DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

as of 31 DECEMBER 2015

DIRECTORS' REPORT

1. SHAREHOLDERS' MEETING

   1st call: 04 May 2016

   2nd call: 05 May 2016

2. AGENDA

   Financial Statements as of 31 December 2015

SAGAT S.p.A.
Società Azionaria Gestione Aeroporto Torino
Strada San Maurizio 12
10072 Caselle Torinese (TO)
www.aeroportoditorino.it

Share capital € 12,911,481 fully paid in
Economic Administrative Register (R.E.A.) no. 270127
Register of Companies of Turin, Tax ID and VAT no. 00505180018

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SHAREHOLDERS as of 31/12/2015

2i Aeroporti S.p.A.	54.88%
Equiter S.p.A.	12.40%
FCT Holding S.r.l.	10.00%
Finpiemonte Partecipazioni S.p.A.	8.00%
Tecno Holding S.p.A.	6.76%
Metropolitan City of Turin (formerly Province of Turin) *	5.00%
Treasury stock	2.96%
Total	**100.00%**

* For more details please refer to paragraph 1.3 “Shareholder structure” of the Director's Report

CORPORATE BODIES

BOARD OF DIRECTORS

Giuseppe DONATO	Chairman
Paolo VERNERO	Vice Chairman
Roberto BARBIERI	Chief Executive Officer
Jean Jacques DAYRIES	Director
Alberto EICHHOLZER	Director
Giuseppina FALAPPA	Director
Gian Luigi GARRINO	Director
Rosario MAZZA	Director
Paolo MIGNONE	Director
Laura PASCOTTO	Director
Fiorenzo TASSO	Director

BOARD OF STATUTORY AUDITORS

Lorenzo GINISIO	Chairman of the Board of Statutory Auditors
Davide BARBERIS	Standing Auditor
Ernesto CARRERA	Standing Auditor
Alessandro COTTO	Alternate Auditor
Maddalena COSTA	Alternate Auditor
Giovanni FAROTI	Alternate Auditor

SECRETARY

Dario MAFFEO

1. DIRECTORS' REPORT
as of 31/12/2015

SAGAT S.p.A. HIGHLIGHTS 2015

TRAFFIC

The Torino Airport ends 2015 with 3,666,424 passengers in transit, an increase of 6.8% over the previous year.

INCOME RESULTS

The most relevant income components for the year are shown below:
The **value of production***, net of grants, was equal to €57,716 million, for an increase of 18.5% over the €48,724 million on the 2014 Financial Statements.
The **GOM* wa**s equal to €19,882 million (34% of turnover), as compared to €11,101 million on the 2014 Financial Statements (22.8% of turnover).
The **EBITDA*** was equal to €18,538 million, compared to €10.639 million in 2014.
EBIT* was equal to €10,907 million, compared to €2,295 million on the 2014 Financial Statements.
The **pre-tax result** was equal to €10,374 million, compared to €1,525 million in 2014.
Net result was equal to €8,498 million, compared to €795 thousand in 2014.
Net financial position: a positive balance of €4,877 million, representing an improvement of €9,127 million compared to the debt exposure of €4,250 million as of 31 December 2014. The NFP includes financial payables to subsidiaries of €1,5 million (€2,0 million in 2014).

INVESTMENTS IN 2015

About €3,1 million on aggregate were invested during the year in infrastructures and service systems.
The investments made allowed the company to improve the quality of the services provided and maintain high airport safety and security standards.

SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2015

In the first two months of 2016, commerce air traffic figures for the Torino Airport registered an increase of +11.6% in passengers and +8.7% in flights, compared to the same period in 2015.

FORESEEABLE OPERATING DEVELOPMENTS

While moderate growth is expected for 2016, both globally and in Italy, growth forecasts are still uncertain, due to a number of variables that include, in addition to conditions on financial markets, trends in the price of oil and economic performance both in Italy and internationally, as well as the geopolitical situation in Europe.
On the regional level, the climate remains one of stalled or only slight growth compared to last year, while the outlook for Italy in 2016 shows the first signs of recovery.
The air sector, and the real economy as a whole, could be negatively affected by this scenario, leading the airlines to increase their offerings while, at the same time, concentrating their efforts on policies to increase efficiency and contain costs, in part by redistributing routes and aircraft. What is more, the international scenario, and in particular the widely reported terrorist attacks, one of which occurred in a major European airport, could have an negative influence on the public's propensity to fly. In light of these considerations, SAGAT shall work to achieve every possible measure of operational and organisational rationalisation, in order to minimise the impact of unrest and potential upheavals in the economic context or the industry.
However, none of the actions undertaken will undermine the quality of the service to our customers, and the recently implemented process of airport modernization and improvement of the passenger services offered, in line with the change in passenger profiles, will continue.
The utmost attention will also be dedicated to the development policies that represent the core asset for the growth of our airport. To this end, propriety shall continue to be placed on creating new business opportunities in the aviation sector, with the goal of continuing to move in the

direction of achieving continuous, sustainable and balanced growth.

1.1 Report on financial position and performance

Dear Shareholders,

though the economic situation produced lower growth than was expected, the year 2015 was a positive one for the Company, with growth in the volumes of traffic and in the main revenue indicators.
The competitive approach taken by SAGAT and the other companies of the Group in 2015 featured a series of actions to obtain improvements, making it possible to increase traffic by +6.8% over 2014 by taking advantage of the opportunities offered by the market.

On the macro-economic level, the situation remained uncertain in the Euro zone and in Italy, with the fragile recovery proving weaker than expected, registering results lower than those for 2014.
In the specific case of the air industry, the growth in international traffic had a positive effect, especially on traffic within the European traffic.
Domestic traffic showed modest growth (+1.2%) compared to 2014, with repercussions for almost all Italian airports.

Within this general overview, the Torino Airport increased its passenger volume, with a resulting rise in the profitability of its aviation and extra-aviation operations as well. The growth in traffic reached 6.8%, higher than the national average of +4.5%. Increased connections to European hubs and the opening of new international routes, especially to Eastern Europe countries, boosted the international scheduled passenger traffic (15.1%). The opening of new routes was actively supported by SAGAT through transparent and sustainable incentive policies aimed at maintaining balanced and diversified growth over time by reinforcing the presence of traditional carriers and adding new low-cost carriers.

Initiatives designed to revitalise extra-aviation retail offerings were intensified, benefitting from a thoroughgoing innovation meant to optimise both the offerings and their profitability. In particular, there was a comprehensive restructuring of the layout of the retail surface areas, featuring a modern walk-through concept and a new flow of arriving passengers through the departure lobby following disembarkation from the flights docked at the loading bridges.

Furthermore, efforts already underway to contain costs and heighten their efficiency were continued, leading, in combination with development policies, to improvements in the Company's revenue performance and in its net financial position, which reached €6.377 million, a clear-cut improvement over the €2,250 million in debt recorded as of 31 December 2014.

This Directors' Report, which accompanies the Financial Statements as of 31 December 2015, was prepared in compliance with the provisions in art. 2428 of the Italian Civil Code and contains the Directors' observations on the overall performance and the most significant events that occurred during the year 2015 and after 31 December 2015.

The income figures for the year 2015 are compared with those for the year 2014.

The balance sheet and net financial position for the year are shown on the basis of the closing balances as of 31 December 2014.

THE INTERNATIONAL AND DOMESTIC ECONOMIC SCENARIO

THE INTERNATIONAL SCENARIO

In 2015, global growth was lower than expected, falling to +2.4% from the figure of +2.6% recorded in 2014. This was due primarily to a continued slowdown in the economic activity of emerging and developing countries, as well as downturns in the prices of raw materials, world trade and flows of capital. Forecasts for global growth are positive, but at a slower rate than had been forecast as of June 2015, and namely at 2.9% for 2016 and 3.1% for 2017-18. The forecast is at a risk of noteworthy reductions from, among other factors, a more severe slowdown in the main emerging and developing economies than expected, as well as instability on financial markets on account of a sudden increase in the cost of money, potentially in combination with a deterioration of key indicators and the continuing vulnerability of certain countries.

There are certain exceptions among the developing countries, including those of southeast Asia. Growth in low-income countries generally remained healthy in 2015, though it did slow to +5.1% from the figure of +6.1% recorded in 2014. A number of low-income economies have done quite well in resisting the downturn, supported by large-scale infrastructure investments, mining activities and consumption. In contrast, many countries in eastern Africa face increased fiscal risks, due to sharp rises in public debt and potential liabilities.

As a rule, deteriorating prospects for developing countries have coincided with a decisive slowdown in global trade, increased instability on financial markets and a noteworthy drop in flows of capital.

There is room for improvement in the industrialised countries, but the weakness of the emerging economies stifles the expansion of global trade – which continues to perform below expectations – contributing to the downward pressure on the prices of raw goods. Oil prices fell beneath the lowest levels reached during the most acute phase of the 2008-09 crisis. Forecasts for economic activity worldwide point to a modest acceleration for the year underway, and for the year after that, compared to 2015; at the start of 2016, however, new and noteworthy tensions emerged on the financial market in China, accompanied by concern over the growth of that country's economy.

The December increase by the Federal Reserve in the rate for federal funds, occasioned by the significant improvement in the job market, signalled the end in the United States of the policy of zero interest rates initiated in 2008. Despite the fears of some observers, the decision did not have unfavourable repercussions for global financial and currency markets, thanks to the care taken in communicating the measure and providing reassurances that monetary conditions would remain favourable.

Growth in the Euro area registered a comeback in 2015, thanks to stronger internal demand and increased exports, in part due to the drop in the value of the euro.

The estimated rate of growth for the entire year is +1.5%, in line with expectations, though Spain's performance was slightly better, Germany's a bit disappointing, and France and Italy continued to lag behind (though they were gradually making up lost ground). Low oil prices and favourable financing costs are supporting consumer spending and investments. The program for purchase of bonds of the Euro system has proven to be effective in sustaining overall economic activity, performing in line with the initial assessments. In the absence of a further escalation, problems of security in the wake of the terrorist attacks in Paris would not appear to be having lasting effects on confidence and economic activity.

Nevertheless, growth remains tenuous. A weakening of foreign demand and a downward trend in oil prices has brought about new risks of lower inflation and growth, as has become apparent in recent months. In December, the board of governors of the ECB introduced additional growth measures, expanding the program for the purchase of bonds, and it is ready, if necessary, to take further action as well.

Taken from: World Bank, Global Economic Prospects | January 2016

THE ITALIAN SCENARIO

In Italy, the recovery moves ahead slowly. The impetus provided by exports – which, after sustaining economic activity for the past four years, are now feeling the effects of the weakness of non-European markets – is gradually being replaced by internal demand as a driving force, especially spending for consumption and the replenishment of stocks. Together with the revival of the manufacturing cycle, there are signs of expansion in the service industries, following an extended downward trend, and of stabilisation in construction. Investment prospects are still hampered by uncertainty over foreign demand. In the fourth quarter, the GDP should have grown at a rate similar to that of the third quarter (when it rose by +0.2%). In the summer months, the size of the workforce continued to grow, especially among young people and in the service industries, while the mix of types of new jobs continued to trend towards more stable contractual arrangements. The rate of unemployment fell to 11.4% in the months of October-November, its lowest level since the end of 2012, in part as a result of lower unemployment among young people, though this figure remains historically high. The expectations of businesses with regard to future hiring are cautiously optimistic. In December, inflation over a twelve-month period fell to 0.1 percent. The expectations of families and businesses point to a modest recovery in the growth of price levels in the coming months, though they would remain at very limited levels. Inflation is held down by the new decrease in the quotations of energy resources, but also by the persistence of ample margins of underused production capacity, a situation that contributes to keeping the underlying prices at minimum levels. Under the program of purchasing bonds of the Euro system, a total of approximately €79 billion in Italian government bonds with an average residual life of a little more than nine years was bought at the end of last December (with €73 billion of the total bought by the Bank of Italy). Foreign investors have continued to show interest in operations in Italy, making for a slight increase in the share of government bonds in their possession, while Italian have gradually rebalanced their portfolios in favour of managed savings. The level of financing to the private sector grew in the Fall; loans to businesses rose for the first time in almost four years. Conditions for the supply of financing continued to become more favourable: the average cost of new loans to companies fell to historically limited levels, while the differential on the corresponding average rate in the euro area ceased to exist (it had been approximately a percentage point at the end of 2012). The variance in credit conditions between different sectors of activities and companies of different size remains high, though less so than the peaks reached during the recession. Thanks to the gradual improvement in economic activity, the flow of new problem loans and new defaults continued to decline, compared to the maximum levels recorded in 2013. The profitability of the largest banking groups rose during the first nine months of 2015, compared to the previous year, and their financial underpinnings were reinforced. The balance-sheets of the banks should continue to improve in 2016, as a result of the expected reinforcement of the recovery cycle. On the whole, production was forecast to rise by 0.8% in 2015 (0.7% based on the quarterly accounts, which were corrected for the number of days worked); in 2016 and 2017, it could grow by approximately 1.5%. Inflation would gradually rise to 0.3% this year and to 1.2% the next. Investments, characterised to date by a modest upward trend, could benefit from more prospects of more favourable demand and financing conditions, as well as from the effects of the stimulus measures introduced under the Stability Act. A revival in terms of disposable income could contribute to growth in consumption, which would also be supported by the strengthening of the job market. Taken altogether, these forecasts are in line with those of July, though the contributions of the different factors have changed: a lower impetus from foreign trade, brought about by the slowdown of the emerging economies, is expected to be replaced by a more sizable contribution from domestic demand, as well as from demand originating from the euro area, thanks to the support of economic policies (such as the program for the purchase of bonds of the Euro system and the measures put in place by the Italian government) and improved credit conditions. There are still significant risks, such as the

sizeable ones tied to the international context, and especially the possibility of a slowdown of the emerging economies that proves to be more severe and lasting than has be forecast to date, and could thus have formidable repercussions on financial and currency markets. At the same time, monetary policy must deal decisively with the risk of a further drop in inflation, which could result either from lower than expected growth in demand, should the margins of unused production capacity remain at their currently ample levels for a prolonged period of time, or from further decreases in the price quotations of raw materials, should such decreases retroactively affect salary growth. A precondition to the scenario outlined above is that the confidence of families, businesses and financial operators be maintained both in Italy and the euro area, and that policies of cyclical support continued to be pursued with determination.
Taken from: the Bank of Italy – Economic Bulletin no. 1 – 2016

THE ECONOMY OF PIEDMONT

Considering the overall results for the year 2015 as a whole, manufacturing production in Piedmont shows average annual growth of +0.7%. During the last three months of 2015, Piedmont's manufacturing industry continued to show encouraging signs, though there was no sustained growth trend. The production increase of +1%, as compared to 2014, followed the essentially stable results for the 1st and 3rd quarters (respectively -0.4% and +0.1%), and the growth recorded in the 2nd quarter of the year (+2.2%).
Looking at the companies in terms of their size, the least positive performance, in terms of production in the period of October-December 2015, was recorded by small-scale enterprises (-1.6%) and those presenting the largest dimensions (-1.1%).
Better results were turned in by companies falling in the categories of 10-49 employees (+3.1%) and 50-249 employees (+2.7%). In the 4th quarter of the year, the increase in industrial production was accompanied by the positive results registered for all other economic indicators as well. Domestic orders rose by half a percentage point compared to the period of October-December 2014, confirming the positive trend of the domestic market, while foreign orders also continued to evidence growth (+4.3%). Total turnover rose by 1.1%, while the growth rate for the foreign component was twice as high (+2.5%). The level of use of industrial plants also moved upwards, going from 61.6% in the 4th quarter of 2014 to 64.3% in the period of October-December 2015. During the period under examination, levels of production increased in almost all the main sectors of economic activity. The chemical and plastics industries turned in the best performances (+2.9%), followed by the textile and clothing industries (+2.7%) and the metals industries (+1.9%). Growth was also recorded, though at a level below the regional average, by the food industry and by vehicle manufacturing, both of which showed growth of +0.8% compared to the 4th quarter of 2014. The electrical and electronics industries registered only a mildly positive performance (+0.6%), while the production levels of the mechanical industry and other industries essentially stayed unchanged. There was a drop, on the other hand, in the industrial production of the wood and furniture industries (-1.5%). A detailed break-down of one of the main manufacturing sectors in Piedmont, the vehicle industry, shows a significant drop in the production of automobiles (-7.6%) standing in contrast to the increases in output recorded by the automotive parts industry (+1.8%) and the aerospace industry (+6.7%). Distinguishing between the different parts of the region, most of the growth took place in the provinces of Piedmont, though the decreases in the remaining territories were of limited extent. Once again, the most impressive results were those of the Cuneo area, which recorded a growth trend of 3.6 percentage points in production in the 4th quarter of 2015. Novara's production output increased by 2.6%, compared to the 4th quarter of 2014, followed by Asti, with an upward trend of 2.4%. Alessandria's growth also exceeded the average for the region, with reduction rising by a percentage point and a half. Levels were essentially stable in Verbano-Cusio-Ossola (+0.3%), Vercelli (+0.1%) and Turin (-0.2%). The least impressive result was that of the Biella area, where industrial production recorded a decrease of 0.8%.

In the specific case of the Province of Turin, 2015 did not mark a turnaround, though there were some positive signs for businesses: the number of closings registered was the lowest in the last 11 years, while the number of newly opened businesses rose. There was a revival in businesses run by women and continued growth in businesses owned by foreigners. Still, at a total of 225 thousand businesses, the year closed with a slight decrease in their number, at a level similar to that of 2004 and with a weak point: 14 businesses out of 100 close within only a year of opening. Sectors such as services to individuals and tourism grew, the latter continuing an upward trend that has held for more than 15 years.
Taken from: the Union of Chambers of Commerce of Piedmont, Surveys on Industrial Manufacturing Performance and the Birth and Death Rates of Businesses in Piedmont in 2015

THE AIRPORT INDUSTRY

THE GLOBAL SCENARIO
Passenger traffic grew by +6.1% in 2015, with healthy increases in both the international and domestic passenger segments (+6.2% and +6.1% respectively). This was the highest growth since that of 2010 (+6.6%), the year in which traffic recovered from the great recession. In fact, despite weak economic growth in 2015, estimated at +3.1%, growth in passenger traffic reached the pre-recession levels recorded in 2004–2007.
With the exception of Africa (-0.1%), all regions registered positive growth rates in terms of the number of passengers transported, ranging from the +5% of Europe to the +11.3% of the Middle East.
On the whole, air cargo was weak compared to passenger traffic, growing by a modest +2.3%, due in large part to limited increases in emerging and developing markets, together with a more modest recovery on the part of the industrialised economies. Growth of +2.5% was recorded in international cargo, while the figure was +1.8% for domestic cargo. The slowdown in Chinese imports and exports, which proved more sudden than expected, reflected the slowdown in capital investments and production activities, which have been key factors of the world economy over the last two decades.
Even though growth was recorded in all the regions, only the Middle East showed a sharp increase of +10.7% in 2015, while growth in all the other regions was marginal at best.
Passenger traffic in Africa fell by 0.1% in 2015. Even though the region is recovering from the Ebla epidemic, growth suffered from the negative influence of the air-traffic crisis in Egypt and the noteworthy drops in traffic between Tunisia and a number of major foreign markets following the attacks that occurred last year. Between January and December 2015, passenger traffic at the airports of Tunisia fell by more than 30%. Other countries that recorded significant losses in traffic were Burkina Faso (-12.6%), Nigeria (-8.9%) and Madagascar (-5.2%). South Africa and Algeria closed the year with extremely positive growth rates, at +6.8% and +6.6% respectively, while Morocco's passenger volume increased by +2.6%.
In the Asia-Pacific area, passenger traffic grew by +8%. China and India are still the main driving forces behind the robust growth in passenger traffic in the region (at respective figures of +8% and +16.4%), accounting, by themselves, for half the growth in traffic in the Asia-Pacific area.
Other major contributions to the region's strong growth in passenger traffic came from Thailand (+21.2%), South Korea (+10.7%), Hong Kong (+8.3%) and Japan (+4%). Of all the area's major countries, Indonesia was the only one to close the year with a decrease in passenger traffic, at -1.2%.
In 2015, passenger traffic in Europe grew by +5%. The growth of domestic traffic in the different European countries exceeded the rate for international traffic by 0.4 percentage points (+5.2%, as opposed to +4.8%), driven primarily by the strong growth of domestic traffic in Turkey (+13.4%), the Russian Federation (+8.2%), Spain (+6.2%) and Greece (+20.6%). Half of the growth in international traffic for 2015 came from the four key markets: Spain (+5.9%),

Germany (+4.6%), the United Kingdom (+4.5%) and Italy (+7.3%). Russia lost 15% of its international traffic compared to 2014.

Ireland and Portugal closed the year with strong growth, at respective figures of +13.2% and +11%, while France, Europe's third largest economy, grew by a modest +2.8%. The main airports, in terms of growth in the region, are Istanbul-Ataturk (IST, 5.2 million), Madrid (MAD, 5 million), Istanbul-Sabiha Gökçen (SAW, 4.7 million), Dublin (DUB, 3.3 million) and Amsterdam (AMS, 3.3 million). Taken together, the two Istanbul airports recorded an increase of +12,2% in traffic, generating an additional 9.8 million passengers during the year, which placed the Eurasian transcontinental city in third place, behind London and Paris.

Moscow-Domodedovo (DME) and St. Petersburg (LED) have lost, respectively, 2.5 million and 0.8 million passengers on account of a variety of factors, including economic sanctions and geopolitical tensions.

In Latin America as a whole, passenger volume grew by +5.5% in 2015, the result of healthy increases in both international (+7.4%) and domestic (+5.2%) passenger traffic, and this despite the recession in Brazil and the economic difficulties in other countries of the region.

The growth in passenger traffic in Latin America and the Caribbean is traceable, in large part, to Mexico, Colombia and Argentina. The key airports that contributed to the region's growth were Mexico City (MEX, 4.2 million), Bogota (BOG, 2.5 million), Cancun (CUN, 2.2 million) and Lima (LIM, 1.5 million), while a number of airports in Brazil lost traffic, including the main gateway of San Paolo (GRU, -500,000), Recife (REC, -0.5 million) and Rio de Janeiro (SDU, -0.3 million).

The Middle East was the leading region in terms of growth in passenger traffic in 2015, pointing to a robust rise of +11.3% driven primarily by international growth in passenger traffic (+11.9%). Growth in traffic in the Middle East was especially pronounced in the second half of the year, when it consistently outpaced that of all the other regions for six consecutive months.

The main aviation markets of the United Arab Emirates, Qatar and Oman, registered growth rates in double figures, at respective levels of +17.1% and +17.3%. Saudi Arabia grew by a modest +2.5%, as the change in domestic traffic was negative (-0,1%), while international passenger traffic grew by only 4.2%, as lower oil prices weakened the economy.

The region's three main air hubs recorded impressive annual growth figures: Dubai (DXB, 7.5 million), Doha (4.5 million) and Abu Dhabi (AUH, 3.4 million). Taken together, the three airports generated an additional 15.5 million passengers for the region during the year.

In North America, passenger traffic grew by +5.6% in 2015. During the year, international passenger traffic increased by +6.1%, while domestic traffic grew by +5.5%.

In contrast, Canada, which depends on exporting oil and cross-border traffic, recorded growth of +3.7% in passenger traffic.

Atlanta (ATL) reached the landmark figure of 100 million passengers, thanks to a further increase of 5.3 million passengers in 2015. Impressive growth was also recorded at Chicago-O'Hare (ORD, 6.9 million), Dallas-Love Field (DAL, 5.1 million), Seattle (SEA, 4.8 million) and Los Angeles (LAX, +4 million).

In terms of increased international traffic, four of the region's airports added more than a million international passengers in 2015: Toronto (YYZ, + 1.8 million), New York (JFK, 1.8 million), Los Angeles (LAX, 1.6 million) and Miami (MIA, 1.1 million).

Taken from: Aci.aero

THE EUROPEAN SCENARIO

Based on the figures of ACI Europe, passenger traffic in European airports grew by an average of +5.2% in 2015.

The average increase in passenger traffic in the airports of the European Union was +5.6%; airports in Ireland, Portugal, Greece, Romania, Hungary, Slovakia, Slovenia and Lithuania managed to record double-digit growth. Meanwhile, the growth of non-EU airports was more limited, at +3.9%. This was due primarily to a noteworthy drop in the demand for air travel in

Russian and Ukrainian airports, as well as the essentially flat growth rate in Norway, and despite the healthy increase in passenger traffic in Iceland and the growth experienced by the majority of airports in Turkey.
Cargo traffic at European airports grew by only +0.7%, in line with the limited growth of international trade. Aircraft movements rose by +2.2%.
The year 2015 produced excellent results in terms of passenger traffic, with approximately 1.95 billion passengers estimated as having passed through European airports, 20% of which recorded double-digit increases in traffic, while many airports set new traffic records, fuelled for the most part by the constant growth of low-cost carriers and non-EU airlines. The airports of Europe turned in good performances, even though Germany and France were hurt by strikes, as well as the terrorist attacks in Paris. In a surprising development, the Istanbul-Atatürk Airport became Europe's 3rd most heavily trafficked airport, with 61.8 million passengers, behind only London-Heathrow (74.9 million) and Paris-Charles de Gaulle (65.7 million).
In contrast, smaller regional airports throughout Europe turned in less impressive results, with their growth of +3.8% showing how increases in traffic are becoming more concentrated and less inclusive.
In evaluating the revival of air traffic since the global financial crisis of 2008, it should be observed that the European economy only grew by approximately +3% between 2008 and 2015, while passenger traffic in EU airports rose by +13.6% during the same period. This divergence points to a less than direct relationship between higher GDP and increased passenger traffic, reflecting new market factors, changing patterns of consumption and the heightened importance of air travel to the European Economy.
Prospects for the months to come should continue to be positive throughout most of 2016, with passenger traffic continuing to grow – except in the airports of Russia. At the same time, there are geopolitical risks, along with an unprecedented immigration crisis and its repercussions on the Schengen agreements, plus the Brexit question and the intensification of terrorist threats, as well as instability in the Middle East and North Africa and the worsening of prospects in emerging markets, all of which could thrown such results in doubt.
Taken from: ACI Europe

THE ITALIAN SCENARIO

The year 2015 confirmed the renewed growth of the Italian airport system, a trend that began in 2014, following a 2-year downturn (2012-2013).
Compared to 2014, passenger traffic at Italian airports rose by +4.5%, the volume of cargo carried grew by +3.6%, and overall movements of aircraft increased by +1%.
The 35 Italian airports monitored by Assaeroporti handled a total of 157,200,746 passengers in 2015, making for an increase of almost 7 million passengers compared to 2014.
Within this scenario, the 10 leading airports in terms of the number of passengers handled were: Rome Fiumicino, Milan Malpensa, Bergamo, Milan Linate, Venice, Catania, Bologna, Naples, Rome Ciampino and Palermo.
The overall result was positively affected by the strong growth in international traffic, at +6.8%, and in particular the rise in UE traffic, which grew by +8.3%, compared to 2014. Results for domestic traffic were also positive, up +1.2% compared to 2014.
In 2015, the increase in the number of passengers once again involved almost all Italian airports, confirming the growth capacity of air traffic throughout our country.
In the cargo sector, the merchandise transported totalled 985,532 tons in 2015, or approximately 34 thousand tons more than in 2014.
The figure for aircraft movements, +1% compared to 2014, is a significant one, demonstrating the increased number of passengers recorded in 2015 was due not only to a higher rate of aircraft occupancy, but to an increased offer of flights.
In addition, the positive results registered for the year just ended are proof of the contribution made by the Italian airport sector to increased air connectivity in Europe.

A recent study commissioned by ACI Europe estimates that, on the average, an increase of 10% in the level of airport connectivity in Europe is capable of producing growth of 0.5% in the per capita GDP.
Furthermore, as noted by the European Commission in its new aviation strategy approved on December 7th last, Europe's aviation sector is an important catalyst for economic growth, accounting for the direct employment of almost 2 million workers while making a direct contribution of 110 billion euro to the European GDP.
With this is mind, the current growth can be identified not only with the airport sector, but with the country's economic system as a whole, as shown by the fact that a 10% increase in departing passengers in a metropolitan region results in a 1% rise in local employment in the services sector.
Taken from: Assaeroporti

THE AIRLINES

According to the International Air Transport Association (IATA), in 2015 worldwide passenger traffic demand (RPKs) grew by +6.5%, compared to 2014. This was the best result since the fallout from the global financial crisis of 2010, and well above the 5.5% annual average growth rate for the last 10 years. Though the key economic indicators were weaker in 2015 than in 2014, passenger demand was supported by low fares. After adjustment for the increased value of the dollar, airfares worldwide were approximately 5% lower in 2015 than in 2014.
Capacity increased by +5.6% last year, while the load factor rose by +0.6%, to a total of 80.3%. All the regions recorded positive growth in traffic in 2015. The increased volumes of carriers in the Asia-Pacific region accounts for a third of the overall increase in traffic for the year.
International passenger traffic was +6.5% higher in 2015 than in 2014. Capacity rose by +5.9%, and the load factor registered a +0.5% increase, to 79.7%. All the regions recorded increased demand, on a year to year basis.
The carriers of the Asia-Pacific area registered demand +8.2% higher than in 2014, representing the most significant increase of the three major regions. Capacity rose by +6.4%, pushing the load factor upwards by 1.3 percentage points, to 78.2%.
European carriers, on the other hand, recorded +5% growth in international traffic in 2015. Capacity increase by +3.8%, and the load factor rose by 1 percentage point, to 82.6%, the highest of all the regions. The result can be traced in part to a revival of consumption in the euro zone, and to a moderate increase in the flight frequency. The growth in traffic slowed towards the end of the year, due to the Lufthansa strikers and the closing down of Transaero in Russia.
North American carriers saw demand increase by +3.2% in 2015, with the growth rate essentially remaining unvaried compared to 2014. Capacity increased by +3.1%, leaving the load factor practically unchanged at 81.8%.
The carriers of the Middle East recorded the most vigorous growth, at +10.5%. As a result, the share of international traffic carried by the airlines of the Middle East reached 14.2%, exceeding the share of their North American counterparts (13.4%). At +13.2%, the growth in capacity was greater than that of demand, pushing load factors downward by 1.7 percentage points, to 76.4%.
In Latin America, international passenger traffic rose by +9.3% in 2015, capacity increased by +9.2%, and the load factor remained essentially unchanged, at 80.1%.
The airlines of Africa recorded a lower growth in demand, +3%, than in the other regions, though this represented a noteworthy improvement over the rate of 0.9% for 2014. With capacity growing at half the rate of traffic, the load factor rose by 1 percentage point, to 68.5%. International traffic rose sharply in the second half of 2015, in coincidence with a noteworthy increase in business activities with the region.

In terms of domestic passenger transport, there was an increase of +6.3% in 2015. All the markets showed growth, led by India and China, with capacity increasing by 5.2% and the load factor arriving at 81.5%, for growth of 0.9 percentage points, compared to 2014.
Taken from: IATA

According to the Group's initial estimates, in 2015 the member airlines of the AEA recorded the highest growth rate in passenger traffic since 2011, transporting more passengers and registering a load factor that once again reached record levels.
In 2015, the member carriers of the AEA transported almost 307 million passengers on regularly scheduled flights, for an increase of 12.6 million compared to 2014, making for a growth rate of +4.3%. Cargo volumes posed a significant challenge, presenting a growth rate forecast as negative throughout 2015.
The member airlines of the AEA carried another 10.1 million passengers on European and domestic routes, for an increase of +4.5%. With the RPKs at +4.6% and surplus capacity available, there will be a further improvement in the load factor, which is forecast to arrive at 77% in 2015, as compared to 76.5% in 2014.
Long-range routes registered only slight improvement in their coefficient of passenger occupancy, now estimated at 83.7% for the entire year of 2015. This was made possible by a +3.3% increase in the number of passengers and growth of +4.5% in the RPKs.
Despite signs of recovery in the cargo sector in recent years, 2015 will probably mark another setback, with growth in tons/km near zero, or even negative, for the year just concluded. This is due to the weak growth of all-cargo traffic, while the levels of cargo transported in passenger planes appear to be holding their own. Growth in cargo traffic is closely tied to the strength of the economy, which must still reach its full potential.
The member airlines of the AEA were able to achieve these positive results through major restructuring initiatives and the introduction of new business strategies. Unfortunately, the current regulatory framework in Europe does not help the situation. European airlines still have need of a European policy that allows them to achieve sustainable growth in the future. The announcement of the Aviation Strategy by the European Commission met with a favourable response from the AEA strategies, though it is a strategy lacking in ambition, without measures adequate to reinforcing the competitiveness of European air transport operators. Solutions are expected for the issues of regulations, airport capacity, air traffic control and the tax costs/charges borne by the airlines.
Taken from: AEA

1.2 Regulatory framework

THE OPERATING AGREEMENT WITH THE ENAC

On the date of 8 October 2015, following lengthy and wide-ranging negotiations, an operating agreement was signed by SAGAT and the ENAC to govern their relations with respect to the management and development of activities at the Torino Airport, including those involved in the planning, construction, assignment, maintenance and use of the plants and infrastructures utilised in the performance of such activities.
The signing of the operating agreement – already called for under Law no. 914/1965 on the privatisation of the Torino Airport, but never enacted – constituted the achievement of an historic objective for SAGAT, establishing a tool that enhances the Company's value by providing unequivocal guidelines for the operating accord, together with stable underpinnings for management of the airport.

In fact, the operating agreement runs through 3 August 2035, the expiration date for the extension of the private management arrangement stipulated for the airport under Law no. 187 of 12 February 1992, but it also provides for de facto duration of the agreement until 2055. For, as stated in underlying premise no. 22, "*Should SAGAT – as the expiration of the current extension granted through 3 August 2035 under Special Law no. 187/1992 draws near, request a further twenty-year extension of the arrangement for the all-inclusive management of the Turin Airport, then the ENAC, following presentation of a plan of initiatives to be carried out by the concession-holder, and after having issued its approval upon completion of all the necessary preliminary procedures, shall see to it that the all-inclusive management arrangement is extended for an additional twenty-year period*".
The text of the operating agreement also includes key guarantees – of far greater effect than those obtained by Italy's other major airports in their operating agreements, with the exception of Rome – with regard to financial stability and suitable remuneration on the capital invested.

THE PROCEDURE FOR SETTING FEES

In implementation of the new measures governing airport fees, described in detail in last year's managers' report, it should be noted that the procedure for revising the fees charged at the Torino Airport was initiated during the year 2015.

More specifically, in accordance with the provisions of points 3.2 and 3.3 of Guideline 2, on the date of 1 December 2015, SAGAT notified ART, or the Transportation Regulation Authority, that the Torino Airport's Consultation with Users on the Proposal for the Revision of Airport Fees for the Period of 2016-20169 was scheduled to begin on the date of 7 December 2015.
The ART's publication of the notification on its website marked the formal opening of the Consultation with Users.
The Torino Airport prepared the "Consultation Document" containing, in accordance with the provisions of article 4 of Guideline 2, the following information/documentation:

- duration of the fee period;
- list of the services and infrastructures provided in the reference year, in return for the fees and consideration received;
- the overall structure of the costs and revenues approved for the reference year, with respect to the infrastructures and regulated services to which the airport fees are connected, plus illustration of the costs and revenues of the non-regulated activities, considered on a unit basis;
- previsions regarding the growth of traffic during the fee period;
- application of the methodology for the calculation of airport fees;
- annual mechanisms and objectives for heightening efficiency propose for the fee period, together with their impact on operating costs;
- changes in fees proposed for the fee period;
- proposals for simplification and/or consolidation of baskets of services;
- proposal for the structuring of subsets of fees;

- plan for quality and defence of the environment;
- four-year plan of initiatives;
- current capacity of the airport facility and limits on the use of the main airport infrastructures and the existing installations as of the reference year, as foreseen for the fee period;
- investments for which incentive mechanisms are to be provided;
- incremental expenses expected during the period of application of the regulatory measures.

An initial public hearing of users was held on the date of 8 January 2016, in the interests of sharing with the airport users the consultation document drawn up by SAGAT following a detailed analysis of the technical documentation regarding traffic, infrastructure initiatives, quality and the environment. This first hearing concluded with the drafting by the users of proposals for modification of the fees applied and of the levels of the services to be guaranteed to the users (SLA).

During a second public hearing, held on the date of 22 January 2016, the Company and the users, following an in-depth and fruitful discussion, and with an important contribution on the part of the Transportation Regulation Authority, reached an agreement, approved with the favourable vote of a large majority of the users, on the airport's fee levels for the period 2016 – 2019, as well as on the SLAs and the date on which the new fees were to go into effective.

As required under the statutes and regulations currently in force, the Company then published the final fee proposal on its website, specifying that the new fees would go into effect from 1 May 2016.

On the date of 9 March 2016, the Transportation Authority (ART) published Resolution no. 23/2016 on its website, regarding the "Proposed Revision of the Airport Fees of the Sandro Pertini International Airport of Turin – fee period 2016-2019. In accordance with the regulatory guidelines approved under Resolution no. 64/2014".

In this resolution, the Transportation Regulatory Authority confirmed compliance with the fee guidelines, requesting the application of a number of corrective measures to be shared and discussed with users in a subsequent hearing.

SAGAT then posted, on the date of 11 March 2016, in a special area of its website, the fee proposal that resulted from application of the corrective measures called for under the aforementioned Resolution 23/2016.

On the date of 23 March 2016, the third and last consultation was held with the users of the Torino Airport, marking the essential completion of the procedure for updating the airport's fee schedule for the period 2016 – 2019. The new fees shall go into effect from 1 May 2016.

SIGNING OF THE PLANNING AGREEMENT

In order to initiate the procedure for the signing of the planning agreement for the period 2016-2019, the Company presented to the ENAC, on the date of 27 July 2015, the Four-Year Plan of Initiatives, Traffic Forecasts, the Quality Plan and the Plan of Environmental Defence, receiving a favourable technical opinion in the form of Memorandum no. 118442, dated 11 November 2015.

In order to procure the information and assessments needed from the interested parties, doing so in accordance with the measures governing proper procedure and transparency in administrative activities, and in application of Directive 12/2009/EC, as well as the fee guidelines drawn up by the Transportation Regulation Authority, the Company, having first received a favourable technical opinion from the competent departments of the ENAC, submitted for consultation:

- traffic forecasts for the contractual period of reference;

- the Four-Year Plan of Initiatives, together with the related timeline, indicating, when present, works of particular importance to the development of the airport, regarding which a supplementary rate of remuneration (WACC) shall be applied;

- the Quality Plan;

- the Plan for Environmental Defence.

