

8 Transactions with Related Parties

The table below shows the balances and transactions of the company with related parties for the years 2017 and 2016 and an indication of the percentage of the relative account:



TRANSACTIONS WITH RELATED PARTIES

at December 31, 2017				
(Euro thousands)	Trade Receivables	Current financial receivables	Trade Payables	Income tax payables
<i>Subsidiaries</i>				
SEA Energia SpA	409	20,253	3,201	41
SEA Prime SpA	2,897	377	1,170	
<i>Associates</i>				
SACBO SpA	276		510	
Dufrital SpA	5,430		1,149	
Malpensa Logistica Europa SpA	1,840		1,046	
SEA Services Srl	1,137		1,714	
Signature Flight Support Italy Srl	63		1	
Disma SpA	116		99	
Total related parties	12,168	20,630	8,890	41
Total book value	108,612	20,630	146,834	7,227
% on total book value	11.20%	100.00%	6.05%	0.57%

Year ended December 31, 2017					
(Euro thousands)	Operating revenues	Other operating costs	Personnel costs	Net financial income (charges)	Investment income (charges)
<i>Subsidiaries</i>					
SEA Handling SpA in liquidation ^(*)	10	8			1,705
SEA Energia SpA	440	21,822	(80)	839	
Consorzio Malpensa Construction ^(*)	(8)	4			74
SEA Prime SpA	7,581	4,105	(566)		
<i>Associates</i>					
SACBO SpA ^(**)	921	10,440	(4)		2,128
Dufrital SpA	30,541	21			1,679
Malpensa Logistica Europa SpA	4,239	10	(38)		1,236
SEA Services Srl	3,331	3,113			624
Disma SpA	215				234
Signature Flight Support Italy Srl	121				
Total related parties	47,391	39,523	(688)	839	7,680
Total book value	676,167	233,552	205,348	(17,075)	7,680
% on total book value	7.01%	16.92%	-0.34%	-4.91%	100.00%

^(*) In 2017 SEA Handling SpA in liquidation and Malpensa Construction Consortium were removed from the companies register following the approval of the final liquidators' accounts and the distribution plan. For further information, reference should be made to Notes 6.4 and 7.10.

^(**) The account "Other operating costs" relating to transactions with SACBO, equivalent to Euro 10,440 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.

SEA SPA - SEPARATE FINANCIAL STATEMENTS

at December 31, 2016

(Euro thousands)	Trade Receivables	Current financial receivables	Tax receivables	Trade Payables	Current and non-current financial liabilities	Income tax payables
<i>Subsidiaries</i>						
SEA Handling SpA in liquidation	63					1,028
SEA Energia SpA	731	43,532		14,092		41
Consorzio Malpensa Contruction	156			248		
SEA Prime SpA	2,277			1,041	4,577	
<i>Associates</i>						
SACBO SpA	138			342		
Dufrital SpA	5,350			1,173		
Malpensa Logistica Europa SpA	1,029			986		
SEA Services Srl	354			834		
Signature Flight Support Italy Srl	30			1		
Disma SpA	131			98		
Total related parties	10,259	43,532	-	18,815	4,577	1,069
Total book value	82,965	43,532		161,771	581,145	6,046
% on total book value	12.37%	100.00%	0.00%	11.63%	0.79%	17.68%

Year ended December 31, 2016

(Euro thousands)	Operating revenues	Other operating costs	Personnel costs	Net financial income (charges)	Investment income (charges)
<i>Subsidiaries</i>					
SEA Handling SpA in liquidation	30	(2)	(79)		(249)
SEA Energia SpA	803	27,244	(80)	1,090	
Consorzio Malpensa Contruction					
SEA Prime SpA	7,607	4,088	(428)		
<i>Associates</i>					
SACBO SpA (*)	860	9,518	(6)		1,801
Dufrital SpA	28,695	19			
Malpensa Logistica Europa SpA	4,076		(40)		173
SEA Services Srl	2,547	2,569			680
Disma SpA	230				281
Signature Flight Support Italy Srl	70		(24)		
Total related parties	44,918	43,436	(657)	1,090	2,686
Total book value	632,013	223,013	177,478	(17,779)	4,587
% on total book value	7.11%	19.48%	-0.37%	-6.13%	58.56%

(*) The account "Other operating costs" relating to transactions with SACBO, equivalent to Euro 9,518 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.



