery Shopping - Average perceived quality by airport (scale 1-100)



Source: SEA

Mystery Shopping - Drivers of perceived quality by airport (scale 1-100)



Source: SEA

Compared to 2014, 2015 Mystery Shopping survey shows a drop of over 3 percentage points on all three categories (food, shops and services). Analysing the results from the point of view of airports, Terminal 1 shows a drop of about 3 percentage points, while

the drop at Terminal 2 (-7.1) is sharper, and for Linate the decrease is very small (-1.4). Shopping experience highlights a good result for facilities and products, while results are lower on issues such as service, purchase, and conclusion of the sale.



SEA

**MANAGEMENT
AND PRODUCTIVITY
EFFICIENCY**

Organizational management

Activities related to the reorganisation of Group's handling sector started in 2014 continued in 2015.

In particular, following the European Commission's decision, the Human Resources contribution to defining the new corporate governance framework focused on:

- professional retraining of personnel from handling sector (SEA Handling and Airport Handling) as governed by the trade union agreements signed at the time of the establishment of Airport Handling; personnel retraining focused primarily on covering new organizational needs within SEA (new security services);
- voluntary redundancy procedure and early retirement incentives: the plan involved 31 SEA people over the year;
- dialogue with trade unions in support of planned change management measures;
- development and launch of the new SEA Intranet, SEAnet, as first stage in the creation of a digital workplace;
- development, training and engagement initiatives, continuing the previous year's activity.

Our people

At December 31, 2015, SEA Group total resources were 2,905 units, up 221 units from the end of 2014 (+8.2%). The overall Headcount Equivalent⁽¹⁾ for January-December 2015 compared with all 2014 is up 133 units, from 2,679 to 2,812 (+5.0%).

As above mentioned, such increase is derived from the retraining of personnel from SEA Handling/Airport Handling to cover new workforce needs within SEA, especially for new security services.

The process of voluntary exits and redundancies recorded 40 terminations for SEA, of which 57% were white-collar, 23% were blue-collar and 20% were executives and managers.

Female presence in the SEA Group represents 29% at December 31, 2015, concentrated in white-collar category (the total is distributed as follows: 3.7% executives-managers, 23.5% white-collar, 1.8% blue-collar).

SEA Group workforce by job category and gender as of December 31 (No.)⁽²⁾

	2015			2014		
	Women	Men	Total	Women	Men	Total
Executives and managers	106	220	326	100	220	320
White-collar workers	678	1,164	1,842	624	1,026	1,650
Blue-collar workers	52	667	719	52	637	689
Total	836	2,051	2,887	776	1,883	2,659

⁽¹⁾ The Headcount Equivalent (HDE) is the monthly average of all managed personnel, re-proportioned according to the paid time category (full-time or part-time) and monthly hirings/departures.

⁽²⁾ In the following tables, the employee data is expressed as a headcount (it considers the total of administered personnel at the end of the period).

Source: SEA

SEA Group personnel and supervised workers by location and gender as of December 31 (No.)

	2015			2014		
	Women	Men	Total	Women	Men	Total
Linate	365	837	1,202	345	772	1,117
Malpensa	467	1,222	1,689	427	1,125	1,552
Other locations*	4	10	14	4	11	15
Total	836	2,069	2,905	776	1,908	2,684

(*) Personnel at Rome Ciampino, Venice, Catania airports for 2014 and at Rome Ciampino and Venice airports for 2015.

Source: SEA

Empowerment policies

Training

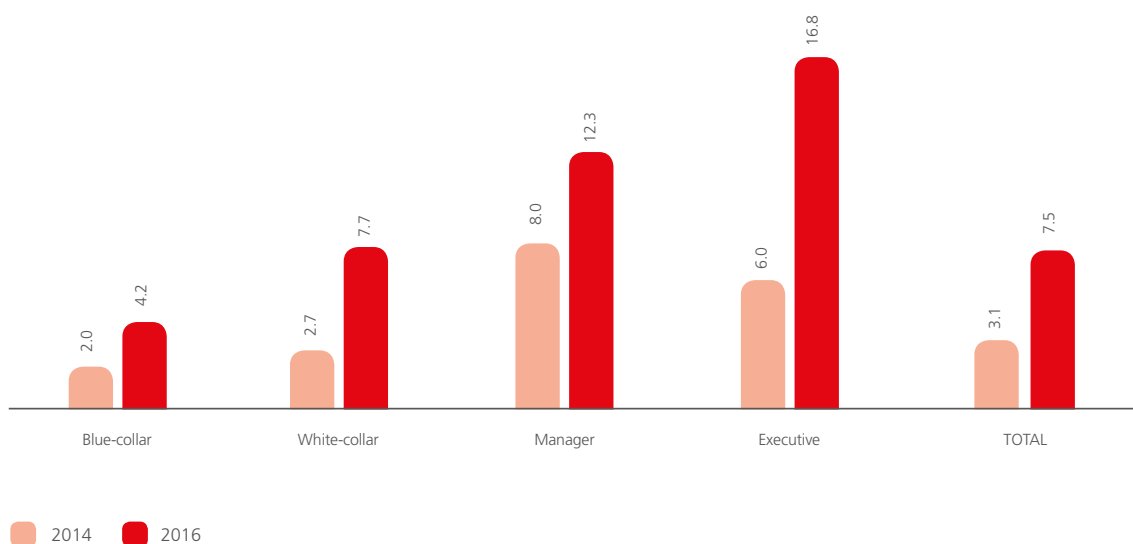
Training provided to SEA personnel went from 7,968 hours in 2014 to 20,753 hours in 2015.

The increase in total hours of training provided in 2015 compared to the previous year is mainly attributed to training devoted to professional retraining projects for the role of "security officer" for personnel coming from handling sector. Over 10,000 hours were provided in the course aimed at passing the ENAC exam for acquiring the "security officer" qualification and the appointment as Sworn Security Guard by Prefectorial Decree. Theoretical, practical, and on-the-job training covered over 200 people on topics such as:

- Security training
- English for Security
- Work safety
- Radiation protection
- Ground Safety
- Firefighting training
- Dangerous Goods Regulations
- PRM Passengers with Reduced Mobility training.

It should be noted that more than 80,000 hours were provided on mandatory training topics, representing approximately 80% of total SEA training (more than 101,000 hours).

Average annual number of training hours per capita by professional category



As far as behavioural and professional training is concerned (not mandatory), the most significant actions were addressed to women with a specific focus on women's managerial skills, amounting to over 700

hours. As usual, a significant amount of hours was devoted to Operations training, with over 2,000 hours of training focused on new processes and licensing to use new equipment.

Average number of hours of training per capita by gender

	2015	2014
Women	5.8	4.4
Men	8.2	2.6

Source: SEA

Note: the data does not include mandatory training hours and refers to SEA.

Mandatory training

The main projects for 2015 relating to safety and airport safety are focused on two essential points:

- "SEA Work Safety - Equipment", in accordance with the directions of TU 81/2008 and in accordance with the Agreement approved by the State Region Conference on February 22, 2012. Training of resources continues in 2015, aimed at completing the specific mandatory training dedicated to Equipment. Attendance at theory classroom sessions and practical tests dedicated to Forklifts and Raising Work Platforms, Mobile and Lorry-Mounted Cranes, Excavators, Bulldozers and Backhoe Loaders exceeded 1,590.
- "High Risk Fire Course and Update" for training activities expressly required in accordance with guidelines and requirements of Italian Ministerial Decree of 10/03/1998 and subsequent specifications. In 2015, organization of theory and practical training courses was intensified and 6 certification exam sessions were carried out, covering a total of more than 90 new SEA personnel certified for emergencies, coming from Security, Vehicle Maintenance, Maintenance and Airport Coordination.

In close connection with the implementation of EU Regulation no.139/2014, which sets out the technical requirements and procedures related to Airport Manager's obligations, SEA activated the content development lines related to Safety Management System for dissemination and knowledge of tools such as the Airport Manual, Airport Regulations, Emergency Plans,

assistance and fire services. In particular we note the activation of Recurrent Training dedicated to the roles of Specialist Driver and Terminal Operator. About 280 resources were involved at the two airports.

Training centres at Linate and Malpensa were also involved in providing airport security training courses for the issuance of Airport Licenses to drive electric or motor vehicles inside the airport and aviation security courses related to the National Security Programme required for the issuance of airport badges.

While respecting law policies and compliance, remote training was carried out throughout 2015 regarding administrative liability of Entities under Italian Legislative Decree no.231 of June 8, 2001 and the Organization and Management Model adopted by the Company. Over 600 colleagues completed the training.

Finally, the last quarter of 2015 saw the reformulation and provision of refresher courses in form of remote training and frontal lectures for operators of PRM Passengers with Reduced Mobility Assistance Service, in accordance with the applicable regulations of ECAC (European Civil Aviation Conference). The aim of courses was to enhance basic skills on mobilisation techniques in order to apply them with responsibility and awareness. A second part of the course focused on the knowledge of effective tools of communication and management in interpersonal relations, as set out in the guidelines of conduct, Annex 5C – ECAC Doc 30 Part I Sec 5/2014, and the basics of first aid and emergency procedures. There were 106 participants.

Growth

Development and managerial training activities carried out in 2015 focused on improving individual performance, enhancing the role of leader and teamwork.

2015 initiatives were presented and shared in workshops dedicated to heads of department and team leaders, and were held in September and October. During the meetings, the main projects dedicated to management and development of people were illustrated. Workshops were an opportunity for dialogue and engagement, and were greatly appreciated by participants. Observations and comments were published in a section dedicated to “community of leaders” on SEAnet.

Below are the main projects implemented in 2015, which were discussed with leaders during the workshops:

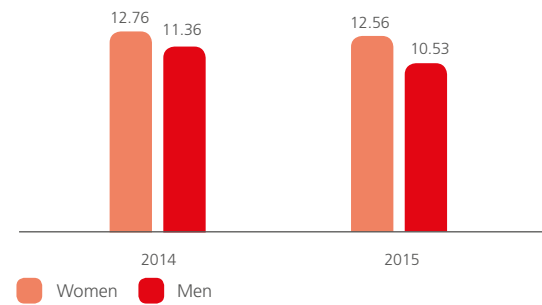
- skill assessment campaign, expanded in 2015 to the entire corporate population, which was launched in October. Assessors were supported by a training activity that involved SEA Professional System and, in particular, the skills assessment process. The assessment activity involved over 2,300 people;
- launch of job posting for professional mobility, a tool to enrich people who want to grow and change jobs within SEA; process is carried out in paperless mode through a section of SEAnet and is managed based on values of transparency and fairness;
- launch and continuous implementation of SEAnet, SEA Intranet, which, after going live last April, strengthened its function as a tool for communication, information and social collaboration. In this perspective, 2015 saw several training sessions held to support key users in the use and finalisation of new department sites dedicated to each corporate function;
- follow up actions of project 1+1=3 devoted to the appreciation of gender diversity, including a new training lab on development and strengthening of leadership and the launch of four workshops dedicated to issues of inclusion and leveraging of distinctive skills. The following topics were covered by working groups:
 - “leadership in action”
 - “communicating 1+1=3”
 - “according to team standard”
 - “smart working”.

The four groups were able to share ideas, tools and documents in the dedicated SEAnet “1+1=3 online community” section, to define four projects that were presented to Company at a plenary session held in December.

In addition, a new edition of Leadership Lab was held in 2015, a women’s leadership strengthening experience to promote ownership, increased self-confidence and awareness of one’s potential.

Women’s counselling meetings were also held, dedicated to some women managers to raise awareness about their leadership style, provide self-improvement and development tools, and enhance a managerial style with a view to inclusive and integrated practices. The initiatives carried out during 2015 also included a new edition of the Development Centre dedicated to SEA’s newly appointed or recruited managers, to support them in taking on their new role through a training “gym” aimed at enhancing managerial skills.

Employees involved in formalized performance appraisals by gender (%)



Source: SEA

The percentage of employees broken down by gender who have received performance assessments is in line with the 2014 figures and concerns executives and managers. Percentage change is proportional to the increase or decrease of active staff having such qualifications in 2015.

Diversity

The data for 2015 is in line with 2014, where average pay for men and women differs mainly with respect to overall pay (annual income).

The gap between men and women in Executives-Managers category is a consequence of the reduced female presence in the most senior positions.

Pay gap in white-collar and blue-collar category is influenced by the overwhelming presence of shift personnel (especially male) and in particular by the recognition of allowances related to working shifts that are considered less desirable (and better paid) covered by male personnel.

Female/male salary and remuneration ratio by category^(a)

	Gross Annual Salary ^(a) 2015	Income ^(b) 2015
Executives and Managers	79%	71%
White-collar workers	97%	90%
Blue-collar workers	84%	84%
Total	96%	89%

^(a) Ratio of Gross Annual Remuneration of women and of men. Annual Remuneration is the fixed gross annual salary, paid to the employee on the basis of his/her duties or for specific appointments.