Following the conclusion of the consultation referred to above with the users and with the Transportation Regulation Authority, further documentation is currently being prepared, so that it can be included with the Planning Agreement, with respect to both financial considerations and those regarding infrastructures.

1.3 Shareholder structure

With regard to the Company's shareholder structure, the following points should be noted:

- on the date of 30 June 2015, the company 2i Aeroporti S.p.A. purchased from the company Aviapartner S.p.A. 10,342 ordinary shares of the company SAGAT S.p.A, equal to 0.42% of the latter's share capital;

- the Province of Turin, in light of art. 3, paragraph 27, of Law 244/2007 (the 2008 Budget Act), under which government bodies and authorities are required to sell holdings that are not necessary to the pursuit of their institutional objectives, issued a resolution of 5 June 2012, deeming that the grounds for maintaining its holding in SAGAT, equal to 5% of the share capital, did not exist and authorising the sale of the holding.
  In December of 2014, the provincial government notified SAGAT that:

  - there had been no participants in the tender for the sale of the holding;
  - with the holding not having been sold, it would be terminated "for all effects and purposes on 31 December 2014", in accordance with art. 1, paragraph 569, of the Stability Act;
  - SAGAT was required to liquidate the value of the holding in cash, no later than 31 December 2015;
  - the Metropolitan City of Turin would take over the Province of Turin's relationship with SAGAT, starting from 1 January 2015.

The Board of Directors of SAGAT, at a meeting held on 19 February 2015, examined the communication from the Province of Turin and, based on the legal opinions received, deemed it worthwhile to bring a petition before the Regional Administrative Court of Piedmont. With this act, SAGAT appealed the actions taken by the provincial government. On 4 December 2015, a

ruling was handed down in the proceeding bought before the Regional Administrative Court of Piedmont, rejecting SAGAT's petition.
On the date of 18 December 2015, the Board of Directors of SAGAT set the liquidation value of the holding, having received the opinion of the Board of Auditors, as well as that of the firm assigned to carry out the statutory audit of the Company's accounts, and having made the determination in accordance with art. 2437-*third part* of the Italian Civil Code, at € 3,600,000,00, communicating as much to the Metropolitan City of Turin on the same date, while expressly reserving the right to appeal the court sentence.
In consideration of the provisions of art. 1, paragraph 569, of Law no. 147 of 27 December 2013, the Board of Directors of SAGAT, on the date of 11 February 2016, deemed it necessary, though without relinquishing the right of appeal referred to above, to proceed with the liquidation of the holding, doing so under the procedure provided for in art. 2437-*fourth part* of the Italian Civil Code, through the offer of an option on the shares of the Metropolitan City of Turin to the other shareholders.
On the date of 15 February, the Metropolitan City of Turin sent to SAGAT a communication stating, among other things, that the Metropolitan City of Turin:

- "in Ruling No. 31 – 43639 /2015, issued on the date of 30 December 2015, [...] has deemed as unsuitable the liquidation value of the 125,168 shares of SAGAT S.p.A., as set by the Company's Board of Directors, in accordance with the provisions of art. 1, paragraph 569, of Law no. 147/2013, plus subsequent additional measures, at a total of 3,600,000.00 euro";
- "in order to properly, determine the value of the aforementioned shareholding, it has decided to enact the procedure governed by art. 2437-*third part* of the Italian Civil Code", calling upon SAGAT, in the meantime, "to liquidate […], in favour of the Metropolitan City of Turin, the amount of 3,600,000.00 euro […], as a payment on account against the amount to be determined under the procedure provided for in art. 2437- *third part* of the Italian Civil Code".

On the date of 16 February 2016, our Company responded to the Metropolitan City of Turin, reaffirming that the liquidation value of the holding, as determined by the Board of Directors of SAGAT on the date of 18 December 2015, was appropriate.
At the same time, the response took note of the intention of the Metropolitan City of Turin to undertaken the procedure of contestation provided for under art. 2437-*third part* of the Italian Civil Code, with the consequence that the procedure for the option offer referred to under the resolution passed by the SAGAT Board of Directors on 11 February last shall remain suspended until a final decision is reached on said procedure of contestation (with regard to which our Company reserves the right, from this point forward, to invoke any right of defence or appeal against the decision to be handed down, as per arts. 2437-*third part* and 1349 of the Italian Civil Code, and with the express reserve of a possible appeal against the court sentence remaining in effect as well).
Finally, the Company wises to specify that the request for a "payment on account", apart from the fact that such a procedure is not provided for under art. 2437-*third part* of the Italian Civil Code, was also unacceptable on account of its incompatibility with the procedural sequence stipulated under art. 2437-*fourth part* of the Italian Civil Code for the liquidation of the shareholding.

1.4 Traffic scenario

TRAFFIC AT THE TORINO AIRPORT

The Torino Airport concluded **2015 with 3,666,424** passengers having passed through the facility, for an increase of +6.8% compares to January-December 2014. Commercial aviation by itself recorded an increase of +6.9%.

PASSENGERS	Year To Date			
	Act	**LY**	**Var. vs LY**	**%**
Domestic	1,858,557	1,817,333	41,224	2.3%
International	1,638,097	1,423,531	214,566	15.1%
Charter	158,158	178,238	-20,080	-11.3%
Gen. Aviation	6,936	7,791	-855	-11.0%
Transit	4,676	5,093	-417	-8.2%
Total	**3,666,424**	**3,431,986**	**234,438**	**6.8%**

Regularly scheduled domestic traffic increased by +2.3%¸ for growth of 41,244 units compared to the previous year. Contributing to this result was the business strategy of replacing the void left by the withdrawal of domestic carriers on north-south routes, and the outcome appears even more positive in light of the fire in Rome's T3 terminal that caused cancellations to that destination in the months of May, June and July.

Furthermore, in the wake of the temporary declassification of the control-tower service at the Cuneo Airport, Ryanair scheduled a rotation of flights out of Turin to Alghero, Cagliari and Trapani.

Regularly scheduled international traffic showed an increase of 15.1%, for growth of 214,566 units over the previous year, thanks tot eh opening of numerous international routes.

DESTINATIONS

Below is a break-down of scheduled traffic by route:

PASSENGERS	Destinations - SCHEDULED				
	Act	**LY**	**Var. vs LY**		**% of total**
ROMA Fiumicino	666,999	616,689	50,310	8.2%	19.1%
CATANIA	241,452	311,165	-69,713	-22.4%	6.9%
NAPOLI	216,508	252,172	-35,664	-14.1%	6.2%
FRANKFURT	206,337	208,677	-2,340	-1.1%	5.9%
PARIS Charles de Gaulle	181,407	177,885	3,522	2.0%	5.2%
BARCELONA	176,543	127,247	49,296	38.7%	5.0%
MUNICH	167,320	164,870	2,450	1.5%	4.8%
PALERMO	151,779	96,172	55,607	57.8%	4.3%
BARI	146,724	145,692	1,032	0.7%	4.2%
AMSTERDAM	130,447	104,651	25,796	24,6%	3.7%

Total top 10 destinations	**2,285,516**	**2,205,220**	**80,296**	**3.6%**	**65.4%**
Others	1,211,138	1,035,644	175,494	16.9%	34.6%
Total	**3,496,654**	**3,240,864**	**255.790**	**7.9%**	**100.0%**

Taken as a whole, regularly scheduled traffic recorded an increase of +7.9% over the previous year.

Regularly scheduled domestic traffic recorded growth of +2.3%.

This positive result was obtained thanks to new regularly scheduled domestic routes introduced in 2015, and namely:

- Blue Air: Bari (from May 2015), Catania (from November 2014), Lamezia Terme (from late October 2015) and Rome (from November 2015);
- Ryanair: Palermo from April 2015;
- Volotea: Cagliari from December 2015;

Plus the increased frequencies of the following flights:

- Blue Air to Catania and Alitalia to Naples;

And despite:

- in the last months of 2014, and therefore with repercussions for traffic figures in 2015 as well, routes were cancelled by Alitalia to Alghero, Catania, Palermo and Bari, and by Meridiana to Catania, while flight frequencies were reduced by Alitalia to Lamezia, Reggio Calabria and Naples and by Meridiana to Cagliari;
- in late October of 2015, the Vueling flight to Rome was cancelled ;
- in the months of May, June and July, Alitalia and Vueling cancelled flights to Rome Fiumicino on account of a fire in the T3 terminal.

Regularly scheduled international traffic grew by +15.1% compared to the previous year.

The new routes opened in 2015 were:

- Wizz Air: Warsaw (ski route) and Timisoara (from late March to the middle of May 2015);
- Blue Air: Bacau and Bucharest, from May 2015, Ibiza (Summer season);
- Vueling: Alicante, Minorca and Split (Summer season);
- Royal Air Maroc: Casablanca, from late October 2015.

Flights that began in the second half of 2014 also had a positive effect on traffic:

- WizzAir: Bucharest, from late September 2014;
- Ryanair: Eindhoven, from late October 2014;
- Air Moldova: Chisinau, from the middle of December 2014;
- Monarch: Birmingham (ski route, from December 2014);
- Jet2com: Manchester (ski route, from December 2014);

Rome was the destination most in demand, with 666,999 passengers, for growth of +8.2% compared to 2014, making it the leading route, with a 19.1% share of regularly scheduled traffic.
The **Catania** route (ranked second, with a 6.9% share of regularly scheduled traffic), showed a drop of -22.4%, following the reductions in flights made by the domestic carriers.

Naples, the third-ranking destination in terms of number of passengers, recorded a decrease of -14.1%,l and now accounts for 6.2% of total regularly scheduled traffic.

The number of passengers flying to Barcelona increased (+38.7%), thanks to the excellent performance of Ryanair and Vueling.

The Palermo route, which benefited from the entry of Ryanair, recorded an increase of 57.8%.

The Amsterdam route also grew, thanks to the entry of KLM (which increased its effective offer from 80 to 100 seats in the last quarter of 2015).

The following table compares movements for the ten leading destinations of regularly scheduled traffic in 2015 to the figures for 2014:

	Destinations - SCHEDULED				
MOVEMENTS	**Act**	**LY**	**Var. vs LY**		**% of total**
ROMA Fiumicino	5,945	5,673	272	4.8%	17.8%
MUNICH	2,818	2,823	-5	-0.2%	8.4%
FRANKFURT	2,783	2,823	-40	-1.4%	8.3%
PARIS Charles de Gaulle	2,654	2,556	98	3.8%	8.0%
NAPOLI	2,196	2,844	-648	-22.8%	6.6%
AMSTERDAM	1,712	1,236	476	38.5%	5.1%
CATANIA	1,604	2,383	-779	-32.7%	4.8%
BARCELONA	1,236	996	240	24.1%	3.7%
PALERMO	1,153	915	238	26.0%	3.5%
MADRID	1,065	990	75	7.6%	3.2%
Total top 10 destinations	**23,166**	**23,239**	**-73**	**-0.3%**	**69.4%**
Others	10,204	9,988	216	2.2%	30.6%
Total	**33,370**	**33.227**	**143**	**0.4%**	**100.0%**

Overall movements increased by +4.2%. Movements of commercial aviation alone were in line with the results for 2014, registering an increase of +0.2%.

Looking at commercial aviation alone, the growth in the number of passengers was far higher than the increase in movements.

The aircraft tonnage of commercial aviation rose by 1.8% compared to January-December 2014.

Charter traffic recorded a -11.3% drop in traffic, due to the collapse of destinations normally serviced by charter flights, such as Egypt and Tunisia, on account of the uncertain international scenario, together with the transformation of a number of ski routes previously services by charter flights into regularly scheduled routes.
The overall volumes of cargo transported declined (-14.1%).

THE AIRLINES

The main **airlines** that operated at our airport in 2015, together with their respective passenger figures, are shown below:

	Carriers - SCHEDULED				
PAX	**Act**	**LY**	**Var. vs LY**		**% of total**
RYANAIR	960,688	720,563	240,125	33.3%	27.5%
ALITALIA GROUP	703,937	978,973	-275,036	-28.1%	20.1%
LUFTHANSA	373,657	376,714	-3,057	-0.8%	10.7%
VUELING AIRLINES	236,422	139,247	97,175	69.8%	6.8%
MERIDIANA FLY S.p.A.	232,263	276,161	-43,898	-15.9%	6.6%
BLUE AIR	215,909	13,176	202,733	1538.7%	6.2%
AIR FRANCE	181,407	177,887	3,520	2.0%	5.2%
BRITISH AIRWAYS	105,483	100,474	5,009	5.0%	3.0%
KLM	93,193	53,659	39,534	73.7%	2.7%
VOLOTEA	71,643	52,390	19,253	36.7%	2.0%
Total top 10 carriers	**3,174,602**	**2,889,244**	**285,358**	**9.9%**	**90.8%**
Others	322,052	351,620	-29,568	-8.4%	9.2%
Total	**3,496,654**	**3,240,864**	**255,790**	**7.9%**	**100.0%**

In 2015 **low cost** flights accounted for 45% of all regularly scheduled traffic, registering growth of 48.4%.

PAX	Low Cost				
	Act	LY	Var. vs LY		% of total
RYANAIR	960,688	720,563	240,125	33.3%	60.8%
VUELING AIRLINES	236,422	139,247	97,175	69.8%	15.0%
BLUE AIR	215,909	13,176	202,733	1538.7%	13.7%
VOLOTEA	71,643	52,390	19,253	36.7%	4.5%
WIZZ AIR,LTD	39,485	8,216	31,269	380.6%	2.5%
TRANSAVIA AIRLINES	37,254	50,992	-13,738	-26.9%	2.4%
EASYJET AIRLINE	14,501	16,779	-2,278	-13.6%	0.9%
JET2.COM	4,083	439	3,644	830.1%	0.3%
GERMAN WINGS	695	20,228	-19,533	-96.6%	0.0%
AIR ARABIA MAROC	251	295	-44	-14.9%	0.0%
TWIN JET (TWIN AIR)	83	53	30	56.6%	0.0%
NORWEGIAN AIR SHUTTLE, AS	1	0	1		0.0%
BLU EXPRESS	0	42,803	-42,803	-100.0%	0.0%
Total	**1,581,015**	**1,065,181**	**515,834**	**48.4%**	**100.0%**

Finally, the figures for **regularly scheduled movements** are shown below for the individual carriers:

MOVEMENTS	Carriers - SCHEDULED				
	Act	LY	Var. vs LY		% of total
ALITALIA GROUP	6,216	9,228	-3,012	-32.6%	18.6%
RYANAIR	5,784	4,598	1,186	25.8%	17.3%
LUFTHANSA	5,601	5,764	-163	-2.8%	16.8%
AIR FRANCE	2,655	2,558	97	3.8%	8.0%
MERIDIANA FLY S.p.A.	2,257	2,796	-539	-19.3%	6.8%
VUELING AIRLINES	2,139	1,263	876	69.4%	6.4%
BLUE AIR	1,822	106	1,716	1618.9%	5.5%
KLM	1,449	870	579	66.6%	4.3%
AIR NOSTRUM	1,064	991	73	7.4%	3.2%
BRITISH AIRWAYS	866	822	44	5.4%	2.6%
Total top 10 destinations	**29,853**	**28,996**	**857**	**3.0%**	**89.5%**
Others	3,517	4,231	-714	-16.9%	10.5%
Total	**33,370**	**33.227**	**143**	**0.4%**	**100.0%**

Below is a summary of past trends and seasonal performance for the total number of **passengers** at our airport:

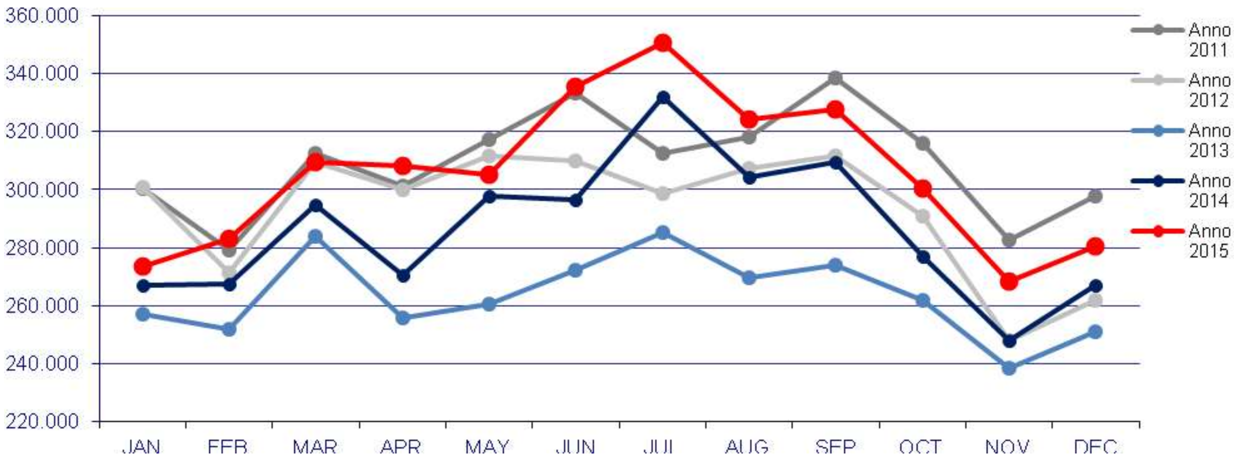
TOTAL PASSENGERS (TRANSIT AND GENERAL AVIATION INCLUDED)

NW: months of traffic peaks are shown in blu

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2003	242.651	253.547	269.792	216.202	222.940	229.513	236.931	213.648	239.606	236.740	223.582	235.296	**2.820.448**
2004	248.667	268.862	285.441	256.073	256.393	261.153	281.007	273.104	272.942	251.980	229.887	256.379	**3.141.888**
2005	286.726	276.762	309.092	256.510	255.798	271.960	276.087	236.800	257.884	239.290	227.697	254.201	**3.148.807**
2006	260.461	**321.034**	301.479	275.236	268.880	279.790	286.999	246.939	270.742	259.835	231.318	258.261	**3.260.974**
2007	280.182	283.146	314.788	294.648	291.032	301.010	322.412	286.258	308.790	297.291	257.152	272.544	**3.509.253**
2008	290.081	297.462	**338.402**	289.135	304.187	314.022	307.055	269.285	279.529	268.527	219.513	243.635	**3.420.833**
2009	257.144	264.156	302.360	276.737	266.173	266.112	297.407	271.464	272.958	262.865	220.185	269.697	**3.227.258**
2010	279.036	269.824	312.431	270.799	308.544	307.732	313.081	323.100	322.070	304.788	271.619	277.145	**3.560.169**
2011	300.575	278.985	312.781	301.429	**317.306**	333.399	312.366	318.216	**338.719**	**316.164**	**282.739**	**297.806**	**3.710.485**
2012	**300.967**	271.516	309.360	299.873	311.909	309.811	298.850	307.339	311.482	291.052	248.093	261.595	**3.521.847**
2013	256.862	251.752	283.835	255.685	260.621	271.987	285.113	269.502	273.759	261.745	238.387	251.039	**3.160.287**
2014	266.969	267.388	294.766	270.509	297.841	296.379	332.116	304.432	309.331	277.005	248.069	267.181	**3.431.986**
2015	273.531	282.862	309.705	**308.141**	305.091	**335.412**	**350.572**	**324.484**	327.808	300.326	268.149	280.343	**3.666.424**

2015-2014 variation percentages

monthly	2,46%	5,79%	5,07%	13,91%	2,43%	13,17%	5,56%	6,59%	5,97%	8,42%	8,09%	4,93%
progressive	2,46%	4,12%	4,46%	6,78%	5,86%	7,14%	6,88%	6,84%	6,74%	6,90%	6,99%	6,83%



Past trends and seasonal performance in terms of total **movements** at our airport are summarised below:

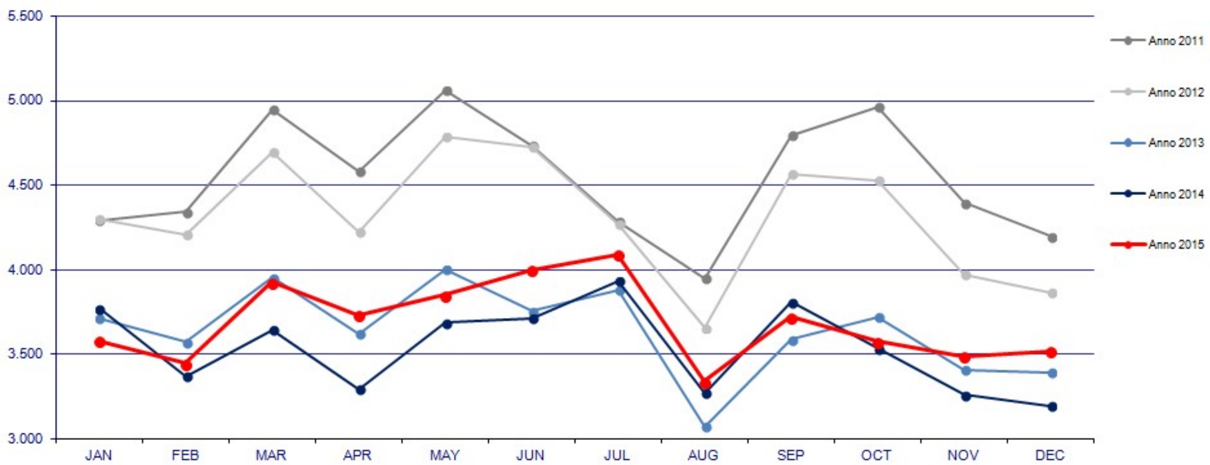
TOTAL MOVEMENTS (TRANSIT AND GENERAL AVIATION INCLUDED)

NW: months of traffic peaks are shown in blu

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2006	4.612	**6.210**	5.460	4.738	5.263	5.340	5.044	4.071	5.062	5.378	**5.076**	4.584	**60.838**
2007	4.927	5.110	**5.580**	5.001	**5.487**	**5.364**	**5.636**	**4.331**	**5.443**	**5.636**	4.847	**4.774**	**62.136**
2008	**4.972**	4.922	5.242	**5.198**	5.079	5.053	5.212	3.997	4.827	4.975	4.385	4.286	**58.148**
2009	4.867	5.001	5.568	4.789	5.088	4.737	5.088	3.804	4.681	4.871	3.904	4.021	**56.419**
2010	4.180	4.254	4.850	4.318	4.927	4.978	4.714	3.938	4.952	4.976	4.527	4.226	**54.840**
2011	4.292	4.341	4.947	4.584	5.060	4.732	4.286	3.949	4.793	4.965	4.395	4.197	**54.541**
2012	4.297	4.204	4.695	4.220	4.784	4.726	4.266	3.654	4.565	4.526	3.972	3.864	**51.773**
2013	3.714	3.570	3.953	3.620	3.999	3.753	3.879	3.068	3.585	3.720	3.404	3.391	**43.656**
2014	3.770	3.367	3.642	3.294	3.685	3.713	3.931	3.269	3.808	3.533	3.259	3.191	**42.462**
2015	3.579	3.446	3.925	3.730	3.851	3.997	4.092	3.340	3.720	3.576	3.488	3.517	**44.261**

2015-2014 variation percentages

Monthly	-5,1%	2,3%	7,8%	13,2%	4,5%	7,6%	4,1%	2,2%	-2,3%	1,2%	7,0%	10,2%
Progressive	-5,1%	-1,6%	1,6%	4,3%	4,4%	4,9%	4,8%	4,5%	3,7%	3,5%	3,8%	4,2%



1.5 Analysis of the Income Statement

The Income Statement for 2015, presented in summary form in the table below, closes at a net operating profit of €8,498 million, improving by €7,703 million compared to the €795 thousand profit recorded in the prior year,

The difference is the consequence of various factors that have significantly affected the different income components described below,

The value of production, net of subsidies, totalled €2,27 million, for an aggregate increase of +18.45%, reflecting not only the performance of the various traffic components at the airport, but also the progress made by the Company in its approach to the management of activities not directly related to airport operations, as is described in detail further on in this report, plus the increases in miscellaneous revenues.
These last went from €2,5 million in 2014 to €11,018 million in the current year, making for an increase of €8,518 million, due to the release to the income statement of a figure of €8,481 million, or the total allocated in previous years to the reserve for the maintenance of third-party goods, now held to be excessive.

Staff costs totalled €13,046 million, for an increase of €417 thousand, or +3.3%, compared to 2014.

Operating costs, €24,789 million on aggregate, decreased by €205 thousand compared to the previous year, due to the cost-cutting initiatives implemented, such as the replacement of outsourced staff with internal resources, especially in the engineering area, and wherever else this proved feasible and cost-effective.

The caption Provisions and write-downs, at an aggregate figure of €1,344 million, compared to the previous year's €463 thousand, shows an increase of €881 thousand, due primarily to the quantification of possible future risks.

The caption Amortisation and Depreciation, at an aggregate figure of €9,901 million, shows a reduction compared to the previous year, the result of the normal life cycle of the assets. A detailed analysis of the main changes in the caption is provided in the Notes.

The balance of financial and extraordinary components, for a negative aggregate of - €533 thousand, marks an improvement of €237 thousand compared to 2014.

The table below shows the main components of the Income Statement, comparing them with the equivalent figures from the previous year:

Euro thousand

	2015	2014	Difference
Value of production *	57.716	48.724	8.992
Staff costs	13.046	12.629	417
Operating costs	24.789	24.994	-205
GOM	**19.882**	**11.101**	**8.780**
% GOM	**34,4%**	**22,8%**	
Amortisation, depreciation & write-downs	1.344	463	881
EBITDA	**18.538**	**10.639**	**7.899**
% EBITDA	**32,1%**	**21,8%**	
Amortisation and depreciation	9.901	10.618	-717
Grants	2.270	2.274	-4
EBIT	**10.907**	**2.295**	**8.612**
% EBIT	**18,9%**	**4,7%**	
Balance of interest and exceptional income/expenses	-533	-770	237
Gross profit for the year	**10.374**	**1.525**	**8.849**
Income taxes	1.876	729	1.147
Net profit of the year	**8.498**	**795**	**7.703**
Index of financial independence **	**19.889**	**11.603**	**8.286**

(*) The value of production is the total of earnings minus the grants received.
(**) The index of financial independence is calculated as follows: profit (loss) of the year + amortisation and depreciation + write-downs and provisions + net difference in the provision for staff severance pay

INCOME

The table below shows the main income items for the years 2015 and 2014:

Euro thousand

	2015	%	2014	%	Difference
Value of production	**57,716**	**100.0%**	**48,724**	**100.0%**	**8,992**
Aviation	**29,610**	**51.3%**	**28,377**	**58.2%**	**1,232**
of which:					
Fees	14,665		13,767		898
Centralised infrastructures	6,015		6,161		-146
Assets used in common	698		727		- 29
Security	6,502		6,096		406
Aviation services (PRM and luggage)	1,729		1,626		103
Handling	**345**	**0.6%**	**363**	**0.7%**	**-19**
Non-aviation	**16,744**	**29.0%**	**17,484**	**35.9%**	**-740**
of which:					
Non-aviation services	977		921		56
Ticketing	172		139		32
Airport Retail Corners			1,878		-1,878
Retail and restaurant subcontracts	3,778		2,714		1,064
Other business subcontracts	1,510		1,441		70
Sublease of spaces	3,753		3,825		- 72
Parking Lots	5,396		5,427		- 31
Advertising	1,158		1,138		20
Other revenues	**11,018**	**19.1%**	**2,500**	**5.1%**	**8,518**

The value of production increased in 2015 by an aggregate amount of €8,992 million, reaching €57,716 million.

The aggregate increase of €1,232 million (+4.3%) in **aviation income** is traceable to the traffic results reported and commented on earlier, in a separate section.

Non-aviation income dropped by €740 thousand (-4.2%) in 2015, going from €17,484 million in 2014 to €16,744 million in 2015.
The various factors that have significantly affected non-aviation income are described below:

- Airport Retail Corners:

Revenues from the airport retail corners, whose direct operation by SAGAT ceased in July of 2014, totalled €1,878 million as of 31 December 2014, whereas they were zero as of 31 December 2015. Without that change, non-aviation revenues would have grown by 7.3%.

- Retail-Food Service Subcontracts:

Income from service subcontracts increased by €1,064 million in 2015, as compared to 2014, for an aggregate figure of €3,778 million, having benefitted primarily from increased revenues in the food service and retail (duty-free) segments, as well as from the opening of the supermarket.

- Other Business Subcontracts and Subleasing of Airport Spaces:

This sector totalled €5,263 million, a figure essentially unchanged from the previous year's result of €5,266 million.

- Parking facilities:

This sector also recorded a substantially stable result in 2015, as compared to the previous year, at €5,396 million, as opposed to the 2014 result of €5,427 million.

- Advertising:

Advertising income registered an increase of approximately €20 thousand in 2015, rising to €1,158 million, as compared to the final result of €1,138 million in 2014.

Miscellaneous income, entered at €11,018 million, registered a significant increase compared to the result of €2,5 million for 2014, due primarily to the release onto the income statement of the figure of €8,481, the total amount allocated in previous years to the reserve for the maintenance of third-party goods, but now held to be in excess. For more details on the question, see the pertinent section of the Notes.

STAFF COSTS

Staff costs for 2015, inclusive of outsourced staff, amounted to €13,046 million, for an increase of €417 thousand compared to the previous year.
The increase can be attributed to a variety of factors, including the higher volumes of traffic, the impact of the new collective bargaining contact and the slight rises in a number of ordinary staff cost components. For more details, see the pertinent section of the Notes.

OPERATING COSTS

Operating costs totalled €24,789 million, for a decrease of €205 thousand compared to the year closed on 31 December 2014, a change essentially attributable to the following circumstances:

- a decrease of €1,156 million in costs for the purchase of materials, a variation almost entirely attributable to the termination of product purchases for resale in the airport retail corners, not directly operated by SAGAT since July of 2014;
- higher costs of approximately €746 thousand to promote increased air traffic;
- higher costs of approximately €210 thousand for marketing;
- higher costs of approximately €146 thousand for maintenance, attributable primarily to increased maintenance during the year on buildings, plants and equipment;
- lower costs of approximately €131 thousand on utilities, in particular for electric energy and heating fuel;
- lower costs of approximately €630 thousand for services, due primarily to the reduced costs sustained for the services of the cooperative responsible for operating the airport retail corners, up until their closing (- €400 thousand) and to the lower aggregate cost sustained for the services performed by the subsidiary SAGAT Engineering, once that firm had essentially ceased its operations, from the month of August 2014 on.

GROSS OPERATING MARGIN

Due to the factors illustrated above, the GOM registered an increase of €8,780 million, reaching €19,882 million in 2015, or 34% of the value of production.

PROVISIONS AND WRITE-DOWNS

Provisions and write-downs, which total €1,344 million, show an aggregate increase of €881 thousand, due primarily to the following factors:

- allocation of a total of €100 thousand to the provision for bad debts, to ensure that the balance was adequate for the needs that arose during the year;

- allocation of a total of €1,218 million to the provision for future contingencies, to bring its level in line with the actual risks known to SAGAT as of 31 December 2015;

- write-down of a total of €26 thousand for intangible non-current assets whose contribution to creating value for the Company became nil during the year.

GRANTS

Entered at the amount of €2,270 million, they are essentially unchanged from the figure of €2,274 registered in 2014. The slight decrease is due to changes in the useful lives of the assets to which they are tied. For more details, see the pertinent section of the Notes.

EBITDA

Due to the factors illustrated above, the EBITDA showed an increase of €7,899 million, reaching the amount of €18,538 million in 2015, equal to 32.1% of the value of production.

AMORTISATION AND DEPRECIATION

The figure for the amortisation and depreciation of tangible and intangible assets, which totalled €9,901 million, decreased by €717 thousand as a result of the ordinary life cycle of the assets.

EBIT

The operating result stood at €10,907 million, for an increase of 8,612 million compared to the figure registered in the previous year.

FINANCIAL AND EXTRAORDINARY COMPONENTS:

The balance of the financial and extraordinary components, at a negative aggregate of - €533 thousand, marks an improvement of €237 thousand compared to 2014, due primarily to the following variations:

- a noteworthy downturn (€447 thousand) in the balance between financial income and expenses, which went from a positive figure of €195 thousand in 2014 to a negative €252 thousand in 2015. This variation was fundamentally attributable to the €531 thousand in dividends paid out by the Company's subsidiaries in the year 2014;

- a downturn of €10 thousand in the balance of financial asset adjustments, due to a write-down for a total of €13 thousand in the holding possessed by the group's lead company in the Air Cargo company, currently in liquidation. As a result of this write-down, the balance-sheet value of the holding was completely eliminated;

- an improvement (by €694 thousand) in the negative balance of non-recurring income and expenses, which went from a final figure of minus €962 thousand in 2014 to minus €267 thousand in the year 2015. This improvement is essentially attributable to a contingent liability of €920 thousand sustained in 2014 as a result of the sentence in the appeal of the suit between SAGAT and the handling partner Aviapartner. For further details on this case, see the section of the Managers' Report that deals with litigation.

THE EBT

The EBT was equal to €10,374 million, for an improvement of €8,849 million over the previous year.

TAXES

The aggregate tax burden increased by €1,147 million compared to the previous year. Total taxes for the year were €1,876 million.
The difference between the actual 2014 tax rate and the theoretical IRES/IRAP rate (31.7%) is described in detail in the pertinent section of the Notes.

PROFIT

In the light of the above, the net profit earned in 2015 amounts to €8,498 million, an improvement of €7,703 million compared to 2014.

1.6 Analysis of the Balance-Sheet

The table below shows the balance-sheet entries reclassified according to financial criteria and presented in comparison with the figures for the previous year.

Euro thousand

				31/12/2015	31/12/2014	Difference
A	**Fixed assets**					
		Intangible assets		3.159	5.124	-1.965
		Tangible assets		49.504	54.630	-5.126
		Financial assets		14.002	13.815	187
				66.665	**73.569**	**-6.904**
B	**Working capital**					
		Inventory		288	372	-84
		Trade receivables		9.579	10.592	-1.013
		Other assets		12.186	14.574	-2.388
		Trade payable		-10.179	-8.931	-1.248
		Provisions for liability and charges		-6.545	-13.969	7.424
		Other liabilities		-26.297	-29.723	3.426
				-20.968	**-27.089**	**6.117**
C	**Invested capital (less liabilities for the year)**		**(A+B)**	**45.697**	**46.484**	**-787**
D	**Staff severance pay**			**2.354**	**2.512**	**-158**
E	**Invested capital (less liabilities for the year and staff severance pay)**		**(C-D)**	**43.343**	**43.972**	**-629**
	funded with:					
F	**Own capital**					
		Paid-in share capital		12.911	12.911	0
		Reserves and results carried forward		26.811	26.016	795
		Profit (Loss) of the year		8.498	795	7.703
				48.220	**39.722**	**8.498**
G	**Medium / long-term financial indebtedness**			**4.500**	**6.000**	**-1.500**
H	**Short-term financial indebtedness (net cash available)**					
		Short-term financial payables		1.500	1.500	0
		Short-term financial payables to subsidiary companies		1.500	2.000	-500
		Financial assets		0	0	0
		Cash and short-term financial receivables		-12.377	-5.250	-7.127
				-9.377	**-1.750**	**-7.627**
I	**Indebtedness (Net financial position)**		**(G+H)**	**-4.877**	**4.250**	**-9.127**
L	**Total, as in "E"**		**(F+I)**	**43.343**	**43.972**	**-629**

As shown by the table, the capital invested, less liabilities for the year and staff severance pay, has decreased by €629 thousand due to the following changes:

- decrease in fixed assets by €6,904 million, due to:
    - a decrease of €1,965 million in intangible assets, due primarily to €648 thousand of new investments made in the year, less amortisation of €2,613 million;
    - a decrease of €5,126 million in intangible assets, the result of a €7,288 million drop in value due to normal asset depreciation, plus the positive effect of €2,492 million of new investments made during the year, minus a total of €330 thousand in write-downs and assets not earned;
    - an increase of €187 thousand in financial assets, the end result of an increase of €200 thousand in long-term receivables from subsidiaries, due to the granting of a loan not bearing interest to the company Aeroporti Holding, plus a write-down of €13 thousand, representing the book value of the holding of the subsidiary Air Cargo, due to the liquidation of the latter.
- an increase of €6,117 million in working capital, due primarily to:
    - a decrease of €1,013 million in trade receivables, attributable to:
        - an overall decrease of €1,058 million in total receivables from customers, the result of a drop of €1,524 million in the balance of actual receivables from customers, offset by an €84 thousand increase in the balance of notes of credit to be issued and a €550 thousand increase in invoices to be issued;
        - changes in the provisions for bad debts, whose overall balance decreased by €45 thousand as a result of €145 thousand used and a partial offsetting readjustment of €100 thousand, based on actual needs.
    - a decrease of €2,388 million in other assets, primarily attributable to a €740 decrease in receivables from companies of the Group, together with a decrease of €1,825 million in tax receivables and for future tax assets, mainly as a result of the use of a credit for the IRES tax, partially offset by an increase in other receivables;
    - a decrease of €1,248 million in trade receivables;
    - a reduction of € 7,424 million in the provisions for contingencies, as a result of:
        - the release of €8,481 million onto the income statement, representing the entire provision for the maintenance of third-party assets, details of which can be found in the pertinent section of the Notes to the Financial Statements;
        - an increase of €1,058 million in the future contingencies provision, following allocations made at the close of the year to bring the balance of the provision in line with the actual needs of the Company, based on potential risks. As of 31 December 2015, the provision was equal to €6,545 million, as is explained in greater detail in the pertinent section of the Notes.
    - a reduction of €3,426 million in other liabilities, essentially due to:

- a decrease of €471 thousand in payables to subsidiary companies that are not financial payables;

- the release to the income statement of €2,253 thousand of quotas of deferred income tied to Olympic Games subsidies;

- a reduction of €608 thousand in other payables.

Own capital increased by €8,498 thousand as a result of the year-end profit.