Transactions with subsidiary companies

Commercial transactions between SEA and subsidiary companies are as follows:

- i. the transactions between SEA and SEA Handling SpA in liquidation concern the provision to the subsidiary SEA Handling SpA in liquidation of some administration services (among which legal and administration). These services were terminated with the removal from the companies register of SEA Handling SpA in liquidation, on July 25, 2017, following the completion of the liquidation procedure;
- ii. the transactions with SEA Energia SpA concern the supply to the Milan Airports, of electric and thermal energy produced by the Co-generation plants, located at the aforementioned airports, for its energy requirements, the agreements relating to the division of the Green Certificates generated by the Co-generation plants at the Milan Linate Airport, as

well as the agreement for the provision, by the Company in favour of SEA Energia, of administrative services (among which legal, fiscal, planning and control);

- iii. the transactions between the Company and the Malpensa Construction Consortium relate to the provision of management services of the works for the expansion and improvement of the Milan Airports which the Consortium undertakes on behalf of SEA. These services were terminated with the removal from the companies register of Malpensa Consorzio Malpensa Construction in liquidation, on December 14, 2017, following the completion of the liquidation procedure;
- iv. the transactions with SEA Prime SpA concern the sub-concession contract for the General Aviation management operations, at Linate airport, granted by SEA on May 26, 2008 and expiring on April 30, 2041. The contract concerns, specifically, the utilisation of the general

aviation infrastructure and the verification and collection, on behalf of SEA, of airport and security fees. An agreement is also in place between the company and SEA Prime SpA for administration services (including legal, tax and accounting services).

Financial receivables and payables relate to centralised treasury services (cash pooling) which SEA undertakes on behalf of the subsidiaries.

Transactions with associated companies

The transactions between the Company and the associated companies, in the periods indicated below:

- commercial parking management transactions at Orio al Serio-Bergamo (SACBO) airport;
- commercial transactions with reference to the recognition to SEA of royalties on sales (Dufrital);
- rental of premises (Malpensa Logistica Europa);

- supply to SEA of catering services (SEA Services);
- commercial transactions deriving from the concession for the distribution of fuel (Disma).

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

Other transactions with Related Parties

SACBO SpA

In 2017, SACBO distributed dividends to SEA for Euro 2,128 thousand.

DUFRITAL SpA

In 2017, Dufrital distributed dividends to SEA for Euro 1,679 thousand.

MALPENSA LOGISTICA EUROPA SpA

In 2017, Malpensa Logistica Europa SpA distributed dividends to SEA for Euro 1,236 thousand.

SEA SERVICES Srl

In 2017, SEA Services distributed dividends to SEA for Euro 624 thousand.

DISMA SpA

In 2017, Disma distributed dividends to SEA for Euro 234 thousand.

9 Directors' fees

In 2017, the remuneration for the Board of Directors, including social security contributions and accessory charges, amounted to Euro 428 thousand (Euro 481 thousand in 2016).

10 Statutory auditors' fees

In 2017, the remuneration for the Board of Statutory Auditors, including welfare and accessory charges, amounted to Euro 222

thousand (Euro 220 thousand in 2016).

11 Independent Audit Firm fees

The fees for the audit of the statutory financial statements of SEA recognised to the independent audit firm Deloitte & Touche SpA for the year 2017 amounted to Euro 102 thousand and Euro 53 thousand for other activities.

12 Commitments and guarantees

12.1 Investment commitments

The principal commitments for investment contracts under Consortium Regroupings are shown below net of works already realised:

BREAKDOWN PROJECT COMMITMENTS

(Euro thousands)	at December 31, 2017	at December 31, 2016
Design and extraordinary maintenance civil works and plant at Linate & Malpensa	21,532	6,403
Design and construction of new warehouses at Cargo City of Malpensa	4,006	7,582
Design and extraordinary maintenance of Linate & Malpensa AVL plant	3,465	
Construction of new frontage at Linate	3,381	
Design and extraordinary maintenance flight infrastructure and roadways at Linate and Malpensa	1,148	3,201
Construction of new de-icing area at Linate	777	
Total project commitments	34,309	17,186

12.2 Commitments for rental contracts

At December 31, 2017, SEA has commitments on rental contracts totalling Euro 24,526 thousand,

principally relating to software and hardware components for the airport IT system, the rental of airport buses and the motor vehicles fleet.