^(b) Ratio between the Average Annual Income of women and of men. The Gross Annual Income is the gross annual salary plus annual variable amounts, such as bonuses related to individual performance and/or corporate productivity, attendance allowances, additional payments for night work, overtime and holidays, etc. Data refers to SEA.

Source: SEA

Safety

SEA Group's corporate policy for the protection of occupational health and safety of its employees and third parties (operators, users, passengers) present in the workplace for various reasons is based on several principles:

- compliance with national and EU legislation on occupational health and safety, including technical regulations and international standards;
- carrying out prevention activities in the field of occupational health and safety management, focusing on proactive and predictive capabilities for corporate risks, in order to avoid accidents at work and the onset of occupational diseases;
- identifying residual risks present in workplaces, setting up the most appropriate measures for their reduction, also by continuously updating information methods and media aimed at their assessment and analysis;
- enhancing human resources through the development of specific skills and training activities, key elements characterizing all choices of SEA Group, in order to make workers aware of their responsibilities and of the need to comply with current legislation and internal regulations;
- informing all those present in company premises (employees, contractors, suppliers, customers) on

the organization responsible for managing safety and emergencies, as well as on the existing risks and the adopted prevention and protection standards;

- selecting suppliers while also taking into consideration aspects related to occupational health and safety and promotion of coordination activities for managing and resolving possible risk situations with a view to mutual cooperation;
- promoting the involvement of employees on corporate targets for occupational health and safety, also through their Safety Representatives;
- promoting the integration of principles of occupational health and safety into the management of all corporate activities, including design and maintenance of buildings and systems;
- promoting initiatives aimed at spreading a culture of occupational health and safety and interaction between corporate structures for a collaboration aimed at achieving company efficiency also in terms of safety.

The role of airport operator has also led SEA Group to make a special commitment to the safety of workforce, which has benefited all the operators, bodies and handlers present in airport grounds for various reasons.

OHSAS 18001 certification

In 2015, SEA Group renewed the certification of Occupational Health and Safety Management System (SGSSL) issued in 2012 by TÜV Italia - Accredia (National Accreditation Body), in line with the BS OHSAS 18001/2007 regulation, as set forth by Article 30 of Italian Legislative Decree 81/08 for organisational models not covered by Italian Legislative Decree 231/2001.

Activities of the SGSSL were duly carried out according to the annual schedule submitted during the review. In order to monitor effectiveness of risk control measures and compliance with law, 11 audits and 4 follow-up actions were carried out, which pointed out the need to apply some corrective actions to prevent potentially hazardous situations: in particular, in some cases a document review was carried out and specific Operating Instructions and Procedures were implemented. The involvement and consultation process initiated by the SGSSL enabled the active participation of all workers, demonstrating that effective collaboration is crucial for prevention and management of risks.

Outcomes of internal audits, particularly the audit of legal compliance, found that system is properly implemented and maintained active and is effective in pursu-

ing corporate objectives.

Having kept its BS OHSAS 18001:2007 certification, SEA will once again have direct access to the annual reduction of INAIL insurance premium.

Employee participation in safety

Workers' involvement in corporate occupational health and safety activities takes place mainly through the institutionalised channel, led by the Workers' Health and Safety Representatives (RLS).

So, aside from the regular annual safety meeting, the participation, as usual, took place during a period of important changes in company organization, including spaces, machines and equipment, and more generally for any request made by the Workers' Health and Safety Representatives or, in some circumstances, directly by workers. In compliance with the provisions of current legislation (Article 47 of Italian Legislative Decree 81/2008 and the multi-industry agreement of 22/06/95), Workers' Health and Safety Representatives of the SEA Group were elected and are fully operational, based on the breakdown shown in the table below.

Number of Workers' Health and Safety Representatives (RLS)

Company	Linate	Malpensa	Venice	Ciampino	Notes
SEA	6	6	-	-	6 for the production units with over 1,000 employee
SEA Prime	1	-	-	-	1 representative in the companies or production units with up to 200 workers
Prime Aviation Service	1	-	1	1	1 representative in the companies or production units with up to 200 workers
SEA Energia	1	1	-	-	1 representative in the companies or production units with up to 200 workers

Source: SEA

Occupational safety at SEA in 2015

Among the many activities carried out during the year, we point out the following:

- education and training activities related to occupational health and safety, which led to a significant result compared to the requirements of the Regions State agreement for users of particular vehicles and equipment, achieving the targets set in line with regulations;
- 26 training exercises on the implementation of

Emergency and Evacuation Plans and fire detection and alert systems, which involved Emergency Management Officers (AGE) and the staff of the various buildings concerned;

- activities related to fire prevention and management, which included drafting and distribution of a "Fire Protection Regulation for operating commercial spaces assigned by SEA in the airports" to concession holders;

- updates to Risk Assessment Documents;
- preparing DUVRIs (Interference Risk Assessment Documents) for preventive management of interference-related hazards involved in the various activities carried out on airport grounds by third parties under contract;
- in order to implement the preventive management of risks associated with the use of equipment and machines introduced to support work activities,

preventive evaluation and analysis continued to be carried out at the time of purchase, as part of the acceptance test committee in which SEA's Prevention and Protection Service is also involved;

- a work in aligning SEA Prime and Prime Aviation-Services with group's standards for documentation, training activities and operational practices, related to regulatory compliance in the field of occupational health and safety, continued during 2015.

Accident indicators

Analysis of accidents at SEA in 2015 highlights that:

- accidents in transit account for over 29% of all accidents;
- of the remaining accidents (so-called occupational),

over 40% are ascribable to walking dynamics (slipping, stumbling, uncoordinated footstep) and are therefore largely or entirely unrelated to more typically professional risks.

Safety indicators by gender and location

		Linate		Malpensa		Other locations*	
		Men	Women	Men	Women	Men	Women
Ingjury rate	2015	1.89	2.10	3.97	4.43	27.79	0.00
	2014	2.63	2.28	4.13	2.84	19.24	0.00
Ingjury rate on the way to work	2015	0.73	1.05	0.76	1.77	9.26	0.00
	2014	1.55	1.52	0.85	2.21	0.00	0.00
Occupational disease rates	2015	0.00	0.00	0.09	0.00	0.00	0.00
	2014	0.00	0.00	0.00	0.00	0.00	0.00
Lost day rate	2015	57.32	42.87	87.57	137.44	158.23	0.00
	2014	80.78	22.99	91.63	77.24	470.19	0.00
Lost day rate on the way to work	2015	43.08	29.87	9.11	42.73	49.97	0.00
	2014	57.96	18.23	19.60	61.89	0.00	0.00

^(*) Personnel at Rome Ciampino, Venice and Catania airports.

Note: accident indicators are calculated as follows:

- Overall accident rate: no. of accidents at work and in transit/hours worked *200,000
- Transit accident rate: no. accidents in transit/hours worked *200,000
- Occupational disease rates: no. of occupational diseases/hours worked *200,000
- Overall severity index: no. of days lost due to accidents at work and in transit/workable hours *200,000
- Severity index: no. of lost days due to accidents in transit/workable hours *200,000.

Only employed personnel is included. Accident data refers to all events that involved at least one day of absence from work beyond the day of occurrence. In the count of lost work days, calendar days in which the worker was absent were considered, with the exception of the one in which the accident occurred. Occupational disease data refers to cases reported in the year in question and not to the number of occupational diseases actually recognised by INAIL for the same period.

Source: SEA

The analysis of accident indicators shows a slight overall drop in the system, curbed by the increase in overall rates for female staff, particularly at Malpensa, where percent-

age of women in operating departments is significantly higher than at other airports.

Occupational illnesses

The phenomenon below is marginal and only regards the personnel working in Airport Handling, where some tasks, especially over the past decades, led to significant exposure to particular health hazards, such as manual handling of loads and noise. Issues that generate occupational illnesses have been gradually reduced over the

years, mainly thanks to technological progress that has produced less noisy aircrafts and increasingly automated loading and handling systems. Some of the workers still currently employed were present when technological advancements had not yet mitigated the risks causing such illnesses.

Engagement policies

Welfare

2015 also showed an increase in people who benefited from welfare initiatives, thus strengthening the relationship with the company and the enhancement of such initiatives.

The following table summarises data regarding access to welfare services by full-time and part-time employee during the last three years.

“SEA for you”: access to services

Initiative	No. of Beneficiaries		
	2015	2014	2013
Health care fund	1,829	1,731	2,369
Toy vouchers	1,082	1,125	1,254
Flexible hours (average annual figure)	854	840	789
Study grants	735	670	677
Health care fund (check-up)	337	384	314
Leave for medical visits	302	272	236
Summer centres	219	214	272
Collective home-work mobility	183	181	192
Flu prevention	122	194	192
Future Lab: Push to Open, I learn to study	37	-	-
Spa holidays	82	80	69
Social services (personal loans)	173	239	257
Maternity part-time (average annual data)	28	30	39
Accident insurance	14	11	5

Source: SEA

Once again in 2015, SEA devoted significant effort and resources to the development of corporate welfare. As is good practice, selection of activities to be undertaken started from the analysing of levels of participation and final cost of the initiatives carried out in the previous year, also through a detailed comparison with data provided by NoiSea Association.

With regard to family services, we collaborated with

NoiSea Association in planning and successfully implementing the distribution of gift certificates for children's products and planning summer camps and centres during the school summer break.

Beside the traditional initiatives included in the annual plan (passes for public transport commuters, psychological and family support, etc.), particular attention was given to planning new initiatives in the field of

education and scholastic and vocational guidance for employees’ children. In addition to awarding scholarships to deserving young people from middle school to university graduation, secondary school children were offered:

- a study and work orientation project called “Push to Open”, organized with other major companies through the Jointly shared welfare platform;
- 2 scholarships for study abroad by Intercultura Foundation awarded to the most deserving students for a school year in a European country or a one-month summer holiday in China;
- vocational guidance workshop classes in collaboration with HRCommunity dedicated to near-graduates and recent graduates.

Complementary Pension Fund

Pension Fund of Società Esercizi Aeroportuali - FONSEA, complementary individual capitalisation Pension Fund for employees of participating companies, provides complementary pension benefits under the compulsory pension system as per Italian Legislative Decree 5/12/2005, no. 252.

Pension Fund for Airport Companies - FONSEA is enrolled in the register held by COVIP under no. 1126

and was established on April 4, 1990 following the supplementary agreement of 7/12/1989 between SEA and the regional secretariats of the FILT/CGIL, FIT/CISL and UILT/UIIL trade unions.

All SEA Group personnel already registered with Assistance and Social Security Fund is enrolled in Pension Fund, activated on January 1, 1996, in order to provide a supplementary pension in addition to mandatory public system.

Data regarding Pension Fund

Pension fund	2015	2014
Number of members	5,113	5,183
Net assets intended for pensions (millions of Euro)	177	165
Fund performance	2.97%	3.50%

Source: SEA

Pension Fund is a fund established as an unrecognised association operating under defined contribution arrangements (the amount of the pension benefit is determined on the basis of the contribution made and the related returns).

Membership is free and voluntary. Participation in complementary pension schemes governed by Italian Legislative Decree no. 252 allows the member to benefit from a favourable tax treatment on paid contributions, gains and benefits.

**Contribution shares
(workers employed after 28/04/1993 and enrolled since 01/01/2013)**

Severance pay shares	Contribution	
	Worker	Company
100% of the accruing severance pay	1% on the base pay, plus cost-of-living allowance, plus periodic seniority increases for 12 months. Any additional voluntary contribution calculated on the % of the gross taxable amount.	2% on the base pay, plus cost-of-living allowance, plus periodic seniority increases for 12 months. With temporary validity 01/01/2013-31/12/2015, +0.5% increase of the contribution set forth in the CCNL (National Collective Bargaining Agreement).

Source: SEA

Parental leave management

SEA Welfare guarantees the right for all mothers to take advantage of a reduced working time of five hours a day until their child reaches five years of age.

Such aspect and a working system based on shifts affect the figures related to optional leave of absence, as outlined below.

Right and use of the optional leave of absence⁽¹⁾ (No.)

	2015		2014		2013	
	Women	Men	Women	Men	Women	Men
Right ⁽²⁾	280	364	196	247	200	245
Use ⁽³⁾	92	164	79	130	91	128

⁽¹⁾ Data refers to SEA.

⁽²⁾ Optional leave may be requested for each child during their first 8 years of life (until the day of their 8th birthday). Employees with a child at or under the age of 8 in the year in question are therefore considered eligible.

⁽³⁾ This figure reflects all eligible persons who used at least one day of optional leave during the year in question.

Source: SEA

Parental leave absence tables show that:

- almost all users return to work after the birth of a child;
- fathers extensively use the option and increasingly assist mothers in taking care of children;
- only in a small percentage of cases the absence is not followed by a return to work, but rather by an absence for other reasons.