The Company's net financial indebtedness went from €4,250 million as of 31 December 2014 to a net positive financial position of €4,877 million as of 31 December 2015, registering an aggregate improvement of €9,127 million, due to the following changes:

- a reduction of €1,5 million in medium to long term debt following repayment, as planned, of instalments on the loan obtained in 2010 for an original amount of €15,0 million euro;

- a reduction of €500 thousand in financial debt to subsidiaries following repayment of a loan received from the subsidiary SAGAT Handling;

- an increase of €7,127 million in cash and equivalents held with banks, and in the company treasury, due in part to the continuation in 2015 of efforts to limit exposure to customers.

1.7 Analysis of the Cash Flow

Operations during the year generated €9,127 million in financial resources, with the change being the result of the cash flow generated by income, minus costs.

The cash flow from operations, totalling €12,454 million, is the result of €19,889 million in self-financing generated by ordinary and extraordinary operations, plus a variation of €7,435 million in net working capital, minus €1,318 million in write-downs and provisions in the period.
The cash flow was used, at an amount of €3,140 million, to fund investments in intangible and tangible assets, while €187 thousand serviced an increase in financial assets.

Net cash flow from operations, therefore, posted an aggregate positive figure of €9,127 million, meaning that the net financial position as of 31 December 2015 was €4,877 million, a clear-cut improvement compared to the indebtedness of €4,250 million as of 31 December 2014. The net financial position as of 31 December 2015 includes €1,5 million of financial payables to subsidiary companies (this figure was €2,0 million last year).

The changes described above are summarised on the following table.

SUMMARY OF CASH FLOW

Euro thousand

Net Financial Position as of 31/12/2014*		**-4.250**
Self-financing from ordinary and extraordinary operations		19,889
Profit (Loss) of the year	8,498	
Amortisation, depreciation and write-downs of fixed assets	10,231	
Provisions for bad debts	1,318	
Net difference in the provision for staff severance pay	-158	
Difference in net working capital after amortisation, depreciation and write-downs		-7,435
Cash flow generated by income		**12,454**
Net cash flow from investments		-3,140
Net difference in fixed assets after write off of dismissed assets		
Cash flow from financial assets		-187
Dividends		
Net cash flow from operations		**9,127**
Net Financial Position as of 31/12/2015*		**4,877**

(*) The net financial position is represented by cash in hand, short-term financial receivables and financial assets, less the debts towards banks

1.8 Analysis of the principal financial ratios

	2011	2012	2013	2014	2015
	2011	**2012**	**2013**	**2014**	**2015**
Production value	58.984	53.051	48.203	48.724	57.716
Operating costs	26.687	25.792	23.946	24.994	24.789
Staff	12.823	12.418	11.873	12.629	13.046
GOM	19.474	14.841	12.384	11.101	19.882
Net result	3.496	-1.167	215	795	8.498
Shareholders'equity	64.582	60.012	60.227	39.722	48.220
ROI	8,72	-0,50	1,90	3,55	25,16
ROE	5,41	-1,94	0,36	2,00	17,62
Investments	9.846	12.718	2.755	3.010	3.140
Financial autonomy	18.526	16.534	13.792	11.603	19.889
Accounts receivable from customers	16.797	9.376	8.863	10.592	9.579
Average length of trade receivables	118	68	71	84	75
Accounts payable to vendors	11.841	12.400	8.788	8.931	10.179
Average length of trade payables	162	175	134	130	150
Net earnings per share	1,40	-0,47	0,09	0,32	3,40

FINANCIAL INDEPENDENCE: profit (loss) of the year + amortisation and depreciation + write-downs and provisions + net change in the provision for staff severance pay

ROI: net profit / investments

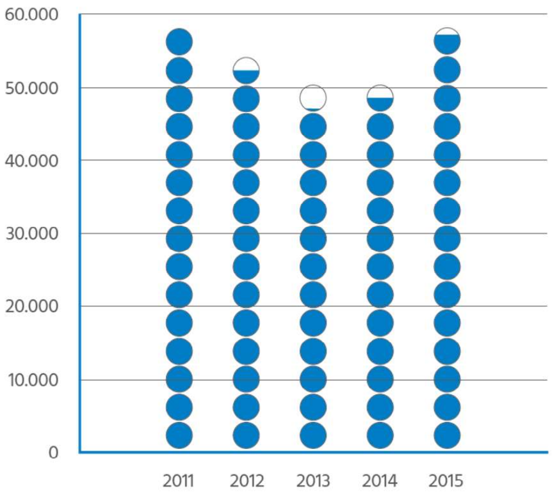
ROE: net income / shareholders' equity

AVERAGE LENGTH OF RECEIVABLES: trade receivables / trade earnings (caption A1 of IV EEC financial statements)

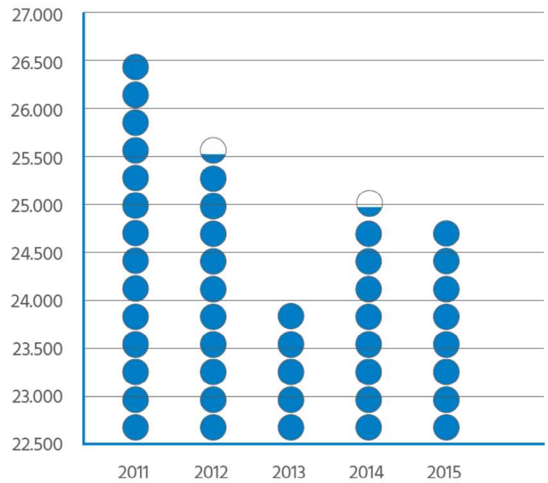
AVERAGE LENGTH OF PAYABLES: trade payables / cost of vendor services

NET EARNINGS PER SHARE: in 2009, following a capital increase at no charge, the number of shares increased from 1,970,000 to 2,502,225

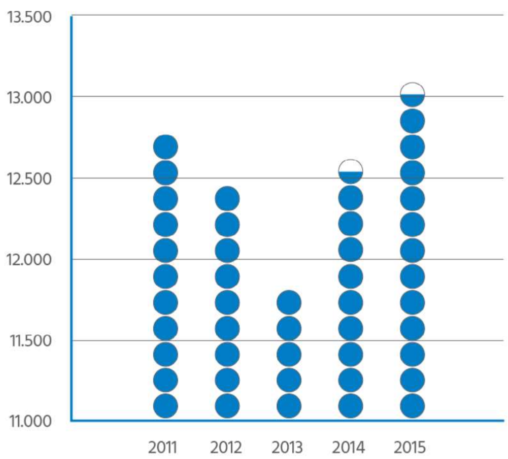
PRODUCTION VALUE



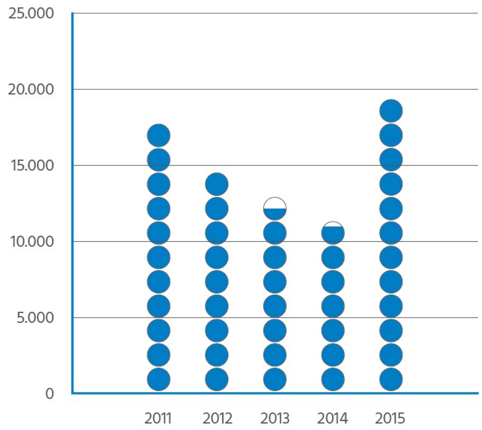
OPERATING COSTS



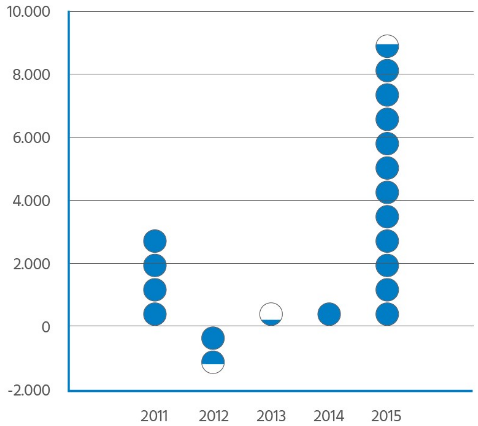
STAFF COSTS



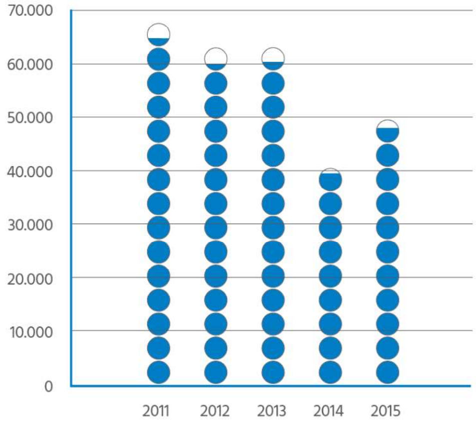
GOM



NET RESULT

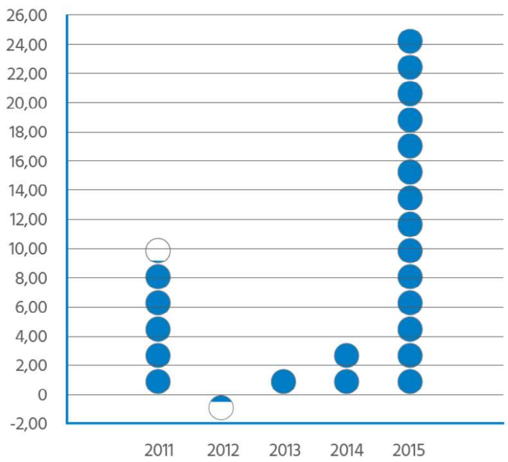


SHAREHOLDERS'EQUITY

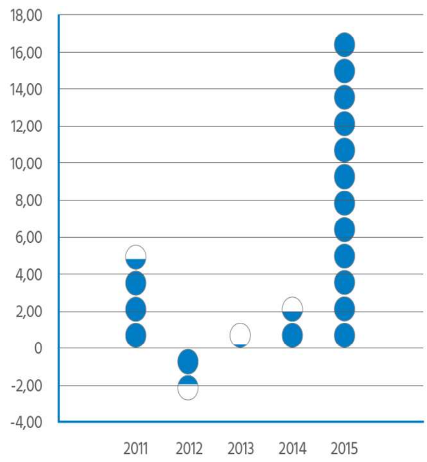


ROI

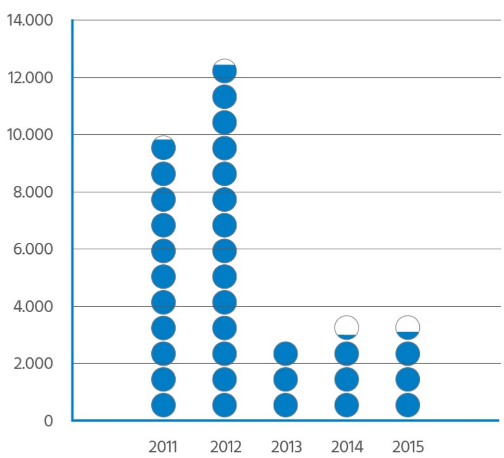
ROE



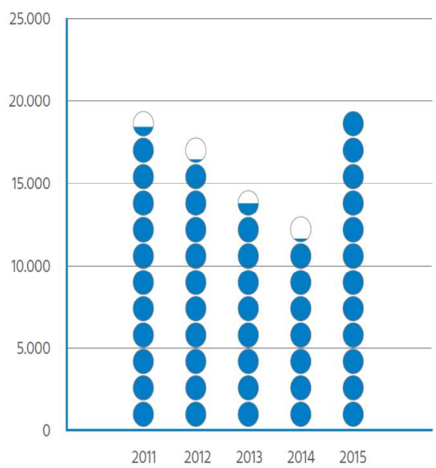
INVESTMENTS



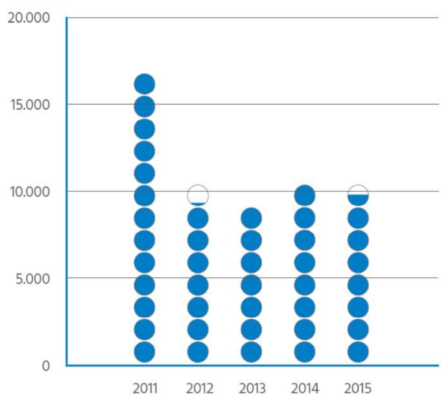
FINANCIAL AUTONOMY



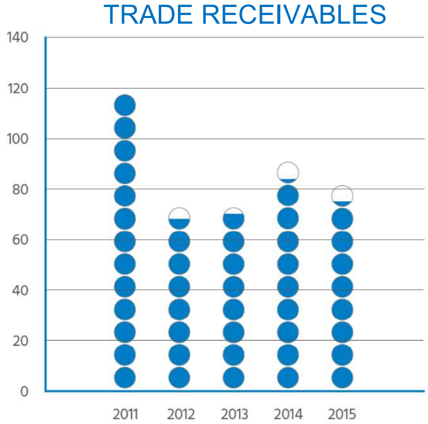
ACCOUNTS RECEIVABLE
FROM CUSTOMERS



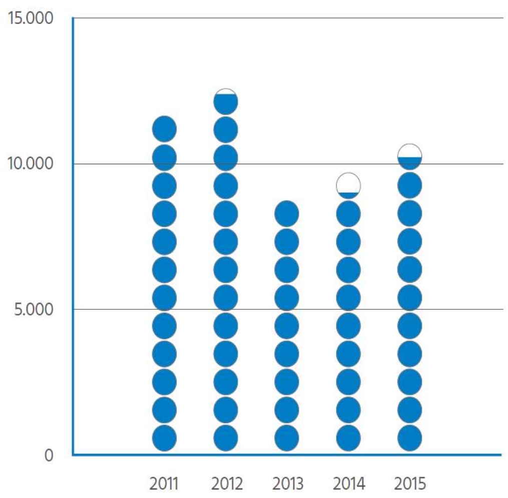
AVERAGE LENGTH OF
TRADE RECEIVABLES

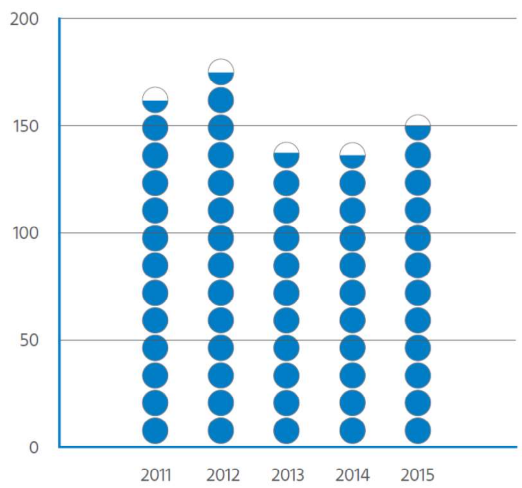


ACCOUNTS PAYABLE TO VENDORS

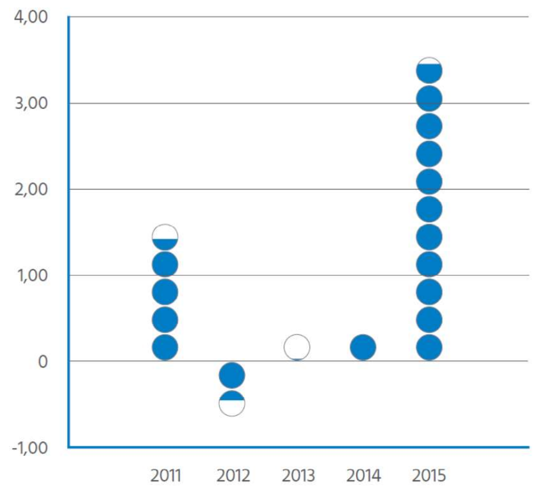


AVERAGE LENGTH OF
TRADE PAYABLES





NET EARNINGS PER SHARE



1.9 Aviation services

GROUND HANDLING

Having transferred the handling business to the subsidiary SAGAT Handling in 2001, SAGAT is no longer directly engaged in this business. For a detailed analysis, please see the Directors' Report for SAGAT Handling S.p.A., highlights of which are provided further on in this report.

FEES

Airport fees were adjusted in accordance with the relevant measures of the law, as was illustrated earlier in the section on the regulatory framework.

1.10 Retail services

Non-aviation retail operations were subject to thoroughgoing innovation in 2015, with the goal of optimising the offerings and their profitability.

Major renovation work was done on the airside zone of the terminal, with projects in progress throughout the year, resulting in a new overall layout by year's end.

The duty-free areas are now arranged according to the modern walk-through approach, while the more extensive offerings and the locations of the other retail areas ensure greater visibility and heightened opportunity for contact with airport users.
Under this scenario, the new follow of departing passengers is treated to the utmost comfort and convenience, thanks to as setting that brings the Turin Airport in line with internationally recognised standards.
What is more, the new flow of arriving passengers, who are routed through the departure lobby once they disembark from their flights at the loading bridges, a change introduced in 2015, has led to a significant increase in the number of potential customers.

The subcontracting of duty-free operations to the Heinemann Group, starting from November of 2014, resulted in a different approach to these activities on the income e statement, where they were reclassified within a specific business unit, leading to reduced earnings while, at the same time, cutting costs.
Positive margins are expected from this change, thanks to the experience and knowledge of the sector possessed by the new operator, which can draw on a highly developed background in the area.

Looking towards the future, the increased floor space set aside for other retail activities and food service guarantees the potential for growth and maximum profitability.
The introduction of operators and brands with increasingly high-level target markets also ensures the terminal's power of attraction, together with a higher level of quality for airport users.

Noteworthy changes were also made in the parking facilities in 2015, in the interests of interrupting the loss of competitiveness to competing facilities, and the accompanying reduction in income, that had been going on for years. New sales procedures were introduced, including e-commerce, and initiatives were undertaken to expand offerings, in order to recover both business and leisure customers. Finally, a rationalisation of the roles of certain parking facilities, in terms of the lengths of stay offered and their locations, has improved customer perception, allowing the facilities to better respond to users' needs.

Taken as a whole, non-aviation income, despite the major modifications in infrastructure and layout described above, as well as external factors, such as the widely reported fire at the T3 terminal of the Fiumicino Airport, which had negative repercussions on the number of business passengers, and without taking into account the impact on income of the change in the duty-free operator, registered growth in excess of approximately +3%.

The start-up of new retail activities at our airport, centred around the presence of both international operators (Heinemann and Tiger) and leading regional enterprises (Gobino, Borbonese, Venchi), in combination with the differentiation of Food&Beverage offerings, have supported this trend.

RETAIL AND FOOD & BEVERAGE SUBCONTRACTING

Within this sector, the areas of Food&Beverage and Beauty&Fashion have performed extremely well, thanks to the strong level of passenger volume and the expanded retail offerings. The overall earnings margin benefitted from the start-up of activities by some of the operators cited above, as well as the new arrangement of the duty-free shops.

NON-RETAIL SUBCONTRACTING AND ACTIVITIES

Earnings from the rent-a-car segment increased as a result of the higher underlying volumes, while the aircraft refuelling business showed a slight rise.
Earnings from the subleasing of non-retail spaces decreased slightly (-1.9%) in 2015, due to rationalisation initiatives undertaken by aviation and cargo operators.

PARKING FACILITIES

The volume of revenues from parking facilities in 2015 was €5,396 million, a figures essentially unchanged from the previous year.
This result was the outcome of the positive trend in the volume of passengers using the airport, offset by factors such as the increasingly noticeable direction taken by business travel (towards shorter trips, cost cutting), which has a direct impact on the length of the average parking stay, plus the ever more aggressive competition from operators outside the airport grounds, whose number has reached 11, and a number of external factors mentioned earlier.
The initiatives undertaken, which have succeeded in interrupting the massive flow of customers away from the airport parking facilities, will show their full effect on income in the year 2016.

ADVERTISING

Advertising income increased by approximately €20 thousand in 2015.
Most of the revenues were earned through the main subcontractor, a leading force on the market, and one that guarantees not only continuity and future prospects for growth, but also a noteworthy modernisation of the facilities in operation at the airport, thanks to sizeable investments of its own funds.
The presence of this operator also facilitates efforts to deal with the difficulties of a sector that, in recent years, has recorded sharp decreases in volume.

1.11 Quality

QUALITY POLICY

SAGAT's Quality Policy is based on a dual awareness.
On the one hand, the manager of a public service as vitally important as an airport must necessarily view customers-passengers as a key element of its corporate mission.
At the same time, the increasingly intense competition among airports, as well as the alternative offer of high-speed rail connections, means that close attention must be paid to the quality of the offerings and services provided to clients.
To this end, the Company continues to pursue its plan for improving the infrastructure and quality of passenger services.
SAGAT has made quality a strategic priority in all its corporate procedures, committing itself to rigorous enactment and constant improvement of its quality management system.

The Quality Policy summarises the Company’s key objectives:

a) to pursue excellence in the airport management services offered, interacting with business and institutional partners in a dynamic and reliable form;
b) to play a supervisory role in ensuring the quality of the "airport system" as a whole, by raising awareness and, where necessary, taking action in dealings with airport operators;
c) to make company organization even more efficient, through training, refresher courses and qualification of its human resources, plus evaluations of the relevant effectiveness in terms of service quality and compliance with procedures;
d) to consistently monitor indicators of quality offered and perceived, reviewing the results, so as to formulate possible lines of action or opportunities for further improvement of performance;
e) to operate in strict compliance with the laws in force on Service Quality and with the provisions of the UNI EN ISO 9001 standard.

ISO 9001 CERTIFICATION

SAGAT S.p.A. has been a company with UNI EN ISO 9001:2008 certification since December 2009.
Its Quality Certificate was renewed in December 2015, for the three-year period 2015-2018, based on the UNI EN ISO 9001:2008 standard.
The certification was confirmed by DNV-GL, one of the world's leading certification agencies.
The certifying agency formulated eight positive reports (3 of which quality), four observations (findings that the organisation is required to take into consideration, analysing the underlying causes and implementing solutions) and 14 opportunities for improvement (recommendations to be evaluated and – if held to be appropriate – enacted, even if only in part).

SERVICE CHARTER

In order to monitor the levels of quality provided at the Torino Airport in 2015, ongoing, coordinated activities were carried out, for a total of almost 46,000 controls of services rendered, performed together with analyses of the data recorded by the airport's systems on different aspects of the services.

Customer satisfaction was gauged with 1,969 interviews that suitably trained in-house personnel carried out with passengers.
The level of statistical error made possible by such a large sample size is less than ±2.25%, or well in excess of the minimum parameter called for under the reference standard. In fact, ENAC memorandum JAN-06 (Annex 2 - Methodology, page11) stipulates that, for airports with traffic of between 2 and 5 million passengers, the minimum sample size is 1,100 interviews, making for a statistical error of ±3%.
The responses to the surveys are given on a uniform scale (as recommended by the ENAC) featuring six levels of satisfaction, ranging from 1 = poor to 6 = excellent. Percentages of satisfaction are calculated by determining the percentage of positive responses (4, 5 and 6) out of total responses, both positive and negative.
The overall level of satisfaction showed a slight increase in 2015 (at 99.6%, as opposed to 99.2% in 2014), a result that, considering how passenger traffic grew by +6.9% compared to the previous year, proved all the more positive.
All the targets whose achievement was pledged to passengers in the Service Charter of 2015 were reached, with the exception of the index of satisfaction for bars and restaurants (which registered a more than acceptable 87.5%, though this fell below the goal of 90%).

In order to improve customers' judgments of this index, SAGAT successfully undertook a series of measures in 2015, together with the subcontractor, with the result that the parameter rose by two percentage points compared to 2014.

The figures for two other indexes that registered lower than expected performances in 2014 (satisfaction with the cleanliness of bathrooms and with the availability of luggage carts) also returned to levels in line with the established parameters in 2015.
And the same was true for the time needed for the first passenger to disembark, which had exceeded the limit by a few seconds in 2014.

The following is a comparison of some of the quality commitments undertaken and the results achieved in 2015.

Indicator % of satisfied passengers with respect to:	Goal 2015	Results 2015
Delays caused by station error	0.75%	0.18%
Misguided luggage per 1.000 passengers caused by station error	1 / 1.000	0,16 / 1.000
First luggage item claim time (in 90% of cases)	20'	16'49"
Last luggage item claim time (in 90% of cases)	24'	21'13"
Waiting time on board until first passenger disembarks (in 90% of cases)	4'00''	3'40"
% of satisfied passengers with respect to:		
Safety of individuals and belongings	90.5%	96.8%
Airport cleanliness	91.5%	97.2%
Restroom cleanliness	88.0%	89.8%
Luggage cart availability	88.5%	92.7%
Availability/quality/prices of shops and newsstands	91.0%	94.4%
Availability/quality/prices of cafeterias and restaurants	90.0%	(87.5%)
General quality of information service	89.0%	98.8%
Staff professionalism	90.5%	98.2%
Waiting time at check-in	94.0%	97.6%
Waiting time at passport control	92.0%	95.4%
Availability, frequency, timeliness and price of public transport	90.5%	96.0%

PASSENGERS WITH DISABILITY OR REDUCES MOBILITY (PRM)

To survey the customer satisfaction of passengers with reduced mobility, SAGAT interviewed a sample group of no fewer than 2,721 passengers in 2015.
The satisfaction of arriving and departing PRMs proved to be unquestionably excellent (all the results fell between 97% and 100%).

It should also be noted that, on questions pertinent to service to passengers with disabilities or reduced mobility, SAGAT worked in constant collaboration with the CPD – the Advisory Board for Individuals in Difficulty, which, among other things, sits on the Piedmont Regional Transportation Commission – in order to monitor and confirm the accessibility of spaces and services.
With the support of SAGAT (including funding), the CPD carried out the "Caselle for All" project, designed to further improve the ease-of-use of the airport on the part of travellers

with specific needs or psycho-motor or sensorial disabilities. An example is the airport-city transport service for those with particular needs (the CPD manages a toll-free number at which reservations can be made).
In 2015, research was also carried out in the field on tourists with specific needs, as part of the “Turismabile” project on accessible tourism.
The questionnaires, distributed by CPD volunteers to PRM passengers arriving and departing at the airport, were obviously done in addition to the normal survey activities, with care taken not to interfere with the customer-satisfaction research performed under ENAC regulations.

COMPLAINT MANAGEMENT

In 2015, SAGAT S.p.A. received and handled 84 comments from passengers (3 of which came from passengers with reduced mobility).
For the most part, these consisted of unfounded complaints or technical requests regarding the on-line system for purchasing parking spaces. A response was sent to each passenger anyway, and in many cases, in the sprit of the increasing attention focussed on customers, they received “courtesy vouchers” that could be spent on subsequent trips to the airport.
The average response time was 4.41 days.

THE QUALITY PLAN

One of the fundamental documents for the signing of the Planning Agreement is the Quality Plan, which calls for the monitoring of a mix of ten indexes identified in accordance with the instructions of the ENAC, based on the result effectively recorded in the reference year.
A number of these indexes regard areas of services that are still under the management of handlers, though the Manager is responsible for their oversight, seeing that they are of use in rating the performance of the “airport” as a whole.

The principle of airport performance, in its broadest sense, represents one of the cornerstones of the new Service Charter, which went into effect in 2016.
The goal is to thoroughly monitor all the factors that make up the passenger’s airport experience, as part of efforts to continually improve service, including that provided to customers with special needs (PRM).

1.12 Public relations and communication

In 2015, the Management Company of the Torino Airport initiated the process of renewing its corporate image, undertaking a series of initiatives geared towards increasing awareness of the Airport and knowledge of the services it offers. During the year, intensive press and public-relations activities also accompanied the development of the aviation and non-aviation sectors, supporting the promotion of new routes, the reformulation of the parking fees and the introduction of new retail outlets.
In terms of relations with stakeholders and with the surrounding territory, SAGAT drew up its first Report on Corporate Social Responsibility. At the same time, direct relations continued to be maintained with businesses, public authorities and local government bodies, in the interested of bringing the key protagonists of regional development in ever closer contact with the reality of the airport.

NEW SYSTEM OF COORDINATED COMMUNICATION

After it was observed, during 2014, that SAGAT's communications to all the segments of the public it wished to reach were being carried out with tools that lacked uniformity, in terms of their graphic treatment, and that were not sufficiently effective either, it was decided that what was needed was an all-encompassing communication project capable of bringing together, under a new trademark, all the different methods used to promote both the management company and the services offered by the Airport: from traditional media to signage and airport decor, as well as the web.

The new communication system included a complete renewal of the Company's corporate identity, based on the concept of "connection" underlying the pay-off of the slogan "connected to", a key component of the new trademark found in all the different applications and meant to communicate the idea of an airport with close ties to its surrounding territory,
to which it serves as the entryway, as well as to the outside world, to which it reaches out with its flights, and to its passengers – customers, whose needs it meets. In detail, the following were created:

- the new logo, which combines the old trademark of the SAGAT company, graphically revamped to make it more up-to-date, with the "Torino Airport" logo and the symbol "TO", always accompanied by the pay-off "connected to";
- the new system trademark, enhanced by the three coloured circles that identify an equal number of thematic areas: To Fly, To Live, To Move;
- the new system of indoor signage;
- the outdoor billboards and the signage for the parking facilities;
- the new internet site, created in a single responsive edition whose contents automatically assume the optimal form for viewing on the device on which they are opened;
- the new twitter channel;
- new published products;
- the new corporate campaign and the new product campaigns.

The corporate identity was developed with the objective of bringing the Company closer to the passengers, establishing roots in the local territory and renewing the tools of communication with the public.

ADVERTISING CAMPAIGNS

In 2015, the Torino Airport promoted itself through a number of different advertising campaigns.
The first, entitled, *"An airport that grows, a territory that flies"* was rolled out in Spring to promote the new corporate image of the Torino Airport.
The came the new campaign, *"Drive in with four wheels, take off with two"*, used to promote the new e-commerce site and the new special rates for parking.
To promote summer routes, a new communication campaign was created under the slogan, *"Dreaming of Summer?"*, while the campaign *"Torino Airport. Treat yourself to the world"* was presented to promote the network and the new winter destinations. Another campaign planned in 2015, this time for the Anglo Saxon market, with the goal of boosting incoming passenger flows, was "*Please fasten your ski boots*". In addition, SAGAT, working in collaboration with the ENAC, reprised a campaign meant to heighten departing passengers' awareness of the items that cannot be brought aboard aircraft, in order to speed up control procedures at security checkpoints.

Other joint campaigns were carried out with the air carriers Blue Air, Brussels Airlines, Royal Air Maroc, Turkish Airlines, Volotea and Vueling to promote flights to and from Turin.

MEDIA RELATIONS

Through its relations with the media, SAGAT promoted all the new flights and services introduced during the year.
Two of the most important press conferences were held for the launch or the summer routes of Ryanair and Vueling and for the new Royal Air Maroc flight (to Casablanca).
Other press conferences and press releases were organised for the launches of all the new flights and services:

- the new Turin-Ibiza summer flight and Blue Air's the new domestic route to Bari;
- Ryanair's Turin-Palermo route and its winter scheduling for 2015;
- Blue Air's new routes to Bacau and Bucharest;
- promotion of all the summer routes departing from the airport;
- the launch of the new Blue Air routes from the Torino Airport, operating with a stable fleet of 3 planes;
- Volotea's new Turin-Cagliari route, followed by the carrier's Summer 2016 offerings, with new routes for Lampedusa, Corfù and Skiathos;
- the record number of passengers that used the airport in July of 2015, when the one-month figure of 350 thousand passengers was reached, making the single most heavily trafficked month in the Airport's history;
- the single-day record set on the occasion of the departure for Berlin of fans of the Juventus football club for the Champions League Final, with 29 flights carrying more than 5400 fans taking off;
- the departure of special cargo loads for Thales Alenia Space.

As well as:
- the agreement between UVET and SAGAT to promote tourism in Piedmont on the occasion of EXPO 2015;
- the collaboration between SAGAT and Sadem, under which the latter presented a new fleet of buses to provide service to the airport, offering passengers free wi-fi and flight information in real time;
- the opening in the airport of a branch of the Banca Sella, the Piedmont bank's first branch in an airport terminal;
- the revamping of the Torino Airport's retail area, with the opening of new sales points, a new Heinemann duty-free outlet and a new l'Amme restaurant.

PUBLIC RELATIONS

A number of events were organised during the year, targeting both the Airport's surrounding community and the Trade&Corporate sector, in order to introduce new services and involve users in the complete renovation of the air terminal.
In February 2015, a CRAI supermarket was officially opened on the Airport premises.
In October, a Muslim prayer hall was opened next to the Ecumenical Chapel.
In December, a new l'Amme restaurant was opened during an evening event for the press featuring local actors, together with the new Heinemann duty-free area and a number of new stores.
In events for the trade sector, SAGAT collaborated with the airline Ryanair in May to introduce the carrier's network from Turin to travel agents in the course of an event held at the Sandretto Re Rebaudengo Foundation.
In the month of October, SAGAT took part in the TTG trade fair in Rimini, presenting its new airport services to the our operators and travel agencies on hand.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

SAGAT S.p.A. drew up and distributed its first report on social responsibility, in order to make known the decisions taken and the results obtained with regard to issues of sustainable development. This tool is meant to reinforce the bonds of trust between the Company and its customers, suppliers and investors, as well as the local territory, promoting greater interaction with the setting in which the Company operates. A further step in this direction was the use of the Piedmont Method to draw up the report, seeing that it represents an expression of the inter-institutional dialogue between the Company, the University of Turin and the Order of Certified Accountants and Auditors.

CULTURAL AND BENEFIT COLLABORATIONS

In the cultural sphere, SAGAT has undertaken new collaborative efforts with the Zoom Bio-Park, which has found a "home" at the Airport for its "Zoomaginario on Tour", an area set up for the display of works of modern art, while other initiatives have been organised with the Piazza dei Mestieri, or "Plaza of Trades", and the BIFF (British Italian Film Festival).
The Airport has also reinforced its collaborations with the National Museum of Cinema, which continues to renew its photography exhibitions on the arrivals level, as well as with the Regio Theatre, the Stabile Repertory Theatre, with Artissima, with the Collisioni and Movement festivals, with the Turin Museum Foundation and with the City of Turin, supporting the vocation for tourism and culture of the greater Turin area.
Joint efforts with the Tourist Board of the City and Province of Turin to welcome tourists to the Airport also continued to be very beneficial, with a new interactive, multimedia station being made available, so that passengers can contact the tourist office in Turin, with a further objective being the promotion of the city as a tourist destination.
In terms of benefit activities, SAGAT has given e visibility, within the Airport, to the fundraising initiatives of associations with objectives of social assistance, such as the AISM and the AIL, doing in concert with the Assaeroporti industry association, while its collaboration has continued with the Advisory Board on Individuals in Difficulty (CPD) for the transportation of individuals with reduced mobility to and from the Airport.

SPECIAL EVENTS

In 2015, the Torino Airport once again opened its doors to families, hosting more over 400 children accompanied by parents in the course of the two-day event "Open-Door Airport" in the last week of September. The children were able to visit the Airport and take an up-close look at many of its operating units: the falconry squad, the Fire-Fighters Corps and the canine squad of the Treasury Police, as the initiative, for the second straight year, proved to be an enormous success, with all the available places taken up in just a few minutes' time.

1.13 Environment

ENVIRONMENTAL POLICY

The SAGAT Group considers the environment to be a key element in the sustainable development of its operations, a consideration reflected in its operational and technical activities, and so it promotes a culture keyed on taking responsibility and pursuing an active commitment to defend the environment.
In keeping with the policy stated above, SAGAT's first act was the introduction of a system of environmental management based on the international standard ISO 14001:2015.

PLAN FOR THE DEFENCE OF THE ENVIRONMENT

In the month of July 2015, the company SAGAT S.p.A. presented to the ENAC the preliminary documentation for the program agreements provided for under Legislative Decree 133/2014, plus the subsequent Law no. 164/2014 on the Torino Airport, with regard to the fee period of 2016-2019.
As part of this documentation, which was presented and approved by the ENAC in November of 2015, the Plan for the Defence of the Environment was judged by the ENAC to be in line with the methodologies stipulated by the ART – the Transportation Regulation Authority – in its guidelines for the regulation of airport fees for airports with traffic of between 3 and 5 million passengers per year.

SAGAT's Plan for the Defence of the Environment lists the environmental indexes regarding which the management company undertakes, within the four-year period in question, to achieve goals of improvement, and it also describes the activities and investments included in the four-year plan of initiatives to be carried out to achieve the objectives.
Given the current environmental situation of the Torino Airport, and the results already achieved in its organisational and infrastructural spheres, thanks to the development - still ongoing – of the system of environmental management and the system of energy management, SAGAT has identified a set of environmental indexes tied to specific investments planned within the four-year period under consideration and corresponding to what are effectively the top-priority needs of the Torino Airport.
The following specific efforts were identified:

- two energy-saving initiatives, consisting of the replacement of lighting systems with low-consumption models and reduction of energy consumption thanks to air-conditioning systems of elevated efficiency;
- an initiative to reduce emissions by replacing the existing motor pool with vehicles that run on low-environmental-impact fuel.

ENVIRONMENTAL MANAGEMENT SYSTEM

The procedure followed in the progressive development of the system of environmental management is structured as follows:

- mapping of all the environmental considerations relevant to the airport facility;
- identification of the regulatory references applicable to each environmental consideration;

- identification and implementation of the structural or management initiatives needed to guarantee defence of the environment and compliance with the pertinent regulations;
- formulation of the operating and management protocols pertinent to each environmental consideration.

SAGAT has developed its Environmental Management System as a strategic element pertinent to all activities on the airport grounds: development, the management of services, whether carried out directly or indirectly, the planning, construction and maintenance of infrastructures, aviation operations.

AIRPORT NOISE

This is the environmental factor that most affects the communities found closest to the Airport. SAGAT is constantly working to achieve efficient, effective noise management, guaranteeing on-going communication and contact with the competent authorities and developing noise abatement projects.

The Airport Noise Commission, created pursuant to former art. 5 of a Ministerial Decree of 31 October 1997, *“Methods of Airport Noise Measurement”*, and formed by ENAC, ENAV, the Ministry of the Environment, the Piedmont Environmental Protection Agency, the Piedmont Regional Government, the Province of Turin, the Town of Caselle Torinese, the Town of San Francesco al Campo, the Town of San Maurizio Canavese, the airlines (AOC) and SAGAT, approved airport zoning for the Torino Airport on 16 January 2013.
The territory surrounding the airport was classified, in accordance with regulatory provisions, into three buffer zones (A, B and C) characterized by escalating maximum airport noise thresholds, with corresponding types of construction allowed inside the zones.
To define the portions of land included in these buffer zones (A, B and C), the “planning approach”, a state-of-the-art method to find a balance between the airport’s plans for growth, municipal zoning plans and noise classification plans, was utilised. The result obtained can reconcile the need for protection and development of the local territory with the Airport’s growth forecasts for the coming years.
Zones A and B cover a limited area in the territory of the neighbouring municipalities (Caselle Torinese, San Francesco al Campo and San Maurizio Canavese), while all of Zone C is found within the airport grounds.