The breakdown of the minimum payments on the contracts of the Company at December 31, 2017 is as follows:

(Euro thousands)	at December 31, 2017
Within 12 months	7,060
Between 1 and 5 years	17,466
Total	24,526

12.3 Guarantees

The secured guarantees, amounting to Euro 2,348 thousand at December 31, 2017, relate to the lien on receivables against loans provided by credit institutions on European Investment Bank funds.

At December 31, 2017, the sureties in favour of third parties were as follows:

- two bank sureties, equal respectively to Euro 42,000 thousand and Euro 46,000 thousand, as guarantee on funds

drawn down in June 2015 and June 2017 on the EIB line subscribed in December 2014;

- surety of Euro 25,000 thousand to Banca Popolare di Milano to guarantee credit lines received from companies within the centralised treasury system;





- surety of Euro 24,096 thousand in favour of ENAC, as guarantee of the concession fee;
- surety of Euro 3,500 thousand in favour of A2A Trading Srl as guarantee of the obligations under the provision of the natural gas contract signed between A2A Trading Srl and SEA Energia SpA;
- surety of Euro 2,000 thousand in favour of SACBO as guarantee for the parking management at Bergamo airport;
- surety of Euro 2,000 thousand in favour of the Ministry of Defence as guarantee of the obligations pursuant to the technical agreement of June 4, 2009 following the advance delivery of the "Cascina Malpensa" area;
- surety of Euro 102 thousand in favour of the supplier Contract GmbH for the rental of airport buses;
- Euro 370 thousand for other minor sureties.

13 Contingent liabilities and disputes

Reference should be made to the explanatory notes in relation to disputes on investments (Note 6.4 and Note 6.5), receivables (Note 6.10) and operating risks (Note 6.16).

14 Contingent assets

With reference to Judgment 7241/2015 of the Milan Court, confirmed by the Milan Court of Appeal with Judgment No. 331/2017, as not all appeals have been made this contingent asset was not recognised in the income statement as per IAS 37.

For further information reference should be made to "Subsequent events to the year-end" in the Directors' Report.

15 Transactions relating to atypical or unusual operations

In accordance with Consob Communication of July 28, 2006, the Company did not undertake any transactions deriving from atypical or unusual operations, as set out in the communication.

16 Significant non-recurring events and transactions

Pursuant to CONSOB Communication of July 28, 2006, in the view of Directors, in 2017 the Company undertook the following non-recurring significant operations:

- On May 30, 2017, the Authority confirmed the re-assessment of the fine, issued by AGCM in 2015 (totalling Euro 3,365

thousand) on the conclusion of the Procedure contesting its dominant position in relation to the tender procedures for the disposal of SEA Prime SpA (formerly ATA Ali Trasporti Aerei SpA), for the amount of Euro 936 thousand and the communication to the Ministry for the Economy and Finance of the approval of the refunding of the total amount of Euro 2,430 thousand (of which Euro 1 thousand for default interest). This income was recorded in the account "Operating Revenues" and under receivables until the actual collection;

- With the conversion of Decree-Law 244/2016 (commonly known as the "Milleproroghe Decree"), the legislature decided to postpone the application of system charges starting from January 1, 2018. Therefore, the amounts accrued in the years 2015 and 2016 were reversed;
- On July 10, 2017, the Ordinary Shareholders' Meeting of SEA Handling SpA in liquidation approved the final liquidators

accounts at June 30, 2017 and the relative division plans, authorising the Liquidator to request the cancellation of the company (cancellation on July 25, 2017). The liquidator has arranged to pay the sole shareholder SEA SpA the sum of Euro 8,376 thousand resulting from the distribution plan. The company recorded income under "Investment Income and Charges" of Euro 1,705 thousand as the difference between the carrying amount of the subsidiary at December 31, 2016 and the value of the assets liquidated.

17 Subsequent events to 2017

Reference should be made to the Directors' Report.

The Chairman of the Board of Directors

Pietro Modiano

Board of statutory auditors' report to the shareholders' meeting of SEA – Società Esercizi Aeroportuali S.p.A.

as per Article 2429, second paragraph, of the Civil Code

Dear Shareholders,

during the year ended December 31, 2017, the Board of Statutory Auditors performed the supervisory activities required by law, in accordance with the Conduct rules for Boards of Statutory Auditors endorsed by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili).