Retention rate after parental leave - 2015⁽¹⁾

	Women (no.)	Men (no.)	Women (%)	Men (%)
Total Beneficiaries in 2015	92	164		
Status at December 31, 2015				
Still on leave ⁽²⁾	6	13	7%	8%
Absent for other reasons after the leave ⁽³⁾	1	1	1%	1%
Left during the year	1	1	1%	1%
Total returned to work and still employed	84	149	91%	90%
Retention rate at 31/12/2015 (%) ⁽⁴⁾	100%	100%		

⁽¹⁾ Data relating to employees eligible for and beneficiaries of the optional leave only relate to SEA.

⁽²⁾ To identify absences/leaves still under way, we take into consideration the two weeks following December 31 of the year in question.

⁽³⁾ Employees "absent post-leave for other reasons" are those who are still absent following the period of parental leave for various reasons (e.g. child's illness, holidays, etc.).

⁽⁴⁾ The retention rate indicates the percentage of employees remaining in the company at the end of a parental leave period. This figure is calculated taking into account employees who benefited from at least one day of parental leave and who have returned to work and are still employed at the end of the year in question and the following year.

Source: SEA

Retention rate after parental leave - 2014 ⁽¹⁾

	Women (No.)	Men (No.)	Women (%)	Men (%)
Total Beneficiaries in 2014	79	130		
Status at December 31, 2014				
Still on leave ⁽²⁾	6	14	8%	11%
Absent for other reasons after the leave ⁽³⁾	10	19	13%	15%
Left during the year	4	1	5%	1%
Total returned to work and still employed	59	96	75%	74%
Return rate at 31/12/2014 (%) ⁽⁴⁾	94%	99%		
Status at December 31, 2015				
Still on leave ⁽²⁾	2	12	3%	9%
Absent for other reasons after the leave ⁽³⁾	1	0	1%	0%
Left during the year	0	0	0%	0%
Total returned to work and still employed	72	117	96%	91%
Return rate at 31/12/2015 (%) ⁽⁴⁾	100%	100%		

⁽¹⁾ Data relating to employees eligible for and beneficiaries of the optional leave only relate to SEA.

⁽²⁾ To identify absences/leaves still under way, we take into consideration the two weeks following December 31 of the year in question.

⁽³⁾ Employees "absent post-leave for other reasons" are those who are still absent following the period of parental leave for various reasons (e.g. child's illness, holidays, etc.).

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Source: SEA

Absenteeism

Data on absenteeism show a slight increase at Linate (from 3.71 in 2014 to 3.79 in 2015), while Malpensa and other sites recorded a decline (from 4.45 in 2014 to 3.78 in 2015 and from 3.22 in 2014 to 1.76 in 2015). As far as gender is concerned, there is a rise in absenteeism rate only for female population working at Lin-

ate, which went from 3.20 in 2014 up to 4.55 in 2015. For the rest of population, rate is decreasing (Linate, male population, from 3.94 in 2014 to 3.45 in 2015, Malpensa, female population, from 5.44 in 2014 to 4.86 in 2015, Malpensa, male population, 4.09 in 2014 to 3.41 in 2015).

Absenteeism rate by gender and location

	2015	2014
Linate	3.79%	3.71%
Women	4.55%	3.20%
Men	3.45%	3.94%
Malpensa	3.78%	4.45%
Women	4.86%	5.44%
Men	3.41%	4.09%
Other locations*	1.76%	3.22%
Women	4.00%	3.39%
Men	1.11%	3.15%

^(*) Personnel at Rome Ciampino, Venice, Catania airports for 2014 and at Rome Ciampino and Venice airports for 2015.

Note: The absenteeism rate is calculated as the ratio between the number of unscheduled leave days to the number working days * 100.

This includes only employees with labour contracts. Absences included in calculation are the unscheduled ones (e.g., illness, accident), while the scheduled ones (such as holidays, maternity) are excluded.

Source: SEA

Managing environmental resources

Energy consumption

As part of SEA's Energy Management System and its ISO 50001 certification, SEA Group's energy consumption management is based on the following principles:

- energy must be produced while respecting and protecting the environment;
- reducing environmental impact and improving environmental performance are among the criteria of our business strategies, including infrastructural development;
- awareness of employees, partners, suppliers, contractors and stakeholders regarding environmental impact of their activities is a central concern for improving environmental performance at both airports.
- lighting technological improvements such as upgrades to low power and LED lamps, both indoor and for outdoor apron and road lighting;
- management improvements, such as switching off lights at night in unused places, modification of the automatic switch-off system of night lights at aprons, night switching off of the runway not being used due to noise-reduction measures or to maintenance activities;
- completing the computerisation of energy consumption data and introducing additional field meters in order to subdivide and analyse consumption more accurately;
- optimizing air conditioning plants through the reduction of the "minimum external air flow" depending on the presence of passengers, addition of inverters on heat sub-stations, optimisation of set-points for the microclimate;
- eliminating (almost completely) the decentralised production plants (boilers, refrigerating units).

The System provides for the settlement of an Energy Team and, for the integrated management of the more technical aspects, a Technical Group (which also includes representatives of SEA Energia). The involvement of all functions directly related to different aspects (design, implementation, maintenance and environmental management structure) ensures the necessary overview of processes and thus the identification of the most appropriate intervention proposals.

In 2015, SEA continued to implement measures in the fields of lighting, air conditioning and innovation. The measures involved:

At both airports, we operate cogeneration/trigeneration plants that constantly generate energy savings that benefit SEA Group, the quality of the environment and citizens of neighbouring areas. We offer high-efficiency performance generating savings for both company and customers who, thanks to the use of district heating, reap savings related to heat recovery.

Energy consumption of the SEA Group

Unit of measure	Malpensa	Linate
Petrol (GJ)	4,927	1,603
Heating oil (GJ)	2,548	73
Methane (GJ)	2,068,399	1,032,663
Diesel fuel (GJ)	22,434	9,554
Purchased electricity (GJ)	1,027	796
Sold refrigeration energy (GJ)	17,507	-
Sold heat energy (GJ)	19,722	238,489
Sold electricity (GJ)	231,144	237,448
Totale(GJ)	1,830,963	568,753

Source: SEA

Energy intensity (GJ/unit of traffic) 2015

Malpensa	Linate	Total
0.08	0.06	0.07

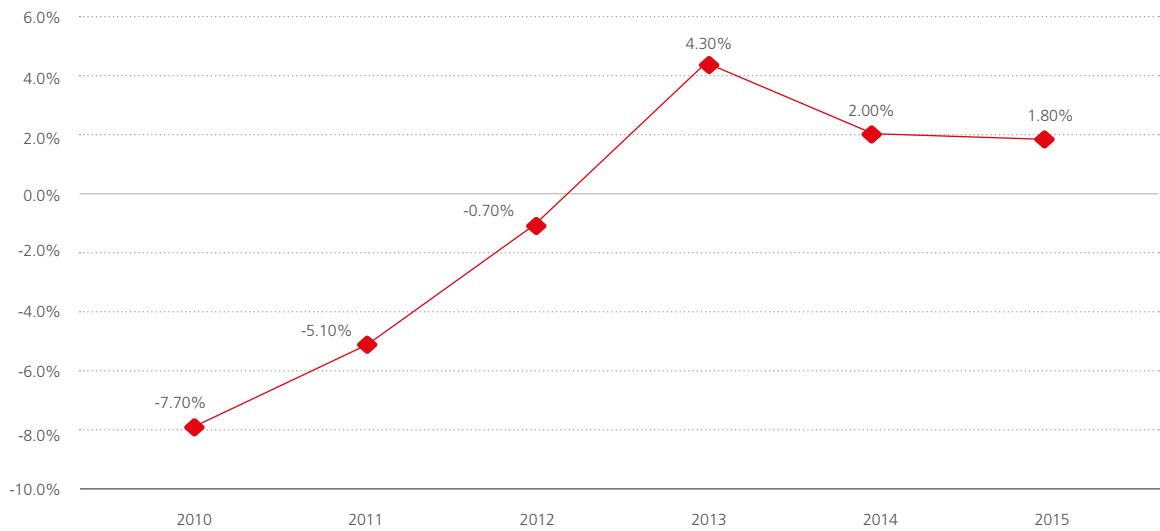
Note: The units of traffic is equivalent to one passenger or 100 kg of freight.

Source: SEA

Interventions carried out at both airports led to an energy saving of 13,589 MWh in 2010 (-7.7% compared to 2009), 8,353 MWh in 2011 (-5.1% compared to 2010) and 1,080 MWh in 2012 (-0.7% compared to 2011), while in 2013 the increase of 6,665 MWh (+4.3% compared to 2012) was due to the opening of the third satellite within the airport over an area of approximately 49,600 m². In

2014, the increase of 3,169 MWh (+2.0% compared to 2013) was lower than in 2013 despite the completion of new infrastructure spaces over approximately 18,500 m² for operating the third satellite. Furthermore, 2015 showed an increase of 2,975 MWh (+1.8%), which was lower than 2014 considering that infrastructure spaces were increased by an additional 4,950 m².

Trend of the energy consumption (%)



Source: SEA

Water consumption

One of the environmental aspects for which SEA Group has demonstrated knowledge and care for the longest time is water management. This is a result of a completely autonomous approach to water supply through the construction of a number of wells managed independently, meeting hygienic, sanitary, fire and “industrial” needs of both airports.

The main water sources affected by water withdrawals are the aquifers, tapped through 12 wells located at Malpensa and 8 wells at Linate.

At Malpensa, the aquifer is 51 metres below the surface (from water table measurements made on wells G and L), while at Linate the aquifer is about 5 metres down.

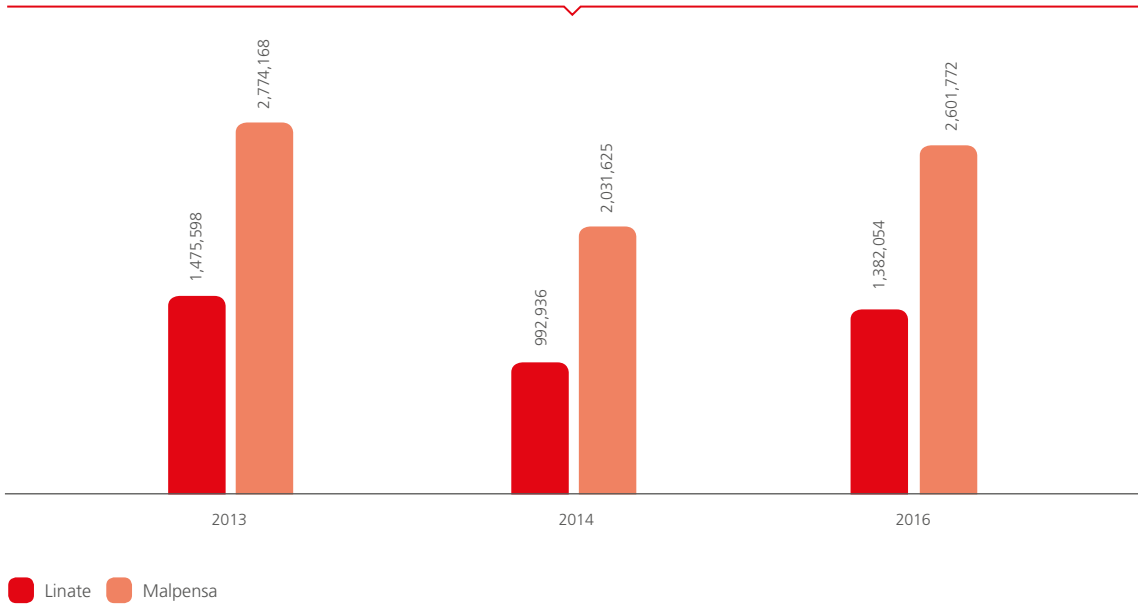
Water volumes taken from wells at Malpensa and Linate airports are distributed for consumption through internal aqueducts.

Chemical, physical and quantitative control, as well as rationalisation of consumption, guarantee the greatest attention to this important shared asset.

Water supply of our airports comes through 12 wells located at Malpensa and 8 at Linate, operated independently, meeting hygienic, sanitary, fire and industrial-level needs of both airports.

Water volumes taken from wells at Malpensa and Linate airports are distributed for consumption through internal aqueducts.

Water consumption (m³)



Source: SEA

Note: The consumption includes SEA Energia.