During the period June 2014 – May 2015, SAGAT carried out an airport noise monitoring campaign with 21 days of measurements (3 separate weeks, one every four months) at nine points of sensitive reception (all school buildings) found inside the airport grounds, as called for under a ruling issued by the Ministry of the Environment and the Defence of the Territory and the Sea on 17 September 2013 with regard to the project "Revision of the Plan for Airport Development (PSA) - Master Plan 2009-2015".
The noise readings taken showed that the acoustic levels recorded inside the school buildings were lower than the allowed limits. As a result, the technical commission for the environmental impact statement held, in a ruling issued on 29 January 2016, that the aforementioned requirement had been met.

SAGAT's strategy to ensure that increases in air traffic at the Airport are compatible with the acoustic climate of the surrounding area is based on the following initiatives and investments:

- continuous monitoring of airport noise levels with the airport noise monitoring network of 8 measurement stations;
- calculation of the sound indexes called for under Italian and EU regulations;

- verification of compliance with noise-prevention procedures;
- study of the acoustic impact in the area surrounding the Airport through simulations based on INM software;
- handling of residents' complaints through analysis of the aviation factors that caused them, followed by proposals for mitigating actions;
- sharing of airport and land planning instruments with the local government authorities;
- cooperation with the authorities in charge of airport noise pollution management through roundtables on the issue.

THE ENERGY MANAGEMENT SYSTEM

SAGAT is a company that consumes large amounts of energy, and so it has always considered energy management to be a factor of critical importance in the sustainable development of its activities.

In the month of December 2015, the Torino Airport completed its energy diagnosis, in accordance with the procedure called for under Legislative Decree 102/2014 (in implementation of Directive 2012/27/EU on energy efficiency), updating the previous diagnosis of 2011, which was drawn up during the certification of the energy-management system, in accordance with the ISO 50001 standard.

Based on the results of the energy diagnosis, the following activities were carried out:

- updating of the procedures, documents and performance indexes called for under the Energy Management System;
- determination of parameters for the construction of a “dashboard” to control energy-consuming systems, starting from the data acquired by existing monitoring systems;
- establishment of a register of opportunities for improvement, with indexing of methods of management/updating and criteria of technical-economic analysis for the classification of investments;
- drafting of an Energy Improvement Plan for the period 2016-2019.

The investments called for under the four-year plan (2016 – 2019) for initiatives of the SAGAT Group included as a annex to the program agreement are meant to lead to the construction of building and plant-engineering infrastructures presenting elevated standards of energy efficiency.
There are two main sectors of operation pertinent to energy:
- upgrading of lighting systems (indoors and outdoors), with the goal of raising the performance of the new systems in terms of energy efficiency, lighting quality and reliability with respect to maintenance;
- increasing the energy-efficiency of climate-control plants through systems of monitoring and regulation employing inverters, as well as the revamping of pumping systems and refrigeration with high-performance machinery.

The following table illustrates the break-down of consumption in 2015 by energy source, showing that electric energy is the main source used at the Airport, accounting for over 80% of all consumption.

Energy sources consumed 2015

energy source	consumption 2015		coefficient in toe	toe
ELECTRIC ENERGY	19,953	MWh	0.187 toe x MWh	3,731
HEATING OIL	91,341	kg	1.02 toe x 1000 kg	93
DIESEL FUEL	44,056	kg	1.02 toe x 1000 kg	45
METHANE	901,221	Sm^3	0.836 toe x 1000 Sm^3	753
GASOLINE	1,729	lt	0.765 toe x 1000 lt	1
			TOTAL toe	**4,624**

In keeping with the objectives of its energy policy, SAGAT utilises renewable sources. Since 2012, it has purchased 20% of its electric energy from certified renewable sources (RECS).

The following table summarises CO_2 emissions:

SUMMARY OF THERMAL ENERGY AND CO2 EMISSIONS formulated by SAGAT in March of 2015		
Total consumption of electric energy on-site	71,360	GJ/year
Total consumption of thermal energy on-site	3,244	GJ/year
Total energy consumption	**74,604**	**GJ/year**
Consumption of primary energy associated with electric energy	3,707	TOE/year
Consumption of primary energy associated with thermal energy	887	TOE/year
Total consumption of primary energy	**4,594**	**TOE/year**
CO_2 emissions associated with electric energy	8,611	t/year
CO_2 emissions associated with thermal energy	2,061	t/year
Total CO_2 emissions	**10,671**	**t/year**

1.14 Staff and organization

ORGANISATION AND MANAGEMENT

During 2015, the organisational structure underwent a number of major changes, especially as regards the commercial sector:

The main organisational measures implemented were:

- no. 1/2015 of 16 March 2015, under which, in the interests of developing air traffic at the Airport, and in accordance with the Company's strategic objectives, a "Commercial Development Committee" was created, reporting directly to the Commercial and Aviation Marketing Department;
- no. 3/2015 of 24 June 2015, under which the Non-Aviation Commercial and Marketing Department was established, reporting directly to the Managing Director, with the goal of providing the Airport's passengers with an increasingly extensive offer of retail and food-service establishments, plus services in general.

An attentive management policy of controlling the dimensions of the operating structures and providing proper support to retail areas and staff made it possible to increase the Company's productivity in 2015, pursuing the positive process that has involved the organisational structure since the year 2013.

As shown by the table below, despite the sharp rise in traffic (+16% during the period in question), staff size remained practically unchanged (+1%), even though a number of airport security services were transformed into in-house activities in 2014, involving 18 FTE.

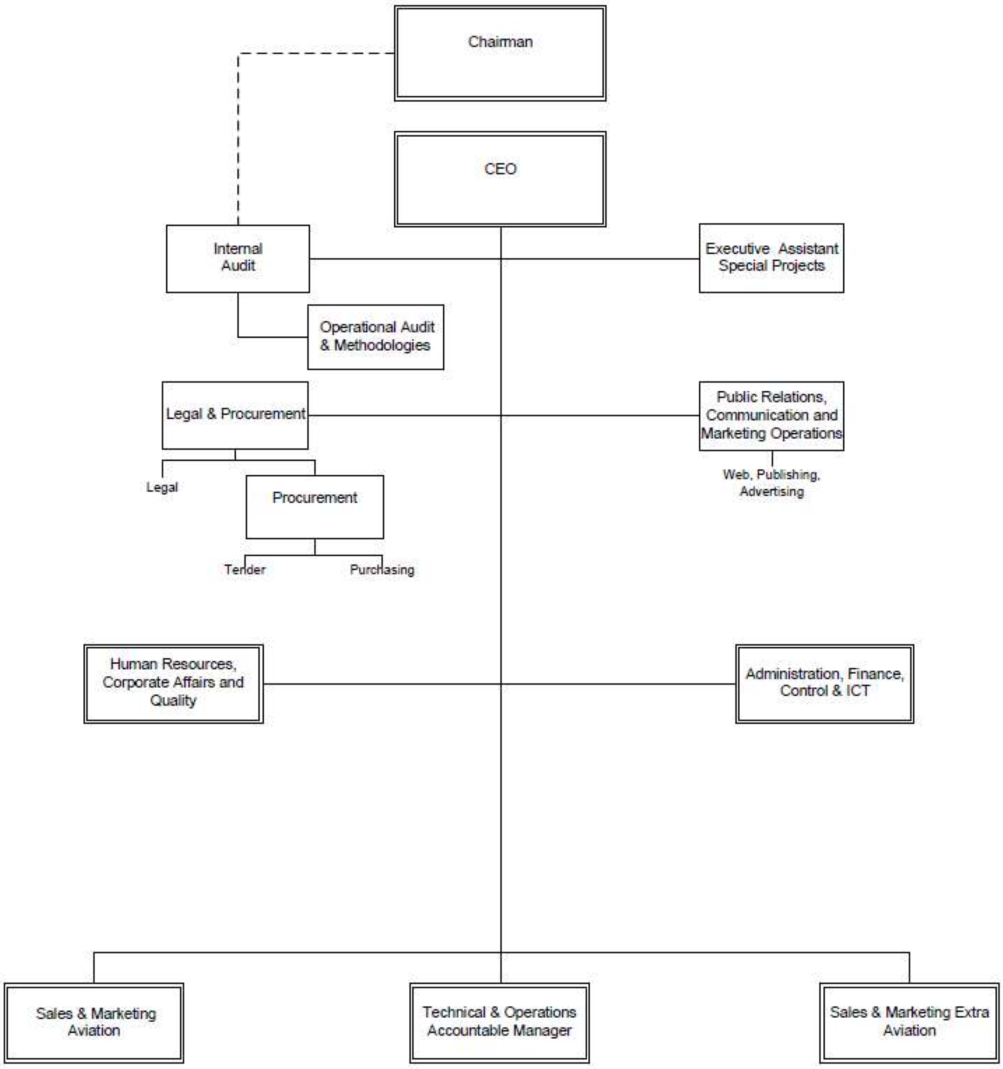
This demonstration of efficiency resulted in an index of productivity, calculated in terms of the number of annual passengers per average individual FTE, that increased, under equal conditions, by almost +25%.

Total productivity, without taking into account the transfer of the functions referred to above to in-house personnel, also showed strong growth, at +15.4%, pointing to the wisdom of the organisational and managerial initiatives taken.

	2013	2014	2015	2015 vs. 2013	%
Pax	3,160,287	3,431,986	3,666,424	506,137	16.0%
Average FTEs	222.96	223.40	224.14	1.18	0.5%
of which security	0	18	18	-	-
Total productivity	14,174	15,363	16,358	2,184	15.4%
Productivity under equal conditions	14,174	16,709	17,786	3,612	25.5%

The current organisational structure is illustrated below.

ORGANISATION CHART OF SAGAT S.p.A. as of 31 December 2015



THE STAFF OF SAGAT S.p.A.

The aggregate number of SAGAT S.p.A. employees as of 31 December 2015 (232) increased by 1 unit compared to the same date of the previous year. The average staff size was 231.42 units, making for an increase of 1.17 compared to the previous year. The following tables show the break-down of the staff among the different employment categories.

Table A
Permanent employees

	EMPLOYEES	EQUIVALENT FULL TIME
Executives	5	5
Total clerical staff	127	125,26
Total blue-collar staff	88	85,63
Total Table A	**220**	**215,89**

Table B
Term employees

	EMPLOYEES	EQUIVALENT FULL TIME
Term Employees	12	7,90
Apprenticeship Contracts	0	0
Trainees	0	0
Total Table B	**12**	**7,90**

Total A + B	**232**	**223,79**

INDUSTRIAL RELATION

A number of important agreements were signed during 2015 with representatives of organised labour.
An initial agreement signed in the month of January called for an extraordinary plan for the reduction of back vacation time to a maximum per capita average of 4 days of back vacation time as of 31 December 2015. This agreement was of key importance to reducing the cost of labour and ensuring that it could be cast within the parameters for previous years; thanks to this agreement, the number of back vacation days was further reduced during 2015, resulting in a decrease of 75% compared to the previous four-year period.
On 2 November 2015, two agreements on issues of noteworthy significance were signed.
The first of these agreements addressed the renewal of the supplementary company contact. Seeing that, with the signing of the Specific Section for Airport Managers of the pertinent collective bargaining contract, the incompatibility caused by the overlapping of the national and local negotiating cycles ceased to exist, an agreement was signed with the Joint Union Representative and the local labour organisations regarding the criteria for calculating and disbursing the Company Performance Bonus: criteria which remain valid throughout 2017.
This agreement makes it possible, given the scenario of economic recovery and company growth, to limit the base amount of the bonus – which would still be subject to variables of company profitability, productivity and quality – within the average figures for the period of 2012 – 2014.
A second noteworthy agreement, signed separately, but on the same date of 2 November, and following the same set of negotiations, made it possible to set the criteria for

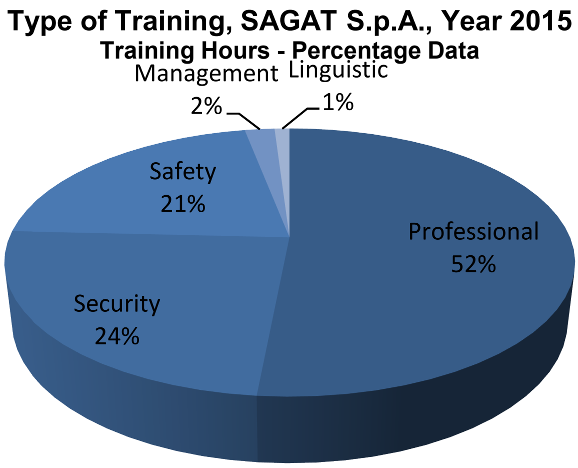
transforming into permanent employment the positions of 5 employees, from among those working under set-term arrangements, who had accumulated the most seniority with the Company. This agreement made it possible to reach a number of managerial objectives, including the stabilisation of long-term employment relations, as well as organisational goals, such as the establishment of the proper staff dimensions, with respect to the growing, increasingly strong volumes of traffic, together with, finally, economic objectives, given that, through application of the social-security benefit reductions contemplated under current statues and regulations for 2015, the hiring operations in question will result in savings of approximately €25,000.
Finally, there was also endorsement of the drafting in 2016 of a plan for reducing back vacation days beyond the limits set in the pertinent collective bargaining contract, in confirmation of the provisions of agreements already signed.

TRAINING

In 2015, SAGAT drew up an annual training plan, as it has done for a number of years now, to support the professional growth, and enrich the skills and know-how, of its personnel at all levels of the Company, promoting processes of innovation while, at the same time, responding to new demands for efficiency within a framework of cost control and rationalisation.
With this in mind, development of the plan took into account the Company's strategic objectives, processes of cultural/organisational change and the necessary procedural innovations, presenting the training needs observed while proposing updated instruction for the different professional figures within the Company's staff.
Training was performed both by drawing on in-house instructors and by utilising outside training firms selected according to principles of professional and methodological excellence, in addition to taking into consideration the provisions of the ISO 9001 Quality Certification, plus the recommendations found in international and national statutes and regulations, as well as the manuals of the IATA, IOSA and ISAGO, plus the Airport Manual and the Airport Regulations of SAGAT S.p.A..
During 2015, the personnel of the company SAGAT S.p.A., together with outsourced workers and employees of subcontractors, took part in 532 courses of training and/or instruction, undergoing a total of 2,668 hours of classroom instruction involving 1,326 participants, for a grand total of 6,659 hours. In-house training handled 205 of these courses, amounting to 629 hours of classroom training involving 483 participants, for an individual total of 1900 hours/employee, while the courses taught by outside instructors numbered 327, for a total of 2,039 hours of teaching involving 843 participants, making for an individual total of 4,759 hours/employee. Part of this training was financed through professional funds, such as Fondimpresa, or through the enactment of company training plans.

SAGAT S.p.A. Totals Year 2015	SAGAT Trainers	Contracted Trainers	Totals
Courses	451	81	532
Participants	894	432	1,326
Teaching hours	2,279	389	2,668
Partecipant training hours	4,515	2,144	6,659

During the year 2015, SAGAT personnel took part primarily in technical-professional courses on topics related to safety (Legislative Decree 81/2008, plus similar additional measures) or security (ENAC and EC Regulations 185/2010). The majority of the instruction consisted of basic technical-professional training and ongoing refresher courses, which together for 52% of the total hours of training, followed by training on airport security and instruction focused more closely on considerations of personal and work-related safety. The following graph indicates the percentages of participants involved in the individual types of courses.



COURSE PROCEDURES

In 2015, SAGAT personnel took part in 6,659 hours of training provided by outside trainers and/or the in-house instructors of the Company Training Centre. The course procedures included face-to-face classroom teaching, traditional training, which accounted for the largest percentage, as well as on-the-job training in the form of technical-professional courses involving knowledge of, and practice with operating, company vehicles and equipment, as well as internships and, finally, e-learning through the use of the Company's on-line platform DOCEBO or the platforms of the air carriers or, in the case of airport-security personnel, the platform use for the remote-training refresher courses held at six-month intervals. The following graph illustrates the percentage figures for the different procedures under which company training is provided/received.

1.15 Investments

In 2015, infrastructure and plant-engineering works called for under the SAGAT S.p.A. Investment Plan were carried out for a total of 3,14 million Euro.
A brief illustration of the most noteworthy investments follows.

INFRASTRUCTURES AND SERVICE SYSTEMS

Infrastructure and plant-engineering projects carried out in 2015 were geared primarily towards upgrading existing portions of airport buildings or infrastructures, with a particular focus on retail areas and service paces in the passenger terminal.

The most important initiatives involving and servicing the aircraft and roadway manoeuvring areas in 2015 included:

- upgrading of the shoulder of the west runway between the Alpha and Bravo junctures;

- minor upgrading of the concrete slabs of the aircraft aprons.

Worthy of particular mention among projects involving the passenger terminal are:

- completion of the construction and plant-engineering work for establishment of the new passenger flows from the disembarkation bridges through the airside retail areas on the departure level of the passenger terminal;

- work involved in the construction, plant-engineering and outfitting of the following retail establishments found in the forward portion of the departure area and in the boarding zones of the passenger terminal, for a total surface area of approximately 2000 square metres:
  - Venchi;
  - Nau! Ottica;
  - Duty Free Heinemann;
  - Giunti al Punto;
  - Tiger Store;
  - Sella Lab;
  - Oscalito;
  - ST.G Italian Style Distilled;
  - l'AMME di Fattorie Garofalo;

- construction of the new offices for security and government authorities adjoining the area of the X-ray control points in the departures lobby;

- the architectonic and plant-engineering upgrading of the rear wall of the area of the X-ray control points in the departures lobby;

- work involved in the construction, plant-engineering and outfitting of the following retail establishments found in the departure lobby, for a total surface area of approximately 300 square metres:
  - Wind-AKAI;
  - Branch of the Banca Sella bank;

- Food Truck eating outlet;
- Municipal pharmacy;

- implementation and upgrading of low-current systems (smoke detection and sound system) in the passenger terminal;

Of particular note in the category of work involving other airport buildings and infrastructures were:

- replacement of the diesel generator servicing hangar 3;

- work meant to achieve energy savings, including the installation of new LED lighting units on the roadway deck of the landside arrivals level.

IT SYSTEMS

The year 2015 saw SAGAT continue its thoroughgoing renovation of the IT platforms of greatest strategic importance to its operational and administrative-accounting activities. Initiated in 2014, the effort involved implementation of a new airport terminal system (a pivotal component in terms of managing and distributing operating information), together with the Company's new ERP system, used to handle accounts receivable and payable, payroll, general accounting and cash, plus analytical accounting. At the same time, a new business-intelligence platform was set up, while the e-commerce platform was implemented to a significant extent. The terminal IT system was upgraded through the purchase and installation of a new hardware / software infrastructure for the processing of passengers (check-in, boarding) and flights (processing of flight documentation).
With the new terminal system, functions not available in the past can be accessed, such as the acquisition of clearances, the formulation of tactical and strategic scenarios for the allocation of airport infrastructures, based on the flight schedules of the airlines, the real-time management of flights and the allocation of resources based on the rules of planning and optimisation, plus the streamlining of data-certification procedures for statistical and administrative purposes, along with a heightened integration and sharing in real-time of operating information with government authorities, handlers and other airport operators.

The experience gained through management of the accounting year 2015 with the new-generation ERP made it possible to improve the platform in ways that rendered the system more responsive to the needs of the SAGAT Group, while, at the same time, testing and optimising the rules of managerial aggregation and reclassification, so as to increase the level of coverage and automation of the processes of planning and control.

Daily use of Oracle's Business Intelligence platform has made possible, thanks to the implementation of *Tableaux de Bord* for the aviation, non-aviation and economic-administrative sectors, a series of further optimisations geared towards improving consultation and processing of periodic settlements of accounts.

The e-commerce portal, on which passengers can purchase VolaTorinoPass cards and other products tied to the use of the Fast Track and Piemonte Lounge services, can now be used for the on-line reservation and purchase of parking spaces at the facilities operated by SAGAT; another noteworthy development is the reengineering of the portal to ensure its integration with the ERP managerial software.

Affecting the airport infrastructures was the purchase of a new CUTE (Common Use Terminal Equipment) platform based on latest-generation Microsoft technology (produced and distributed by SITA, a leading global provider of ICT services for air transport); this platform made the system significantly simpler to operate, while increasing the speed at which operations are performed and guaranteeing full compatibility with the technologies slated for introduction by air carriers in the future, in support of their customers (first and foremost: NFC and biometric technologies).

1.16 Research and development activities

The Company did not incur any research and development costs during the year.

1.17 Controversies

FIRE-FIGHTING SERVICES

As explained in the previous Directors' Reports, art. 1 (1328) of Law 27 December 2006 no. 296 (2007 Finance Act) requires the creation of a specific provision, paid by airport management companies proportionally to the traffic generated, of €30 million per year, aimed at funding the fire-fighting services provided at the airports by the brigades of the national fire department. Later on, art. 4 (3 bis) of Decree Law 29 November 2008 no. 185, confirming the amount of and terms of contribution to the fund, established that it was not to be used only for airport fire-fighting services but was to concur, together with other resources, to the general funding of the national Fire Department.
SAGAT and other airport management companies challenged the constitutionality of the provisions governing the creation of the fire-fighting fund and the legitimacy of the provisions establishing and implementing the fund, and filed two separate complaints, one before the Regional Administrative Court ("T.A.R.") of Lazio and the other before the Provincial Tax Commission of Rome, asking that such provisions be repealed.
Subsequently, the companies reformulated their complaints year after year, filing new complaints against ENAC's requests for payments to the fund.
In this complicated controversy, the Provincial Tax Commission (by award dated as of 21 December 2010) expressed itself in favour of the complainants, noting that the cost that these are required to pay under the provision that created the fire-fighting fund qualifies as a "targeted levy", which should be characterized by an explicit connection between the payers and the benefits arising from the levy. Therefore, the Commission declared that "effective from 1 January 2009 the complainants are not required to pay the contribution established under art. 1 (1328) of Law 296/2006, as amended by art. 4 (3 bis), (3 ter) and (3 quater) of Law no. 185/2008, to the so-called 'fire-fighting fund', because it has been proved that these resources will be used for other purposes than those established by the law".
In the consequent appeal, the Regional Tax Commission judged in the opposite sense, and by its award of 14 July 2011 no. 252/10/11 repealed the award lodged in first instance for lack of jurisdiction of the Tax Commission, and stated that ordinary Courts have jurisdiction on the matter.
Given the importance of this issue, SAGAT filed an appeal before the tax Courts against the judgement of the Regional Commission of Lazio, but also brought the action before a

civil Court, without prejudice of the appeal pending at the TAR Lazio, for which an award had not been issued yet, despite repeated requests from SAGAT.
In 2013 the TAR Lazio too, by award no. 4588/2013, declared its lack of jurisdiction and qualified the contribution to the fire-fighting fund as a targeted levy on which the tax Courts had sole jurisdiction. In other words, the controversy was to be submitted to the full and sole jurisdiction of tax Courts.
Therefore, the complainants filed a petition with the Italian Supreme Court (*Corte di Cassazione*) for definition of jurisdiction (which is still pending) in order to ultimately determine which body should have jurisdiction on the matter.
During the course of 2014, the Provincial Tax Commission of Rome, by award no. 10137/51/14, concerning the requests for payment of contributions to the fire-fighting fund for the year 2010, deemed grounded and accepted, for the second time, the complaint filed by airport management companies (including SAGAT), affirming its jurisdiction on the matter and recognizing that the complainants are under no obligation to pay any contribution having other purposes than the implementation of the fire-fighting service.
In any case, as of now the resolution of this controversy is in the hands of the Corte di Cassazione, that will decide on the matter of jurisdiction. The company solicited such decision repeatedly in 2014, requesting several times that a hearing be held.
Regarding this same case, it should also be noted that, with the self-evident goal of delegitimizing the legal proceedings pursued by the airport management companies before the tax commissions, the national legislature added to the “Stability Act” of 2016 (Law no. 208 of 28 December 2015) a measure (art. 1, paragraph 478) expressly excluding that “amounts charged to airport management companies for fire-fighting services” be considered taxes.
In response, the complainant airport management companies, including SAGAT, immediately filed motions in the pending proceedings, seeking to prevent the new measure from retroactively affecting the rulings already handed down, in addition to raising the question of the constitutional legitimacy of art. 1, paragraph 478, of the Act of Stability of 2016.

ALITALIA REVOCATION ACTIONS

As explained in our Reports for the past years, on 29 August 2008 ALITALIA was placed into receivership by Prime Minister Decree, pursuant to Legislative Decree 347/2003 (the so-called “Marzano Act”) as amended by Decree Law 134/2008. On 12 January 2009, ALITALIA Linee Aeree Italiane in Amministrazione Straordinaria ceased its business and on 13 January 2009 Alitalia Compagnia Aerea Italiana started its operations, acquiring the business lines of ALITALIA transferred by the Receiver.
Information about the initiatives taken by SAGAT to recover its credits in the receivership has already been provided in previous Directors' Reports.
On 9 August 2011, ALITALIA in Amministrazione Straordinaria served on SAGAT a summons before the Court of Rome, asking revocation of the payments made by ALITALIA in the six months preceding the declaration of insolvency and the start of receivership procedure. SAGAT payments affected by the revocation action amount to €2,208,621.76.
SAGAT, after obtaining formal assurance from its legal counsels about the righteousness of its claims, replied asserting, among other things, the lack of both subjective and objective requirements provided for in art. 67 of the Bankruptcy Code for the revocation of the payments made to SAGAT.
Therefore, no allocations were made to the provisions for risks.
A similar action was brought also against our subsidiary SAGAT Handling S.p.A.. In this case, the payments subject to revocation amount to €956,458.85. SAGAT Handling S.p.A. also appealed against the revocation, with reasons similar to those asserted by SAGAT.

These cases reached their conclusions at first instance in 2014, with award 14238/14 of 1 July 2014 for SAGAT Handling and award 16469/14 of 29 July 2014 for SAGAT. Both awards reject ALITALIA's claims entirely and find in favour of SAGAT and SAGAT Handling.
During 2015, ALITALIA notified that it was appealing both sentences. The resulting proceedings are still pending.

INFLATION

As is already known, in 2006 SAGAT sued the Ministry of Infrastructure and Transport to claim the damages arising from the missed adjustment of airport fees to inflation, that should have been applied annually pursuant to art. 2 (190) of Law 23 December 1996, no. 662, damages which SAGAT estimated in the amount of over three million Euro.
During the course of the trial, the Court appointed an expert to verify the reasonableness of SAGAT's requests. The expert's opinion was favourable to SAGAT.
By ruling of 15 September 2011, the Court ordered the Ministry to pay to SAGAT €2,650,301.97 plus interest and revaluation, thus admitting SAGAT's requests for the period 1999-2005. On the other hand, the Court rejected SAGAT's other request aiming at obtaining damages for the subsequent years, affirming its lack of jurisdiction on that request.
By appeal served on 6 December 2011, the Ministry appealed against the award at first instance. SAGAT appeared as a party to the appeal and filed a counter-claim to obtain damages for the years after 2005 that had been denied by the Court of first instance.
The appeal is still pending.
However, in February 2013, by SAGAT request, the Ministry of Transport advised of its intention to comply spontaneously with the award at first instance, and that arrangements had been made to pay to SAGAT €3,724,371.86, inclusive of interest, revaluation and legal costs.

SAGAT VS. FORMER UNION DELTA EMPLOYEES

Union Delta had performed until May 2013, as a contractor of SAGAT, passenger, luggage and cargo security control services at Torino Airport. In the process of experiencing a financial crisis, UNION DELTA advised SAGAT that it had leased its business line to a company denominated ALL SYSTEM. After the verifications provided for in art. 116 of the Contracts Code, SAGAT acknowledged that the business line lease was effective.
After a few weeks, the employees of UNION DELTA started a series of legal actions against UNION DELTA in order to recover unpaid wages and social security contributions.
The claimants first involved SAGAT as garnishee, based on the accounts still receivable by UNION DELTA from SAGAT as contractor fees.
However, starting from September 2013, SAGAT was served several claims in which the claimants sought the payment of reimbursable expenses on business travels and wage imbalances.
The claims are mostly against the former employer UNION DELTA, and SAGAT is involved in the action as customer, jointly and severally liable pursuant to art. 29 (2) of Legislative Decree no. 276/2003.
The language of the Contracts Code speaks of such a broad joint and several liability of the Customer, that a Customer has very little possibilities of defence when called accountable as joint and several obligor in a trial.
In total, twenty-four appeals were served on SAGAT, six of which were terminated by settlement between the plaintiffs and UNION DELTA, without any intervention on SAGAT's part. The eighteen residual appeals amount in total to €215,000 and are suspended, for

the time being, after the Court of Rome declared bankruptcy of UNION DELTA after the end of 2014, by award no. 4 of 8 January 2015.
None of the suspended appeals have been resumed within the relative deadline by the claimants. Still, failure to resume the appeals does not prevent the claimants from bring a new appeal for the same claims, with this being the case up until expiration of the period of liability of two years following the conclusion of the contract, as provided for under article 29, paragraph 2, of Legislative Decree no. 276/2003. For the sake of prudency, this two-year period is held to start not from May 2013 (the date on which All System, the lessee of the company line, took over the contract), but rather 1 February 2016, the date of the effective conclusion of the contractual relationship that continued with the lessee of the company line.

SAGAT VS. AVIAPARTNER

The Directors' Reports of past years have made extensive reference to the lengthy litigation that, since 2001, has pitted SAGAT against the company Aviapartner over Aviapartner's refusal to pay to SAGAT the fees billed by the latter for the use of jointly utilised property.
In the early months of 2015, SAGAT and Aviapartner initiated negotiations meant to arrive at an amicable settlement of the litigation in question, the outcome of which was the signing of an accord on the date of 26 March 2015. Its terms call for SAGAT to forego approximately 35% of the disputed amounts, with Aviapartner paying the prior sums, as recalculated under the settlement, on instalment.
During 2015, Aviapartner complied with the terms of the settlement, proceeding with payment of the amounts due.

1.18 Privacy

Since the year 2000 the Company has put into effect privacy measures pursuant to Law 675/96, in enforcement of Presidential Decree 318/99. The adoption of these measures was reported in the Document on Security Planning, in a manner compatible with the provisions of Legislative Decree 196/03.

1.19 Risk factors

The main operating and financial risks that might affect the performance of the Company, and the actions taken to mitigate them, are described below:

CREDIT RISK

The Company deems to be adequately protected against this risk in 2015, having made a specific provision for bad debts in its annual accounts, which is deemed to be consistent with the relevant estimates of bad debts. Taking legal action to secure these accounts receivable has also been considered.

LIQUIDITY RISK

The liquidity risk for SAGAT might arise from difficulties in obtaining in due time loans to support its business.

In order to be able to face possible liquidity requirements promptly, SAGAT secured the availability of credit lines. In 2015, these lines were not used.
Cash flows, funding needs and liquidity are monitored or managed at central level under the control of the Treasury Department, in order to guarantee an efficacious and effective management of financial resources not only at SAGAT but across the Group that it leads. Therefore, at year-end 2015, we deem that the company is not subject to liquidity risk.

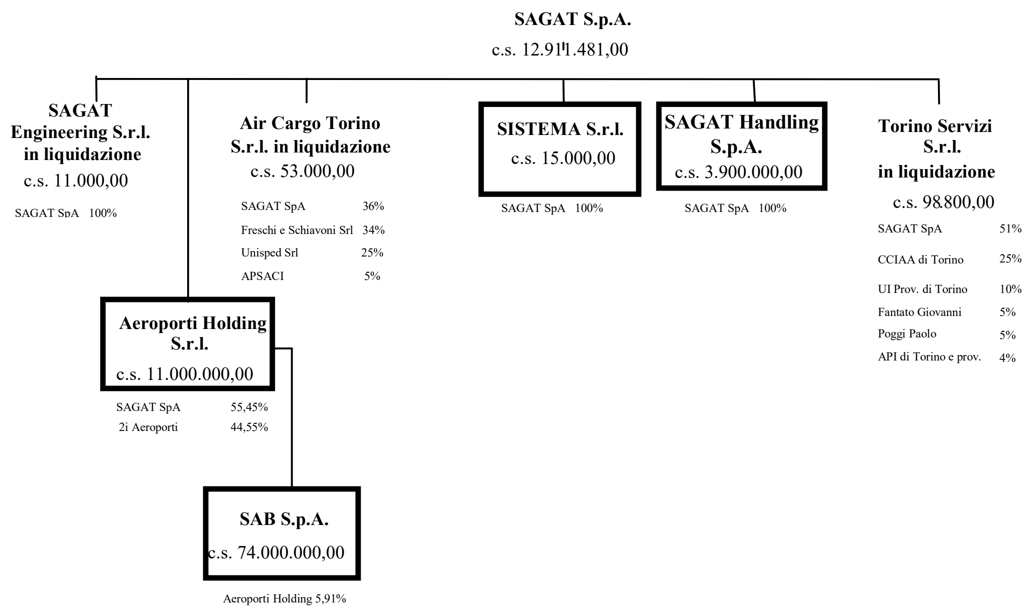
EXCHANGE RISK AND INTEREST RATE RISK

SAGAT is not subject to market risk arising from exchange fluctuations because it is no longer doing business in an international scenario where transactions are made in different currencies and at different interest rates.
The exposure to interest rate risk derives from the need, arisen in 2006, to fund the interventions on infrastructures made in connection with the Turin Winter Olympics 2006, as well as to the need to employ the cash temporarily available.
Interest and market rate fluctuation may have a negative or positive impact on the company's result for the year, by affecting indirectly the cost of borrowing and the yield of financial investments. SAGAT has "cleaned" most of its interest rate risk by entering into an interest rate swap agreement aimed at ensuring the stability of the debtor interest rate applicable to the long-term loan referred to above. The company also verifies regularly its residual exposure to the risk of interest rate fluctuation and has the option, in different forms and time frames on a case by case basis, to proceed with the entire or partial repayment of its existing loans.

1.20 Equity investment

The most relevant details of SAGAT's holdings as of 31 December 2015 are shown below.
As to investments in other companies, please note that the data shown relates to the latest financial statements approved; where the financial statements for 2015 were not available, the data relating to 2014 were reported.

SAGAT S.p.A HOLDINGS AS OF 31 DECEMBER 2015 (figures are stated in Euro)



SAGAT Handling S.p.A.

SAGAT Handling S.p.A., owned 100% by SAGAT, is engaged in the airport industry and provides handling services to the airlines operating at the Torino Airport.

Income statement highlights are: value of production, €12,633 million, gross operating margin (GOM) positive by €769 thousand and a profit of €229 thousand for the year.

Statistic data on handled traffic show an increase in the movements and a reduction in the cargo handled, compared to the previous year.

The increase in aircraft movements (+8.8%) is attributable to the addition, starting from the month of August, of Lufthansa as a client, together with the positive impact of flights by the airlines Ryanair, Vueling and Blue Air, which have offset the reduction in flights operated out of our Airport by Alitalia and Meridiana, as well as the cessation of operations by Blu Express and Germanwings.

The same positive trend affected passenger traffic, which increased by 13%.

The share of traffic handled by SAGAT Handling in 2015, compared to the total traffic in transit at Turin, was 80.4% of commercial aviation tonnage (75.3% as of 31 December 2014), 82.9% of passenger traffic (78.4% as of 31 December 2014) and 74.7% of aircraft movements (68.8% as of 31 December 2014).

Cargo traffic, on the other hand, decreased noticeably, by 15.1%, making for over 1 million kilograms less of goods handled.

The table below summarises the main income results of the activities carried out by SAGAT Handling during the course of 2015.

Euro thousand

Income Statement	2015	2014	Variation
Value of production	12,633	11,758	875
Cost of staff	6,658	6,334	324
Operating costs	5,206	5,034	172
GOM	**769**	**390**	**379**
Provisions and write-downs	151	117	34
EBITDA	**618**	**273**	**345**
Amortisation and depreciation	221	291	-69
EBIT	**396**	**-18**	**414**
Balance of financial and extraordinary assets	4	21	-17
Year-end result before taxes	**401**	**3**	**398**
Taxes on year-end result	-172	-107	-65
Year-end result after taxes	**229**	**-104**	**332**

The value of production, €12.633 million, is made up mostly of ordinary and extra handling fees paid by carriers, which amount to €9.863 million and are recorded as income from sales and services.

The rise of €875 thousand in the value of production compared to 2014 is essentially attributable to the increased volumes of traffic, in terms of aircraft movements, most of which occurred following the acquisition of Lufthansa as a client.

The most significant item among production costs is the cost of staff, that will continue to be the highest cost item also in the future.

The most relevant among operating costs, at €2.635 million on aggregate, are intercompany costs.

As a consequence of the above, the gross operating margin was positive by €769 thousand.

The €379 thousand increase in the gross operating margin compared to the previous year is essentially due to the increase in the value of production and to the continuing focus on efficiency and cost-effectiveness applied in company administration throughout the year.

Due to the above, and to the effects of amortisation, depreciation and provisions, the operating result reached a positive figure of €396 thousand, compared to the negative result of €18 thousand for the previous year.

The balance of financial and extraordinary items was positive, at €4 thousand.

Due to the above, the year-end result before taxes was a positive €401 thousand, for an increase of €398 thousand compared to 2014.

The tax burden for the year amounts on aggregate to €172 thousand and is represented by current income taxes (IRES and IRAP), before deduction of deferred tax and after allocation of deferred tax assets and of the earnings arising from the tax consolidation of the Group the company belongs to.

Therefore, SAGAT Handling has recorded a net profit for the year of €229 thousand, a noteworthy improvement compared to the €104 thousand loss recorded at the end of the previous year.

Aeroporti Holding S.r.l.

The year closed on 31 December 2015 was characterised, for the subsidiary Aeroporti Holding, by some especially significant events.

On the date of 14 July 2015, the company Aeroporto G. Marconi di Bologna S.p.A., manager of the Bologna Airport (hereinafter, AdB) was authorised to trade its share capital on the STAR segment of the on-line market of the firm Borsa Italiana ("Italian Stock Exchange"), with an initial float of 38.92%.

