

SEA BOARD OF DIRECTORS: 2016 DRAFT FINANCIAL STATEMENTS APPROVED

SEA Group results

Operating revenue: €653.5 million, up 1.7%

On like-for-like basis and net of non-recurring items, revenue was up 3.3%

EBITDA: €234.4 million, up 5.1%

On like-for-like basis and net of non-recurring items, EBITDA was up 7.4%

Net profit: €93.6 million, up 11.7%

Passenger traffic: 29 million, up 3.1% (Malpensa up 19.1% in December)

Cargo traffic: 549.4 thousand tonnes: + 7.2% (+18.4% in December)

Milan, 23 March 2017 - The Board of Directors of SEA S.p.A. has met under the chairmanship of Pietro Modiano and examined and approved the 2016 draft financial statements of SEA S.p.A. and the 2016 consolidated financial statements of the SEA Group.

“2016 was another positive year for SEA,” commented SEA Chairman Pietro Modiano. “The financial statements confirm and reinforce the progress made on profitability, efficiency and financial solidity, already evident in the 2015 results, reflecting a structural upturn that appears to be sustainable, in line with the strategic plan recently approved by the board of directors. Net of non-recurring items, like-for-like revenue was up 3.3%, thanks to 3.8% growth in the aviation business, substantially consistent with traffic figures, and a 2.0% growth in the non-aviation business. Costs were in line with the previous year. As such, EBITDA was up 5.1% from €223.1 million to €234.4 million, reaching an all-time high. Net of non-recurring items and on a like-for-like basis, EBITDA was up 7.4%. Net profit increased from €83.8 million to €93.6 million (+11.7%), also an all-time high.

Investing activities continued apace, focused mainly in Milan Malpensa, for the completion of work on restyling the terminals and on cargo areas, and in Milan Linate, for the construction of a new general aviation hangar.

Net debt was €529.4 million, down €8.9 million compared to the previous year, due to positive cash generation from operations.

Traffic grew at a steady rate (3.1% for passengers and 7.2% for cargo), with a positive trend that has become stronger as the months have passed. End-of-year passenger and cargo traffic numbers – discounting the effect of the Expo on 2015 figures – were very significant, including by domestic and international comparison. In the final two months of 2016, passenger traffic was some 11.9% higher than the same period of 2015, including a 15.3% rise in traffic at Milan Malpensa (+19.1% in December alone). Similarly, cargo

volumes increased 11.9% in the final two months of 2016 (+18.4% in December alone).

General aviation traffic in terms of movements was down 8.4% compared to 2015, which was heavily influenced by the Expo.

One of the most important outcomes of last year was the resolution of the SEA Handling case and of the fine imposed on it for state aid, which had affected past years' results and threatened many hundreds of jobs.

Overall it was a pleasing year for our business, which moreover is to be set against a background of a general upturn in the attractiveness and dynamism of Milan and the metropolitan area. My congratulations and sincere thanks go to all SEA's staff for the results we have achieved."

Consolidated financial performance

Background information

The accounting standards used to prepare the 2016 consolidated financial statements are in line with those used to prepare the consolidated financial statements as at 31 December 2015. The scope of consolidation as at 31 December 2016 was different to at 31 December 2015, due to the sale on 1 April 2016 of 60% of SEA Prime SpA's equity interest in Signature Flight Support Italy Srl (formerly Prime AviationServices SpA) and of the refuelling business. Due to the loss of control, the investment in Signature Flight Support Italy Srl is now classified among associates instead of subsidiaries and is recognised using the equity method rather than consolidated on a full line-by-line basis.

Revenue

2016 operating revenue (revenue net of the component relating to works on assets under concession) totalled €653.5 million, including €409 million from the Aviation business, €216.9 million from the Non-Aviation business, €11.8 million from the General Aviation business, and €15.9 million from the Energy business.

Operating revenue was up €11.1 million compared to the previous year (+1.7%), including €4 million in non-recurring revenue. Net of these components and deducting the revenue of Signature Flight Support Italy Srl (formerly Prime AviationServices SpA and the refuelling business (included for 12 months in 2015 and 3 months in 2016), revenue was up **€20.8 million (+3.3%)**. This performance was mainly driven by:

- Aviation (€14.9 million), due to higher traffic volumes both in the passenger and cargo segments, benefitting from additional capacity offered by carriers that was helped by constant fuel prices throughout 2016 and the availability of new fleets;

- Non-Aviation (€4.2 million), which recorded improved results in the shops, food & beverage and car rental segments. The parking business also saw a significant increase in revenue, thanks to the return to full operation of the carparks closed in 2015 due to work on the train station at Terminal 2;
- Energy (€0.4 million), due to the increase in revenue for Green Certificates and White Certificates accrued in 2016 and a slight increase in revenue from the sale of thermal energy. There was a fall in revenue from the sale of electricity;
- General Aviation, which on like-for-like basis saw a €1.3 million increase in revenue mainly deriving from non-aviation activities.

Operating costs for the year 2016 were €422.6 million, **in line with the previous year (-0.1%)**. Net of non-recurring costs and eliminating the costs of the company Prime Aviation Services and the refuelling business (included for 12 months in 2015 and 3 months in 2016), costs were up €4.1 million (+1.0%). Personnel cost, net of these effects, was up €4.9 million, also due to the growth in the scope of security-related activities. External costs were down €0.8 million. This was the result of the €6.6 million increase in costs connected to traffic volumes and the significant €7.4 million reduction in other core operating costs.

EBITDA amounted to €234.4 million compared to €223.1 million at 31 December 2015, up 5.1% (+€11.3 million). Net of non-recurring items and on a like-for-like basis, EBITDA was up 7.4% (€16.6 million).

EBIT was €150 million, up 2.7% compared to €146.1 million in 2015, while **net profit attributable to the SEA Group** amounted to **€93.6 million**, up €9.8 million (+11.7%) compared to the previous year.

The SEA Group net debt at the end of 2016 was €529.4 million, down €8.9 million compared to 2015 (€538.3 million).

Investments in 2016 amounted to a €85.9 million. In addition to the restyling of Terminal 1 at Milan Malpensa, work was completed on the new train station at Terminal 2 and the connection to Terminal 1.

In Terminal 2, work was concluded on the new security area and check-in desks, and the baggage collection area was also renovated.

At the Milan Malpensa Cargo area, building was completed on the first warehouse for use by a cargo carrier and work is now in progress on a second.

Planning is under way for the redesign and restyling of Milan Linate, the main objectives of which are to improve perceived quality, architectural image and overall passenger experience. Work continued during the year on building General Aviation hangar 9, which was handed over in full to the client in February 2017.

There were also significant investments in Information and Communication Technology, with the aim of developing digital channels with new mobile apps and

migrating the SAP ERP (Enterprise Resource Planning) environment to the Cloud, based on new HANA technology.

SEA SpA

The **Parent Company SEA SpA**, ended 2016 with revenue of €678.6 million, up 2.0% compared to the previous year. EBITDA was €226.0 million (+5.8%) and **the company's net profit was up 11.8% to €87.9 million**.

Call to Ordinary Shareholders' Meeting

The Board of Directors of SEA has resolved to call an Ordinary Shareholders' Meeting. The meeting will be held at first call on 28 April 2017 at 2.00 pm and, if necessary, at second call on 3 May 2017 at 10.30 am. The agenda is as follows:

- Resolutions pursuant to Article 2364(1)(1-2) of the Italian Civil Code.