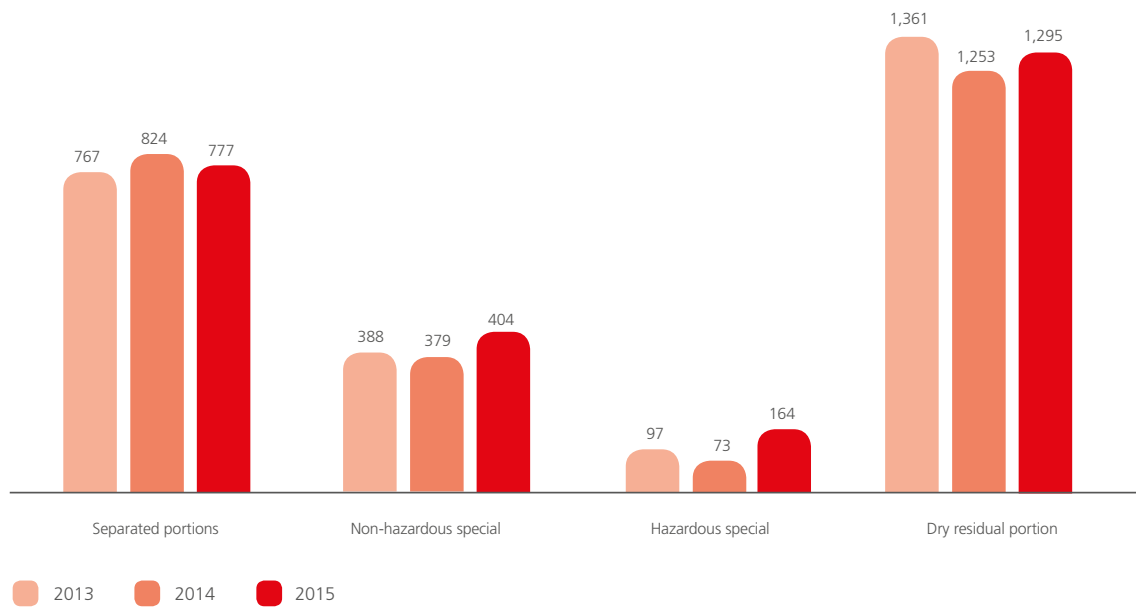
Waste management*

Waste produced as part of airport activities due to office management, aircraft cleaning, infrastructure maintenance, retail and catering are mostly similar to those produced in a city and are divided into:

- municipal solid waste and the like, generated by cleaning activities in terminals and auxiliary buildings, and aircraft cleaning activities. This waste is collected in special equipment (skips and bins) appropriately distributed around airport grounds and disposed of by companies appointed by local authorities. Municipal solid waste and the like consists of a dry portion and several separated portions;
- hazardous special waste (e.g. used oil, oil emulsions, oil and diesel filters, sanitary waste, etc.) and non-hazardous (e.g. ferrous scrap, expired pharmaceuticals, alkaline batteries, etc.) resulting from SEA's maintenance activities;
- food waste consisting of leftovers of meals consumed by passengers on aircraft, which are managed and disposed of directly by catering companies and which are not dealt with by the airport operator.

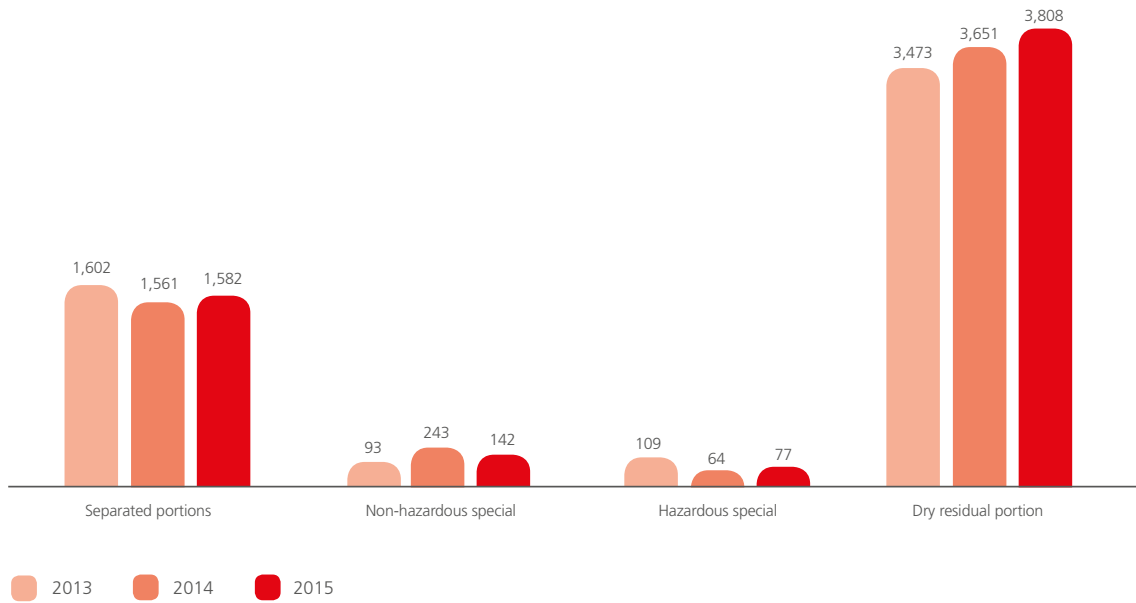
^(*) The data does not include SEA Energia.

Linate - Waste produced by type (tons)



Source: SEA

Malpensa - Waste produced by type (tons)

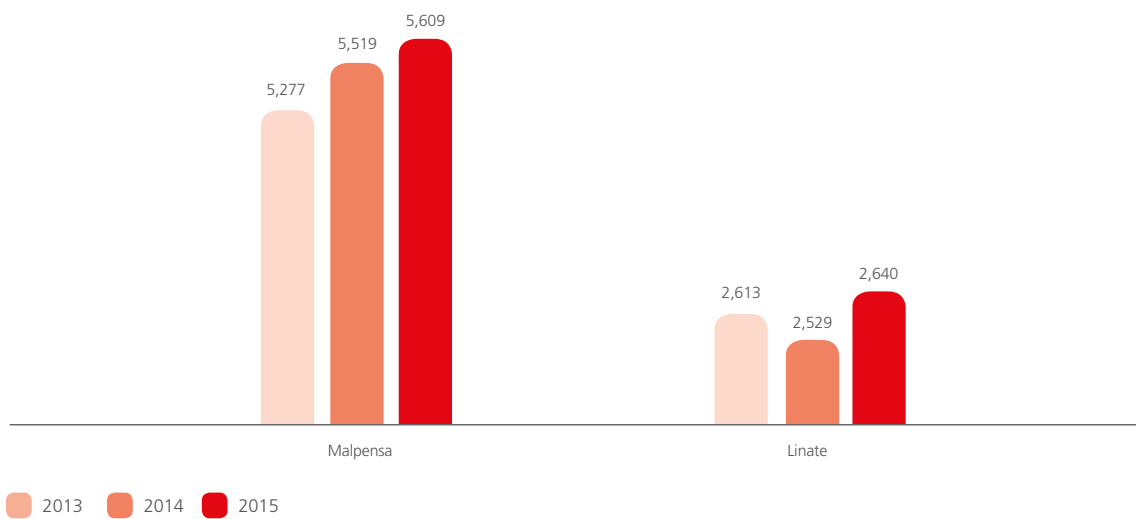


Source: SEA

The total production of waste at Linate for 2015 was 2,640 tons, an increase of 4.4%, while Malpensa's

overall production amounted to 5,609 tons, a decrease of 1.6% compared to 2014.

Total waste production (tons)



Source: SEA

The separate collection of waste as defined in art. 183 Paragraph 1 subparagraph P of Italian Legislative Decree 152/2006 (“separate collection: collection where a waste stream is kept separate according to type and nature of waste to facilitate its specific processing”)

for Linate was 51%, and 32.1% for Malpensa, also considering the separate collection of special waste. As a result, separate collection of waste at Linate shows a slight increase, while Malpensa is slightly reduced.

% Separate collection

	2015	2014	2013
Malpensa	32.1	33.9	43.0
Linate	50.9	50.5	47.9

Source: SEA

Supply chain management

Purchasing policy

SEA Group considers its suppliers as an integral part of sustainability process. In selecting partners through a qualification process, SEA Group takes into account the qualitative and economic aspects of suppliers and the compliance with regulatory obligations (including compliance with employee contributions). However, in addition, SEA also assesses the sustainability characteristics of suppliers. To this end, the Suppliers List active since May 2011 requires specific information and assessments on suppliers' sustainability management methods. In particular, regarding:

Environment

Any environmental management system certifications of the potential supplier are assessed (such as UNI EN ISO 14001 or EMAS registration), as well as any environmental product certifications (ECOLABEL, FSC, PEFC, second life plastics and other certifications), internal management of environmental issues such as waste, packaging, use of recycled or recyclable material, collection of recyclable materials for recycling, use of low-emission or energy-efficient materials and the manner for selecting its suppliers in accordance with environmental characteristics.

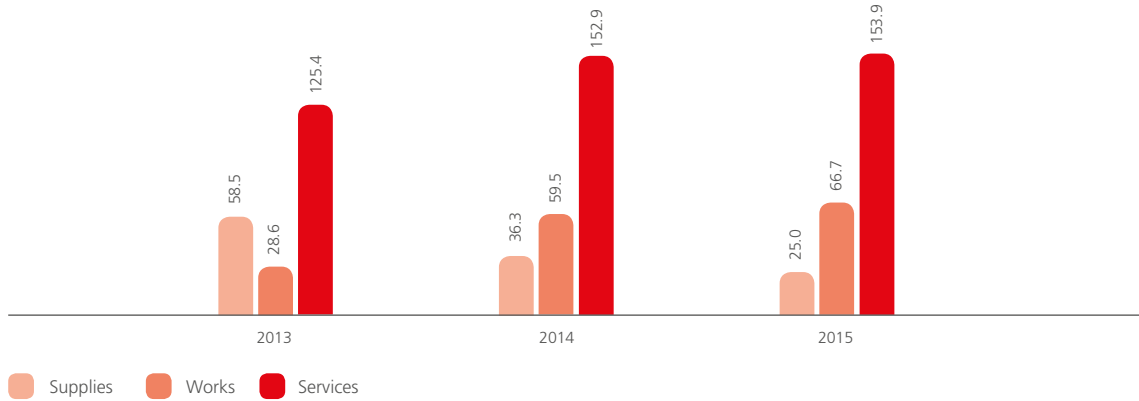
Safety

The level of attention and the management of safety profiles through the Workplace Health and Safety Management System (if certified in accordance with Italian Legislative Decree 81/2008, compliant with UNI-INAIL Guidelines or with OHSAS 18001) is assessed, in addition to the presence or otherwise within the Prevention and Protection Service in the company, the presence of the supplier's Safety Representative who follows individual contracts/orders, having benefited of a reduction of IN-ALL rate at least once in the last three years, the number of accidents reported over the last three years, the activation of a safety training programme and the verification of the degree of learning after each training event.

Corporate Social Responsibility

Suppliers are requested to describe any corporate initiatives to develop a socially responsible approach to business planning and management, in order to ensure that SEA Group may form a supply chain that contributes to the achievement a sustainable development. In addition, particular attention is given to qualification profiles regarding the organisational model under Italian Legislative Decree 231/2001, as well as the adoption of an internal corporate Code of Ethics by the supplier.

Amount of orders by type (million of Euro)



Source: SEA

Note: values refer to what was ordered in the period (multi-year orders are not broken down by relevance into the individual years).

Classification of suppliers according to CSR criteria

With regard to transparency and accessibility, SEA has provided for electronic enrolment in Supplier List and electronic management of some procurement procedures (e-procurement).

Over the course of 2015, 1,215 suppliers were qualified, broken down by CSR activities implemented in their respective business processes according to sustainability profiles, as shown in the table below.

Sustainability profiles of suppliers

Profile	Qualified		Under evaluation		Total	
	Count	%	Count	%	Count	%
Adoption of the Code of Ethics	359	29.6%	40	26.7%	399	29.2%
Benefit for INAIL rate reduction last three years	314	25.8%	34	22.7%	348	25.5%
EMAS certification	17	1.4%	2	1.3%	19	1.4%
ISO 14001 certification	234	19.3%	31	20.7%	265	19.4%
Environmental Product Declaration - EPD	22	1.8%	2	1.3%	24	1.8%
Organisational model under It.Leg.Dec. 231/2001	228	18.8%	32	21.3%	260	19.1%
Appointment of Safety Representative for individual contracts/orders	749	61.7%	108	72.0%	857	62.8%
Internal Prevention and Protection service	733	60.3%	84	56.0%	817	59.9%
Occupational Health and Safety Management system	317	26.1%	46	30.7%	363	26.6%
Total suppliers	1,215	100.0%	150	100.0%	1,365	100.0%

Source: SEA

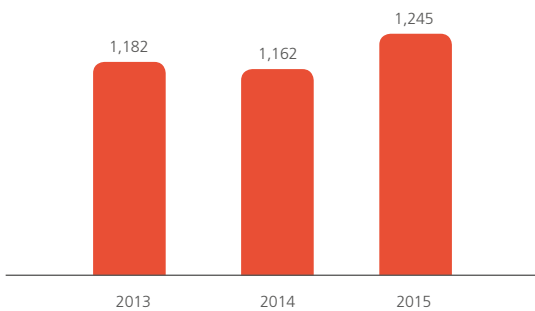
Selection of suppliers

Selection procedures for suppliers depend on the typology of contracts and to their inclusion within one of the following macro-categories:

- public tender contracts awarded following the publication of a tender notice;
- contracts which, based on their value or as relating to specific services, are considered according to a specific “sub-threshold” procedure.

With reference to public tenders, selection of competitors is based on subjective qualification criteria, as well as their economic, financial and technical capabilities, in compliance with Italian Legislative Decree 163/2006 or sector regulations, in addition to the principles of competitiveness and transparency.