The offering price of the ordinary shares placed was equal to 4.5 euro per share, following the conclusion of the Global Sale and Subscription Offering for admission to the trading of shares on the "Mercato Telematico Azionario" (on-line stock market) organised and operated by the firm Borsa Italiana S.p.A..

In the months following the initial listing, the market value of the stock rose steadily, ultimately reaching, in the period preceding the drafting of the present report, levels essentially equivalent to the book value of the holding.

As of 31 December 2015, the company held 2,134,614 ordinary shares of AdB, a quantity unchanged compared to the previous year and equal, following the operations carried out on the share capital as a result of the market listing referred to above, to 5.91% of the share capital.

The aggregate book value of the holding is equal to €17,640,882.86, and the per-share book value is €8.26. Both figures are unvaried compared to the previous year.

Finally, it should be noted that, on the date of 14 March 2016, the Board of Directors of AdB presented the drafts of the financial statements for the year 2015. These financial statements closed, in terms of the consolidated result, with a year-end profit of more than

€7,1 million, minus extraordinary costs of €2,6 million sustained for the listing on the stock market. For the first time in the company's history, it plans to distribute a dividend of €0.17 per share; therefore, the company can count on a dividend, for 2016, of more than €360 thousand.

The table below summarises the main income results of the activities carried out by Aeroporti Holding in the year 2015.

Euro thousand

Income Statement	2015	2014	Variation
Value of production	0	20,515	-20,515
Cost of staff	0	0	0
Operating costs	-59,610	-554,209	494,599
GOM	**-59,610**	**-533,694**	**474,084**
Amortisation and depreciation	0	0	0
Operating result	**-59,610**	**-533,694**	**474,084**
Financial income and expenses	-1,177	306,982	-308,159
Extraordinary income and expenses	3,132	4,084,446	-4,081,314
Adjustments in value of financial assets	0	0	0
Year-end result before taxes	**-57,655**	**3,857,734**	**-3,915,389**
Taxes on income	-15,125	-127,241	112,116
Year-end result after taxes	**-42,530**	**3,730,493**	**-3,773,023**

The company has no employees.

Sistema S.r.l.

The year ended 31 December 2015 was the eleventh year of operations for Sistema S.r.l., a company established on 8 March 2005 with SAGAT S.p.A. as its sole shareholder and having as its corporate purpose the management of airport infrastructures and, in general, the execution of services and activities instrumental to air transport, either directly or through its subsidiaries.

During the year 2005, and within the framework of a project for the creation and enlargement of a network of airports, SAGAT had planned a new structure for its Group, and had considered transferring to Sistema S.r.l. the airport business line currently operated by SAGAT.

That strategy had been approved by the shareholders of the company who, on 8 November 2005, had resolved a capital increase that was to be implemented with the contribution of the business line in question.
The resolution was made conditional to the authorization, by the City of Turin, of the transfer of the management contract to the transferee and on the adoption by ENAC of the measures under its responsibility.

Such circumstances have not occurred to the date, and so the resolution does not affect these financial statements.

Sistema S.r.l. has no employees and earned no income in 2015.

The essential figures from its financial statements, in thousands of Euro, are shown below:

FINANCIAL STATEMENT AS OF 31/12/2015	
Production value	0
Shareholders'equity	10
Loss of the year	2

Air Cargo Torino S.r.l. in liquidation

The company was placed in voluntary liquidation on the date of 9 September 2015. As of the date on which its 2015 financial statements were closed, the company was still in operation, and the liquidation procedure had not yet been concluded. The operations of Air Cargo S.r.l. consist of the handling of cargo at the Airport.
The main results from the company's financial statements closed as of 31 December 2014, the latest available, are shown below (in thousands of Euro):

FINANCIAL STATEMENT AS OF 31/12/2014	
Production value	583
Shareholders'equity	-10
Loss of the year	-51

SAGAT Engineering S.r.l. in liquidation

Having ceased operations on the date of 1 August 2014, the company was placed in voluntary liquidation on the date of 12 May 2015, as part of the ongoing efforts to augment the efficiency of the Group's structure.
As of the date of the closing of the 2015 financial statements, the liquidation procedure had not yet been concluded.

Torino Servizi S.r.l. in liquidation

The company was placed in voluntary liquidation on the date of 18 October 2004. As of the date of the closing of the 2015 financial statements, the liquidation procedure had not yet been concluded.
On the date of 23 March 2016, at a general meeting of the shareholders of Torino Servizi, a resolution was passed approving the intermediate financial statements of liquidation as of 31 December 2015, and the liquidator communicated the final financial statements of liquidation, as well as the preparation of the acts for the final closing of the company, which shall take place within the first six months of 2016.

1.21 Information on the management and coordination of companies

SAGAT S.p.A. engages in activities of “management and coordination” with regard to its subsidiaries SAGAT Handling S.p.A., Sistema S.r.l. and Aeroporti Holding S.r.l.

1.22 Relations with subsidiaries and other related parties

The equity and income relations between SAGAT and its subsidiary and associated companies are shown on the following table:

Euro thousand

COMPANY	INCOME	COSTS	ACCOUNTS RECEIVABLE AS OF 31/12/2015	ACCOUNTS PAYABLE AS OF 31/12/2015
Subsidiary companies				
SAGAT Handling S.p.A.	2,635	1,797	853	510
Aeroporti Holding S.r.l.	12	0	257	15
Sistema S.r.l.	0	0	12	0
SAGAT Engineering S.r.l.	8	17	0	1,518
Total	**2,655**	**1,814**	**1,122**	**2,043**
Associated companies				
Air Cargo Torino S.r.l.	15	0	1	0
Total	**2,670**	**1,814**	**1,123**	**2,043**

1.23 Significant events that occurred following the closing of the year and predictable developments for 2016

SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2015

- On the date of 23 March 2016, the third and final consultation of the users of the Torino Airport was held, essentially marking the conclusion of the updating of the Airport’s fee profile for the period 2016 – 2019, a process that formally began with the publication on the Company's site of the related consultation document in December of 2015. The new fees shall go into effect from 1 May 2016.

- The Airport's retail offerings continue to grow, with the opening of a new bookstore and an ice cream shop in the landside area scheduled for 2016, while a new food service outlet will open in the airside zone.
- Initiatives first undertaken in previous years to limit energy consumption at the Airport continued to be implemented.
- The February 2016 report of Assaeroporti, the Association of Italian Airport Managers, pointed to growth in commercial-aviation traffic during the first two months of the year, with an increase of +7.1% in passengers and +4% in movements, compared to January-February 2015.

The figures for commercial-aviation traffic at the Torino Airport in the first two months of 2016 registered an increase of +11.6% in the number of passengers and +8.7% in movements, compared to the same period of 2015.

The rise in passenger traffic was tied to growth in both domestic traffic (+17.2%) and international traffic (+12.7%).

	Year to date			
PAX	**Act**	**LY**	**Var. vs LY**	**%**
Domestic	278,372	237,426	40,946	17.2%
International	271,954	241,350	30,604	12.7%
Charter	67,927	75,651	-7,724	-10.2%
Gen. Aviation	1,059	986	73	7.4%
Transit	1,327	980	347	35.4%
Total	**620,639**	**556,393**	**64,246**	**11.5%**

New flights already announced for 2016

The new flights to be introduced during the rest of the year 2016 have already been announced.

The new openings planned date are:

- Blue Air to London Luton, 4 weekly flights, starting from 27 March 2016;
- Blue Air to Madrid, 4 weekly flights, starting from 27 March 2016;
- Ryanair to Valencia, 3 weekly flights, starting from 1 April 2016;
- Blue Air to Berlin, 3 weekly flights, starting from 2 May 2016;
- Blue Air to Alghero, 4 weekly flights, starting from 16 May 2016;
- Blue Air to Athens, 2 weekly flights, starting from 4 June 2016;

- Blue Air to Pescara, 3 weekly flights, starting from 1 October 2016.

A number of Summer routes will also be initiated:

- Ryanair to Ibiza, 2 flights weekly, starting from 1 May 2016;
- Volotea to Lampedusa, 1 flight weekly, starting from 28 May 2016;
- Blue Air to Minorca, 2 flights weekly, starting from 2 June 2016;
- Blue Air to Palma di Maiorca, 2 flights weekly, starting from 4 June 2016;
- Volotea to Corfù, 2 flights weekly, starting from 27 June 2016;
- Volotea to Skiathos, 2 flights weekly, starting from 28 June 2016.

There are as plans for increasing the frequency of flights on the London Gatwick route of British Airways and the Bucharest and Lamezia Terme routes of Blue Air.

PREDICTABLE DEVELOPMENTS

While moderate growth is forecast for 2016, both globally and on the national level, estimates of growth are still uncertain, due to a variety of variables that include, in addition to the performance of financial markets, the price of oil and economic trends, both national and international, the geo-political situation in Europe.
On the regional level, the economic climate remains static, or shows only mild improvement, compared to the situation last year, while nationally 2016 has ushered in the first signs of recovery.
The air sector, together with the real economy as a whole, could be affected by this outlook, leading the airlines to increase their offerings, but with a focus of efforts to increase efficiency and contain costs, eventually through the formulation of a targeted redistribution of routes and aircraft.

Another feature of the international scenario are the terrorists that received wide news coverage, including one that took place in a major European airport, all of which could have a negative effect on the public’s desire to fly.

In light of these considerations, SAGAT shall make every effort to achieve whatever operational and organisational rationalisations prove possible, in order to minimise the negative impact of instability or moments of crisis in the economy or the airport sector.
At the same time, the initiatives undertaken shall not diminish the quality of the service provided to users, as recently initiated efforts to modernise the airport infrastructures and complete the array of services offered to travellers, in line with developments in the traveller’s profile itself, shall continue.
Finally, the utmost attention shall be focused on policies of development, which represent the cornerstone to the growth of our airport. To that end, priority shall continue to be given to creating new commercial opportunities in the aviation sector, with the goal of continuing along the path of continuous, sustainable and balanced growth.

1.24 Own shares

The Company holds shares of its own that amount to 2.96% of its share capital, making for a total of €4.824 million, a level unvaried from the previous year and entered under long-term financial investments not destined to come to fruition in the short term.
The Company a total of 74,178 of its own shares, for an overall face value of €383 thousand. For further details, see the relevant section of the Notes.

1.25 Proposals for the allocation of the year-end result

Dear Shareholders,

The financial statements as of 31 December 2015, which are illustrated herein and have undergone the required audit, on the part of the firm of Deloitte & Touche S.p.A., present a net year-end profit of €8,498,026.02, of which we propose that €2,001,780.00 be allocated to dividends and €6,496,246.02 to the extraordinary reserve.

On behalf of the Board of Directors
The Chairman

2. FINANCIAL STATEMENTS
as of 31/12/2015

2.1 BALANCE SHEET AND INCOME STATEMENT OF SAGAT S.P.A. (amounts in Euro)

2.1.1 Balance Sheet: Assets

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) CONTRIBUTIONS RECEIVABLE FROM SHAREHOLDERS	0	0
B) FIXED ASSETS		
I. Intangible assets		
1) Start up and improvement costs	0	0
2) R & D and advertising costs	0	0
3) Industrial patent and intellectual property rights	561,151	90,856
4) Concessions, licenses, trademarks and similar rights	0	0
5) Goodwill	0	0
6) Investments in progress	1,068,250	1,466,031
7) Other non current assets	1,529,342	3,567,147
Total	**3,158,743**	**5,124,034**
II. Tangible assets		
1) Land and buildings	3,515,794	3,515,794
2) Plant and machinery	0	0
3) Operating and sales equipment	1,134,399	1,341,858
4) Other assets	859,313	1,033,353
5) Investments in progress and payments on account	4,331,377	4,800,659
II.bis Freely transferable assets		
1) Land and buildings	33,815,243	34,660,581
1bis) Runways and land used for runways	402,027	437,720
2) Plant and machinery	5,446,501	8,840,174
3) Operating and sales equipment	0	0
4) Other assets	0	0
5) Investments in progress and payments on account	0	0
Total	**49,504,654**	**54,630,139**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
III, Financial assets		
1) Investments in:		
a) Subsidiary companies	8,965,951	8,965,951
b) Associated companies	0	13,234
d) Other companies	0	0
2) Accounts receivable:		
a) From subsidiary companies:		
due within 12 months	0	0
due beyond 12 months	200,000	0
b) From associated companies:		
due within 12 months	0	0
due beyond 12 months	0	0
c) From parent companies:		
due within 12 months	0	0
due beyond 12 months	0	0
d) From others:		
due within 12 months	0	0
due beyond 12 months	12,477	11,907
Total accounts receivable:		
due within 12 months	0	0
due beyond 12 months	212,477	11,907
3) Other securities:		
due within 12 months	0	0
due beyond 12 months	0	0
4) Treasury shares - aggregate face value is also shown in the Notes -	4,823,612	4,823,612
Total	**14,002,040**	**13,814,704**
TOTAL FIXED ASSETS (B)	**66,665,438**	**73,568,877**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
C) CURRENT ASSETS		
I, Inventory		
1) Raw and maintenance materials, consumables	278,838	316,606
2) In-process and semi-finished products	0	0
3) Orders in progress	0	0
4) Finished products and goods	0	55,724
5) Advances	0	0
Total	**287,838**	**372,330**
II. Accounts receivable		
1) From customers:		
due within 12 months	9,579,346	10,592,097
due beyond 12 months	0	0
2) From subsidiary companies:		
due within 12 months	940,533	1,680,770
due beyond 12 months	784,138	784,138
3) From associated companies:		
due within 12 months	0	0
due beyond 12 months	0	0
4) From parent companies:		
due within 12 months	0	0
due beyond 12 months	0	0
4bis) Tax receivables:		
due within 12 months	1,484,586	2,495,170
due beyond 12 months	68,524	68,524
4ter) Deferred tax assets:		
due within 12 months	0	0
due beyond 12 months	1,890,642	2,704,159
5) Other accounts receivable:		
due within 12 months	6,315,947	6,106,041
due beyond 12 months	56,080	56,080
Total accounts receivable:		
due within 12 months	**18,320,412**	**20,874,078**
due beyond 12 months	**2,799,384**	**3,612,901**
Total	**21,119,796**	**24,486,979**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
III. Current financial assets		
1) Investments in subsidiary companies	0	0
2) Investments in associated companies	0	0
3) Investments in other companies	0	0
4) Treasury shares - aggregate face value is also shown	0	0
5) Other securities	0	0
Total	**0**	**0**
IV. Cash and cash equivalents		
1) Cash in bank	12,290,672	5,151,383
2) Cheques	52,000	52,000
3) Cash and valuables in hand	34,275	46,135
Total	**12,376,947**	**5,249,518**
TOTAL CURRENT ASSETS (C)	**33,784,581**	**30,108,827**
D) ACCRUED INCOME AND PREPAYMENTS - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued income	1,554	0
Prepayments	644,639	679,785
TOTAL ACCRUED INCOME AND PREPAYMENTS (D)	**646,193**	**679,785**
TOTAL ASSETS	**101,096,212**	**104,357,489**

2.1.2 Balance Sheet: Liabilities

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) SHAREHOLDERS' EQUITY		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	6,104,521	6,104,521
III. Revaluation reserve		
- Revaluation reserve per Law no. 342/2000	7,362,627	7,362,627
IV. Legal reserve	2,582,296	2,582,296
V. Reserve for treasury shares in the portfolio	0	0
VI. Reserves provided for under the by-laws	0	0
VII. Other reserves:		
- Reserve for purchase of treasury shares	4,823,612	4,823,612
- Extraordinary reserve	1,031,101	235,757
- Reserve for extraordinary investments	4,906,340	4,906,340
- Fund as per art. 55 DPR 917/86	0	0
VIII. Loss carried forward	0	0
IX. Profit (loss) of the year	8,498,026	795,344
TOTAL SHAREHOLDERS' EQUITY (A)	**48,220,004**	**39,721,978**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) Pension and similar funds	0	0
2) Fund for tax disputes	0	0
3) Other provisions:		
- Exchange rate fluctuation fund	0	0
- Future liabilities fund	6,544,977	5,487,255
- Maintenance expenses fund for assets held under concess.	0	8,481,495
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**6,544,977**	**13,968,750**
C) PROVISION FOR STAFF SEVERANCE PAY	2,354,088	2,511,604
TOTAL (C)	**2,354,088**	**2,511,604**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
D) ACCOUNTS PAYABLE		
1) Bonds:		
due within 12 months	0	0
due beyond 12 months	0	0
2) Convertible bonds:		
due within 12 months	0	0
due beyond 12 months	0	0
3) Loans from shareholders	0	0
4) Payables to banks:		
due within 12 months	1.500,000	1,500,000
due beyond 12 months	4,500,000	6,000,000
5) Payables to other lenders:		
due within 12 months	0	0
due beyond 12 months	0	0
6) Advances:		
due within 12 months	0	0
due beyond 12 months	0	0
7) Trade payables:		
due within 12 months	10,179,221	8,930,551
due beyond 12 months	0	0
8) Payables in the form of credit instruments:		
due within 12 months	0	0
due beyond 12 months	0	0
9) Payables to subsidiary companies:		
due within 12 months	2,041,433	3,012,331
due beyond 12 months	0	0
10) Payables to associated companies:		
due within 12 months	0	0
due beyond 12 months	0	0
11) Payables to parent companies:		
due within 12 months	0	0
due beyond 12 months	0	0
12) Taxes payable:		
due within 12 months	948,913	942,595
due beyond 12 months	0	0
13) Payables to social security institutions:		
due within 12 months	733,563	805,052
due beyond 12 months	0	0
14) Other payables:		
due within 12 months	13,926,871	14,535,521
due beyond 12 months	152,415	178,788
Total	**14,079,286**	**14,714,309**
Total:		
due within 12 months	**29,330,001**	**29,726,050**
due beyond 12 months	**4,652,415**	**6,178,788**
TOTAL ACCOUNTS PAYABLE (D)	**33,982,416**	**35,904,838**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued expenses	31	2,337
Deferred income	9,994,696	12,247,982
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	**9,994,727**	**12,250,319**
TOTAL LIABILITIES AND EQUITY	**101,096,212**	**104,357,489**

2.1.3 Memorandum Accounts

MEMORANDUM ACCOUNTS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
Assets under concession from the Municipality of Turin	59,654,058	59,654,058
Bank and other guarantees received from third parties	9,835,523	17,939,780
TOTAL	**69,489,581**	**77,593,838**

2.1.4 Income Statement

INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2015	FINANCIAL STATEMENTS AS 31/12/2014
A) PRODUCTION VALUE		
1) Revenues from sales and services	46,660,658	46,135,357
2) Variations in the inventory of in-process, semi-finished and finished products	0	0
3) Variations in orders in progress	0	0
4) Fixed assets developed internally	0	0
5) Other income and proceeds - operating grants shown separately	13,325,153	4,862,290
TOTAL PRODUCTION VALUE (A)	**59,985,811**	**50,997,647**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	1,360,882	1,597,475
7) Cost of services	20,332,216	19,604,982
8) Rent, lease and similar costs	1,101,227	1,096,134
9) Staff costs:		
a) salaries and wages	9,468,040	9,153,773
b) social security	2,765,095	2,677,578
c) severance pay	615,834	620,804
d) pension and similar benefits	0	0
e) other costs	196,548	176,566
Total staff costs	**13,045,517**	**12,628,721**
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	2,613,290	3,384,766
b) depreciation of fixed assets	7,287,595	7,233,001
c) other write-down of assets	26,398	0
d) write-down of current receivables and of cash and equivalents	100,010	230,888
Total amortisation, depreciation and write-downs	**10,027,293**	**10,848,655**
11) Variations in the inventory of raw and maintenance materials, consumables and goods	84,492	1,034,680
12) Provisions for liabilities and charges	1,217,599	231,687
13) Other provisions	0	0
14) Miscellaneous operating costs	1,909,986	1,660,669
TOTAL PRODUCTION COSTS (B)	**49,079,212**	**48,703,003**
OPERATING PROFIT – PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**10,906,599**	**2,294,644**

INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2015	FINANCIAL STATEMENTS AS 31/12/2014
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments	0	530,862
16) Other financial income:		
a) from non current receivables	0	0
b) from non current securities	0	0
c) from current Securities	0	0
d) other income	39,629	40,043
Total	**39,629**	**570,905**
17) Interest and other financial charges	-291,288	-374,606
17bis) Exchange gains (losses)	-422	-1,400
TOTAL FINANCIAL INCOME AND CHARGES (C)	**-252,081**	**194,899**
D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS		
18) Revaluation		
a) of equity investments	0	0
b) of financial assets	0	0
c) of current Securities	0	0
19) Write-downs:		
a) of equity investments	-13,234	-3,148
b) of financial assets	0	0
c) of current Securities	0	0
TOTAL VALUE ADJUSTMENTS ON FINANCIAL ASSETS (D)	**-13,234**	**-3,148**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income	0	0
- Other exceptional income	83,615	21,593
21) Exceptional charges	0	0
- Other exceptional charges	-350,996	-983,272
TOTAL EXTRAORDINARY ITEMS (E)	**-267,381**	**-961,679**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**10,373,903**	**1,524,716**
22) Income taxes for the year		
a) Current taxes	-1,062,360	-639,425
b) Deferred tax assets (liabilities):	-813,517	-89,947
23) PROFIT (LOSS) OF THE YEAR	**8,498,026**	**795,344**

These financial statements are accurate and match with the contents of corporate accounting books.

On behalf of the Board of Directors
The Chairman

2.1.5 Statement of Cash Flow

STATEMENT OF CASH FLOW	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) CASH FLOW FROM OPERATIONS		
Profit (loss) of the year	8,402,127	795,344
Income taxes	1,971,776	729,372
Interest expense (income)	252,081	335,693
(Dividends)	0	-530,862
(Gain) Loss from disposal of assets	0	0
1) Profit (loss) of the year before taxes, interest, dividends and gains or losses from disposals	**10,625,984**	**1,329,817**
Adjustments of non-monetary items not reflected in the net working capital		
Amount allocated to provisions	1,217,599	231,687
Amortisation and depreciation of fixed assets	9,900,886	10,617,767
Write-downs for durable value impairment	343,259	3,148
Other increases (decreases) of non-monetary items	0	0
Total adjustments of non-monetary items not reflected in the net working capital	**11,461,743**	**10,852,602**
2) Cash flow before working capital variation	**22,087,728**	**12,182,419**
Difference in net working capital		
Decrease (increase) in inventory	84,492	1,034,680
Decrease (increase) in trade receivables	1,012,751	-1,728,979
Increase (decrease) in trade payables	1,243,202	142.26
Decrease (increase) in accrued income and prepayments	33,592	-435,680
Increase (decrease) in accrued expenses and deferred income	-2,255,592	-2,277,591
Other decreases (increases) in working capital	-1,226,509	178,507
Total difference in net working capital	**-1,108,064**	**-3,086,778**
3) Cash flow after working capital variation	**20,979,663**	**9,095,641**
Other adjustments		
Interest collected (paid)	-341,191	-313,697
(Income taxes paid)	-176,252	-522,629
Dividends collected	304,975	530,862
(Amount of provisions used)	-8,798,888	-635,395
Other amounts collected (paid)	0	0
Total other adjustments	**-9,011,356**	**-940,858**
CASH FLOW FROM OPERATIONS (A)	**11,968,308**	**8,154,783**

STATEMENT OF CASH FLOW	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
B) CASH FLOW FROM INVESTMENTS		
Tangible assets		
(Flow from investments)	-2,492,275	-2.302.958
Flow from divestments	0	0
Intangible assets		
(Flow from investments)	-648,034	-706,888
Flow from divestments	0	0
Financial assets		
(Flow from investments)	-200,751	-3,148
Flow from divestments	0	22,111,757
Current financial assets		
(Flow from investments)	0	0
Flow from divestments	0	0
Acquisition or alienation of subsidiaries or business lines, net of cash and equivalents	0	0
CASH FLOW FROM INVESTMENTS (B)	**-3,340,879**	**19,098,762**
C) CASH FLOW FROM BORROWING		
Borrowed resources		
Increase (decrease) in short-term payables to banks	0	0
New loans	0	0
(Repayment of loans)	-1,500,000	-1,624,946
Own resources		
Paid-in capital increase	0	0
Refund of paid-in capital increase	0	0
Sale (purchase) of treasury stock	0	0
Dividends and advances on dividends paid	0	-21,300,000
CASH FLOW FROM BORROWING (C)	**-1,500,000**	**-22,924,946**
INCREASE (DECREASE) IN CASH AND EQUIVALENTS (A+/-B+/-C)	**7,127,429**	**4,328,599**
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	**5,249,519**	**920,920**
CASH AND EQUIVALENTS AT END OF YEAR	**12,376,947**	**5,249,519**

2.2 NOTES TO THE FINANCIAL STATEMENTS OF SAGAT S.P.A.

2.2.1 Introduction

The Financial Statements are made up of Balance Sheet, Income Statements and Notes (art. 2423 (1) of the Civil Code). The tables annexed to the Notes are a material part of the Notes themselves and of the Financial Statements.
The Company prepares the Consolidated Financial Statements pursuant to Legislative Decree 127 of 9/4/91.
The Company's Financial Statements and the Consolidated Financial Statements were audited pursuant to article 2409 bis of the Civil Code by the independent auditors Deloitte & Touche S.p.A.

2.2.2 General principles

1. These financial statements were prepared in a clear form in order to provide a faithful and accurate picture of the Company's financial position and standing, as well as of its operating result (art. 2423 (2) of the Civil Code). In particular, the drafting of these financial statements complies with art. 2423 et seq. of the Civil Code and takes into account the Italian accounting standards issued by the National Committees of Tax Consultants and Professional Accountants and, where appropriate, of compatible international accounting standards.

2. The mandatory disclosures under the laws governing the preparation of financial statements were deemed sufficient to provide a faithful and accurate presentation. However, additional information was presented as regarded appropriate for a more complete and detailed information.
   In particular, these include, in the Directors' Report:
   - analysis of the cash flow, variation of net working capital and net financial position;
   - analysis of the balance sheet by financial criteria;
   - additional relevant information based on the characteristics and size of the company (art. 2423 (3) of the Civil Code).

3. The true and accurate presentation of the financial position and standing and of the operating result was given without any deviation from the principles described above, because no exceptional circumstance of incompatibility occurred, requiring us to avail ourselves of the provisions in art. 2423 (4) of the Civil Code.

4. The financial statements are stated in Euro; the figures in these Notes are in Euro thousands, except as otherwise indicated (art. 2423 (5) of the Civil Code).

2.2.3 Drafting principles

The drafting of the financial statements follows the principles described below.

1. Financial statement items were valued according to the principle of conservatism and going concern, also taking into account the economic function of each assets or liabilities item (art. 2423-bis (1.1) of the Civil Code).

2. Only the profits realised as of the closing date of the reference year are shown (art. 2423-bis (1.2) of the Civil Code).

3. The income and costs accruing to the year were taken into account, regardless of when collected or disbursed (art. 2423-bis (1.3) of the Civil Code). The costs related to the income recorded for the year were considered as accruing in the year.

4. The risks and losses accruing in the year were taken into account, even where known after year end (art. 2423-bis (1.4) of the Civil Code). Non-comparable elements included in each item were valued separately (art. 2423-bis (1.5) of the Civil Code).

5. The valuation criteria adopted are the same as in the prior year.

6. The criteria followed for the composition of the Balance Sheet and Income Statement are those described below:

   6.a. the items provided for in articles 2424 and 2425 of the Civil Code, even when amounting to nil, were recorded separately and in the order indicated (art. 2423-ter (1) of the Civil Code);
   6.b. the items preceded by Arab numerals were further broken down where required by the accounting standards or deemed appropriate for the sake of clarity;
   6.c. in connection with the nature of the business carried out by the company, the following captions were added to the assets section of the balance sheet: B.II.bis, referring to assets that will become freely transferable upon expiration of the concession, and B.II-bis 1-bis), referring to runways and land used for runways, previously recorded under caption B.II.2);
   6.d. the items preceded by Arab numerals were not adjusted, there being no need for it considering the nature of the company's business (art. 2423-ter (4) of the Civil Code);
   6.e. for each item in the Balance Sheet and Income Statement, the corresponding item from the prior year is also shown;
   6.f. no offset of entries was made (art. 2423-ter (6) of the Civil Code).

7. There are no assets or liabilities items falling under multiple captions (art. 2424 (2) of the Civil Code).

2.2.4 Standards applied in item valuation, value adjustment and foreign currency translation

FIXED ASSETS

The assets intended for durable use were recorded under fixed assets.

Intangible assets

Intangible assets were valued at purchase or production cost, inclusive of ancillary costs, and amortised on a straight-line basis year after year, according to their residual useful life. The amortisation schedule, drafted by the principle explained above, is shown below.

Intangible assets	
Type of asset	**Amortisation rate**
Industrial patent and intellectual property rights	33%
Other intangibile assets	According to their stimated residual useful life

The amortisation criteria and rates were the same applied in the prior year (art. 2426 (1.2) of the Civil Code).
As of the year end, there are no intangible assets with a value permanently lower than their purchase cost inclusive of ancillary costs, after amortisation; therefore, there was no need to write down any asset (art. 2426 (1.3) of the Civil Code).

Tangible assets

Tangible assets were valued at purchase or production cost, inclusive of ancillary costs, except the assets subject to revaluation pursuant to Law 72/83 and to Law 342/2000.
The cost of the assets includes the interest expense incurred for the making of the assets until ready for use, for the portion reasonably attributable to the assets. The amount of interest expense recorded under balance sheet assets is shown in Part IV of these Notes (art. 2427 (1.8) of the Civil Code).
The cost of the tangible assets of limited duration is depreciated on a straight-line basis according to their residual useful life.

The depreciation schedule, drafted by the principles explained above, is shown below:

Tangible assets	
Type of asset	**Depreciation rate**
buildings and pertaining roads	4%
aircraft runways and aprons	Expected useful life commensurate to the concession term, expiring in 2035
flight assistance systems	31,5%
other systems	10%
ramp and runway equipment	31,5%
other equipment	20%
special purpose equipment	12,5%
prefabricated structures	10%
cars	25%
cargo vehicles	20%
furniture and fittings	12%
electric and electronic equipment	20%
other tangible assets	20%
minor tangible assets	100%

In previous years, for certain categories of assets, where required due to their particular obsolescence, the rates above were doubled in the first three year of use of the assets.

For the assets that started being used in the reference year, the rates were halved in order to take account, on a flat basis, of their reduced use. However, the full rates were applied to the assets that started being used at the beginning of the year.

As of the year end, there are no tangible assets, according to the company's plans, with a value permanently lower than their purchase cost (revalued as appropriate) inclusive of ancillary costs, after depreciation (art. 2426 (1.3) of the Civil Code).
Please note that, as a consequence of the amendment to art. 104 of the Unified Income Tax Code ("TUIR") introduced by Decree Law 669 of 31/12/1996, whereby depreciation over concession length is only allowed alternatively (and no longer in addition) to conventional depreciation over useful life, in the previous years the Company had decided to adopt conventional depreciation, deducting from the historical cost of each asset the respective concession-based depreciation accumulated, except for the category "runways and aprons": for these assets the Company has continued to use concession-based depreciation as per art. 104 of the TUIR, because in this case it matches with the residual useful life of the assets.
Routine maintenance and repair costs are recorded directly in the Income Statement for the year in which they are incurred, while the costs that add value to the assets are capitalised.

Financial assets

Equity and other financial investments are long-term investments and are recorded at purchase or subscription cost.
If a subsidiary suffers a presumably durable loss, its carrying value is written down accordingly.
If the reasons for such adjustments cease to exist in subsequent years, then the original value is reinstated.
The same valuation criteria also apply to treasury shares.
Accounts receivable are shown at their presumable realisation value.

INVENTORY

The inventory of raw and ancillary materials, consumables and goods is recorded at purchase cost, inclusive of ancillary costs. Such cost was calculated —as in previous years— by the weighted average method.
The assets that do not appear to be actually eligible for use in the production process were recorded at realisation value, if lower than the purchase cost.
In any case, the value at which inventory items are recorded does not exceed their market value, taking into account the usefulness/instrumentality of the assets within the production process.
The value of fungible assets does not differ significantly from the costs current as of year-end.

ACCOUNTS RECEIVABLE

Accounts receivable were recorded at their presumable realisation value, which corresponds to the difference between face value and provision for bad debts.
The accounts receivable on interest in arrears were written off in the years in which they have respectively accrued.
The amount allocated to the provision for bad debts was calculated taking into account the risk of non-collection of the total of trade receivables taken as a whole, and deemed sufficient.

There are no accounts receivable for which collection terms were contractually postponed and that should therefore be written down and adjusted to current rates, in accordance with accounting standards.

CURRENT FINANCIAL ASSETS

Financial assets were recorded at the lesser of purchase cost, inclusive of ancillary costs, or current market value at year end.

CASH AND CASH EQUIVALENTS

These are recorded at face value.

ACCRUALS AND DEFERRALS

Accrual and deferral items in both the assets and liabilities section include the income or costs accruing to the year but to be collected or disbursed in future years, and the costs or income incurred or collected before year end but accruing to future years. These captions only include portions of costs and income in common to two or more years, the amount of which varies in time.

PROVISIONS FOR LIABILITIES AND RISKS

The provisions for liabilities and risks include solely the amounts allocated in order to cover losses or payables of probable or certain occurrence, the amount or exact date of occurrence of which was however uncertain as of year-end.

PROVISION FOR STAFF SEVERANCE PAY

Law 27 December 2006, no. 296 (2007 Finance Act) introduced new rules for the employees' severance pay ("TFR") accumulated effective from January 1, 2007.
As a consequence of the pension reform:

- the portions of TFR accrued as until 31/12/2006 remain with the company;
- the portions of TFR accrued effective from 1 January 2007, according to each employee's individual option based on express or tacit subscription, were either:

  a) contributed to pension funds;

  b) kept with the company, that transferred the portions of TFR to the Treasury Fund created by INPS, the Italian social security agency.

The portions accrued in the reference year since January 1, 2007 are still shown in caption B9 c) of the income statement, “Staff severance pay”.
Caption C in the balance sheet, “Provision for staff severance pay”, shows the residual amount of the provision as of 31 December 2015; captions D13, “Social security payables” and D14, “Other payables” show the accounts payable as of 31 December for portions of TFR still to be contributed to the Treasury Fund of INPS and to pension funds.

ACCOUNTS PAYABLE

These are recorded at face value.

MEMORANDUM ACCOUNTS

These are recorded at face value, taking into account the commitments and risks existing as of year-end. Memorandum accounts include commitments capable of affecting, by nature and amount, the financial position and standing of the Company, that need to be known for the purpose of determining such position.

REVENUES AND EXPENSES

Revenues, expenses and other income and costs were recognised according to the principles of conservatism and accrual, after deduction of discounts, allowances, incentives and facilitations. The earnings from services were recognised when the corresponding services were rendered.

GRANTS

Grants are recorded in the Income Statement under the caption “Other income and proceeds” in the year where reasonable certainty arises that the company is entitled to receive them, and posted as deferred income accruing in future years; at the end of each year, such deferred income is reduced and reversed to the Income Statement, at the same rate used for the amortisation or depreciation of the asset that the grant refers to.

DIVIDENDS

The dividends paid by the subsidiaries are recorded in the year of accrual of the relevant profit if the Board of the subsidiary company proposes their distribution before the Board of the parent company approves the draft financial statements. Dividends are recorded as financial proceeds, regardless of the nature of the reserves being distributed.

INCOME TAXES

The corporate income taxes ("IRES" and "IRAP") payable, shown in caption E.22, are calculated in accordance with tax regulations on the basis of the taxable income.

Already from the year ended 31 December 2004, the Company, acting as parent company, had opted for consolidated taxation pursuant to articles 117 et seq. of President's Decree 917/86, together with the subsidiary Torino Servizi Srl in liquidazione.
The subsidiaries SAGAT Handling S.p.A., SAGAT Engineering S.r.l. and Aeroporti Holding S.r.l. also joined the tax consolidation agreement in 2005.

The subsidiary Sistema S.r.l. has also opted in since 2006.

As a consequence of this, SAGAT S.p.A. calculates the IRES owed by the Group in accordance with the rules mentioned above, setting off its result with the positive and negative taxable bases of the consolidated companies.
The economic relationships, the responsibilities and the mutual obligations that the consolidated companies have with one another are defined in the "bilateral agreements on tax consolidation and relevant information flows" signed by the Group companies, whereby:

- the subsidiaries with a positive taxable income will transfer to the parent company the funds corresponding to the greater tax owed by the latter on the consolidated income; in this case, instead of recording the taxes for the year, the subsidiaries will record the account payable to the holding company, that will pay the tax;

- the subsidiaries with a negative taxable income will receive a compensation corresponding to the tax saving that they would benefit from without the tax consolidation, regardless of whether the loss is included or not in the calculation of the Group's income; in this case, the subsidiary will record an account receivable from the parent company equal to the tax benefit that will become available to the latter, and deduct the corresponding consolidation gain from the current taxes for the year;

- by virtue of principal or joint and several liability, each subsidiary agrees to refund any amounts that the parent company may be required to pay to the Tax Office for facts under the responsibility of that subsidiary;

- the parent company is solely entitled to decide whether to file appeals against tax assessments and/or penalties in circumstances subject to joint and several liability of the parent company and the subsidiaries.

The current regional tax (IRAP) as well as deferred IRAP assets and liabilities, are calculated solely for SAGAT.

DEFERRED TAXES

The company has recorded deferred taxes according to the temporary differences in the taxable base arisen during the course of the year. In particular, the deductible temporary differences arising from negative income components to be deducted totally or partially in future years will generate deferred tax assets, recorded under caption C.II.4-ter of the assets section, while the temporary differences arising from positive income components to be taxed in years subsequent to the reference one, or from negative income components deducted in a year preceding the one in which they were recorded in the income statement, will generate deferred tax liabilities, recorded under caption B.2 of the liabilities section. Deferred taxes are calculated at the tax rates currently in force and taking into account the tax rates expected in future years.
The amount shown in the caption "Income taxes for the year" is the result of the algebraic sum of current and deferred taxes, so as to represent the actual tax burden pertaining to the reference year.
No deferred tax assets that cannot be reasonably expected to be recovered in the future were recorded. Similarly, no deferred tax liabilities that are unlikely to arise were recorded.
The temporary differences that led to recording deferred tax assets and liabilities, their rates and the differences (compared to the prior year) in the amounts credited and/or charged to the income statement and as equity components are described and shown in the tables commenting the deferred tax assets and liabilities for the year.

