



## 6 Assets and liabilities held-for-sale and Discontinued Operations profit/(loss)

The present section reports a breakdown of the Discontinued Operations' accounts presented in the Income Statement, the Statement of Financial Position and the Consolidated Cash Flow Statement.

With the application of IFRS 5, the income statement of the commercial aviation handling sector is not included in the 2016 and 2017 results line-by-line for each cost and revenue item, but

the total result of the business is recorded on a separate line in the account "Discontinued Operations profit/(loss)". The same treatment is applied to the assets and liabilities related to the commercial aviation handling sector at December 31, 2016, recorded in separate accounts under assets and liabilities.

In relation to the cash flow statement, all cash flows concerning *Discontinued Operations* are presented under the operating activities, investing activities and financing activities of the consolidated cash flow statement.

It is recalled that the net result

of the discontinued operations in 2016 and 2017 and the assets and liabilities of the discontinued operations in 2016 concern SEA Handling liquidated on June 30, 2017, given that Airport Handling is not included in the consolidation scope due to the allocation to the Milan Airport Handling Trust on August 26, 2014. There are no limits on the comparability of the two financial years since SEA Handling was a non-operating company in both years.

The breakdown of the *Discontinued Operations* results is presented below:

## DISCONTINUED OPERATIONS INCOME STATEMENT

(Euro thousands)	2017	2016	Change	Change %
	Total	Total		
Operating revenues	299	383	(84)	-21.9%
<b>Total revenues</b>	<b>299</b>	<b>383</b>	<b>(84)</b>	<b>-21.9%</b>
Operating costs				
Personnel costs	(10)	(120)	110	-91.7%
Other operating costs	(369)	(547)	178	-32.5%
<b>Total operating costs</b>	<b>(379)</b>	<b>(667)</b>	<b>288</b>	<b>-43.2%</b>
<b>EBITDA</b>	<b>(80)</b>	<b>(284)</b>	<b>204</b>	<b>-71.8%</b>
Provisions & write-downs	1,636	194	1,442	743.3%
<b>EBIT</b>	<b>1,556</b>	<b>(90)</b>	<b>1,646</b>	<b>-1828.9%</b>
Financial income		2	(2)	-100.0%
<b>Pre-tax result</b>	<b>1,556</b>	<b>(88)</b>	<b>1,644</b>	<b>-1868.2%</b>
Income tax		(42)	42	-100.0%
<b>Discontinued Operations profit/(loss)</b>	<b>1,556</b>	<b>(130)</b>	<b>1,686</b>	<b>-1296.9%</b>

Operating income for the year 2017 amounts to a total of Euro 299 thousand and mainly includes prior year income generated from the liquidation of the payables.

Operating costs incurred in the year 2017 amount to Euro 379 thousand and include: i) **Personnel costs** for Euro 10 thousand, associated with legal costs linked to the settlement of disputes relating to employment contracts; ii) **Other operating costs** for Euro 369 thousand related mainly to costs for professional and legal consultancy services, remuneration for the Board of Statutory Auditors and the administrative service pro-

vided by SEA S.p.A.. Furthermore, losses incurred due to the closure of irrecoverable credit positions were recorded.

**Provisions and write-downs** positively impacted the income statement for Euro 1,636 thousand and include: i) the release of the future charges provision and the release of the deductibles provision due to having reached the periods of limitation, also considering that the loss of the seizable asset by the party that suffered the damage, cancels the risk of a request for compensation (Euro 1,511 thousand); ii) the recognition of impairment losses

reversals for receivables of Euro 125 thousand, considered to be irrecoverable in the past, as a result of their collection in 2017.

Taxes, amounting to Euro 42 thousand at December 31, 2016, refer to the reversal effect of deferred tax assets recorded at December 31, 2015.

The assets and liabilities related to the discontinued Operations at December 31, 2017 and December 31, 2016 are reported below:

## DISCONTINUED OPERATIONS BALANCE SHEET

(Euro thousands)	at December 31, 2017	at December 31, 2016
	Total	Total
<b>ASSETS</b>		
Property, plant & equipment		32
Deferred tax assets		0
<b>Total non-current assets</b>	<b>0</b>	<b>32</b>
Trade receivables		0
Other receivables		1,522
Cash and cash equivalents		9,178
<b>Total current assets</b>	<b>0</b>	<b>10,700</b>
<b>Total assets held-for-sale</b>	<b>0</b>	<b>10,732</b>
<b>LIABILITIES</b>		
Share capital		10,305
Other reserves		(1,822)
Net loss		(130)
<b>Shareholders' Equity</b>	<b>0</b>	<b>8,353</b>
Provision for risks and charges		1,704
<b>Total non-current liabilities</b>	<b>0</b>	<b>1,704</b>
Trade payables		645
Income tax payables		7
Other payables		23
<b>Total current liabilities</b>	<b>0</b>	<b>675</b>
<b>Total liabilities related to assets held-for-sale</b>	<b>0</b>	<b>2,379</b>
<b>Total liabilities related to assets held-for-sale &amp; shareholders' equity</b>	<b>0</b>	<b>10,732</b>

“Total assets held-for-sale” and “Total liabilities related to assets held-for-sale” at December 31, 2017 amount to zero as a result of the liquidation that took place on June 30, 2017.

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The cash flows relating to the Discontinued Operations were as follows:

**DISCONTINUED OPERATIONS CASH FLOW STATEMENT**

(Euro thousands)	2017	2016
<b>Cash flow from operating activities</b>		
Pre-tax profit/(loss) of discontinued operations	1,556	(88)
<i>Adjustments:</i>		
Net change in provisions (excl. employee provision)	(1,636)	(131)
Net changes in doubtful debt provision	0	(31)
Net financial charges	0	(1)
Other non-cash items	(137)	(372)
<b>Cash generated (absorbed) from operating activities before changes in working capital of discontinued operations</b>	<b>(217)</b>	<b>(623)</b>
Change in trade and other receivables	(195)	2,309
Change in trade and other payables	(418)	(157)
<b>Cash generated (absorbed) from changes in working capital of discontinued operations</b>	<b>(613)</b>	<b>2,152</b>
Receipt of tax benefit, net of income taxes paid	0	848
<b>Cash flow generated (absorbed) from operating activities of discontinued operations</b>	<b>(830)</b>	<b>2,377</b>
Divestments from property, plant & equipment	32	301
Divestments from intangible assets	0	0
Divestments from financial assets		
<b>Cash generated (absorbed) from investing activities of discontinued operations</b>	<b>32</b>	<b>301</b>
Repayment final settlement to shareholder SEA	(8,380)	0
Interest received	0	1
<b>Cash flow from financing activities of discontinued operations</b>	<b>(8,380)</b>	<b>1</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(9,178)</b>	<b>2,679</b>
Opening cash and cash equivalents	9,178	6,499
Closing cash and cash equivalents	0	9,178



In 2017, operating activities of discontinued operations absorbed liquidity for Euro 830 thousand, mainly for payments to suppliers and for disbursements resulting from the settlement of civil disputes.

In 2017, *"Cash flows generated from investing activities"* reflect the income collected in March 2017 for assets sold by SEA Handling to SEA S.p.A. in January 2017 and are identified in the contract signed in December 2016 for a total value of Euro 32 thousand.

*"Cash flows from financing activities of discontinued operations"* were virtually nil in 2016, while in 2017 they amounted to Euro 8,380 thousand and are related to the final liquidation repayment in favour of the sole shareholder SEA S.p.A..