Total number of successful bidders



Note: successful bidders means suppliers that have provided at least one service during the period (even on a previously existing purchase order). Data includes the incentives granted to carriers.

Source: SEA

In relation to the “best offer” sub-threshold contracts, internal procedures provide for the application of at least five suppliers among those included in the Suppliers’ Register, in accordance with the principle of rotation and considering their qualifications in relation to the characteristics of the offer. In addition, for works exceeding 3 million Euro and for certain categories of services exceeding the EC threshold, procedure involves publishing on the institutional site a public notice calling for a manifestation of interest. For qualified suppliers of product categories within certified areas and for suppliers with a significant or strategic economic commitment towards SEA, an evaluation during execution of the contract is carried out, in which an opinion is drawn up by the internal user managing the contract, which analyses the operational, organisational and conduct

profile of the supplier within the supply contract execution. Any negative outcome of the assessment involves a suspension from the Supplier register for product category, or an exclusion in case of serious failure.

Once the contract has been signed, the supplier has to comply with several contractual obligations. In addition to qualitative and performance requirements, supplier is also required to comply with EA procedure regarding ecological and environmental principles and criteria for suppliers.

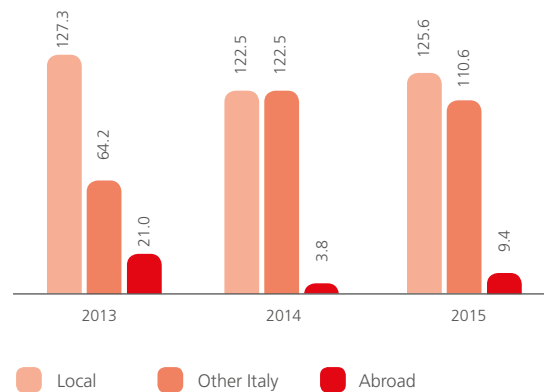
In terms of protection of human resources, a detailed audit of the compliance with labour safety regulations in the company’s activities is carried out, with mandatory reporting where serious breaches have been committed. Industry employment contracts must be applied, including the commitment to apply any corporate supplementary agreements in force for the period and location of the work being performed.

In the contracting phase, compliance with contribution payments declared in the qualifying, awarding and contract signing phases is verified.

Value generated for the supply’s induced business

Regarding the geographic origin of supplies, SEA Group does not have specific tools to favour suppliers by geographical origin, due to constraints arising from public tenders and a precise choice by the Group to prioritize qualitative, economic and sustainability aspects of the supply.

Value of orders by geographical origin (million of Euro)



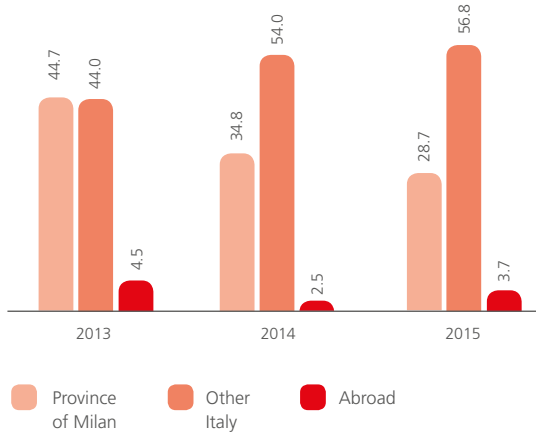
Note: “local” means vendors based in provinces of Lombardy, Novara and Piacenza.

Source: SEA

Nonetheless, the economic impact generated by SEA Group's activity on the surrounding area in terms of supply of goods and services in 2015 was equal to 51% of the total value.

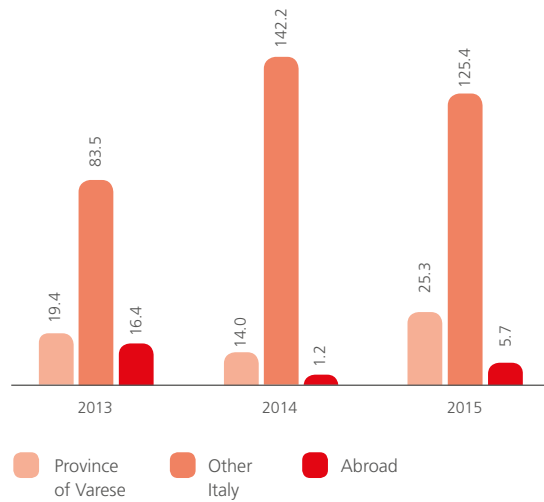
At Linate airport, the value of orders placed with suppliers located in province of Milan was 32%, while at Malpensa the value of orders from suppliers in province of Varese was 16%.

Linate - Value of orders by geographical location (million Euro)



Source: SEA

Malpensa - Value of orders by geographical location (million Euro)



Note: With regard to SEA Energia's orders, common to Linate and Malpensa, the allocation between the two airports has been estimated.

Source: SEA

The logo consists of the letters 'SEA' in white, centered within a red square. This square is part of a grid of 24 light gray squares arranged in three rows and eight columns. The grid is positioned horizontally across the middle of the page, with the red square being the second one from the left in the second row.

SEA

ANNEX: OTHER SUSTAINABILITY PERFORMANCES

Annex: other sustainability performances

Chapter 6 - Sustainable development governance

Positions and participation in public policy

SEA is a member of the following national and/or international trade associations:

Assaeroporti - Italian Airport Operators Association, with the task of protecting and strengthening the position of airport operators, enhancing their function and interacting with government institutions to ensure the development of air transport. It also promotes collaboration between its members in order to contribute to the process of improving airport management techniques and procedures.

Assoclearance - Italian Association of Clearance and Slot Management, consisting of airlines and Italian airport operators, with the task of optimizing the distribution of time slots and the allocation of slots to carriers, taking into account requests and history.

Assolombarda - National Association of Small, Medium and Large Enterprises with the aim of safeguarding the interests of its members in the relationship with external counterparts active in various areas, such as institutions, training, environment and territory, culture, economy, labour and civil society, providing a wide range of specialist services that contribute to the development of companies.

ATAG Air Transport Action Group - Association representing all players involved in airline industry production chain, with the aim of implementing communication between various stakeholders and promoting the sustainable development of air transport.

UNIVA Varese - Association of companies that are part of Confindustria System, aiming to foster progress in provincial industry by promoting collaborations between companies.

ACI Europe - Airport Council International - Association of European airports, representing over 400 airports in 46 member countries. Ensures effective and negotiative communication on legislative, commercial, technical, environmental, passenger aspects and other interests.

IGI - Istituto Grandi Infrastrutture (Large Infrastructure Institute) is a study centre dedicated to examining issues of public procurement. The evolution of the public works market, which tends to favour private funding of public works, has led the Institute to expand its membership base, with the entry of major motorway concession holders, airport authorities, banks, insurance companies and business sectors complementary to traditional manufacturers.

AIGI - Associazione Italiana Giuristi (Italian Association of Legal Experts) with the purpose of promoting, training and developing Company Legal Experts and their role in Italy.

Chapter 7 - Environmental externalities linked to the activity of our airports

Financial implications for activities related to climate change

To join the Airport Carbon Accreditation project and

achieve “Neutrality” level, SEA sustains the following costs:

Costs for joining ACA project and purchase of offsets (Euro)

	2015	2014	2013
ACA membership/certification	9,800	13,850	13,300
Purchase of offsets	19,362	12,540	39,917

Source: SEA

Green certificates

Once again in 2015, thanks to the production of co-generated heat energy at Linate production site for district heating of the airport and Santa Giulia borough, SEA Energia fulfilled the requirements for obtaining green certificates: 49,267 certificates will be requested Energy Service Manager, 35,817 of which pertain to the Company and 13,450 to a2a under a contract that assigns a percentage of district heating green certificates to a2a since the investment related to the heat distribution network was entirely paid for, managed by and under the responsibility of a2a.

Number and percentage of people resident in areas affected by airport noise

Awareness of noise pollution issues in the last ten years has vastly increased, leading to the issuance of many European, national and regional regulato-

ry acts. Such awareness reached its peak with the adoption of European Directive 2002/49/EC, transposed in Italy by Italian Legislative Decree no. 194. The above-mentioned Directive and its decree of implementation introduce the concepts of noise mapping and strategic noise map: with these, the legislator set the objective of easily and comprehensively representing noise pollution situation in major urban agglomerations and near major sources of pollution, as well as having available information and tools to handle noise pollution problems on a national and European scale.

The tables below show the results of noise mappings in 2014. (The census data set used by Bicocca University for the population calculation is made up of the domiciles provided by Arpa Lombardia).

Linate - Exposed population numbers by municipality

Municipalities	Acoustic band	
	60-65 dB(A)	65-75 dB(A)
Milan	41	0
Segrate	4,110	146
Peschiera Borromeo	173	16
San Donato Milanese	710	165
San Giuliano Milanese	6,120	0

Source: SEA

Malpensa - Exposed population numbers by municipality

Municipalities	Acoustic band	
	60-65 dB(A)	65-75 dB(A)
Somma Lombardo	694	120
Arsago Seprio	82	0
Casorate Sempione	258	0
Cardano al Campo	0	0
Samarate	0	0
Ferno	28	0
Golasecca	0	0
Lonate Pozzolo	1,195	465
Castano Primo	247	0
Nosate	0	0
Turbigo	456	0
Robecchetto	9	0

Source: SEA

In June 2014, European Regulation no. 598/2014 came into force, laying down rules and procedures for the introduction of noise-limiting operating restrictions at EU airports and repealing Directive 2002/30/EC. Regulation applies only to airports with a civil traffic of more than 50,000 movements/year where a noise pollution problem has been detected and establishes procedures to be followed to contain sound emissions and reduce the number of people exposed to noise according to a balanced approach principle.

Biodiversity

Protection of biodiversity and ecological wealth has great importance for sustainable development and to ensure a fair balance between human activity and the natural environment. SEA Group is aware to be part of a green environment, especially with regard to Malpensa, thus requiring careful monitoring of the impact of the company's business and the use of actions aimed at mitigating its effects.

Some portions of the area surrounding Linate airport are part of the South Milan Agricultural Park (established by Regional Law no. 24 of 23/4/1990), a large territory extending over almost the entire southern semicircle of the Province of Milan. Furthermore, Forlanini Park, one

of the largest parks in Milan metropolitan area and the Idroscalo are adjacent to airport grounds.

Malpensa Airport lies within the Ticino Valley Regional Park. The Park encompasses ten of the eleven municipalities involved in the Malpensa Area Territorial Plan. The only external municipality is Busto Arsizio.

The natural reserves of the park and its protected areas, concentrated in the river valley from the Villorresi and Naviglio Grande canals, are far from the airport, separated by wooded areas alternated with protective cultivated areas of low naturalistic value, but of high ecological value also for their attenuating effect on the airport's impact. Areas of environmental interest of the Park represent the landscape far from the airport, filtered by the settlement of Somma Lombardo, Arsago Seprio and Casorate Sempione.

The area involved in the Malpensa airport expansion plan, described in the Master Plan, contains analyses of the quality of the flora and fauna.

With regard to the first aspect, the analysis can be summarized as follows:

- presence of high quality oak trees and heaths, which are the most important formations in naturalistic terms and represent about 45% of the area;
- pine forests, of good quality, but not very widespread (0.6%);

- significant presence of black locust and late cherry forests, covering about 40% of the area, whose quality is negatively affected by the poor floristic quality and the poor level of naturalness;

- finally, the remaining area is classified as poor quality.

The analysis of the fauna component, carried out both in the area involved in the expansion of the airport and in the Ticino Valley Regional Parks in Lombardy and Piedmont, found that the site in question hosts 84 species of birds, compared to the 257 in the parks, while there are no amphibians, reptiles and mammals.

Fauna species of interest present in the airport expansion area are the red-backed shrike and the european nightjar, although the former is present in extremely small numbers, while the presence of the latter is only potential, since it is only generically documented.

Other eight nesting species are recorded in the area, none of which are in Annex 1 to Directive 2009/147/EC or any particular endangered category of the IUCN Red List.

Specifically:

- three species in Annex II of Directive 2009/147/EC and in the Least Concern category of the IUCN Red List (a wood pigeon pair, a blackbird pair, a hooded crow pair);
- six species not included in Directive 2009/147/EC and in the Least Concern category of the IUCN Red List (a buzzard pair, two swift pairs, four nightingale pairs, a common blackbird pair, a warbler pair, a whitethroat pair, a chaffinch pair);
- an allochthonous species, introduced for hunting purposes, in the Black Threatened category of the IUCN Red List, not included in Directive 2009/147/EC (two virginia quail pairs).

As regards the aspects related to vegetation and ecosystems, the area in question interacts directly with habitats of conservation interest outside the Natura 2000 sites and indirectly with some nearby Natura sites.