PRINCIPLES FOR THE TRANSLATION OF ITEMS STATED IN FOREIGN CURRENCIES

Any assets and liabilities other than non-monetary fixed assets are recorded at the exchange rate in force as of year-end; any net gains are allocated to a specific non-distributable reserve at the moment of calculating the operating result.

2.2.5 Information on the Balance Sheet - Assets

The additional information to be disclosed under articles 2426 and 2427 of the Civil Code, and any information required under art. 2423 (3) of the Civil Code, are given in the same order as the relevant captions appear in mandatory financial statements patterns.

INTANGIBLE ASSETS

These are the costs of permanent, non-tangible production factors, after deduction of the relevant amortisation. They relate to permanent ownership and utilisation rights (or similar) or concession rights, to improvements made to leased assets, or to outstanding costs that will affect future years.
Intangible assets, totalling €3,159 thousand, have decreased on aggregate by €1,965 thousand in the year.

The summary table below reports a detailed description of the changes in the various intangible assets components occurred during the year.

	Start-up and improveme nt	R & D and advertising	Industrial patent rights and intellectual property rights	Concessions of licenses, trademarks and similar rights
Amount at beginning of year				
Cost	0	0	90,856	0
Revaluation	0	0	0	0
Amortisation (Us of amort. Provision)	0	0	0	0
Write-downs	0	0	0	0
Amount carried	0	0	90,856	0
Variations during the year				
New acquisitions	0	0	158,953	0
Reclassifications (of carrying value)	0	0	639,400	0
Decreases from disposals and write-offs (of carrying value)	0	0	0	0
Revaluation in the year	0	0	0	0
Amortisation in the year	0	0	328,058	0
Write-downs in the year	0	0	0	0
Other variations	0	0	0	0
Total variations	0	0	470,295	0
Balance at end of year				
Cost	0	0	889,209	0
Revaluation	0	0	0	0
Amortisation (Use of amort. Provision)	0	0	328,058	0
Write-downs	0	0	0	0
Amount carried	0	0	561,151	0

	Goodwill	Investments in progress and payments on account	Other assets	Total assets
Amount at beginning of year				
Cost	0	1,466,031	3,567,147	5,124,034
Revaluation	0	0	0	0
Amortisation (Us of amort. Provision)	0	0	0	0
Write-downs	0	0	0	0
Amount carried	0	1,466,031	3,567,147	5,124,034
Variations during the year				
New acquisitions	0	294,936	247,427	701,316
Reclassifications (of carrying value)	0	-655,717	0	-16,317
Decreases from disposals and write-offs (of carrying value)	0	0	0	0
Revaluation in the year	0	0	0	0
Amortisation in the year	0	0	2,285,232	2,613,290
Write-downs in the year	0	0	0	0
Other variations	0	-37,000	0	0
Total variations	0	-397,781	-2,037,805	-1,965,291
Balance at end of year				
Cost	0	1,068,250	3,814,574	5,772,033
Revaluation	0	0	0	0
Amortisation (Use of amort. Provision)	0	0	2,285,232	2,613,290
Write-downs	0	0	0	0
Amount carried	0	1,068,250	1,529,342	3,158,743

The change shown in caption B.I.3 “Industrial patent and intellectual property rights”, net of amortisation for €328 thousand, relates to the installation of new software or implementation of software purchased in the previous year (€798 thousand).
The caption “Investments in progress and payments on account” (B.I.6) has decreased by €398 thousand compared to the prior year, mostly due to the use of software as described in the paragraph above.
The caption “Other assets” (B.I.7) includes, among others, the costs incurred for the drafting of the master plan (€167 thousand) and the costs of improvements within the airport grounds; this particular "other assets" component has increased by €51 thousand. The aggregate amortisation of "other assets" amounts to €2,285 thousand.

TANGIBLE ASSETS

Tangible assets include the costs (revalued as applicable) of permanent production factors represented by capital equipment owned by the company, including those that will be returned upon expiration of the concession, characterised by the dual requirement of long useful life and tangible nature, shown after deduction of depreciation, including concession-based depreciation.

Tangible assets amount in total to €49,505 thousand and have decreased on aggregate by €5,125 thousand in the year.

The summary table below reports a detailed description of the changes to the various tangible assets components occurred during the year.

	Land and buildings	Plant and machinery	Operating and sales equipment
Amount at beginning of year			
Cost	83,619,862	66,282,181	13,064,628
Revaluation			
Depreciation (Use of depreciation provision)	45,005,767	57,442,07	11,722,770
Write-downs			
Amount carried	38,614,095	8,840,174	1,341,858
Variations during the year			
New acquisitions	293,493	471,929	161,499
Reclassifications (of carrying value)	1,033,436	186,605	46,607
Decreases from disposals and write-offs (of carrying value)			
Revaluation in the year			
Depreciation in the year	2,207,960	4,052,207	415,564
Write-downs in the year			
Other variations			
Total variations	-881,031	-3,393,673	-207,458
Balance at end of year			
Cost	84,946,791	66,494,214	12,138,334
Revaluation			
Depreciation (Use of depreciation provision)	47,213,727	61,494,214	12,138,334
Write-downs			
Amount carried	37,733,064	5,446,501	1,134,400

	Other tangible assets	Investment in progress & payments on account	Total tangible assets
Amount at beginning of year			
Cost	28,383,961	4,800,659	196,151,291
Revaluation			
Depreciation (Use of depreciation provision)	27,350,608	0	141,521,152
Write-downs			
Amount carried	1,033,353	4,800,659	54,630,139
Variations during the year			
New acquisitions	393,934	1,208,325	2,529,181
Reclassifications (of carrying value)	43,890	-1,677,608	
Decreases from disposals and write-offs (of carrying value)			
Revaluation in the year			
Depreciation in the year	611,864	0	7,287,595
Write-downs in the year		-26,398	-26,398
Other variations		-266,627	-266,627
Total variations	-174,040	-469,283	-5,125,485
Balance at end of year			
Cost	28,821,785	4,331,377	198,313,402
Revaluation			
Depreciation (Use of depreciation provision)	27,962,472	0	148,808,747
Write-downs			
Amount carried	859,313	4,331,377	49,504,655

Captions BII.1) B II bis 1 and 1bis), "Land and buildings" include freely transferable assets in the amount (post-depreciation) of €34,217 thousand, of which €402 thousand relate to runways and land used for runways. The caption "Plant and machinery", totalling €5,447 thousand after depreciation, is entirely composed of freely transferable assets.
The caption "Land and buildings" (B.II.bis 1 and 1 bis) has decreased on aggregate by €881 thousand, due to purchases (€293 thousand), capitalisation of assets previously recorded as investments in progress (€1,033 thousand) and annual depreciation (€2,208 thousand). In particular, the anti-seismic renovation works on certain sheds were capitalised for a total amount of €120 thousand; a significant portion is also represented by construction works at airport buildings for a total of €336 thousand.
No obsolete assets were disposed of during the year.

The caption "Plant and machinery" (B.II. bis 2) has decreased on aggregate by €3,394 thousand, due to purchases (€472 thousand), capitalisation of assets previously recorded

as investments in progress (€187 thousand) and annual depreciation (€4,052 thousand). In particular, the increases relate to the capitalisation of construction works at airport buildings (€148 thousand) and to the revamping of boarding bridges (€250 thousand).
No obsolete assets were disposed of during the year.

The caption “Operating and sales equipment” (B.II.3) has decreased on aggregate by €207 thousand, due to purchases (€161 thousand), capitalisation of aircraft access ramps previously posted under investments in progress (€47 thousand) and annual depreciation (€416 thousand). No obsolete assets were disposed of during the year.

The caption “Other assets” (B.II.4) has decreased on aggregate by €174 thousand, due to depreciation (€612 thousand) and purchases (€438 thousand). The increase relates to the capitalisation of hardware previously posted under investments in progress (€44 thousand) and to certain minor assets. No obsolete assets were disposed of during the year.

The caption “Investments in progress and payments on account” (B.II.5) has decreased by €469 thousand after the variations described above.

The balance of the revaluation applied pursuant to Law 72 of 19/3/1983 (€556 thousand) and to Law 342 of 21/11/2000 (€8,423 thousand) has not changed compared to the prior year. The details of the revaluation applied are shown in the table below:

	Statutory revaluation	Economic revaluation	Total revaluation
Land and buildings	282,000	0	282,000
Plant and machinery	6,567,000	0	6,567,000
Operating and sales equipment	182,000	0	182,000
Other assets	1,958,000	0	1,958,000
Total	**8,989,000**	**0**	**8,989,000**

FINANCIAL ASSETS

These are the costs of long-term financial investments.

Equity investments, recorded at purchase cost in the total amount of €8,966 thousand, have not changed compared to the prior year.

The holdings in the subsidiaries SAGAT Handling, Aeroporti Holding, SAGAT Engineering and Sistema are valued at the respective purchase cost.
Equity investments are recorded at a value not exceeding the share of equity as resulting from the latest financial statements, except for the investment in SAGAT Handling, that is recorded at a greater value because the loss incurred by the subsidiary during the year was not deemed permanent but recoverable in future years.

In 2015 the caption Investments in associated companies was affected by the write-down of the entire holding in Air Cargo, that entered liquidation procedure on September 9, 2015.

The details of investments in subsidiary, associated and other companies are summarised in the table below, prepared under art. 2427 (5) of the Civil Code and art. 2427-bis of the Civil

Code. The table does not include the data for the subsidiary Torino Servizi srl, that has entered a voluntary liquidation procedure.

Please note that the data for Air Cargo Torino s.r.l. refer to the latest financial statements as of 31.12.2014 and are shown in accordance with art. 2427-bis of the Civil Code.

The tables below show the variations in the Company's holdings and treasury shares. The Company owns 74,178 treasury shares for a total value of €4,824 thousand, the same as in the prior year.
The Company has decided to maintain the value of its treasury shares as it was in the prior year, without reporting any durable value impairment. Also, effective from their first posting and during 2015, these shares were not reclassified from financial assets, as no circumstance occurred and no decision was made affecting their nature as durable investment, therefore confirming that these shares are not intended for realisation in the short term.

Lastly, effective from January 1, 2016 a new formulation of article 2357-ter (3) of the Civil Code came into effect, according to which "the purchase of treasury shares implies an equal reduction in the equity, applied by posting a specific negative caption under the liabilities section". In other words, no reduction or increase in the value of the treasury shares owned may reflect in the income statement.

	Investments in subsidiary companies	Investments in associated companies	Investments in parent companies	Investments in other companies	Total investments	Other securities	Treasury stock
Amount at beginning of year	8,965,951	13,234			8,979,185	0	4,823,612
Cost							
Revaluation							
Write-downs							
Amount carried	8,965,951	13,234	0	0	8,979,185	0	4,823,612
Variations during the year							
New acquisitions							
Disposals							
Write-downs		-13,234			-13,234		
Revaluation							
Reclassifications							
Other variations							
Total variations		-13,234			-13,234		
Balance at end of year	8,965,951	0	0	0	8,965,951	0	4,823,612
Cost						0	0
Revaluation							
Write-downs							
Amount carried	8,965,951	0	0	0	8,965,951	0	4,823,612

List of investments in subsidiary companies

Below are the details of SAGAT's holdings in subsidiary companies, pursuant to art. 2427 (5) of the Civil Code.

	Denomination	Town or State	Capital in Euro	Profit (loss) of latest financial year in Euro	Equity in Euro	Share held in Euro	% Share held	Value carried or corresponding creditor amount
1	Aeroporti Holding S.r.l.	Italy	11.000.000	-42.529	17.490.744	9.698.618	55,45%	6.099.500
2	Sistema S.r.l.	Italy	15.000	-1.524	11.852	11.852	100%	11.852
3	SAGAT Engineering S.r.l. (in liquidazione)	Italy	11.000	20.203	2.073,662	2.073.662	100%	11.000
4	SAGAT Handling S.p.A.	Italy	3.900.000	228.586	2.739.307	2.739.307	100%	2.843.599
Total								**8.965.951**

List of investments in associated companies

Below are the details of SAGAT's holdings in associated companies, pursuant to art. 2427 (5) of the Civil Code.

	Denomination	Town or State	Capital in Euro	Profit (loss) of latest financial year in Euro	Equity in Euro	Share held in Euro	% Share held	Value carried or corresponding creditor amount
1	Air Cargo Torino S.r.l.	Italy	53.000	-50.669	-9.844	-3.544	36%	0
Total								0

The figures for Air Cargo Torino S.r.l. are taken from the latest financial statements available as of 31 December 2014.

Noncurrent receivables

Noncurrent receivables for a total of €212 thousand are cash deposits, basically the same as in the prior year, and noncurrent receivables from subsidiary companies for €200 thousand.
This item was posted at the end of 2015, after the Company granted an interest-bearing loan to its subsidiary Aeroporti Holding.

The summary variations of financial assets represented by noncurrent receivables are shown below:

	Noncurrent receivables from subsidiary companies	Noncurrent receivables from associated companies	Noncurrent receivables from parent companies	Noncurrent receivables from others	Total noncurrent receivables
Amount at beginning of year	0	0	0	11,907	11,907
Variations during the year	200,000	0	0	570	200,571
Balance at end of year	200,000	0	0	12,477	212,477
Portion due within 12 months	0	0	0	0	0
Portion due after 12 months	200,000	0	0	12,477	212,477
Of these, with residual duration above 5 years	0	0	0	0	0

Noncurrent receivables - Breakdown by territory

Below are the details of the breakdown of noncurrent receivables by territory, pursuant to art. 2427 (6) of the Civil Code:

	TOTAL	1
Noncurrent receivables by territory		
Territory		Italy
Noncurrent receivables from subsidiary companies	200,000	200,000
Noncurrent receivables from associated companies		
Noncurrent receivables from parent companies		
Noncurrent receivables from others	12,477	12,477
Total noncurrent receivables	212,477	212,477

Adjustments to the value of financial assets

	Book Value	Fair Value
Receivables from subsidiary companies	20,000	20,000
Receivables from others	12,477	12,477
Treasury stock	4,823,612	4,823,612

CURRENT ASSETS

INVENTORY

The inventory, totalling €288 thousand, refers basically to raw and ancillary materials, consumables, maintenance materials and goods for resale. The item has decreased by €84 thousand compared to the prior year.
As of year-end, the inventory did not include any component that might be expected to be realised at a lower price than the respective inventory value.

The breakdown and variation of individual components are shown below:

Denomination	Raw and maintenance materials, consumables	In-process and semi-finished products	Orders in progress	Finished products and goods	Payments on account (disbursed)	Total inventory
Amount at beginning of year	316,606	0	0	55,724	0	372,330
Variation during the year	-28,768	0	0	-55,724	0	-84,492
Balance at end of year	287,838	0	0	0	0	287,838

ACCOUNTS RECEIVABLE

These are recorded for a total of €21,120 thousand, compared to €24,487 thousand in 2014. The total relates mostly to customers in Italy or in the European Union.

The caption Accounts receivable from customers has decreased from €10,592 thousand as of 31/12/2014 to €9,579 thousand as of 31/12/2015, by €1,013 thousand. The decrease is due partly to the improvement of the liquidity position of certain customers compared to 2014, and to the prosecution of effective credit collection actions that the Company has started already some time ago.

This caption includes accounts receivable at a face value of €11,277 thousand net of the write-down (€1,697 thousand) allocated to the provision for bad debts (€1,578 thousand) and to the provision for bad debts on interest in arrears (€119 thousand).
During the year the provision for bad debts decreased by €45 thousand due to the use of an amount of €145 thousand, partially offset by a €100 thousand adjustment based on actual needs.
Therefore, the total value of the provisions for bad debts and credit risk is sufficient to cover

risks of non-collection of the accounts receivable existing as of year-end. In any case, SAGAT has taken all the necessary measures to have its creditor positions recognised and to protect its rights. For more details please refer to the section in the Director's Report on controversies.

The caption Accounts receivable from subsidiary companies, €1,725 thousand after write-down by €147 thousand, has decreased by €740 thousand compared to the prior year.
The caption is composed of receivables due within 12 months, except €784 thousand in receivables from the subsidiary Torino Servizi società in liquidazione, for which a provision was made already in the previous years.

The details of these receivables are shown in the table below, stated in thousand Euros:

From subsidiary companies	31/12/2015	31/12/2014
Aeroporti Holding S.r.l.	57	349
SAGAT Handling S.p.A.	853	1,304
Sistema S.r.l.	13	12
SAGAT Engineering S.r.l.	2	0
Torino Servizi S.r.l.	947	947
Provision for bad debts	-147	-147
Total	**1,725**	**2,465**

The tax receivables posted amount to €1,553 thousand, decreasing by €1,011 thousand compared to the €2,564 thousand posted as of 31/12/2014,
Of these receivables, €69 thousand are due beyond 12 months as detailed in the table below (thousand Euros):

Detail	31/12/2015	31/12/2014
IRES receivables	179	1,098
IRES refund receivables	882	882
IRAP receivables	36	58
Creditor VAT	446	457
Other	10	69
Total	**1,553**	**2,564**

Please note that the “Account receivable on IRES refund”, €882 thousand, relates to the application for refund of the extra taxes paid between 2007 and 2011, due to the omitted deduction of the IRAP tax due on the costs of subordinate and quasi-subordinate employees, The application for refund, filed on 18/02/2013 by the Holding Company for all Group companies by virtue of tax consolidation, pertains for €724 thousand to SAGAT, for €302 thousand to SAGAT Handling and for €15 thousand to SAGAT Engineering.

The balance of the captions “IRES receivables” and “IRAP receivables” represents, as far as IRES is concerned, the difference between the payments on account made during the year and the amount payable as it results from the tax consolidation and, as far as IRAP is concerned, the difference between the payments on account made during the year and the tax payable calculated.

The caption “Deferred tax assets” shows a balance of €1,891 thousand; if the company had considered an unlimited time horizon for the reversal of these assets, this balance would have been greater by €467 thousand. The details of deferred tax assets/liabilities are shown in the specific table of the Notes to the Income Statement.

The caption “Receivables from others”, €6,372 thousand, has increased by €210 thousand compared to the prior year, basically due to the increase in the receivables arising from payments on account to vendors (€371 thousand) and to other minor changes.

The details of receivables from others are shown in the table below (thousand Euros):

DETAIL	31/12/2015	Of wich after 12 months	31/12/2014	Of which after 12 months	Difference
Accounts receivable from the Municipality of Turin	211		211		-
Other accounts receivable from the P.A.	33		33		-
From vendors on downpayments and credit notes	887	11	607	11	280
Accounts receivable from carriers on municipal taxes	4,687		4,830		-143
Other accounts receivable	554	45	481	45	73
Total	6.372	56	6.162	56	210

The caption “Accounts receivable from the Municipality of Turin”, unchanged from the prior year, represents the residual portion of an advance that the company had to pay in 1992 for the completion of certain works at the control tower, in order to cover the insufficient funds earmarked by the Municipality after the construction contractor ICEM went bankrupt and the guarantor insurer FIRS was placed into forced liquidation, as neither of the latter honoured their obligation to repay the contractually agreed advances. The company has filed proof of claim as creditor in the bankruptcy of ICEM and in the forced liquidation of FIRS. No decisive events in this proceeding have occurred during the year.

The receivables from carriers on Municipal taxes has decreased in the year by €143 thousand and represents the contra entry of the account payable by SAGAT to the Tax Office for the same reason.

Accounts receivable – Breakdown by due date

Below are the details of the breakdown of accounts receivable by due date, pursuant to art. 2427 (6)
of the Civil Code, stated in thousand Euros:

	Current trade receivables	Current receivables from subsidiary companies	Current receivables from associated companies	Current receivables from parent companies
Amount at beginning of year	10,592,097	2,464,908	0	0
Variations during the year	-1,012,751	-740,237	0	0
Balance at end of year	9,579,346	1,724,671	0	0
Portion due within 12 months	9,579,346	940,533	0	0
Portion due after 12 months	0	784,138	0	0
Of these, with residual duration above 5 years	0	0	0	0

	Current tax receivables	Current deferred tax assets	Current receivables from others	Total current receivables
Amount at beginning of year	2,563,694	2,704,159	6,162,121	24,486,979
Variations during the year	-1,010,584	-813,517	209,907	-3,367,185
Balance at end of year	1,553,110	1,890,642	6,372,028	21,119,796
Portion due within 12 months	1,484,586		6,315,947	18,320,412
Portion due after 12 months	68,524	1,890,642	56,080	2,799,384
Of these, with residual duration above 5 years	0	0	0	0

Current receivables - Breakdown by territory

Below are the details of the breakdown of current receivables by territory, pursuant to art. 2427 (6) of the Civil Code:

	Total	1	2
Current receivables by territory			
Territory		**Italy**	**Foreign**
Current trade receivables	9,579,346	8,284,557	1,294,789
Current receivables from subsidiary companies	1,724,671	1,724,671	0
Current receivables from associated companies	0	0	0
Current receivables from parent companies	0	0	0
Current tax receivables	1,553,110	1,553,110	0
Current deferred tax assets	1,890,642	1,890,642	0
Current receivables from others	6,372,027	6,372,027	0
Total current receivables	**21,119,796**	**19,825,007**	**1,294,789**

CURRENT FINANCIAL ASSETS

There are no securities held as of 31/12/2015 as temporary liquidity.

CASH AND CASH EQUIVALENTS

These include:

- as to bank and post office deposits, the funds immediately available on deposits or current accounts with banks and post offices;
- as to cash in hand, the liquidity existing as of 31/12/2015 in the treasuries of the company;
- as to cheques, the credit instruments received before year end and deposited with banks for collection in the opening days of the subsequent year.

The details of this item are shown in the table below:

	Cash in bank and post office current accounts	Cheques	Cash and valuables in hand	Total cash and cash equivalents
Amount at beginning of year	5,151,383	52,000	46,135	5,249,518
Variation during the year	7,139,289	0	-11,860	7,127,429
Balance at end of year	12,290,672	52,000	34,275	12,376,947

ACCRUED INCOME AND PREPAYMENTS

As of 31/12/2015, these amount on aggregate to €646 thousand (€680 thousand as of 31/12/2014) and are composed as better explained below:

	Loan discount	Accrued income	Other prepayments	Total income and prepayments
Amount at beginning of year	0	0	679,785	679,785
Variation during the year	0	1,554	-35,146	-33,592
Balance at end of year	0	1,554	644,639	646,193

Breakdown of prepayments

	Amount
Insurance	166,176
Subordinate employees	344,915
Other	133,548
Total	**644,639**

The caption “Insurance” includes the portions of insurance premiums paid in 2015 and accruing in the subsequent year.

The caption "Subordinate employees" represents the costs incurred by the Company for the lay-off procedure in 2015 and accruing in subsequent years. For further details on this matter, please refer to the section of the Directors' Report on staff and organization.

Capitalized financial expense

Below are the details of financial expense attributed to the fixed assets recorded in the Balance Sheet pursuant to art. 2427 (8) of the Civil Code, unchanged from the prior year:

	Financial expense for the year attributed to fixed assets
Intangible assets	
Tangible assets	
Land and buildings	2,322,607
Plant and machinery	792,245
Inventory	
Total	**3,114,852**

2.2.6 Information on Liabilities and Equity in the Balance Sheet

SHAREHOLDERS' EQUITY

Pursuant to art. 2427 (7 bis) of the Civil Code, the changes in the components of the Shareholders' equity are shown below.

The capital stock amounts to €12,911,481, has not changed from the prior year, and is composed of 2,502,225 shares each with a face value of €5.16. As of year-end, it was distributed as follows among the shareholders:

2i Aeroporti S.p.A.	54.88%
Equiter S.p.A	12.40%
FCT Holding S.r.l.	10.00%
Finpiemonte Partecipazioni S.p.A.	8.00%
Tecno Holding S.p.A.	6.76%
Metropolitan City of Turin (formerly Province of Turin) *	5.00%
Treasury stock	2.96%
Total	**100.00%**

* For more details please refer to paragraph 1.3 “Shareholder structure” of the Director's Report

The share premium reserve recorded amounts to €6,105. This reserve is tax-exempt in case of distribution and has not changed from the prior year.

The revaluation reserve, €7,363 thousand, was recorded to account for the revaluation of company assets made by the company pursuant to Law 342/2000. The reserve has not changed in 2014.

The legal reserve, amounting to €2,582 thousand, has not changed compared to the prior year, as it has already reached one-fifth of the capital pursuant to art. 2430 of the Civil Code.

The other reserves comprise:

- reserve for the purchase of treasury stock, €4,824 thousand. This reserve was created in consequence of the shareholders' resolution of 10/12/2002 that authorised the purchase of a maximum of 58,400 shares of the company, entirely freed up, for a total amount of €2,336,000. The company made such purchase on 14 March 2003. The original value was adjusted up to €2,537 thousand during the course of 2006. In 2008 the reserve was increased further by €2,286 thousand, after the closing of the stock option plan addressed to the company's managers. The increase was made by drawing a matching amount from the extraordinary reserve. The reserve has not changed in 2015;

- the extraordinary reserve, €1,031 thousand, is entirely made up of annual profits and has increased by €795 thousand compared to the prior year, because the profits for 2014 were entirely allocated to this reserve;

- the reserve for extraordinary investments, €4,906 thousand, is made up entirely of provisions subject to ordinary taxation and has not changed from the prior year.

The tables below show the variations of each equity component during the year, and the breakdown of the Other Reserves.

	Share capital	Share premium reserve	Revaluation reserves	Legal reserve	Other Reserves			Profit (loss) carried forward	Profit (loss) of the year	Total equity
					Extraordinary reserve	Reserve for purchase of treasury shares	Miscellaneous other reserves			
Amount at beginning of year	12,911,481	6,104,521	7,362,627	2,582,296	235,757	4,823,612	4,906,340		795,344	**39,721,978**
Destination of the result for the previous year:					795,344				-795,344	
Distribution of dividends										
Other uses										
Other variations										
Increases										
Decreases										
Reclassifications										
Result of the year									8,498,026	**8,498,026**
Balance at end of year	12,911,481	6,104,521	7,362,627	2,582,296	1,031,101	4,823,612	4,906,340	0	8,498,026	**48,220,004**

Other reserves

	Description	Amount
	Reserve for non-routine investments	4,906,340
Total		**4,906,340**

Explanation of availability and use of equity components

The tables below provide the information to be disclosed under article 2427 (7-bis) of the Civil Code regards to the specification of equity components as to origin, utilization options and eligibility for distribution, as well as to the uses made in previous years:

	Amount	Origin/nature	Utilization options	Portion available	Summary of uses made in the previous 3 years	
					Coverage of losses	Other reasons
Share capital	12,911,481	Share capital				
Share premium reserve	6,104,521	Share capital	A,B,C	6,104,521		
Revaluation reserves	7,362,627	Share capital	A,B,C	7,362,627	1.150.596	
Legal reserve	2,582,296	Profits	B			
Other Reserves						
Extraordinary or optional reserve	1,031,101	Profits	A,B,C	1,031,101		21,300,000
Reserve for purchase of treasury shares	4,823,612	Profits		0		0
Miscellaneous other reserves	4,906,340	Profits	A,B,C	4,906,340	16,781	0
Total other reserves	10,761,053			5,937,441	16,781	21,300,000
Profit (loss) carried forward						
Total	**39,721,978**			**19,404,589**	**1,167,377**	**21,300,000**
Portion not eligible for distribution						
Residual portion eligible for distribution				**19,404,589**		

Key: A: capital increases; B: coverage of losses; C: distribution to shareholders.

The use shown in the "Other reasons" column relates to the distribution of an exceptional dividend approved by the Shareholders on 17 April 2014. Both the uses shown in the "Coverage of losses" column relate to the coverage of the loss recorded in 2012, as resolved by the Shareholders in the meeting of 16 May 2013.

	Description	Amount	Origin/nature	Utilization options	Portion available	Summary of uses made in previous 3 years - coverage of losses	Summary of uses made in previous 3 years - other reasons
	Reserve for non-routine investments	4,906,340	Profits	A,B,C	4,906,340	0	0
	Reserve as per art. 55 DPR 917/86	0	Profits	A,B,C	0	16,781	0
Total		**4,906,340**					

For the sake of exhaustiveness of the information on equity, the following details are also provided below.

Revaluation reserves

These are composed as follows:

	Opening balance	Use for coverage of losses	Other variations	Closing balance
Law no. 342/2000	7,362,627	0	0	7,362,627
Total	**7,362,627**	**0**	**0**	**7,362,627**

PROVISIONS FOR LIABILITIES AND RISKS

This item is detailed below:

	Pension and similar funds	Provision for tax disputes, including deferred taxes	Other provisions	Total provisions for liabilities and charges
Amount at beginning of year	**0**	**0**	**13,968,750**	**13,968,750**
Variations during the year				
Amount allocated in the year	0	0	1,217,599	1,217,599
Amount used in the year	0	0	-157,339	-157,339
Other variations	0	0	-8,484,033	-8,484,033
Total variations	0	0	-7,423,773	-7,423,773
Balance at end of year	**0**	**0**	**6,544,977**	**6,544,977**

The provision for future liabilities and risks, €6,545 thousand, is recorded according to the principle of conservatism to account for possible liabilities arising from civil and administrative controversies, pending or merely probable. During the year the provision has decreased by €7,424 thousand on aggregate, as a consequence of the following:

- €8,481 thousand reflect the amount of the provision for leasehold maintenance that was released to the Income Statement. This provision included the amount allocated to cover the maintenance of the assets held under concession, which the Company is required to return in good state when the concession expires.
  In the past, these maintenance costs were not directly expensed in the year they accrued in, because they were covered with the provision, that was increased each time by a pre-established amount, always the same every year.
  On 8 October 2015, SAGAT S.p.A. and ENAC entered into an agreement governing the

relationships between the parties with respect to the management and development of airport operations, including the relationships relating to the design, manufacturing, adaptation, maintenance and use of the facilities and infrastructures instrumental to such operations. The attachments to the said agreement are the traffic plan, the economic/financial plan and the investments plan for the period 2015 to 2035.

With the execution of the agreement and the preparation of the relevant economic/financial plan it was made clear that, unlike in the previous years, all routine maintenance costs, including those related to leased assets, will be expensed in each of the years they accrue in, and that any extraordinary and/or implementation costs required to maintain the facilities in good order and to maintain the quality of the services offered to users are included in the investments planned for each agreement year.
Already effective from 2014 the provision in question had been used for minor amounts and the Company, after a thorough review of the presuppositions and amount of the provision, had decided not to make any further allocation to it in 2014.
Therefore, the Company, supported by independent expert advice, considered that the entire provision for leasehold maintenance recorded as of 31 December 2014 was excessive, and released it to the Income Statement 2015.

- A total of €1,217 thousand were allocated to the provision for liabilities and risks, of which €659 thousand cover new controversies and potential liabilities arisen during the year, and the rest to cover adjustments to potential liabilities already existing as of 31/12/2014.

- An amount of €157 thousand was used for liabilities arisen in 2015 but that had been foreseen and accounted for in previous years.

PROVISION FOR STAFF SEVERANCE PAY

The table below shows the changes occurred during the year, stated in thousand Euros:

	Provision for staff severance pay
Amount at beginning of year	**2,511,604**
Variations during the year	
Amount allocated in the year	615,834
Amount used in the year	773,350
Other variations	0
Total variations	-157,516
Balance at end of year	**2,354,088**

In particular, during the year the provision has received €616 thousand and has decreased by €773 thousand, mostly due to amounts paid on terminated employment contracts and on advances granted to requesting employees.

The caption “Amount allocated” includes the revaluation of the provision, calculated in accordance with the law, and the TFR accrued between 1 January and 31 December 2015, kept with the company, contributed to pension funds and allocated to the INPS Treasury Fund.
The caption “Amount used” includes the TFR paid to the employees, both in the form of advances and upon termination of employment.
The caption "Other variations" includes the portions of TFR relating to staff transferred to/from other SAGAT Group companies.

ACCOUNTS PAYABLE

The accounts payable are recorded for €33,982 thousand (€35,905 thousand as of year-end 2014) and relate mostly to vendors in Italy or in the European Union.

Their breakdown and most significant changes occurred during the year are shown below.

The accounts payable to banks, totalling €6,000 thousand (€7,500 thousand in the prior year) relate entirely to the long-term loan obtained on 8 February 2010 for an original amount of €15 million: This loan is not backed by guarantees and is subject to the compliance with the usual financial parameters, that were actually complied with. In addition to the loan mentioned above, in order to fixate its cost for its entire duration, an interest rate swap agreement of the same length as the loan was executed. The portion of this loan expiring within 12 months amounts to €1,500 thousand.
In order to guarantee that the non-speculative nature of the fund is maintained throughout its duration, the amount of principal under the IRS agreement will follow the repayment schedule of the loan, and be reduced gradually until it reaches zero in concurrence with the repayment of the last instalment.

The accounts payable to vendors include the trade payables owed to other entities than subsidiary companies. These amount on aggregate to €10,179 thousand (€8,930 thousand in the prior year) and have increased by €1,249 thousand.

The payables to subsidiary companies amount to €2,041 thousand and have decreased by €971 thousand in the year. They are all due within 12 months. The decrease is a consequence of ordinary closing and settlement of intercompany transactions.
These payables include a €1,500 thousand loan granted by the subsidiary SAGAT Engineering, on arm's length terms, with a view to maximising the use of financial resources Group-wide.
The details of the **accounts payable to subsidiary companies** are shown in the table below:

	31/12/2015	31/12/2014
Aeroporti Holding S.r.l.	15	0
SAGAT Handling S.p.A.	510	1,036
SAGAT Engineering S.r.l.	1,515	1,976
Sistema S.r.l.	0	0
Torino servizi S.r.l.	1	0

Totale	**2,041**	**3,012**

Tax payables have increased by €6 thousand compared to the prior year and amount in total to €949 thousand. Their detail is as follows:

	31/12/2015	31/12/2014
Witholdingtax payables	340	360
Surtaxes payable Fees	606	580
Other	3	3
Total	**949**	**943**

The item does not include payables due beyond 12 months.

Social security payables amount to a total of €734 thousand and are shown in the table below:

	31/12/2015	31/12/2014
INPS/INAIL	480	537
Other	254	268
Total	**734**	**805**

The other payables, totalling €14,079 thousand, relate to:

	31/12/2015	31/12/2014
ENAC/Concession fee	285	263
Employees	959	1,063
Surtaxes on boarding fees	5,694	5,889
Other payables	7,141	7,500
Total	**14,079**	**14,715**

Please note that, in accordance with the laws in force, the entire amount of the account payable to ENAC on airport fees will be paid in the coming year and be therefore brought to nil.

The account payable to the Tax Office on Municipal taxes has decreased in the year by €195 thousand and represents the contra entry of the account receivable by SAGAT from the carriers for the same reason. Please note that SAGAT is only required to proceed with the payments as it collects the amounts owed by the carriers.

The caption "Other payables" also includes, for a total of €5,614 thousand, the account payable on fire-fighting services at the airport as governed by the 2007 Finance Act.

Accounts payable – Breakdown by due date

Below are the details of the breakdown of accounts payable by due date, pursuant to art. 2427 (6) of the Civil Code:

	Bonds	Convertible bonds	Loans from shareholders	Payables to banks
Amount at beginning of year				7,500,000
Variations during the year				-1,500,000
Balance at end of year				6,000,000
Portion due within 12 months				1,500,000
Portion due after 12 months				4,500,000
Of these, payable beyond 5 years				

	Payables to other lenders	Payments on account	Trade payables
Amount at beginning of year			8,930,551
Variations during the year			1,248,670
Balance at end of year			10,179,221
Portion due within 12 months			10,179,221
Portion due after 12 months			
Of these, payable beyond 5 years			

	Payables to subsidiary companies	Payables to associated companies	Payables to parent companies	Taxes payable
Amount at beginning of year	3,012,331			942,595
Variations during the year	-970,898			6,318
Balance at end of year	2,041,433			948,913
Portion due within 12 months	2,041,433			948,913
Portion due after 12 months				
Of these, payable beyond 5 years				

	Social security payables	Other payables	Total accounts payable
Amount at beginning of year	805,052	14,714,309	35,904,838
Variations during the year	-71,489	-635,023	-1,922,422
Balance at end of year	733,563	14,079,286	33,982,416
Portion due within 12 months	733,563	13,926,871	29,330,001
Portion due after 12 months		152,415	4,652,415
Of these, payable beyond 5 years			

Accounts payable - Breakdown by territory

Below are the details of the breakdown of accounts payable by territory, pursuant to art. 2427 (6) of the Civil Code:

	Total	1	2
Accounts payable by territory			
Territory		**Italy**	**Foreign**
Bonds			0
Convertible bonds			0
Loans from shareholders			0
Payables to banks	6,000,000	6,000,000	
Payables to other lenders			0
Payments on account			0
Trade payables	10,179,221	8,562,896	1,616,325
Payables in the form of credit instruments			0
Payables to subsidiary companies	2,041,433	2,041,433	
Payables to associated companies	0		
Payables to parent companies	0		
Taxes payable	948,913	948,913	
Social security payables	733,563	733,563	
Other payables	14,079,286	14,079,286	
Total accounts payable	**33,982,416**	**32,366,091**	**1,616,325**

Accounts payable with company assets as collaterals

Below are the details of company assets used as collaterals, pursuant to art. 2427 (6) of the Civil Code:

	Bonds	Convertible bonds	Loans from shareholders	Payables to banks	Payables to other lenders	Payments on account	Trade payables	Payables in the form of credit instruments
Payables with collaterals								
Mortgage payables								
Lien payables								
Special privilege payables								
Total payables with collaterals								
Payables without collaterals				6,000,000	0	0	10,179,221	0
Total	**0**	**0**	**0**	**6,000,000**	**0**	**0**	**10,179,221**	**0**

	Payables to subsidiary companies	Payables to associated companies	Payables to parent Companies	Taxes payable	Social security payables	Other payables	Total accounts payable
Payables with collaterals							0
Mortgage payables							0
Lien payables							0
Special privilege payables							0
Total payables with collaterals							0
Payables without collaterals	2,041,433	0	0	948,913	733,563	14,079,286	33,982,416
Total	**2,041,433**	**0**	**0**	**948,913**	**733,563**	**14,079,286**	**33,982,416**

ACCRUED EXPENSES AND DEFERRED INCOME

These total €9,995 thousand and have decreased by €2,255 thousand compared to 31/12/2014, as better detailed below:

	Accrued expenses	Discount on loans granted	Deferred income	Total accrued expenses and deferred income
Amount at beginning of year	2,337	0	12,247,982	12,250,319
Variations during the year	-2,305	0	-2,253,286	-2,255,592
Balance at end of year	32	0	9,994,696	9,994,727

Breakdown of accrued expenses and deferred income

The caption "Deferred income" (€9,995 thousand) relates, in the amount of €9,793 thousand, to portions of construction grants deferred because not pertaining to the reference year. These grants were recorded according to the specific accounting criteria described above. The decrease recorded in the reference year relates mostly to the 2015 portion of these grants released to the income statement.