The Board of Statutory Auditors also executed the role set out under Article 19 of Legislative Decree No. 39 of January 27, 2010, as the Internal Control and Audit Committee, with SEA qualifying as an Entity of Public Interest (EIP), as per Article 16, paragraph 1, letter a) of the stated Legislative Decree No. 39/2010, as an issuer of securities, i.e. the "SEA 3 1/8 2014-2021" bond listed on the market regulated and managed by the Irish Stock Exchange and as a company adopting a traditional governance model.

The Board of Statutory Auditors in this Report outlines the activities carried out during the year, broken down by each category of oversight under the applicable

rules for Boards of Statutory Auditors, and also regarding the result for the year ended December 31, 2017.

Oversight upon legal, regulatory and By-Law compliance

The Board of Statutory Auditors oversaw compliance with law and the By-Laws, maintaining constant and adequate liaison with the Internal Audit Department and verified that this department has the required capacity, autonomy and independence. It also verified that adequate collaboration and exchange of information took place between the bodies and departments undertaking control functions. Reciprocal exchange of information also took place with the Board of Statutory Auditors of the principle subsidiaries and associated companies.

The Board of Statutory Auditors met during the year 12 times to carry out periodic verifications, during which information was exchanged on a regular basis with the heads of the company departments and the Independent Audit Firm.

It attended the Shareholders' Meeting of May 3, 2017 and the meetings of the Board of Directors, which met on 13 occasions, noting that they were held in compliance with the By-Laws and the applicable legislative and regulatory provisions governing their functioning.

In addition, the Board of Statutory Auditors ensured the presence of at least one of its members at the meetings of the committees established within the Board.

Oversight upon compliance with the principles of correct administration and regarding related party transactions

In order to oversee compliance with the principles of correct administration, in addition to attending, as stated above, all meetings of the Board of Directors, the Board of Statutory Auditors:

- received at its meetings information from the Directors on the general performance and on the outlook, as well as on the most significant transactions, in terms of size or nature, carried out by the company

and its subsidiaries. This information is exhaustively outlined in the Directors' Report, to which reference should be made. On the basis of the information made available, the Board of Statutory Auditors may reasonably consider that these transactions carried out by the company comply with law and the By-Laws, and were not manifestly imprudent, in potential conflict of interest, hazardous or against the motions undertaken by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets;

- did not note any atypical or unusual transactions with Group companies, related parties or third parties. The company does not hold treasury shares;
- assessed the compliance of the related party transactions with the policy adopted by the company. The Board of Directors in the Annual Report provided exhaustive disclosure upon the transactions executed with subsidiaries and with other related parties, outlining the economic, equity and financial effects.

Oversight on the auditing of accounts and the independence of the Audit Firm

The Board of Statutory Auditors held meetings with the managers of the Independent Audit Firm, also as per Article 19, paragraph 1 of Legislative Decree No. 39/2010, during which it reviewed the work plan adopted, received information on the accounting policies utilised, on the accounting representation of the main transactions carried out in the year, in addition to the outcome of the audit. It did not note any events or situations requiring indication in this Report.

The Independent Audit Firm,

Deloitte & Touche S.p.A, issued on April 12, 2018 the reports as per Article 14 of Legislative Decree 39/2010 and Article 10 of Regulation (EC) No. 537/2014, respectively for the statutory financial statements and for the consolidated financial statements at December 31, 2017, prepared as per International Financial Reporting Standards - IFRS – adopted by the European Union. These reports indicate that the statutory financial statements and the consolidated financial statements of SEA provide a true and fair view of the statement of financial position of SEA S.p.A. and of the SEA Group at December 31, 2017 and of the result and of the cash flows for the year ending at the same date. With regards to the statutory financial statements and the consolidated financial statements, the independent audit firm stated that the Directors' Report and the Corporate Governance and Ownership Structure Report, limited to the disclosure indicated at Article 123-bis, paragraph 4 of Legislative Decree No. 58 of February 24, 1998, are consistent with the financial statements and were prepared in compliance with law.