Habitats in the area falling within the list in Annex 1 to Directive 92/43/EEC are:

- Dry land - (4030) heaths;
- Sub-Atlantic and medio-European oak or oak-hornbeam forests of the Carpinion betuli (9160);
- Old acidophilous oak woods with *Quercus robur* on sandy plains (9190);

and constitute natural habitats of EU interest.

Mitigation measures were defined in:

- measures for re-establishing the heath (about 180 hectares);
- measures for re-establishing the forest and meadow vegetation (about 600 hectares);
- measures for restoring and enhancing the ecological functionality.

In addition to being required as equivalent replacement of extracted trees, forest redevelopment measures positively affect the quality of forests by eliminating large quantities of areas covered by allochthonous species.

Chapters 8-9 - Quality of services provided to passengers

Passengers with reduced mobility (PRMs)

Since July 2008, SEA has implemented all aspects of EU Regulation No 1107/06 and the related ENAC Circular, which ordered transferring to airport operators the responsibility and provision of assistance to passengers with reduced mobility (PRMs). From that

moment on, service is no longer in competition, but rather a centralised service remunerated by a fee applied to all departing passengers.

Below is the 2015 performance shown in the Service Charter.

Assistance service efficiency indicators

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Departing PRM: Waiting time to receive assistance from one of the airport's designated points, with pre-booking	Waiting time in minutes in 90% of cases	Target 2015	n.d.	n.d.	n.d.
		Result 2015	20"	20'	9'
Departing PRM: Waiting time to receive assistance from one of the airport's designated points, once the passenger has notified their presence, without pre-booking	Waiting time in minutes in 90% of cases	Target 2015	n.d.	n.d.	n.d.
		Result 2015	20'	20'	9'
Arriving PRM: Waiting time on-board for disembarking the PRM, after the last passenger has disembarked, with pre-booking	Waiting time in minutes in 90% of cases	Target 2015	n.d.	n.d.	n.d.
		Result 2015	8'	8'	5'
Arriving PRM: Waiting time on-board for disembarking the PRM, after the last passenger has disembarked, without pre-booking	Waiting time in minutes in 90% of cases	Target 2015	n.d.	n.d.	n.d.
		Result 2015	10'	10'	7'

Source: SEA

Personal safety indicators

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the state and functionality of the vehicles/equipment provided	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	88.2	95.2	90.6
Perception of the adequacy of the personnel training	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	95.1	98.6	97.3

Source: SEA, CFI Group

Indicators of information at the airport

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Accessibility: no. of essential information accessible to visual, auditory and motor disabilities compared to the total no. of essential information	% essential information accessible on the total no. of essential information	Target 2015	n.d.	n.d.	n.d.
		Result 2015	100.0	100.0	100.0
Completeness: no. of information and instructions about the services offered available in accessible format compared to the total no.	% information/instructions about services in accessible format on the total no. of information/instructions	Target 2015	n.d.	n.d.	n.d.
		Result 2015	100.0	100.0	100.0
Perception of the effectiveness and accessibility of information, notifications and internal airport signage	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	93.9	97.7	96.4

Source: SEA, CFI Group

Indicators of communication with passengers

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
No. of responses provided within the set times compared to the total no. of requests for information received	% responses provided in the set time on total no. of requests	Target 2015	n.d.	n.d.	n.d.
		Result 2015	100.0	100.0	100.0
Number of complaints received compared to total PRM traffic	% complaints received on total PRM traffic	Target 2015	n.d.	n.d.	n.d.
		Result 2015	0.005	0.010	0.002

Source: SEA

Indicators of airport comfort

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the effectiveness of PRM assistance	% satisfied PRM	Target 2015	90.0	90.0	90.0
		Result 2015	92.0	98.0	97.0
Perception of the accessibility and usability of airport infrastructures: parking, intercom call, dedicated rooms, toilet facilities, etc.	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	95,7	97.1	95.7
Perception of the dedicated spaces to host the PRMs (e.g. Sala Amica)	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	89.1	98.5	87.5

Source: SEA, CFI Group

Indicators of relational and behavioural aspects

Indicator	Unit of measure		Malpensa T1	Malpensa T2	Linate
Perception of the personnel's courtesy (info point, security, personnel dedicated to special assistance)	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	97.4	98.0	96.8
Perception of the professionalism of personnel dedicated to providing special assistance to the PRMs	% satisfied PRM	Target 2015	n.d.	n.d.	n.d.
		Result 2015	95.1	98.6	97.3

Source: SEA, CFI Group

Certification of assistance service

SEA's airport assistance service for passengers with reduced mobility is certified (TÜV IT 005 MS).

The certification of service, based on a Technical Regulation created in accordance with UNI CEI EN 45011 and validated by a Technical Committee, chaired by Professor Mario Melazzini and composed of the leading associations for protection of people with disabilities (LEDHA and FAND) and by Malpensa Users Committee, representing airlines and airport operators at Milan airports. The Technical Regulation commits SEA to maintaining a level of service at Linate and Malpensa airports

above that prescribed by European regulations.

The Technical Regulation can be consulted on site www.seamilan.eu, under the section: airports - useful information - passengers with reduced mobility. This result supplements the one obtained by SEA in 2010 from the Dasa-Rägister certification body for the compliance of Linate and Malpensa with standard D-4001:2008, which defines the requirements a site must have to be usable by people with motor impairment, in compliance with equal opportunities (Certificate IA-0510-01).

Both initiatives are aimed at giving objectivity and transparency to the quality of the service provided and to establish a stable collaboration between people involved in such delicate care processes.

All services for passengers with reduced mobility are carried out free of charge by Sala Amica and include full assistance to passengers with temporary or permanent reduced mobility. This service must be requested at least 48 hours in advance to carrier.

Passengers with reduced mobility find easy access to all airport spaces: parking spaces close to entrances, lifts equipped with visual and sound signals and suitable ramps; for blind or visually impaired passengers,

Braille code buttons are installed on telephones and some lifts, and priority routes were created with the LOGES system (yellow rubber strips with embossed codes to indicate direction, obstacles and hazards).

Airport Passenger Contingency Plan

SEA Contingency Plan for Malpensa and Linate airports has been in operation since 2011, to respond to the needs of an airport in situations of operational disruption that lead to flight delays and/or cancellations and to assist passengers staying at air terminal for long periods of time, through targeted measures (temporary overnight stay at the airport, catering, etc.).

Chapter 10 - Organizational management

Our people

SEA Group workforce and supervised worker by gender as of December 31 (No.)

	2015			2014		
	Women	Men	Total	Women	Men	Total
Employed personnel	836	2,051	2,887	776	1,883	2,659
Agency personnel	-	18	18	-	25	25
Total	836	2,069	2,905	776	1,908	2,684

Source: SEA

Employees of SEA Group by contract type and gender as of December 31 (No.)

	2015			2014		
	Women	Men	Total	Women	Men	Total
Permanent	834	2,047	2,881	771	1,879	2,650
Fixed term	2	4	6	5	4	9
Total	836	2,051	2,887	776	1,883	2,659

Source: SEA

SEA Group's permanent employees by type and gender as of December 31 (No.)

	2015			2014		
	Women	Men	Total	Women	Men	Total
Full time	649	2,011	2,660	610	1,847	2,457
Part time	185	36	221	161	32	193
Total	834	2,047	2,881	771	1,879	2,650

Source: SEA

Contract types show a marginal part of fixed-term workers, who at 31/12/2015 account for 2% of total employees, while part-time workers account for 7.7%.

Employees turnover of SEA Group by location, gender and age group (No.)

	2015									Total
	<30			30-50			>50			
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Linate	3	2	5	5	2	7	6	14	20	32
Malpensa	1	-	1	2	10	12	1	4	5	18
Other locations [*]	-	3	3	-	3	3	-	-	-	6
Totale	4	5	9	7	15	22	7	18	25	56
Turnover	50.0%	41.7%	45.0%	1.1%	1.1%	1.1%	3.6%	2.8%	3.0%	1.9%

	2014									Total
	<30			30-50			>50			
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Linate	1	2	3	10	14	24	9	28	37	64
Malpensa	-	-	-	14	18	32	2	23	25	57
Other locations [*]	-	1	1	1	5	6	-	-	-	7
Total	1	3	4	25	37	62	11	51	62	128
Turnover	12.5%	15.0%	14.3%	4.1%	2.7%	3.1%	7.3%	10.5%	9.7%	4.8%

Note: intercompany transfers are not included.

^(*) Personnel at the Rome Ciampino, Venice and Catania airports.

Source: SEA

New employee hires of SEA Group by location, gender and age group (No.)

2015

	<30			30-50			>50			Total
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Linate	3	3	6	4	4	8	1	1	2	16
Malpensa	2	1	3	1	3	4	1	1	2	9
Other locations*	-	3	3	-	2	2	-	-	-	5
Total	5	7	12	5	9	14	2	2	4	30
Turnover	62.5%	58.3%	60.0%	0.8%	0.6%	0.7%	1.0%	0.3%	0.5%	1.0%

Note: intercompany transfers are not included.

(*) * Personnel at Rome Ciampino and Venice airports.

Source: SEA

Employees of SEA Group by job classification, gender and age group at December 31 (No.)

2015

	<30			30-50			>50			Total
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Executives and managers	-	1	1	64	98	162	42	121	163	326
White-collar workers	8	6	14	527	807	1,334	143	351	494	1,842
Blue-collar workers	-	5	5	43	492	535	9	170	179	719
Total	8	12	20	634	1,397	2,031	194	642	836	2,887

2014

	<30			30-50			>50			Total
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Executives and managers	-	-	-	65	105	170	35	115	150	320
White-collar workers	8	10	18	508	766	1,274	108	250	358	1,650
Blue-collar workers	-	10	10	44	507	551	8	120	128	689
Total	8	20	28	617	1,378	1,995	151	485	636	2,659

Source: SEA

Employees of SEA Group by job classification, gender and age group as of December 31 (No.)

2015

	<30			30-50			>50			Total
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
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Total	8	20	28	617	1,378	1,995	151	485	636	2,659

Source: SEA

Industrial relations

Unionisation rate in the Group is in line with the previous year.

SEA Group union membership rate

	No. of trade unions	Trade unions	% unionisation
31/12/2015	11	CGIL; CISL; COBAS COORD.P. VARESE; CUB-TRASPORTI; FLAI; SEL; SIN.PA; U.G.L.; UIL; USB; ADL VARESE	59%
31/12/2014	12	CGIL; CISAL; CISL; COBAS COORD.P. VARESE; CUB-TRASPORTI; FLAI; SEL; SIN.PA; U.G.L.; UIL; USB; ADL VARESE	59%

Source: SEA

2015 major agreements with Trade Unions

The ongoing dialogue with Trade Union Organisations continued in 2015, leading to the signing of agreements to define procedures for personnel reassignments, the reduction of labour costs and the introduction of a more efficient organization of work. Such agreements include the following:

- March - introduction of an alternative to the mere application of the weekly working time increase set forth by the CCNL (National Collective Bargaining Agreement). In particular, a new employment contract was defined for newly employed personnel, which suppresses company supplements for a first period, and subsequently recognises a small portion of it;
- May - definition of guidelines for reassigning personnel from SEA Handling (in liquidation) that is not suitable for activities of Sworn Security Guard, thus

guaranteeing occupational preservation. In addition, an agreement was signed with the aim of implementing the Customs and staff access gate management project, which involves the recruitment of personnel from Airport Handling, in accordance with the needs defined in June 2014;

- July - signing of a voluntary redundancy agreement aimed at a workforce reduction, both direct and staff, at Linate and Malpensa;
- September - signing of an agreement to define economic and regulatory conditions of the resource management during the "Snow Emergency Plan";
- November - following legislative changes introduced by the Jobs Act, signing an agreement to regulate the terms of notice for requests of parental leave.

	2015	2014
Number of agreements signed with the Trade Unions.	6	5

Source: SEA

During 2015, there were no specific trade union agreements related to workers' health and safety. In relation to the minimum notice period for operational amendments, time necessary for the adoption of such may significantly vary, according to the issue for which the amendment is necessary and the availability of the Trade Union Organizations – in line with that established by the regulation in force at the time – or where no regulation is in force (and therefore a trade union agreement or where sufficient a communication campaign is applied). In the first case, the average quantifiable notice time is one month and in the second case two weeks.

As regards changes in work shifts, corporate practices (consistent with Confindustria's interpretation of the third paragraph of Article 3 of the Multi-Industry Agreement of April 18, 1996 between Confindustria, Intersind, Asap and Cgil, Cisl, Uil and Cisl and Cisl and Confail) 15 days notice between the communication to Trade Unions and the implementation of shifts. This does not include any cases of changes (such as collective redundancies, redundancy fund) for which the law requires specific procedures, sets the number of days of the procedure's duration and the timing of the various phases it provides for.

Chapter 10 - Managing environmental resources

Raw materials

Since SEA is a service supplier, the main raw material consumption is related to energy consumption (including diesel and petrol used for airport operations) and

fluids for aircraft de-icing during winter, in presence of particular weather conditions.