COMMITMENTS AND NATURE OF MEMORANDUM ACCOUNTS

The Company has not given collaterals as a guarantee for its own or third parties' obligations.
Other memorandum accounts that are worth knowing in order to assess the company's financial position and standing are also recorded (per art. 2425 (2) of the Civil Code.
Their breakdown and nature are shown below (Euro thousands):

Nature	31/12/2015	31/12/2014
Third-party assets received in concession	59,654	59,654
Personal guarantees given to third parties	9,836	17,940
Totale	**69,490**	**77,594**

Third-party assets held under concession are the fixed assets received in concession. These, however, are only the investments made by the entity granting the concession since the 1980's to this date, as the value of the assets built before then —which include aircraft movement areas— is unknown.
The personal guarantees received from third parties are the bank guarantees received from carriers and from third parties in general.

2.2.7 Information on the Income Statement

Income statement items are classified in accordance with the Civil Code and the explanatory document no. 1 of the accounting standard issued by Italy's National Committee of Professional Accountants in 2014.
The most relevant Income Statement components for 2015 are shown below.
PRODUCTION VALUE

REVENUES FROM SALES AND SERVICES
The revenues from sales and services obtained by the Company, entirely in the territory of Italy and from customers based mostly in Italy or in the European Union, are broken down as follows (art. 2427 (1. 10 of the Civil Code).

	Total	1	2	3	4	5
Revenues from sales and services by business category						
Business category		Air traffic	Security	Handling and air traffic services	Parking lots	Subcontracted services
Amount for current year	**46,660,658**	**14,715,744**	**6,502,465**	**3,084,058**	**5,396,243**	**3,323,974**

	6	7	8	9	10	11
Revenues from sales and services by business category						
Business category	Airport Retail Corners	Subcontracted businesses and airport spaces	Centralised infrastructures	Assets in exclusive use	Assets used in common	Other revenues
Amount for current year	**0**	**5,231,567**	**6,015,270**	**1,764,173**	**577,322**	**49,842**

Revenues from sales and services by territory

In accordance with the provisions in art. 2427 (10) of the Civil Code, the tables below show the breakdown of revenues by territory:

	Total	1	2
Revenues from sales and services by territory			
Territory		**Italy**	**Foreign**
Amount for current year	**46,660,658**	**40,353,786**	**6,306,872**

OTHER REVENUES AND PROCEEDS

The other proceeds (stated in Euro thousands) are broken down as follows:

	Year 2015	Year 2014
Recoupment of utilities in common and other expenses	81	47
Other proceeds	10,974	2,541
Construction grants	2,270	2,274
Total	**13,325**	**4,862**

This caption, totalling €13,325 thousand, has increased by €8,463 thousand compared to the prior year.

The caption "Other income" includes the release of the leasehold maintenance provision (€8,481 thousand) as described in the section dedicated to the provisions for liabilities and risks in these Notes. It also includes the release of the portion of accounts payable for 2009 (€743 thousand) relating to the so-called Fire Prevention provision, that was adjudged as not payable by the Company under a final Court award.

The caption "Construction grants" includes, according to the criteria described above, among others, the portions accruing in the reference year of the following grants:

- grants from Regione Piemonte for the enlargement works at the passenger building, general aviation and luggage logistics building included in the Master Programme Agreement for the improvement of airport infrastructures in view of the "Turin 2006" 20th Winter Olympics (agreement no. 9313 of 12 July 2004), recorded according to the criteria described above in the amount of €1,322 thousand;

- ENAC grant for the construction of the automated baggage handling system (BHS), recorded according to the criteria described above in the amount of €942 thousand.

PRODUCTION COSTS

PURCHASE OF RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS

These costs are stated in Euro thousands and broken down as follows:

	Year 2015	Year 2014
Maintenance materials	210	257
Miscellaneous materials	51	40
Materials for resale	286	507
Fuels and lubricants	510	539
De-icing	249	201
Stationery and prints	55	53
Total	**1,361**	**1,597**

COST OF SERVICES

These costs are stated in Euro thousands and broken down as follows:

	Year 2015	Year 2014
Miscellaneous services	1,679	2,043
Asistance, storage and PRM services	1,124	1,139
Electricity and other utilities	3,298	3,406
Technical, management, marketing advice	700	525
Watch service	2,498	2,339
Cleaning, waste collection and disposal	828	884
Maintenance / repair and misc. contractual costs	1,435	1,321
Maintenance / repair rent, lease and similar costs	720	615
Business and general insurance	348	336
Misc. staff costs (cafeteria, training, T&E, etc.)	410	416
Services rendered by subsidiary companies	577	917
Other	6,715	5,664
Total	**20,332**	**19,605**

RENT, LEASE AND SIMILAR COSTS

These costs are stated in Euro thousands and broken down as follows:

	Year 2015	Year 2014
Airport concession fee	519	483
Rent owed to Municipality of Turin	340	340
Other concession fees	112	111
Rent and leases	130	162
Total	**1,101**	**1,096**

STAFF COSTS

Staff costs for 2015, inclusive of outsourced staff, amounts to €13,046 thousand, increasing by about €417 thousand compared to the prior year. The increase owes mostly to salary variations arising from the new collective bargaining agreement and from the changes in traffic volumes occurred in the year.

	Year 2015	Year 2014
Salaries and wages	9,468	9,153
Social security	2,765	2,678
Staff severance pay	616	621
Other costs	197	177
Total	**13,046**	**12,629**

AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These are stated in Euro thousands and broken down as follows:

	Year 2015	Year 2014
Amortisation of intangible assets	2,613	3,385
Depreciation of tangible assets	7,288	7,233
Other write-downs of fixed assets	26	0
Write-down of accounts receivable	100	231
Total	**10,027**	**10,849**

The caption "Amortisation and depreciation" has decreased from the prior year by €821 thousand, basically due to ordinary life cycle and replacement of fixed assets.

During the course of the year, a total value of fixed assets of €26 thousand was written down on assets that no longer contribute to the making of the Company's income.
As mentioned earlier, the provision for bad debts received an allocation of €100 thousand, in order to be adjusted to the Company's actual needs.

CHANGES IN THE INVENTORY OF RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS

The stock of raw and ancillary materials, consumables and goods decreased by €950 thousand in the year ended as of 31/12/2015 and amounts to €84 thousand. The change was due, as explained earlier, to the fact that duty free shops are no longer being run directly by the Group; in fact, the inventory of duty free products appeared in the financial statements for the previous year.

PROVISIONS FOR LIABILITIES AND RISKS

An amount of €1,218 thousand was allocated in the year to the provision for liabilities and risks in order to cater for the losses or payables of certain nature and of probable or certain occurrence, the amount or date of occurrence of which is however uncertain as of the closing date. For details about the nature of the amounts allocated, please refer to the section in these Notes dedicated to the provision for liabilities and risk and its variations.

MISCELLANEOUS OPERATING COSTS

The relevant costs, stated in Euro thousands, are broken down as follows:

	Year 2015	Year 2014
Entertainment / guest expenses	56	78
Contingent liabilities / Downward adjustment of income	439	93
Membership fees	111	109
Damages paid to third parties	4	2
Fire Department fees	649	710
Municipal property taxes	225	252
Other	426	417
Total	**1,910**	**1,661**

This caption has increased by €249 thousand compared to the prior year.

FINANCIAL INCOME AND EXPENSE

INCOME FROM EQUITY INVESTMENTS

In accordance with the provisions in art. 2427 (11) of the Civil Code, the Company has not earned any income from equity investments.

FINANCIAL INCOME

The €40 thousand recorded are almost entirely interest income earned on bank deposits.

INTEREST AND OTHER FINANCIAL EXPENSE – BREAKDOWN BY NATURE OF UNDERLYING PAYABLES

Interest and other financial expense, totalling €291 thousand, comprise interest expense on short and long-term bank loans (€266 thousand) and interest expense on loans obtained from Group companies (€25 thousand).

	Bonded loans	Payables to banks	Other	Total
Interest and other financial expense	0	266,445	24,843	291,288

ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

Financial asset value was adjusted in the year for a total of €13 thousand, to accommodate the impairment of the equity investments in the subsidiary Air Cargo, now into liquidation.

EXCEPTIONAL INCOME AND CHARGES

The caption "Exceptional income", €84 thousand on aggregate, has increased by €62 thousand compared to the prior year and represents the total of contingent gains relating to previous years.

The caption "Exceptional charges", €351 thousand on aggregate, has decreased by €632 thousand compared to the prior year and represents the total of contingent liabilities relating to previous years.

INCOME TAXES FOR THE YEAR

This item, totalling €1,876 thousand, is composed of the estimated amount of income taxes for the year plus deferred tax assets and liabilities.
The table below shows the breakdown of the tax burden for the year (Euro thousands):

	Year 2015	Year 2014
IRES	864	54
IRAP	198	585
Deferred tax assets and liabilities	814	90
Total	**1,876**	**729**

The table below shows the reconciliation between the theoretical tax burden and the tax burden recorded in the financial statements as of 31 December 2015, compared with the corresponding period in 2014.

	Year 2015	Year 2014
EBT	10,373,903	1,524,716
Theoretical IRES rate (%)	27,50%	27,50%
Theoretical income tax	2,852,823	419,297
Tax effects of IRES variations	-1,988,974	-306,424
Tax effects loss carried forward	0	-58,402
Effects of deferred tax	813,517	89,947
IRAP	198,511	584,954
Income taxes carried (current and deferred)	**1,875,877**	**729,372**

The theoretical tax burden was calculated by applying the current corporate income tax ("IRES") rate (27.5%) to the EBT.
The effects of the regional tax ("IRAP") rate were calculated separately, because this tax is not levied on the same taxable base used for IRES purposes.

The tables below show the details of deferred tax assets and liabilities:

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	7,095,470	5,847,658
Total deductible temporary differences	-241,132	0
Net temporary differences	6,854,338	5,847,658
B) Fiscal effects		
Provision for deferred tax liabilities (assets) at beginning of year	-2,437,413	-266,746
Deferred tax liabilities (assets) for the year	792,372	21,145
Provision for deferred tax liabilities (assets) at end of year	-1,645,041	-245,601

Details of **deductible temporary differences**:

DEDUCTIBLE TEMPORARY DIFFERENCES							
	Balance as of year-end 2014	**Variations during the year**	**Balance as of year-end 2015**	**IRES rate**	**Tax effects of IRES**	**IRAP rate**	**Tax effects of IRAP**
1 Maintenance provisions	2,972,366	-2,972,366	0	24%	0	4.2%	0
2 Provision for bad debts	1,129,149	8,465	1,137,614	24%	273,027		
3 Provision for future liabilities	4,373,887	962,726	5,336,613	24%	1,280,787	4.2%	224,138
4 Other minor	644,299	-23,056	621,243	24%	149,098	4.2%	21,464

Details of **taxable temporary differences**:

TAXABLE TEMPORARY DIFFERENCES							
	Balance as of year-end 2014	**Variations during the year**	**Balance as of year-end 2015**	**IRES rate**	**Tax effects of IRES**	**IRAP rate**	**Tax effects of IRAP**
1 Dividends not collected	15,249	-15,249	0	24%	0		
2 Greater fiscal amortisation/ depreciation	241,132		241,132	24%	57,872		

2.2.8 Other information

SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE YEAR

For these events, please see the comments in the Directors' Report.

RELATIONSHIPS WITH SUBSIDIARIES AND OTHER RELATED PARTIES

For a more detailed analysis, please see the dedicated section in the Directors' Report. It is however worth noting here that these relationships were all at arm's length.

EMPLOYMENT FIGURES

The table below shows the average headcount broken down by category pursuant to art. 2427 (1.15) of the Civil Code:

	Executives	Junior Exec.	Clerical staff	Blue-collar staff	Other employees	Total Employees
Average headcount	4,6	26,2	103,1	97,5	0	231,4

EMOLUMENTS OF DIRECTORS AND AUDITORS

The total of emoluments paid to Directors and Auditors is shown in the table below. These emoluments are recorded under "Costs of services" and take into account all the people who have held offices as directors and statutory auditors during the reference year, even if only for a part of it:

	Amount
Directors' emoluments	604,298
Auditors' emoluments	50,394
Total emoluments paid to Directors and Auditors	**654,692**

INDEPENDENT AUDITORS' FEES

The total amount of the fees paid to the independent auditors for the mandatory annual audit of the accounts as well as for other services provided during the year is shown in the table below:

	Amount
Mandatory annual audit	16,000
Other auditing services	12,000
Other services than auditing	8,000
Total independent auditors' fees	**36,000**

CLASSES OF STOCK ISSUED BY THE COMPANY

Disclosure as required under article 2427 (17) of the Civil Code concerning the stock making up the capital of the Company, the number and the face value of the stock underwritten in the year, is provided in the tables below:

	Total	1
Stock issued by class		
Description		**Common**
Number at beginning of year	2,502,225	2,502,225
Face value at beginning of year	12,911,481	12,911,481
Number at end of year	2,502,225	2,502,225
Face value at end of year	12,911,481	12,911,481

INFORMATION ON THE COMPANIES OR ENTITIES EXERCISING SUPERVISION AND COORDINATION FUNCTIONS PURSUANT TO ART. 2497-BIS ON THE CIVIL CODE

The Company is not subject to the supervision or coordination of other companies or entities.

The "Other information" section of the Notes is completed by the following:

STATEMENT OF CASH FLOW

As an additional information to the financial statements, the Directors' Report contains the statement of cash flow, to provide a picture of liquidity movements during the year.
The statement was prepared according to the pattern of “Report of cash flows”. We believe that this pattern shows, better than others, the aspects of the administration of cash requirements and resources. In particular, the statement provides the amount of cash absorbed or generated through self-financing and through working capital variations, showing the cash flows absorbed from operations and the balance of the net financial position.

EARNINGS PER SHARE

The earnings per each share worth €5.16 were calculated by dividing the EBIT, the EBT and the net profit by the total number of shares, including treasury shares. The share capital amounts to €12,911,481 and is formed by 2,502,225 shares.

	2015	2014
EBIT per share	4,36	0,92
Gross EPS	4,15	0,61
Net EPS	3,40	0,32

THE BOARD OF DIRECTORS

2.3 REPORT OF THE STATUTORY AUDITORS OF SAGAT S.p.A.

S.A.G.A.T S.P.A.

STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS PURSUANT TO ART. 2429 (2) OF THE CIVIL CODE

Dear Shareholders:

In the year 2015 we have performed the audits provided for in art. 2403 of the Civil Code which we are reporting here.

As to the methods of our audit, please note that:

- *the Board of Auditors has duly held its meetings met in accordance with art. 2404 of the Civil Code;*

- *the Auditors have taken part in all the meetings of the Board of Directors and obtained from the Directors, pursuant to art. 2381 (5) of the Civil Code, timely and appropriate information on the general performance of the company and its predictable developments, as well as on the most significant operations, by size or nature, carried out by the Company and its subsidiaries;*

- *the Auditors have exchanged with the Independent Auditors, pursuant to art. 2409-septies of the Civil Code, all the necessary information for the performance of the respective duties; no issues worth reporting arose from such exchanges;*

- *the Auditors have audited the adequateness of the organization, meeting with the competent functions of the company; as a result of these meetings, the Auditors have not found any evidence of particularly problematic aspects with respect to the adequateness of the organization and the compliance with the Company's management requirements;*

- *the Auditors acknowledge that the administration and accounting structure is apt to recognise and present the operations correctly. Our audit did not detect any particular critical area concerning the adequateness of the administrative and accounting structure;*

- *the Auditors have taken due note, with respect to internal audits and compliance with Legislative Decree 231/2001, of the regular reports issued by the internal auditor and by the Supervisory Committee, that do not present any particular problem. The exchange between the two bodies was made easier by the fact that the Chairman of the Board of Auditors is also a member of the Supervisory Committee.*

The Auditors have obtained adequate information about the transactions of greatest economic and financial interest implemented by the Company and its subsidiaries, and such information assured the Auditors about their compliance with the law and the company by-laws. The Auditors do not deem necessary to make any remark on the above-referred transactions. The Auditors have not found any non-standard or unusual transaction.

The Auditors acknowledge that on 8 October 2015 SAGAT entered into an agreement with ENAC, expiring on 3 August 2035, to regulate the relationships between the two entities as to the management and development of the Turin Caselle airport.

Regards to the transactions with related parties, the Auditors acknowledge that evidence of these is given in the Notes and in the Directors' Report as per articles 2427 and 2428 of the Civil Code. The Auditors acknowledge that these transactions comply with the law and with the articles of association, and were implemented in the interest of the Company.

According to the findings deriving from our participation in Board meetings, the resolutions adopted by the Directors appear to be compliant with the law and the company by-laws, are based on best administration practices and are consistent and compatible with the size and the resources of the Company

During the year the Auditors released to the Board of Directors their opinion pursuant to Section 2437-ter of the Civil Code concerning the assessment of the value of the shares representing 5% of the share capital of the Province (presently Metropolitan Area) of Turin that, pursuant to the 2008 Finance Act, has exercised withdrawal right. The same opinion was also released by the Independent Auditors. The Directors' Report contains exhaustive information on the request by the Province and the consequent action taken by the Company.

The Auditors acknowledge that during the year no reports as per art. 2408 of the Civil Code *and no complaints were presented to the Auditors, by no party whatsoever. Similarly, none of the omissions or delays provided for in art. 2406 of the Civil Code have occurred during the year.*

The financial statements audited close at a profit of Euro 8,498,026 (795,344 in 2014) and show an equity including profit of Euro 48,220,004, growing by Euro 8,498,028 compared to the prior year due to the operating result achieved this year.

Regards to the duties of the Board of Auditors, as far as the process of preparing the financial statements is concerned, and provided that the mandatory audit is entrusted to the Independent Auditors, please note that:

- *the Auditors have verified, to the extent of their sphere of competence, the compliance with the provisions of law on the formation and layout of the financial statements; in particular, the Auditors recognise that the financial statements were prepared according to the principles established in art. 2423-bis of the Civil Code; the Auditors further acknowledge that the balance sheet and income statement patterns provided for by the Civil Code were followed, and that the Directors did not apply for the exception provided for in art. 2423 (4) and 2423-bis (2) of the Civil Code;*

- *the Notes explain the valuation criteria followed in the preparation of the financial statements and contain the mandatory disclosures under the law.*

The Auditors have verified that the Directors' Report complies with the laws in force and is consistent with the resolutions adopted by the Board of Directors, with the circumstances presented in the financial statements and with the information available to the Auditors; therefore, the Auditors deem that the Directors' Report complies with the provisions of law on the matter and provides a clear and exhaustive picture of the Company's position and performance, as well as of their predictable developments.
Lastly, the Auditors acknowledge that today the Independent Auditors have issued their own unqualified report pursuant to art. 14 of Legislative Decree 39/2010.

While preparing this report, the Auditors self-assessed their operations and recognised that *each member of the Board of Auditors meets the requirements for performing his/her duty in terms of professional qualification, expertise, time available and independence; the Auditors further mutually recognised that they are not service providers or under any other paid engagement that might materially compromise the independence required to perform their duties.*

On the basis of the contents of this report, the Auditors express their favourable opinion to the approval of the financial statements as of 31 December 2015, assuring the Shareholders that the proposal to allocate the profits as formulated by the Board of Directors is compliant with the law and with the by-laws and is consistent with the company's financial position.

As far as the Consolidated Financial Statements are concerned, the Auditors acknowledge that these were prepared in accordance with the applicable rules and accounting standards, and that the relevant Directors' Report contains the mandatory disclosures and is consistent with the financial statements themselves.
The Independent Auditors have issued today an unqualified report also for the Consolidated Financial Statements, pursuant to art. 14 of Legislative Decree 39/2010.

Dear Shareholders:
our three-year term in office will fall with the coming shareholders' meeting.
We thank you for trusting us and invite you to take action accordingly.

Turin, 12 April 2016

THE BOARD OF AUDITORS

2.4 INDEPENDENT AUDITORS' REPORT TO THE FINANCIAL STATEMENTS OF SAGAT S.p.A.

INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 OF LEGISLATIVE DECREE 27.1.2010, No.39

To the Shareholders of SAGAT S.p.A.

Auditors' report

We have audited the financial statements of Sagat S.p.A., comprising the balance sheet as of 31 December 2015, the income statement for the year ended on that date and the relevant supplementary notes.

Directors' responsibilities

The Directors are responsible for preparing the financial statements so as to provide a faithful and accurate picture of the company accounts, in accordance with the Italian provisions of law governing their drafting principles.

Auditors' responsibilities

We are responsible for providing our professional opinion on the financial statements, based on our audit. We have performed our audit based on international auditing standards (ISA Italia) developed pursuant to art. 11 (3) of Legislative Decree 39/10. These standards require compliance with ethical principles as well as the planning and performance of the audit with a view to obtaining reasonable certainty that the financial statements do not contain material errors.

The audit implies the implementation of procedures aimed at obtaining evidence of the figures and the information contained in the financial statements. Audit procedures are chosen based on the auditors' professional opinion, which includes an assessment of the risk of material errors in the financial statements of fraudulent nature or caused by unintentional behaviour or events. As a basis for such risk assessment, the auditors take into account the internal audit process that accompanied the preparation of the company's financial statements to provide a faithful and accurate picture of the accounts, solely for the purpose of setting the auditing procedures most appropriate to the circumstances, and not for the purpose of expressing any judgement on the effectiveness of the company's internal audit. The independent audit also implies an evaluation of the suitability of the accounting standards adopted, of the rationale of the accounting estimates made by the Directors, and of the presentation of the financial statements as a whole.

We believe we have obtained enough evidence for us to express our opinion.

Opinion

In our opinion, the financial statements provide a faithful and accurate picture of the financial position and standing of Sagat S.p.A. as of 31 December 2015 and of the result of financial year 2015 in accordance with the Italian provisions of law governing the drafting of financial statements.

Other references

Without prejudice to our opinion, please refer to the information detailed more exhaustively in the Directors' Report and in the Notes concerning the fact that the provision for leased assets maintenance, €8,481 thousand as of the closing of the prior financial year, has been entirely released to the income statement this year. The company made this decision, supported by independent expert advice, considering that the entire provision was excessive, and therefore released it to the income statement in 2015.

Auditors' report

Opinion on the consistency of the Directors' report with the financial statements

We have followed the procedures indicated in audit standard (SA Italia) no. 720B in order to express, in accordance with the law, our opinion on the consistency of the Directors' report, under the responsibility of the Directors of Sagat S.p.A., with the financial statements of Sagat S.p.A. as of 31 December 2015. In our opinion, the Directors' Report is consistent with the financial statements of SAGAT S.p.A. as of 31 December 2015.

DELOITTE & TOUCHE S.p.A.

Giuseppe Pedone
Partner

Turin, 12 April 2016

3. DIRECTORS' REPORT – SAGAT GROUP
as of 31/12/2015

SAGAT GROUP HIGHLIGHTS 2015

TRAFFIC
The Torino Airport ends 2015 with 3,666,424 passengers in transit at Caselle, 6.8% more than in January-December 2014.

INCOME RESULT
The most relevant income components for the year are shown below:
The value of production* net of grants, €65,919 thousand, has increased by 17.9% (€55,888 thousand in 2014).
The GOM* amounts to €20,592 thousand (31.2% of billing volume) and was €10,942 thousand in 2014 (19.6% of billing volume).
The EBITDA* amounts to €19,097 thousand (€10,363 thousand in 2014).
The EBIT* amounts to €11,244 thousand (€1,727 thousand in 2014).
The EBT amounts to €10,723 thousand (€5,991 thousand in 2014).
The Group's profit amounts to €8,709 thousand (€3,357 thousand in 2014).
Net financial position: debt exposure for €7,057 thousand, improving by €6,904 thousand compared to the exposure as of 31 December 2014 (€153 thousand). The NFP includes accounts payable to non-consolidated subsidiary companies for €1,500 thousand.

INVESTMENTS IN 2015
About €3,3 million on aggregate were invested during the course of the year.
The investments were:

- in the case of SAGAT, infrastructures and service systems aimed mostly at renovating existing airport buildings and infrastructures, especially in the retail and passenger terminal areas;

- in the case of SAGAT Handling, purchases of ramp and apron vehicles.

The investments made allowed the SAGAT Group to improve the quality of the services provided and maintain high airport safety standards.

SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2015
Passenger traffic data at the Torino Airport showed, in the first two months of 2015, a 11.6% increase in passengers and an 8.7% increase in movements compared to the corresponding period in 2015.
The movements handled by SAGAT Handling were +30.3% compared to the prior year, which reflects an increase in the market share at the airport, from 65.7% in 2015 to 78.8% in 2016. Cargo traffic has decreased by 28.7%.

DEVELOPMENTS
The efforts by SAGAT Group will focus on achieving all the possible operational and organizational rationalisation solutions, in order to minimise the adverse impacts of turbulences and possible shocks in the economic environment and in the industry.
However, none of the actions started will undermine the quality of the service to our customers, and the recently implemented process of airport modernization and improvement of the passenger services offered, in line with the change in passenger

profiles, will continue.
The utmost attention will also be dedicated to development policies, that represent the core asset for the growth of our airport. Therefore, the focus on creating new commercial aviation opportunities along a path of continuing, sustainable and balanced growth, will remain a priority.

3.1 Report on consolidated financial position and performance

Dear Shareholders:

The Directors' Report accompanying the Consolidated Financial Statements as of 31/12/2015 was prepared in compliance with the provisions in Legislative Decree no. 127/1991 and contains the Directors' remarks on the overall performance and the most significant events occurred during the year 2015 and after 31 December 2015.

The figures for year 2015 are compared with those from year 2014.

The balance sheet and net financial position for the year are shown compared to the closing balances as of 31/12/2014.

The figures in the financial statements and in the report are shown in thousands of Euro.

3.2 Traffic scenario

For a detailed analysis of air traffic volumes from/to the Torino Airport and for specific information on the subsidiary SAGAT Handling, please refer to the sections on air traffic and holding structure of the report prepared by the Directors of the Holding Company.

3.3 Analysis of the Income Statement

The Income Statement 2015, presented in summary form in the table below, closes at a net operating profit of €8,709 thousand for the Group, improving by €5,352 thousand compared to the €3,357 thousand profit recorded in the prior year.

Euro thousands

	2015	2014	Difference
Value of production (1) (2)	65,919	55,888	10,031
Staff costs	19,702	19,161	541
Operating costs	25,624	25,784	-160
GOM (2)	**20,952**	**10,942**	**9,650**
% GOM	**31,2%**	**19,6%**	**11,7%**
Amortisation, depreciation & write-downs	1,495	579	916
EBITDA (2)	**19,097**	**10,363**	**8,734**
% EBITDA	**29,0%**	**18,5%**	**10,4%**
Amortisation & depreciation	10,123	10,909	-787
Grants	2,270	2,274	-4
EBIT	**11,244**	**1,727**	**9,517**
% EBIT	**17,1%**	**3,1%**	**14,0%**
Balance of financial income (expenses) and exceptional gains (losses)	-521	4,264	-4.785
EBT	**10,723**	**5,991**	**4,732**
Income taxes	2,033	972	1,060
Net consolidated operating result	**8,690**	**5,019**	**3,671**
Portion pertaining to minority shareholders	-19	1,662	-1,681
Net consolidated result of the Group	**8,709**	**3,357**	**5,352**
Financial independence (3)	**20,450**	**14,301**	**6,148**

(1) The value of production is the total of earnings minus the grants received.
(2) The final figure for 2015 includes non-recurring earnings arising from the release of the leased assets maintenance provision (€8,481 thousand) to the income statement.
(3) The index of financial independence is calculated as follows: profit (loss) of the year + amortisation and depreciation + write-downs and provisions + net change in the provision for staff severance pay

INCOME

The table below shows the main income items for the years 2015 and 2014:

Euro thousands

	2015	%	2014	%	Difference
Value of production	**65,919**	**100.0%**	**55,888**	**100.0%**	**10,031**
Aviation	**29,067**	**44.1%**	**27,805**	**49.8%**	**1,262**
of which:					
Fees	14,665		13,767		898
Centralised infrastructures	6,015		6,161		-146
Assets used in common	256		254		2
Security	6,502		6,096		406
Aviation services (PRM and luggage)	1,628		1,526		102
Handling	**10,564**	**16.0%**	**9,883**	**17.7%**	**682**
of which:					
Ground handling	9,863		9,077		786
Cargo handling	701		805		-105
Non-aviation	**15,556**	**23.6%**	**16,329**	**29.2%**	**-773**
of which:					
Non-aviation services	977		921		56
Ticketing	172		139		32
Airport Retail Corners			1,878		-1,878
Retail and restaurant subcontracts	3,778		2,714		1,064
Other business subcontracts	1,510		1,441		70
Sublease of spaces	2,565		2,671		-106
Parking Lots	5,396		5,427		-31
Advertising	1,158		1,138		20
Other revenues	**10,732**	**16.3%**	**1,871**	**3.3%**	**8,861**

The value of production has increased in 2015 by an aggregate amount of €10,031 thousand, reaching €65,919 thousand.

The aggregate increase in aviation income by €1,262 thousand (+4.5%), is due to traffic trends as commented in the previous paragraph.

As far as handling income is concerned, and with particular reference to the subsidiary Sagat Handling, the increase above 2014 figures is due to the increase in handled movements (+8.8%), which in turn owes mostly to the acquisition of Lufthansa as new customer.

Non-aviation income was reduced by €773 thousand (-4.7%) in 2015, decreasing from €16,329 thousand in 2014 to €15,556 thousand in 2015.
The aggregate difference, showing an opposite trend compared to the increase in traffic volumes, is the consequence of various factors that have significantly affected the income components.
In particular, the earnings of airport retail corners, that are no longer being run by the holding company SAGAT since July 2014, had amounted to €1,878 thousand in the prior year and were nil in 2015. Without considering this effect, non-aviation income would have been greater by more than 7%.
For a detailed review of these components, please refer to the dedicated section of the report prepared by the Directors of the Holding Company, which materially directs non-aviation services.

The other income components recorded, €10,732 thousand, show a slight increase compared to the €1,871 thousand recorded in 2014, mostly due to the effect of the entire release of the leased assets maintenance provisions in the total amount of €8,481 thousand. For more details please refer to the corresponding sections in the Notes.

STAFF COSTS

Staff costs for 2015, inclusive of outsourced staff, amounts to €19,702 thousand, increasing by about €541 thousand compared to the prior year.
This is mainly due to several factors, such as the increase in traffic volumes, the impact of the new collective bargaining agreement and the slight increase in certain ordinary staff cost components. For more details please refer to the corresponding sections in the Notes.

OPERATING COSTS

Operating costs have reached the amount of €25,624 thousand, with a decrease by €160 thousand compared to the year ended 31/12/2014, which is basically due to the following circumstances:

- less costs for the purchase of raw materials (€1,156 thousand), due almost entirely to having ceased the purchase of products for resale at the Airport Retail Corners, that have not been operated directly since July 2014;

- greater costs incurred for the boosting of air traffic (about €746 thousand);

- greater commercial costs by some €210 thousand;

- greater costs (about €234 thousand) for the maintenance of buildings. facilities and equipment implemented during the year;

- less costs incurred by Group companies on utilities, especially electricity and heating fuel (about €129 thousand);

- less costs for services (about €152 thousand) due to the net effect of the following principal changes:
  - less costs (-€400 thousand) on the services of the cooperative previously contracted for the operation of Airport Retail Corner until their closing;

- greater costs on security services (+€160 thousand) as a consequence of the growth in traffic volumes;
- greater cost (about €80 thousand) incurred by SAGAT Handling on baggage loading and unloading services due to the increased number of movements compared to 2014 (+8.8%).

GROSS OPERATING MARGIN

Due to the reasons explained above, the GOM has increased by €9,650 thousand, reaching €20,592 thousand in 2015, or 31.2% of the production value.

PROVISIONS AND WRITE-DOWNS

The provisions and write-downs show an aggregate increase by €916 thousand due to the following main circumstances:

- allocation of a total of €116 thousand to the provision for bad debts in order to cater for the needs arisen during the year;

- allocation of a total of €1,353 thousand to the provision for future contingent liabilities and risks in order to align it to the actual risks that are known to Group companies as of 31/12/2015;

- write-down, for €26 thousand, of tangible assets that have ceased to contribute to creating Group value during the year.

EBITDA

Due to the reasons explained above, the EBITDA has increased by €8,734 thousand, reaching €19,097 thousand in 2015, or 29.0% of the value of production.

AMORTISATION AND DEPRECIATION

The amount of amortisation and depreciation, totalling €10,123 thousand, has decreased by €787 thousand as the result of ordinary asset life cycle;

GRANTS

These amount to €2,270 thousand and are basically in line with the €2,274 thousand recorded in 2014. The slight decrease is due to the developments in the underlying assets' useful life.. For more details please refer to the corresponding sections in the Notes.

EBIT

The EBIT reaches €11,244 thousand, increasing by €9,517 thousand compared to the €1,727 thousand recorded in the prior year.

INTEREST AND EXCEPTIONAL COMPONENTS

The balance of interest and exceptional components, -€521 thousand, has decreased by €4,785 thousand compared to 2014, basically due to the following:

- worsening (-€260 thousand) of the difference between interest income and expense, that decreased from €17 thousand in 2014 to -€243 thousand in 2015. The variation is basically due to the recording in 2014 of interest income earned from the bank accounts of the subsidiary Aeroporti Holding, where the proceeds of the sale of the share previously held in the company that manages the Florence Airport (AdF) have remained deposited for part of 2014;

- write-down of the share held by the Holding Company in Air Cargo in liquidazione (€5 thousand in total);

- significant worsening (-€4,524 thousand) of the difference between exceptional and expenses, that changed from +€4,252 thousand in 2014 to -€272 thousand in 2015. The decrease is basically due to the recording in 2014 of a gain earned by the subsidiary Aeroporti Holding from the sale of the shares previously held in the company that manages the Florence Airport;

EBT
The EBT therefore amounts to €10,723 thousand, improving by €4,732 thousand compared to the prior year.

TAXES
The aggregate tax burden has increased by €1,060 thousand compared to the prior year. Total taxes for the year amount to €2,033 thousand.
The difference between the actual 2014 tax rate and the theoretical IRES/IRAP rate is described in detail in the dedicated section of the Notes.

PROFIT
In the light of the above, the net profit earned by the Group in 2015 amounts to €8,709 thousand, improving by €5,352 thousand compared to 2014.

3.4 Analysis of the Balance Sheet

The table below shows the Balance Sheet components reclassified according to financial principles. A comparison with 2014 figures is also provided.

Euro thousand

	RECLASSIFIED BALANCE SHEET		31/12/2015	31/12/2014	Difference
A	**Fixed assets**				
		Intangible assets	3,205	5,192	-1,987
		Tangible assets	49,737	54,940	-5,203
		Financial assets	22,488	22,491	-3
			75,430	**82,623**	**-7,193**
B	**Working capital**				
		Inventory	341	428	-87
		Trade receivables	11,979	13,292	-1,313
		Other assets	13,104	14,558	-1,454
		Trade payables	-10,982	-9,904	-1,078
		Provisions for liability and charges	-6,945	-14,427	7,482
		Other liabilities	-26,738	-29,670	2,932
			-19,421	**-25,723**	**6,482**
C	**Invested capital (less liabilities of the year) (A+B)**		**56,189**	**56,900**	**-711**
D	**Staff severance pay**		**3,512**	**3,692**	**-180**
E	**Invested capital (less liabilities for the year and staff severance pay) (C-D)**		**52,677**	**53,208**	**-531**
	funded with:				
F	**Own capital**				
		Paid-in share capital	12,911	12,911	0
		Reserves and results carried forward	30,821	29,536	1,285
		Profit (loss) of the year	8,709	3,357	5,352
		Equity pertaining to minority shareholders	7,293	7,557	-264
			59,734	**53,361**	**6,373**
G	**Medium / long-term financial indebtedness**		**4,500**	**6,000**	**-1,500**
H	**Short-term financial indebtedness (net cash available)**				
		Short-term financial payables	1,500	1,500	0
		Short-term financial payables to subsidiary companies	1,500	0	1,500
		Financial assets	0	0	0
		Cash and short-term financial receivables	-14,557	-7,653	-6,904
			-11,557	**-6,153**	**-5,404**
I	**Indebtedness (net financial position) (G+H)**		**-7,057**	**-153**	**-6,904**
L	**Total, as in “E” (F+I)**		**52,677**	**53,208**	**-531**

As shown in the table, the capital invested, less liabilities for the year and staff severance pay, has decreased by €531 thousand due to the following changes:

- decrease in fixed assets by €7,193 thousand due to:
  - decrease in intangible assets by €1,987 thousand, due mostly to new investments made in the year (€667 thousand), less amortisation (€2,653 thousand);
  - decrease in tangible assets by €5,203 thousand, due to the effects of ordinary asset depreciation (€7,469 thousand), less the new investments made during the year (€2,596 thousand) and inclusive of the write-downs and write-offs of assets (€330 thousand in total);
- increase of working capital by €6,482 thousand, due to:
  - reduction of total inventory by €87 thousand on aggregate;
  - reduction of trade receivables by €1,313 thousand, due to the lesser overall exposure of Group companies towards their respective customers, also thanks to the effective collection actions implemented during the year;
  - decrease in other assets by €1,454 thousand, due essentially to:
    - the reduction in tax receivables by €831 thousand due to the fact that the Holding Company used its IRES credit;
    - decrease in prepaid tax assets by €837 thousand;
  - increase in trade payables by €1,078 thousand;
  - decrease in the provisions for liabilities and risks by €7,482 thousand;
    - the already mentioned release to the income statement of the leased assets maintenance provision (€8,481 thousand) implemented by the Holding Company;
    - the aggregate variations in the provisions for liabilities and risks of Group companies: in particular, during the year a total of €1,353 thousand were allocated, €160 thousand were used and €194 thousand were released to income statement due to excessive provision;
  - decrease in other liabilities by €2,932 thousand, due essentially to:
    - the decrease in accrued expenses and deferred income in connection with the ordinary release of Olympic Games grants (€2,254 thousand);
    - decrease in miscellaneous other payables (€667 thousand);

- increase in non-financial payables to subsidiary companies (€15 thousand) after the exit from consolidation of the subsidiary SAGAT Engineering and the consequent recording in the consolidated financial statements of accounts receivable and payable that had previously been mutually eliminated;

- decrease by €180 thousand in the exposure towards the employees companies on account of their severance pay.