In addition, the Independent Audit Firm, with regards to the statement as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010, concerning the identification of significant errors in the Directors' Report, on the basis of its knowledge and understanding of the company and the relative overview acquired during the audit activities, declared to not having any matters to report. It indicated, as key aspects of the audit, the procedure concerning the alleged State aid in favour of Sea Handling and regarding the Restoration Provision for works under concession.

The Independent Audit Firm is-

sued, finally, the Additional Report for the Internal Control and Audit Committee as per Article 11 of Regulation (EC) No. 537/2014.

The Board of Statutory Auditors oversaw compliance with the provisions of Legislative Decree No. 254 of December 30, 2016 concerning non-financial disclosure and information upon diversity, while the Independent Audit Firm verified the preparation of the non-financial disclosure and issued a limited assurance with regards to the consistency of the information provided against that required by the Decree and against the reporting standards/guidelines utilised for such disclosure.

The notes to the financial statements of the company indicate the amount of fees accruing in the year to the independent audit firm and the amount regarding its network, including other services.

Taking account of the independence declarations issued by Deloitte & Touche S.p.A. and the transparency report produced by the former in accordance with Article 18 of Legislative Decree 39/2010 and published on its website, in addition to the assignments awarded to the company and the companies belonging to its network by SEA S.p.A. and by the Group companies, the Board of Statutory Auditors does not indicate any critical aspects with regards to the independence of the Audit Firm.

Oversight of the internal control and risk management system and of the administrative and accounting system

The Board of Statutory Auditors, also as the Internal Control and Audit Committee, as per Article 19 of Legislative Decree No. 39 of

27.01.2010, oversaw the adequacy of the internal control and risk management system and of the administrative-accounting system, in addition to the appropriateness of this latter to correctly reflect operating events.

In this context, it requested and obtained all necessary information from the Managers of the respective Departments, undertaking all verifications considered necessary through the direct examination of company documents.

In particular:

- it carried out investigations in order to assess whether the administrative-accounting system of the company is appropriate to permit the presentation of a true and fair view in the financial statements of the operating events; it periodically oversaw the correct functioning of the system through meetings with the managers of the Administration, Finance and Control Department;
- it examined the audit plans, the periodic reports and the annual report prepared by the Auditing Department. These reports do not indicate any critical issues and confirmed that the at risk areas with regards to internal control have been recorded and monitored;
- it examined the periodic report of the Supervisory Board, set up as per Legislative Decree No. 231/2001, which does not indicate events or situations which require highlighting in this Report;
- it monitored the project activities carried out in terms of risks, in particular the Enterprise Risk Management (ERM) project designed to build a model for the identification, classification, measurement, monitoring and homogeneous and transversal

assessment of operational risks, in addition to their continuous monitoring, in support of the strategic choices and decisions of management and for stakeholder assurance.

Oversight of the adequacy of the organisational structure

The Board of Statutory Auditors acquired knowledge upon and oversaw, to the extent of its remit, the adequacy of the organisational structure of the company, reviewing and obtaining information of an organisational and procedural nature, through:

- the acquisition of information from the managers of the competent company departments;
- meetings and exchanges of information with the Board of Statutory Auditors of the subsidiaries for the reciprocal exchange of data and information;
- meetings with the Independent Audit Firm and the results of specific audit activities carried out by the former;
- meetings with the Supervisory Board set up as per Legislative Decree No. 231/2001.

Other information

The Board of Statutory Auditors declares in addition to not having received requests for the issue of opinions and was not required to issue opinions on the basis of specific regulations.

In 2017, no petitions or notices were made to the Board of Statutory Auditors as per Article 2408 of the Civil Code.

During the verifications, as described above, there were no more significant facts meriting mention in this Report.

Observations and proposals with regard to the financial statements and their approval

In relation to that stated above, on the basis of the activities carried out in the year, the Board of Statutory Auditors does not indicate any reasons preventing approval of the financial statements at December 31, 2017, as prepared by the Board of Directors and with regards to the motions proposed regarding the allocation of the net profit.

Milan, April 13, 2018

THE BOARD OF STATUTORY AUDITORS

Rosalba Cotroneo
(Chairman)

Rosalba Casiraghi
(Statutory Auditor)

Andrea Galli
(Statutory Auditor)

Paolo Giovanelli
(Statutory Auditor)

Giacinto Sarubbi
(Statutory Auditor)