Malpensa - Raw materials consumption	2015	2014	2013
Kilfrost ABC3 TYPEII (Lt)	841,566	326,905	1,083,290
Solid de-icer (Kg)	9,290	70	37,350
Liquid de-icer (Kg)	494,720	111,488	381,912

Linate - Raw materials consumption	2015	2014	2013
Kilfrost ABC3 TYPEII (Lt)	344,277	98,170	582,500
Solid de-icer (Kg)	-	-	-
Liquid de-icer (Kg)	7,981	29,230	295,835

Source: SEA

Water quality

In addition to inspections by Health Authority, the quality of water distributed through airport aqueducts is submitted to an internal schedule of frequent testing that includes the evaluation of many chemical, physical and microbiological parameters.

The tables below show that parameters analysed are far below the maximum permitted by law and proof the good quality of the water distributed at both airports, from both a chemical and microbiological point of view.

Linate - characterisation of drinking water

Parameter	Unit of measurement	Average yearly value			Values of reference It. Leg. Dec. 31/01
		2015	2014	2013	
pH	pH unit	8.1	7.8	7.7	$6.5 \leq \text{pH} \leq 9.5$
Conductivity	$\mu\text{S}/\text{cm}$	387.7	400.7	404.6	2500
Hardness	$^{\circ}\text{f}$	21.7	22.5	22.9	$15 \leq ^{\circ}\text{f} \leq 50$
Nitrates	mg/l	11.1	10.8	10.8	50
Chlorides	mg/l	7.8	6.9	6.9	250
Sulphates	$\mu\text{g}/\text{l}$	31.3	31.8	31.5	250
Iron	$\mu\text{g}/\text{l}$	10.0	13.2	11.8	200
Sodium	mg/l	5.9	5.8	6.3	200
Trichloroethylene + Tetrachlorethylene	$\mu\text{g}/\text{l}$	1.0	1.4	1.1	10
Total Trihalomethanes	$\mu\text{g}/\text{l}$	1.0	1.1	0.9	30
Benzene	$\mu\text{g}/\text{l}$	0.1	0.1	0.1	1
Coliform bacteria at 37°C	n/100ml	0.0	0.0	0.0	0
Escherichia coli	n/100ml	0.0	0.0	0.0	0
Enterococcus	n/100ml	0.0	0.0	0.0	0

Source: SEA

Malpensa - characterisation of drinking water

Parameter	Unit of measurement	Average yearly value			Values of reference It. Leg. Dec. 31/01
		2015	2014	2013	
pH	pH unit	8.1	8.0	7.9	6.5 ≤ pH ≤ 9.5
Conductivity	μS/cm	307.0	344.7	342.5	2500
Hardness	°f	17.0	18.3	17.9	15 ≤ °f ≤ 50
Nitrates	mg/l	21.7	21.9	23.3	50
Chlorides	mg/l	10.2	10.8	10.6	250
Sulphates	ug/l	15.4	16.2	16.0	250
Iron	ug/l	11.2	14.9	15.0	200
Sodium	mg/l	7.5	7.6	8.0	200
Trichloroethylene + Tetrachlorethylene	μg/l	1.1	1.5	1.9	10
Total Trihalomethanes	μg/l	1.0	1.1	1.1	30
Benzene	μg/l	0.1	0.1	0.1	1
Coliform bacteria at 37°C	n/100ml	0.0	0.0	0.0	0
Escherichia coli	n/100ml	0.0	0.0	0.0	0
Enterococcus	n/100ml	0.0	0.0	0.0	0

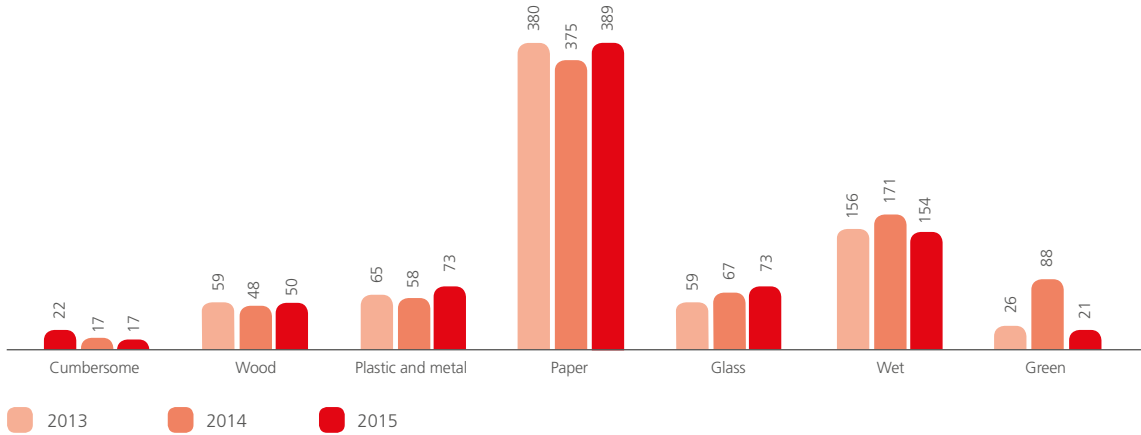
Source: SEA

Waste management

In 2015, SEA Group reconfirmed its commitment to separate collection of municipal solid waste and the like at Linate and Malpensa airports. Currently, collect-

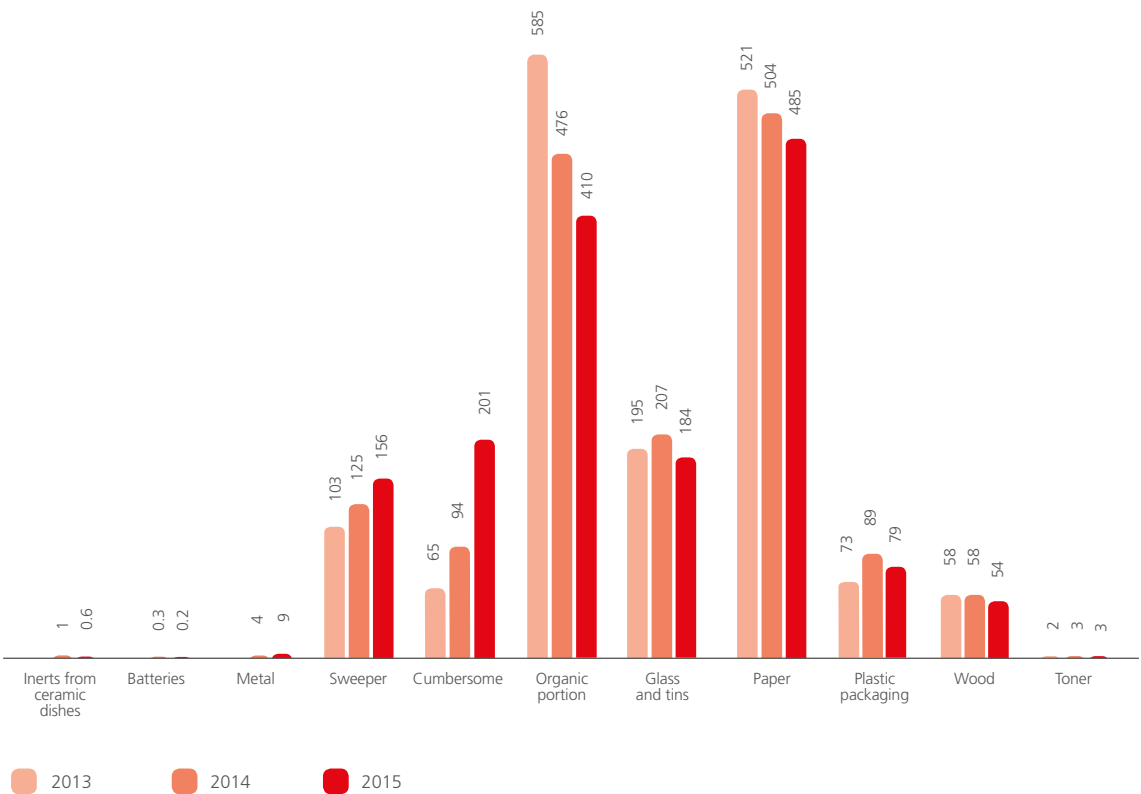
ed portions are: paper, cardboard, wood, glass, plastic, metal, toner, organic and, finally, batteries in airport areas open to public.

Linate - Separate collection of solid urban waste and the like (tons)



Source: SEA

Malpensa - Separate collection of solid urban waste and the like (tons)



Source: SEA

All special waste produced is separated by type, through specific contracts with companies authorised for the management of such waste (for example: IT equipment, oils, emulsions, iron, paints, etc.). It is therefore entirely separated by type and disposed or recycled according

to applicable regulations and technological standards of the treatment plant to which it is conferred. Disposal methods for various types of waste, as established by regulation (attachements B and C of Italian Legislative Decree 152/2006) are reported in the following tables:

Linate - Waste by disposal method (tons)

Method of disposal/recovery	2015	2014	2013
Ground incineration (D10)	1,296	1,254	1,362
Storage of waste to subject it to one of the operations indicated in points R1 to R12 (R13)	900	747	797
Recycling/recovery of unused organic substances as solvents (including composting and other biological transformations) (R3)	154	175	156
Preliminary storage of waste to subject it to one of the operations indicated in points D1 to D14 (D15)	51	151	72
Preliminary reconditioning before any of the operations referred to in points D1 through D13 (D14)	-	-	2
Organic processing not specified elsewhere in this annex, which gives rise to compounds or mixtures that are eliminated according to one of the procedures listed in points D1 to D12 (D8)	239	60	225
Organic processing that gives rise to compounds or mixtures eliminated according to one of the procedures listed in points D1 to D12 (D9)	-	142	-

Malpensa - Waste by disposal method (tons)

Method of disposal/recovery	2015	2014	2013
Ground incineration (D10)	3,812	3,656	3,477
Storage of waste to subject it to one of the operations indicated in points R1 to R12 (R13)	1,555	1,730	1,616
Recycling/recovery of unused organic substances as solvents (including composting and other biological transformations) (R3)	-	-	109
Preliminary storage of waste to subject it to one of the operations indicated in points D1 to D14 (D15)	242	133	76

Note: The information was provided by the suppliers of the service

The residual dry portion of municipal waste produced in both airports is sent to energy recovery plants; separated waste portions are, however, sent to specific recovery and recycling facilities (collection, transport, disposal or recovery is handled by the municipality).

Depending on specific characteristics, special waste is mostly sent to recovery plants. For waste with characteristics not unsuitable for recovery (e.g. sewer effluents), waste is delivered to final disposal facilities (collection and disposal or recovery by specialised/authorised companies).

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SEA

**ANALYSIS OF SCOPE OF MATERIAL
TOPICS AND RECONCILIATION
WITH GRI ASPECTS**

Analysis of scope of material topics and reconciliation with GRI aspects

Material topics	Internal scope	External scope	GRI G4 Aspects and Airport Operators Sector Disclosures
Shared development	Group	All the stakeholders	Economic performance
			Indirect economic impacts
			Local communities
Dialogue with stakeholders	Group		
Transparent communication	Group		
Noise impact	Group	Airport operators	Noise
			Consumer health and safety
			Products and services
Environmental risk monitoring	Group	Airport operators	Biodiversity
			Noise
			Products and services
			Effluents and waste
			Intermodality
			Environmental complaint management mechanisms
CO ₂ Reduction	Group	Airport operators	Emissions
Quality of service to passengers	Group	Airport operators/ Public administration	Business continuity and emergency management
			Consumer health and safety
			Quality of the service
Public transport accessibility	Group	Airport operators/ Public administration	Intermodality
			Transport
Quality of work at the airport	Group	Airport operators	Worker health and safety

Analysis of scope of material topics and reconciliation with GRI aspects

Material topics	Internal scope	GRI G4 Aspects and Airport Operators Sector Disclosures	
Passenger service offer	Group	Airport operators/ Public administration	
Employee engagement	Group	Airport operators/ Public administration	Service offers to people with reduced mobility
			Employment
			Industrial relations
			Diversity and equal opportunities
Employee empowerment	Group	Airport operators/ Public administration	Equal pay for men and women
			Training and development
Transparency and supplier selection	Group	Airport operators/ Public administration	Procurement practices
			Environmental assessment of suppliers
Energy efficiency	Group	Airport operators	
Water consumption	Group	Airport operators	

Source: SEA

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GRI CONTENT INDEX

General Standard Disclosure

General Standard Disclosure	Standard information	Page No.
Strategy and analysis		
G4-1	Letter to stakeholders	5-6
Profile of the organisation		
G4-3	Name of the organization	14
G4-4	Main brands, products and services	21-23
G4-5	Headquarters	14
G4-6	Countries of operation	14
G4-7	Ownership structure and legal form	14-16
G4-8	Served markets	76-77
G4-9	Size of the organization	14
G4-10	Employees by type of contract, gender, geographical area and job classification	114; 143-144
G4-11	Percentage of employees covered by collective bargaining agreements	146
G4-12	Description of the organization's supply chain	131-134
G4-13	Significant changes to the size, structure, ownership structure or supply chain of the organization	8; 14; 16
G4-14	Applying the prudential approach to risk management	SEA undertakes to apply a prudential approach to the definition and management of environmental and social risks.
G4-15	Adoption of external principles and codes in the economic, social and environmental field	88-91; 104-108
G4-16	Membership in trade associations or organizations	136

General Standard Disclosure

General Standard Disclosure	Standard information	Page No.
Identified material aspects and scope of the report		
G4-17	List of entities included in the consolidated financial statements and those not included in the sustainability report	8
G4-18	Description of the process for defining the contents of the financial statements	8; 51-53
G4-19	Identified material aspects	51-53; 154-155
G4-20	Material aspects internal to the organization	154-155
G4-21	Material aspects external to the organization	154-155
G4-22	Changes of information compared to the previous financial statements	8
G4-23	Significant changes in terms of objectives, scopes or methods of measurement compared to the previous financial statement	8
Stakeholder engagement		
G4-24	List of stakeholder groups with which the organization pursues engagement activities	45
G4-25	Principles for identifying and selecting key stakeholders with whom to pursue engagement activities	45-47
G4-26	Approach to stakeholder engagement activities, specifying the frequency by type of activity developed and by stakeholder group	46-47; 63-64
G4-27	Key issues and critical aspects emerged from stakeholder engagement and how the organization responded to the critical issues that emerged, also in reference to what is stated in the sustainability report	51; 63-64

General Standard Disclosure

General Standard Disclosure	Standard information	Page No.
Profile of the report		
G4-28	Reporting period of the sustainability report	8
G4-29	Date of publication of the most recent report	8
G4-30	Reporting frequency	8
G4-31	Useful contacts and addresses to request information about the report and its contents	171
G4-32	Indication of the selected “in accordance” option; GRI content index; references to the external audit	8; 169-170
G4-33	External assurance of the report	169-170
Governance		
G4-34	Governance structure of the organization, including members of the highest governing body. Identifying decision-makers on economic and social impacts	16-19
G4-35	Delegation process for economic, environmental and social issues from the highest governing body to executives or other employees of the organization	19; 24-25
G4-36	Executive positions or roles with responsibilities for economic, environmental and social issues, specifying whether they report directly to the highest governing body	19; 24-25
G4-38	Composition of the highest governing body and its committees	17-18
G4-39	Indicate whether the Chairman of the highest governing body also plays an executive role	17
Ethics and integrity		
G4-56	Mission, values, code of conduct and principles	14; 19-20; 48-51

Specific Standard Disclosure

DMA and Indicators	Standard information	Page No.
ECONOMIC PERFORMANCE INDICATORS		
Material aspect: Economic performance		
G4 - DMA	Generic disclosure on management approach	21-23
G4-EC1	Direct economic value generated and distributed	57-58
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	137
G4-EC3	Coverage of the organization's defined benefit plan obligations	122
G4-EC4	Financial assistance received from government	During 2015, SEA did not receive funding from government.
Aspect: Market presence		
G4 - DMA	Generic disclosure on management approach	78-85
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	This scope is governed by the CCNL and the supplementary agreements.
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	SEA guarantees equal opportunities during recruitment procedures and does not have a policy to favour local residents during the recruitment phase.
G4-A01	Total number of passengers annually, broken down by passengers on international and domestic flights and broken down by origin-and-destination and transfer, including transit passengers	80-82
G4-A02	Annual total number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights	80-82
G4-A03	Total amount of cargo tonnage	83-85

Specific Standard Disclosure

DMA and Indicators **Standard information** **Page No.**

Material aspect: Indirect economic impacts

G4 - DMA	Generic disclosure on management approach	55-57; 58-60
G4-EC7	Development and impact of infrastructure investments and services supported	55-57
G4-EC8	Significant indirect economic impacts, including the extent of impacts	58-60

Material aspect: Procurement practices

G4 - DMA	Generic disclosure on management approach	131-134
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	133-134

ENVIRONMENTAL PERFORMANCE INDICATORS

Material aspect: Energy

G4 - DMA	Generic disclosure on management approach	126-127
G4-EN3	Energy consumption within the organisation	126
G4-EN5	Energy intensity	127
G4-EN6	Initiatives to reduction of energy consumption	126
G4-EN7	Reductions in energy requirements of products and services	127

Specific Standard Disclosure

DMA and Indicators	Standard information	Page No.
Material aspect: Water		
G4 - DMA	Generic disclosure on management approach	128; 149-150
G4-EN8	Total water withdrawal by source	128
G4-EN9	Water sources significantly affected by withdrawal of water	128
G4-EN10	Percentage and total volume of recycled and reused water	72
G4-A04	Quality of storm water by applicable regulatory standards	72
Material aspect: Biodiversity		
G4 - DMA	Generic disclosure on management approach	138-139
G4-EN11	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	138-139
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value areas for biodiversity outside the protected areas	138-139
G4-EN13	Habitats protected or restored	138-139
G4-EN14	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	138-139

Specific Standard Disclosure

DMA and Indicators	Standard information	Page No.
Material aspect: Emissions		
G4 - DMA	Generic disclosure on management approach	65
G4-EN15	Direct greenhouse gas emissions (Scope 1)	65
G4-EN16	Energy indirect greenhouse gas emissions (Scope 2)	65
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	65
G4-EN18	Greenhouse gas emissions intensity	65
G4-EN20	Emissions of ozone-depleting substances	The amount of ozone substances present in cooling and conditioning systems is irrelevant as it is present only in some residual equipment.
G4-EN21	NO _x , SO _x and other significant air emissions	66-68
G4-A05	Air quality level according to the concentration of pollutants in microgrammes per cubic metre (µg/m ³) or parts per million (ppm) provided by current legislation	66-68
Material aspect: Effluents and waste		
G4 - DMA	Generic disclosure on management approach	70-73
G4-EN22	Total water discharge by quality and destination	71
G4-EN23	Total weight of waste by type and disposal method	129-131; 151-152
G4-EN24	Total number and volume of significant spills	73
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	The Group does not manage the transport, import and export of special waste considered hazardous under the Basel Convention.
G4-EN26	Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	72; 138-139
G4-A06	Aircraft and pavement de-icing/anti-icing fluid used and treated by m ³ and/or metric tons	71; 148

Specific Standard Disclosure

DMA and Indicators	Standard information	Page No.
Material aspect: Products and services		
G4 - DMA	Generic disclosure on management approach	66-68
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	66-68
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	This indicator is considered non-applicable to the activities carried out by the Group.
Material aspect: Compliance		
G4 - DMA	Generic disclosure on management approach	The Group manages regulatory compliance through the Legal Function.
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental regulations and laws	During 2015, the SEA Group did not receive significant non-monetary fines and penalties for non-compliance with environmental regulations.
Material aspect: Transport		
G4 - DMA	Generic disclosure on management approach	The Group carries out incentive policies for employees by facilitating the use of public transport for the home-work route.
G4-EN30	Significant environmental impacts of transporting products and goods and materials used for the organisation's operations and transporting members of the workforce	The Group carries out incentive policies for employees by facilitating the use of public transport for the home-work route.
Material aspect: Supplier Environmental assessment		
G4 - DMA	Generic disclosure on management approach	131-132
G4-EN32	Percentage of new suppliers screened using environmental criteria	132
Material aspect: Intermodality		
G4 - DMA	Generic disclosure on management approach	40-43
Material aspect: Noise		
G4 - DMA	Generic disclosure on management approach	68-69
G4-A07	Number and percentage of people residing in areas affected by airport noise	137-138
Material aspect: Environmental Grievance Mechanisms		
G4 - DMA	Generic disclosure on management approach	93
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	In 2015 it was not possible to monitor environmental impact reports. This activity will be implemented from 2017.

Specific Standard Disclosure

DMA and Indicators **Standard information** **Page No.**

SOCIAL PERFORMANCE INDICATORS

Subcategory: Labour practices

Material aspect: Employment

G4 - DMA	Generic disclosure on management approach	114-115
G4-LA1	Total number and rate of new employee hires and employee turnover by age group, gender and region	144-145
G4-LA2	Benefits provided for full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	121
G4-LA3	Return to work and retention rates after parental leave, by gender	123-124

Material aspect: Labour/Management Relations

G4 - DMA	Generic disclosure on management approach	146-147
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	147

Material aspect: Occupational health and safety

G4 - DMA	Generic disclosure on management approach	118-119
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help, monitor and advise on occupational health and safety programs	119
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities, by region and by gender	120; 125
G4-LA8	Health and safety topics covered in formal agreements with trade unions	147

Specific Standard Disclosure

DMA and Indicators	Standard information	Page No.
Material aspect: Training and development		
G4 - DMA	Generic disclosure on management approach	115-116
G4-LA9	Average hours of training per year per employee by gender and by employee category	115-116
G4-LA10	Programmes for skills management and life-long learning that support the continued employability of employees and assist them in managing career ending	117
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	117
Material aspect: Diversity and equal opportunities		
G4 - DMA	Generic disclosure on management approach	118
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	17; 118
Material aspect: Equal Remuneration for Women and Men		
G4 - DMA	Generic disclosure on management approach	118
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, divided by significant locations of operation	118
Subcategory: Human rights		
Material aspect: Security practices		
G4-DMA	Generic disclosure on management approach	The security personnel is trained and operates according to Italian and international airport regulations.
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	The security personnel is trained and operates according to Italian and international airport regulations.
Subcategory: Community		
Material aspect: Local communities		
G4 - DMA	Generic disclosure on management approach	47; 55
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	55-57
G4-SO2	Operations with significant potential or actual negative impacts on local communities	68-69; 137-138
G4-A08	Number of persons physically or economically displaced, either voluntarily or involuntarily by the airport operator cases of voluntary or on its behalf by a governmental or other entity, or involuntary and compensation provided	During the reporting period there have been no cases of voluntary or involuntary displacement of persons.

Specific Standard Disclosure

DMA and Indicators	Standard information	Page No.
Subcategory: Product responsibility		
Material aspect: Customer Health and Safety		
G4 - DMA	Generic disclosure on management approach	68; 73-74
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	68-69; 73-74
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	No cases of non-compliance were reported during the reporting period.
G4-A09	Total annual number of wildlife strikes per 10,000 aircraft movements	74
Material aspect: Business continuity and emergency management		
G4 - DMA	Generic disclosure on management approach	143
Material aspect: Quality of the service		
G4 - DMA	Generic disclosure on management approach	88-91; 104-112
Material aspect: Service offerings to persons with reduced mobility		
G4 - DMA	Generic disclosure on management approach	140-143

SEA

AUDITOR'S REPORT



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INDEPENDENT AUDITORS' REPORT ON THE SUSTAINABILITY REPORT

**To the Board of Directors of
Società per Azioni Esercizi Aeroportuali - SEA S.p.A.**

We have carried out a limited assurance engagement on the Sustainability Report of the SEA Group (the "Group") as of December 31, 2015.

Directors' responsibility on the Sustainability Report

The Directors are responsible for the preparation of the Sustainability Report in accordance with the "G4 Sustainability Reporting Guidelines" (2013) and the "Airport Operators Sector Disclosures" (2014) both issued by GRI - Global Reporting Initiative, as stated in the paragraph "Methodological Note" of the Sustainability Report, and for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to frauds or unintentional behaviours or events. The Directors are also responsible for defining the SEA Group's objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

Auditors' responsibility

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board for limited assurance engagements. The standard requires the compliance with ethical principles, including independence requirements, and that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

The procedures performed on the Sustainability Report included inquiries, primarily with company personnel responsible for the preparation of the Sustainability Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

These procedures consisted in verifying its compliance with the principles for defining report content and quality set out in the "G4 Sustainability Reporting Guidelines", and are summarized as follows:

- comparing the economic and financial information and data reported in the paragraphs "Model and business areas" and "Value distributed to our stakeholders" of the Sustainability Report with those included in the Group Consolidated Financial Statements as of December 31, 2015, on which Deloitte & Touche S.p.A. issued the auditors' report pursuant to articles 14 and 16 of Legislative Decree no. 39 of 27 January, 2010, dated April 14th, 2016;
- analysing, through interviews, the governance system and the management process of the matters related to sustainable development regarding the strategy and operations of the Group;
- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;

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- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
 - interviews and discussions with the management of the SEA Group to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the internal control procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
 - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that the internal control system correctly manages data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the guidelines identified in the paragraph "Directors' responsibility on the Sustainability Report" of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the President of Società per Azioni Esercizi Aeroportuali - SEA S.p.A., on the compliance of the Sustainability Report with the guidelines identified in the paragraph "Directors' responsibility on the Sustainability Report" of this report, as well as the reliability and completeness of the data and information disclosed.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group as of December 31, 2015 is not prepared, in all material respects, in accordance with the "G4 Sustainability Reporting Guidelines" (2013) and the "Airport Operators Sector Disclosures" (2014) both issued by GRI - Global Reporting Initiative, as stated in the chapter "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Socio

Milan, July 27 2017

*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 CO₂ emissions.

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

SEA Group - 2015 Sustainability Report

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