Own capital decreased by €6,373 thousand due to:

- the change in the profit of the year, from €3,357 thousand in 2014 to €8,709 thousand in 2015;

- the exit from consolidation of the subsidiary SAGAT Engineering, into voluntary liquidation as from 12 May 2015, and consequent equity reduction by €2,072 thousand;

- reduction in the equity pertaining to minority shareholders by €264 thousand due to:

  - decrease after attribution to minority shareholders of their portion of the 2015 profits (€19 thousand);

  - decrease after attribution to minority shareholders of their portion of the dividends distributed by Aeroporti Holding in 2015 (€245 thousand).

The net financial position is positive by €7,057 thousand and has improved on aggregate by €8,404 thousand due to:

- reduction in medium to long term indebtedness by €1,500 thousand, due to the repayment, according to the plan, of the instalments of the loan obtained in 2010, which originally amounted to €15,000 thousand;

- increase by €1,500 in the financial payables to subsidiary companies after the exit from consolidation of the subsidiary SAGAT Engineering and the consequent recording in the consolidated financial statements of accounts receivable and payable that had previously been mutually eliminated;

- increase by €6,904 thousand in the cash and equivalents with banks and in the company treasury.

Please refer to the Notes to these consolidated financial statements for a more extensive explanation of the operations described above.

3.5 Analysis of Cash Flow

The operations in the year generated €6,904 thousand in financial resources. Such figure is the result of the cash flow generated by income less costs.

The cash flow from operations, €12,499 thousand in total, derives from the self-financing generated by ordinary and extraordinary operations (€20,450 thousand) and the above-referred change in net working capital (€7,951 thousand), less write-downs and provisions in the period (€1,469 thousand).

The cash flow was used to fund investments in intangible and tangible assets (€3,263 thousand), to cover the net impairment of financial assets (€3 thousand) and to distribute the dividends of the subsidiary Aeroporti Holding (€245 thousand).

The net cash flow from operations, taking into account the change in the equity of minority shareholders by €19 thousand and the change in the scope of consolidation by €2,072 thousand, is therefore positive and amounts to €6,904 thousand.

Considering the changes explained above, indebtedness as of 31/12/2015 has significantly improved, reaching €7,057 thousand, compared to an indebtedness of €153 thousand as of 31/12/2014.

The changes described above are summarised in the table below:

Statement of cash flow, SAGAT Group

Euro thousands

Net financial position as of 31/12/2014*		**153**
Self-financing from ordinary and extraordinary operations		20,450
Profit (Loss) of the year	8,709	
Amortisation, depreciation and write-down of fixed assets	10,452	
Provisions for bad debts	1,469	
Net difference in the provision for staff severance pay	-180	
Difference in net working capital after amortisation, depreciation and write-downs		-7,951
Cash flow generated by income		**12,499**
Cash flow from investments after amortisation		-3,263
Net difference in fixed assets after write off of dismissed assets		0
Cash flow from financial assets		3
Dividends		-245
Changes in consolidation area SAGAT Engineering		-2,072
Difference in equity pertaining to minority shareholders		-19
Net cash flow from operations		**6,904**
Net financial position as of 31/12/215*		**7,057**

(*) The net financial position is represented by cash in hand, short-term financial receivables and financial assets, less the financial payables to banks and the financial payables to subsidiaries outside the scope of consolidation.

3.6 Principal financial ratios

	2010	2011	2012	2013	2014	2015
Production value *	64.073	68.102	63.084	55.774	55.888	65.919
Operating costs	24.929	27.343	26.855	24.335	25.784	25.624
Staff	20.073	20.852	20.445	18.954	19.161	19.702
GOM	19.071	19.907	15.784	12.485	10.942	20.592
Net profit	4.471	3.556	-962	267	3.357	8.709
Shareholder's equity	68.293	67.846	63.481	63.747	45.804	52.441
ROI	7,99	6,62	-1,07	1,01	3,25	21,35
ROE	6,55	5,24	-1,52	0,42	7,33	16,61
Investments	9.532	10.204	13.162	2.908	3.136	3.263
Financial autonomy **	17.777	18.867	18.402	14.301	14.301	20.450
Accounts received from customers	21.040	20.869	11.535	10.937	13.292	11.979
Average length of trade receivables	125	122	69	74	90	79
Accounts payable to vendors	15.277	13.021	13.738	9.489	9.904	10.982
Average length of trade payables	225	174	184	144	144	157

(*) VALUE OF PRODUTIONC: the total of earnings minus the grants received
(**) FINANCIAL INDEPENDENCE: profit (loss) of the year + amortisation and depreciation + write-downs and provisions + net change in the provision for staff severance pay

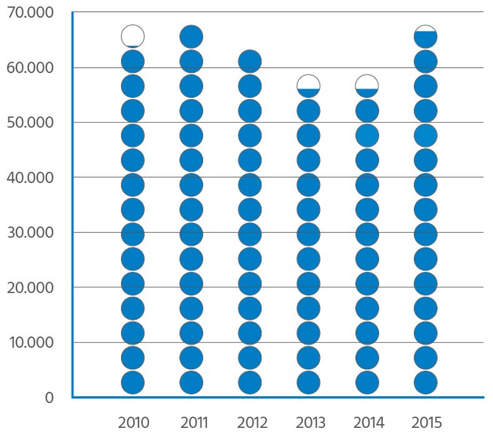
ROI: net profit / investments

ROE: net income / shareholders' equity

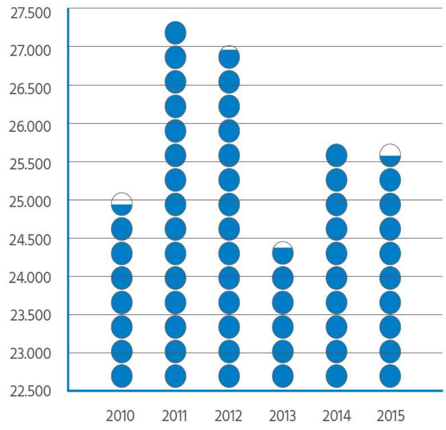
AVERAGE LENGTH OF RECEIVABLES: trade receivables / trade eamings (caption A1 of IV EEC financial statements)

AVERAGE LENGTH OF PAYABLES: trade payables / cost of vendor services

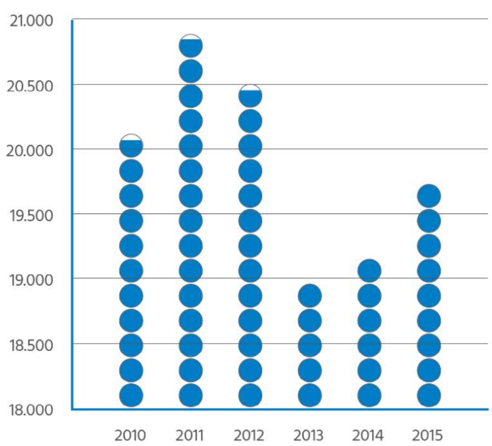
PRODUCTION VALUE



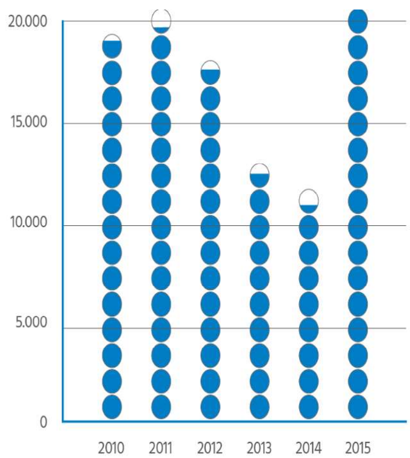
OPERATING COSTS



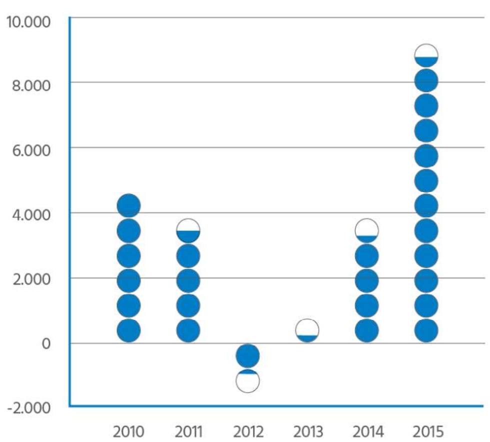
STAFF COSTS



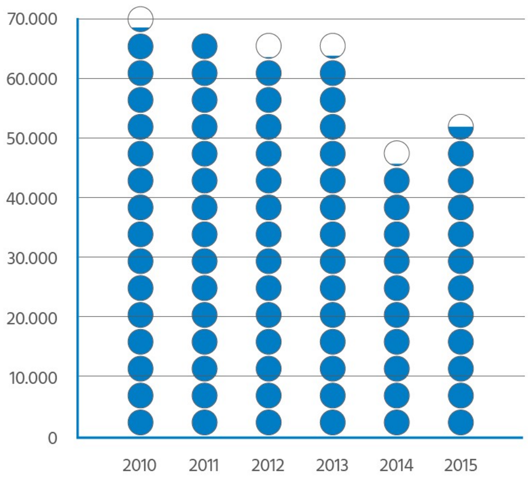
GOM



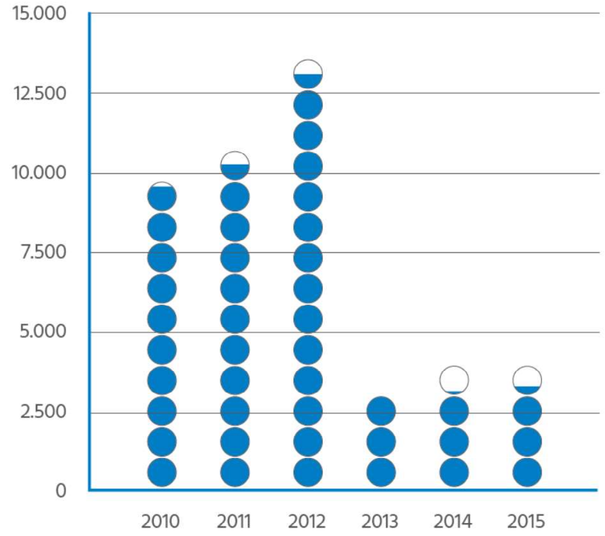
NET PROFIT



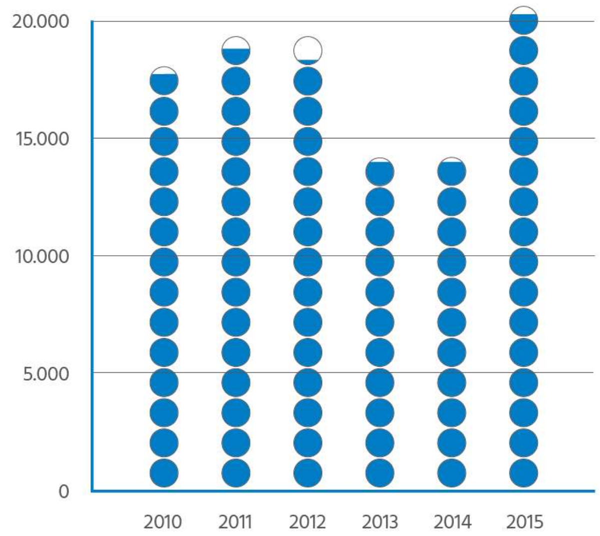
SHAREHOLDERS'EQUITY



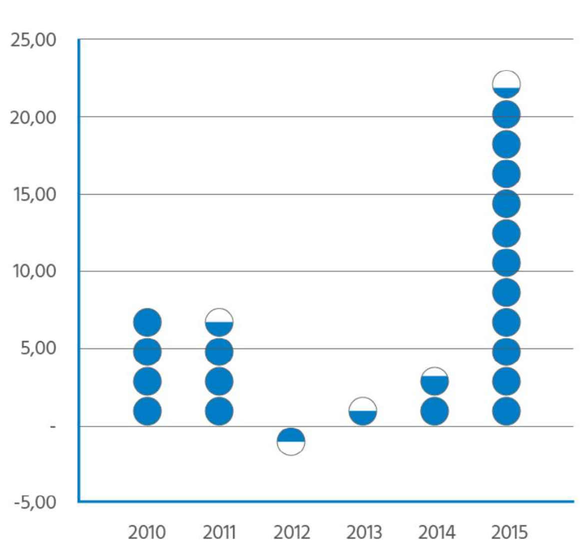
INVESTMENTS



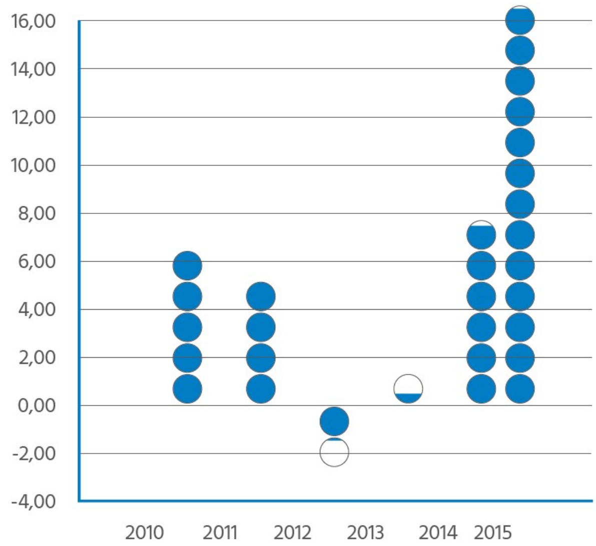
FINANCIAL AUTONOMY



ROI



ROE



3.7 Aviation services

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.8 Retail services

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.9 Quality

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.10 Staff and organization

ORGANIZATION

In 2015 the organizational structure of the Holding Company SAGAT Spa experienced certain significant changes, especially in the retail area.
The most important Organizational Instructions at SAGAT S.p.A. were the following:

- no. 1/2015 of 16 March 2015, that established the "Marketing Promotion Committee" in order to boost the traffic at the airport in line with the company's strategic goals. The Committee reports to the Sales and Aviation Marketing Department;

- no. 3/2015 of 24 June 2015, that established the Non-Aviation Sales and Marketing Department, that reports directly to the CEO and whose task is to provide airport passengers with an increasingly wider offer of retail and refreshment points, as well as of services in general.

SAGAT Handling S.p.A. too was affected by a major organizational change, determined by Organizational Instruction no. 1/2015: executive decision making was entrusted to a single, newly created department called General Operations and Organization, which all corporate functions report to.
The Ramp Servicing and Passenger Care functions were unified, and the offices of their respective two managers on duty were too; in the same way and by the same principle, the Apron Servicing and Vehicle Maintenance functions were also unified. A new function called Functional Processes, Projects and Safety was created and put in charge of supervising IT processes, staff training and compliance with industry rules and regulations, in order to ensure the proper performance of the main operating processes.

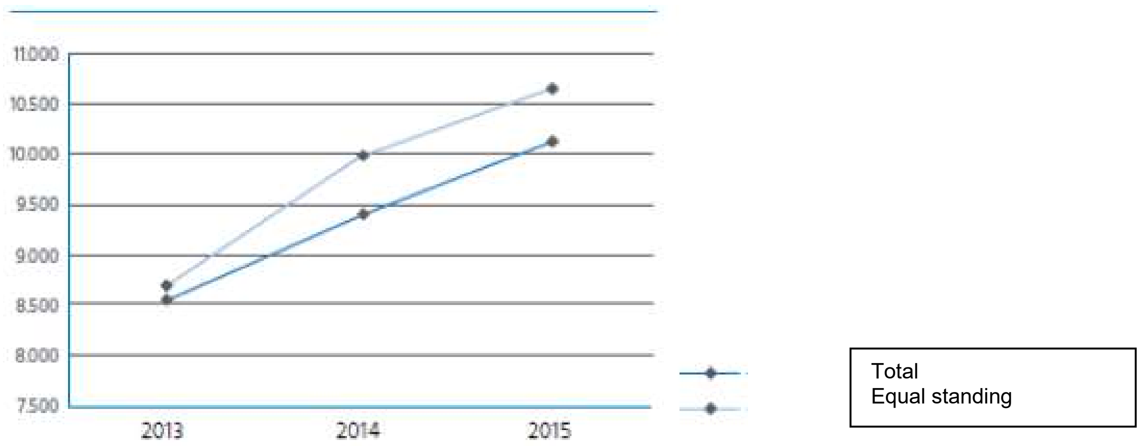
During the course of 2015, Group companies continued to pursue efficiency as they did in the two years before; therefore, Group staffing trends have continued to decrease on a steady basis.
Please note that such decrease occurred despit the material increase in traffic volumes and the relocation of 17.5 FTE to SAGAT Handling effective from August 1, in accordance with the contractual clause arising from the joining in of Lufthansa as new customer.

As shown in the tables below, in the face of a 16% increase in passenger traffic between 2015 and 2013, total company headcount decreased by 2.11%, and by 6.7% if we consider the same scope of activities without the insourcing of security services implemented in 2014.

SAGAT Group	**2013**	**2014**	**2015**	**2015/2013**	**%**
Pax	3,160,287	3,431,986	3,666,424	506,137	16.00%
Full Time Equivalent	**368.34**	**361.77**	**360.56**	-7.8	-2.11%
of which on Security	*0.00*	*18.00*	*18.00*		
Full Time Equivalent *equal scope of activity*	**368.34**	**343.77**	**343.77**	-24.6	-6.67%
Full Time Equivalent /PAX	8,580	9,487	10,169	1,588.88	18.52%
Full Time Equivalent /PAX, equal scope of activity	8,580	9,983	10,665	2,085.53	24.31%

Therefore, company productivity in terms of number of passengers per Full Time Equivalent has increased by 18.5% on aggregate, and by 24.3% considering the same scope of activities, showing a more than proportionate trend compared to traffic growth.

PRODUCTIVITY TRENDS



INDUSTRIAL RELATIONS

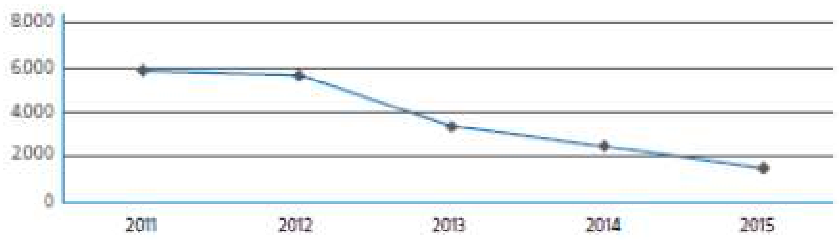
Certain very important agreements have been signed between Group companies and the trade unions in 2015.

One preliminary agreement executed in January, that involved all Group companies, provided for an extraordinary programme relating to unused days of leave, reducing to a maximum of 3 days (for SAGAT Handling) and 4 days (for SAGAT S.p.A.) the average residual amount of leave days per employee as of 31 December 2015. The agreement was an essential instrument for controlling labour costs and making them comparable with previous years.

The table below shows how in the period 2011 to 2015, thanks to careful management policies and to the above-mentioned agreements, the total of residual leave days across the Group was cut down by 75%, obtaining a saving in the period of about €450,000.

	2011	2012	2013	2014	2015	Difference 2015 vs. 2011	%
Unused vacation days	5,958	5,764	3,268	2,300	1,486	-4,472	-75,1

Back days



Two agreements on equally important matters were executed on 2 November 2015.

The first one concerned the renewal of the employment contract applied by SAGAT S.p.A.: with the signing of the specific collective bargaining agreement for airport management companies there is no longer any incompatibility between overlapping national and territorial negotiations, and therefore the Company, its own union representatives and the territorial general trade unions reached an agreement on the methods of calculating and paying performance bonuses, valid throughout 2017.

In a scenario characterised by economic recovery and corporate growth, this agreement allowed the Company to limit the amount of the bonus, although subject to such variables as profitability, productivity and quality, within the average figures for the period 2012 to 2014.

Another important agreement, entered into within the framework of the same negotiation process and that involved both Group companies, set the principles followed for converting 12 term employees with greater cumulative seniority of service into permanent employees.

This agreement led to the accomplishment of several objectives:

- *management objectives*, i.e. stabilization of long-term employment relationships;
- *organizational objectives*, i.e. proper sizing of staff resources in the face of growing and steady traffic volumes;
- *economic objectives*, i.e. an annual saving for the Group, in the coming three-year period, of about €60,000 arising from the use of the social security facilitations available under the laws in force for 2015.

A leave-taking programme was agreed upon for 2016 as well, removing the limits set by the reference collective bargaining agreement and confirming the estimates contained in the previously executed agreements.

Last but not least, on 12 December 2015 SAGAT Handling signed the renewal of the specific collective bargaining agreement for handling companies, that implies certain major regulatory innovations in terms of working hours. From an economic standpoint, wage increases are not expected to affect the variable component of employee compensation, which is an important measure to help cutting staff costs.

THE STAFF

The aggregate number of Group employees as of 31/12/2015 has increased compared to 31/12/2014 (+21 people or +14.09 FTE) and has reached a headcount of 397, of which 18 on term employment contracts.

HEADCOUNT COMPARISON 2011-2014 (figures as at December 31)

Table A - Permanent Employees

	2011	2012	2013	2014	2015		
	Consolidated				**SAGAT**	**SAGAT Handling**	**Consolidated**
Executives	6	5	4	5	5	0	5
Total clerical staff	245	244	245	231	127	120	247
Total blue-collar staff	121	120	120	114	88	39	127
Total A	372	369	369	350	220	159	379

Table B - Term Employees

	2011	2012	2013	2014	2015		
	Consolidated				SAGAT	SAGAT Handling	Consolidated
Term Employees	40	27	17	26	12	6	18
Apprenticeship Contracts	1	2	0	0	0	0	0
Trainees	0	1	0	0	0	0	0
Total B	41	30	17	26	12	6	18
Total A + B	413	399	386	376	232	165	397

STAFF TRAINING

SAGAT developed its annual training plan in 2015, as it has been doing for quite a number of years now, in in order to support professional development and improve the qualification of its staff at all levels, favour innovation processes and meet the new efficiency requirements with a view to keeping costs rationalised and under control.

In this sense, the plan takes into account strategic business objectives, cultural and organizational change processes and the necessary process innovations, detecting training needs and proposing retraining for the various professional profiles in the staff.

The training was implemented through own in-house trainers and through contracted training companies, taking into account the requirements imposed by the ISO 9001 Quality Certificate, the domestic and international laws, the IATA, IOSA and ISAGO manuals, the Airport Manual and Station Policy of SAGAT S.p.A..

The training offered by the SAGAT Group played a pivotal role in the training activities that involved the staff of SAGAT Group companies and of all the other companies working within the airport grounds, both in the organization and in the offering of training and/or apprenticeship, as well as in the organization and supervision of school visits at the airport.

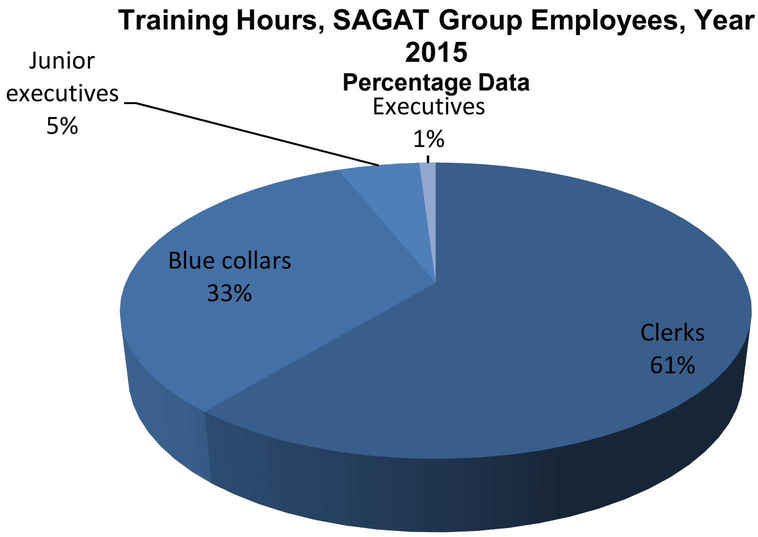
In 2015 the staff of SAGAT S.p.A. and SAGAT Handling, plus outsourced workers and subcontractors, attended 1,376 training and/or apprenticeship courses for 5,429 training/class hours, that involved 3,104 participants (more than in 2014) for a total of 16,051 hours.

Of these courses, in-house training services offered 793 courses for 2,438 class/training hours that involved 1,516 participants for a total of 7,547 hours/employee, while the courses offered by contracted trainers were 583 for 2,971 teaching hours, and involved 1,588 participants for a total of 8,504 hours/employee. Part of these courses were funded by professional funds such as Fondimpresa, or by launching company Training Plans.

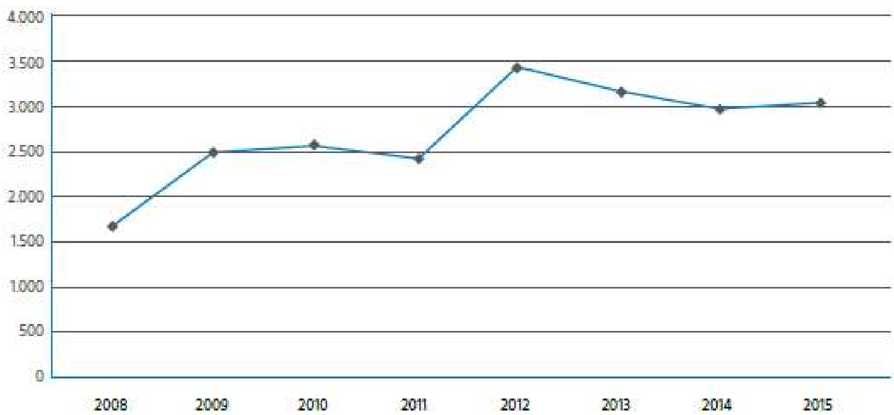
Considering only the training hours of the staff on payroll during 2015, each employee of SAGAT S.p.A. received on average 18.3 training hours, and each employee of SAGAT Handling received on average 38.6 hours, the average for both Group companies being 26.5 hours in the year.

Training hours, SAGAT Group employees, 2015

	SAGAT S.p.A.	SAGAT Handling	Media Group
Annual average training hours per employee as of 31/12/2015	18.3	38.6	26.5



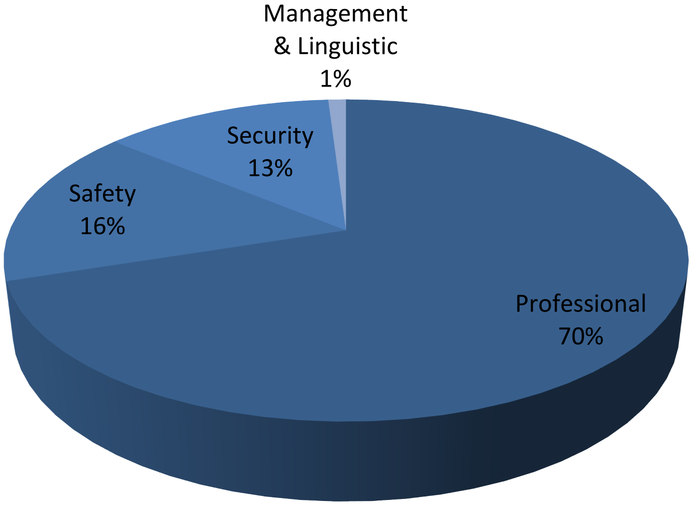
Training participants, SAGAT Group employees



COURSE TYPES

In 2015 SAGAT Group employees attended various types of training courses, mostly of technical/professional nature and concerning aspects related to safety (per Legislative Decree 81/2008 as amended and supplemented), or security (ENAC Regulations and EC Law 185/2010). Basic or continuous technical/professional training played the leading role and accounted for 70% of total training hours. The chart below shows the percentages of participants for each type of course.

Type of Training, SAGAT Group Employees
Year 2015
Training Hours - Percentage Data



Mandatory training covered occupational safety and health in accordance with the Agreement between the State and the Region that governs training requirements for managers, persons in charge and employees, ENAC Airport Safety Rules and all that is expressly required by IATA and individual carriers in terms of Airport Safety and operation of aircraft handling vehicles and in terms of each carriers' peculiar DCS operating system.

COURSE IMPLEMENTATION

In 2015, SAGAT Group employees attended 16,051 training hours in total, with contracted and/or in-house trainers from the company's career development service. The courses were given in face-to-face classes, the conventional format that takes the largest share, as on-the-job training for technical/professional courses aimed at teaching how to operate company vehicles and equipment or for internship purposes, and also as e-learning courses, through the on-line company platform DOCEBO, used at its full potential, and the platforms made available by carriers, in particular British Airways' ASCEND platform.

3.11 Investments

The aggregate volume of investments made by the SAGAT Group in 2015 amounts to €3,263 thousand.

In detail, apart from the investments made by the Holding Company (€3,140 thousand in total), additional investments were made by the subsidiary SAGAT Handling for an aggregate amount of €123 thousand. The investments made by SAGAT Handling were mostly winter and summer outfits for its clerical and blue-collar staff, according to an established replacement schedule, and operating vehicles.

For a more detailed analysis of the investments made by the Holding Company, please see the Directors' Report for SAGAT.

3.12 Equity investments

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.13 Research & development activities

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.14 Controversies

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.15 Privacy

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.16 Risk factors

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

3.17 Significant events occurred after the closing of the year and predictable developments

For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company.

4. CONSOLIDATED FINANCIAL STATEMENTS as of 31/12/2015

4.1 CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT (amounts in Euro)

4.1.1 Consolidated Balance Sheet: Assets

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) CONTRIBUTIONS RECEIVABLE FROM SHAREHOLDERS		
B) FIXED ASSETS		
I. Intangible assets		
1) Start up and improvement costs	1,353	1,804
2) R & D and advertising costs	0	0
3) Industrial patent and intellectual property rights	561,151	90,856
4) Concessions, licenses, trademarks and similar rights	0	0
5) Goodwill	0	0
6) Investments in progress	1,068,250	1,466,031
7) Other non current assets	1,574,929	3,633,062
Total	**3,205,682**	**5,191,753**
II. Tangible assets		
1) Land and buildings	3,515,794	3,515,794
2) Plant and machinery	0	0
3) Operating and sales equipment	1,140,159	1,395,610
4) Other assets	1,085,709	1,279,815
5) Investments in progress and payments on account	4,331,376	4,810,159
II.bis Freely transferable assets		
1) Land and buildings	33,815,243	34,660,581
1bis) Runways and land used for runways	402,027	437,720
2) Plant and machinery	5,446,501	8,840,174
3) Operating and sales equipment	0	0
4) Other assets	0	0
5) Investments in progress and payments on account	0	0
Total	**49,736,810**	**54,939.853**

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
III. Financial assets		
1) Investments in:		
a) Subsidiary companies	11,001	1
b) Associated companies	0	14,696
d) Other companies	17,640,883	17,640,883
2) Accounts receivable:		
a) From subsidiary companies:		
due within 12 months	0	0
due beyond 12 months	0	0
b) From associated companies:		
due within 12 months	0	0
due beyond 12 months	0	0
c) From parent companies:		
due within 12 months	0	0
due beyond 12 months	0	0
d) From others:		
due within 12 months	0	0
due beyond 12 months	12,477	11,907
Total accounts receivable:		
due within 12 months	0	0
due beyond 12 months	12,477	11,907
Total	12,477	11,907
3) Other securities:	0	0
4) Treasury shares - aggregate face value is also shown	4.823.612	4,823,612
Total	**22,487,973**	**22,491,099**
TOTAL FIXED ASSETS (B)	**75,430,465**	**82,622,705**

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
C) CURRENT ASSETS		
I. Inventory		
1) Raw and maintenance materials, consumables	341,390	372,418
2) In-process and semi-finished products	0	0
3) Orders in progress	0	0
4) Finished products and goods	0	55,724
5) Advances	0	0
Total	**341,390**	**428,142**
II. Accounts receivable		
1) From customers:		
due within 12 months	11,979,405	13,291,639
due beyond 12 months	0	0
2) From subsidiary companies:		
due within 12 months	18,304	16,281
due beyond 12 months	784,138	784,138
3) From associated companies:		
due within 12 months	0	0
due beyond 12 months	0	0
4) From parent companies:		
due within 12 months	0	0
due beyond 12 months	0	0
4 - bis) Tax receivables		
due within 12 months	2,777,847	3,608,269
due beyond 12 months	68,523	68,523
4 - ter) Deferred tax assets		
due within 12 months	323,290	348,204
due beyond 12 months	1,890,948	2,703,462
5) Other accounts receivable:		
due within 12 months	6,411,904	6,169,074
due beyond 12 months	84,490	84,490
Total accounts receivable:		
due within 12 months	21,510,750	23,433,467
due beyond 12 months	2,828,099	3,640,613
Total	**24,338,849**	**27,074,080**

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
III. Current financial assets		
1) Investments in subsidiary companies	0	0
2) Investments in associated companies	0	0
3) Investments in other companies	0	0
4) Treasury shares - aggregate face value is also shown	0	0
5) Other securities	0	0
Total	**0**	**0**
IV. Cash and cash equivalents		
1) Cash in bank	14,469,147	7,552,450
2) Cheques	52,000	52,000
3) Cash and valuables in hand	35,560	48,443
Total	**14,556,707**	**7,652,893**
TOTAL CURRENT ASSETS (C)	**39,236,946**	**35,155,115**
D) ACCRUED INCOME AND PREPAYMENTS - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued income	0	0
Prepayments	743,863	775,973
TOTAL (D)	**743,863**	**775,973**
TOTAL ASSETS	**115,411,274**	**118,553,793**

4.1.2 Consolidated Balance Sheet: Liabilities

CONSOLIDATED BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) SHAREHOLDERS' EQUITY		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	6,104,521	6,104,521
III. Revaluation reserve		
- Revaluation reserve per Law no. 342/2000	7,362,627	7,362,627
IV. Legal reserve	2,582,296	2,582,296
V. Reserve for treasury shares in the portfolio	0	0
VI. Reserves provided for under the by-laws	0	0
VII. Other reserves:		
- Reserve for purchase of treasury shares	4,823,612	4,823,612
- Extraordinary reserve	1,031,101	235,757
- Reserve for extraordinary investments	4,906,340	4,906,340
- Provision as per Art. 55 DPR 917/86	0	0
- Consolidation reservs	2,269,651	2,269,651
VIII. Profit (loss) carried forward	1,740,672	1,250,967
IX. Profit (loss) of the year	8,709,054	3,356,723
Equity pertaining to the Group	**52,441,356**	**45,803,975**
Equity pertaining to minority shareholders	**7,292,663**	**7,556,635**
TOTAL SHAREHOLDERS' EQUITY (A)	**59,734,019**	**53,360,610**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) Pension and similar funds	0	0
2) Fund for tax disputes, including deferred taxes	0	0
3) Other provisions:		
- Exchange rate fluctuation fund	0	0
- Future liabilities fund	6,944,868	5,945,226
- Maintenance expenses fund for leased or rented assets	0	8,481,495
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**6,944,868**	**14,426,721**
C) PROVISION FOR STAFF SEVERANCE PAY	3,511,776	3,692,352
TOTAL (C)	**3,511,776**	**3,692,352**

CONSOLIDATED BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
D) ACCOUNTS PAYABLE		
1) Bonds:		
due within 12 months	0	0
due beyond 12 months	0	0
2) Convertible bonds:		
due within 12 months	0	0
due beyond 12 months	0	0
3) Loans from shareholders		
due within 12 months	0	0
due beyond 12 months	0	0
4) Payables to banks:		
due within 12 months	1,500,000	1,500,000
due beyond 12 months	4,500,000	6,000,000
5) Payables to other lenders:		
due within 12 months	0	0
due beyond 12 months	0	0
6) Advances:		
due within 12 months	0	0
due beyond 12 months	0	0
7) Trade payables:		
due within 12 months	10,982,480	9,903,628
due beyond 12 months	0	0
8) Payables in the form of credit instruments:		
due within 12 months	0	0
due beyond 12 months	0	0
9) Payables to subsidiary companies:		
due within 12 months	1,516,364	1,158
due beyond 12 months	0	0
10) Payables to associated companies:		
due within 12 months	0	0
due beyond 12 months	0	0
11) Payables to parent companies:		
due within 12 months	0	0
due beyond 12 months	0	0

CONSOLIDATED BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
12) Taxes payable:		
due within 12 months	1,092,908	1,094,518
due beyond 12 months	0	0
13) Payables to social security institutions:		
due within 12 months	1,076,082	1,100,883
due beyond 12 months	0	0
14) Other payables:		
due within 12 months	14,404,080	15,044,654
due beyond 12 months	152,415	178,787
Total:		
due within 12 months	30,571,914	28,644,841
due beyond 12 months	4,652,415	6,178,787
TOTAL ACCOUNTS PAYABLE (D)	**35,224,329**	**34,823,628**
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued expenses	1,586	2,500
Deferred income	9,994,696	12,247,982
TOTAL (E)	**9,996,282**	**12,250,482**
TOTAL LIABILITIES AND EQUITY	**115,411,274**	**118,553,793**

4.1.3 Consolidated Memorandum Account

CONSOLIDATED MEMORANDUM ACCOUNT	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
Third-party assets received in concession	59,654,058	59,654,058
Company assets held by third parties	0	0
Bank and other guarantees received from third parties	9,835,523	18,009,780
Personal guarantees given to third parties	77,631	77,631
Third-party assets held by the company (A.V.L. - ENAV)	0	0
TOTAL	**69,567,212**	**77,741,469**

4.1.4 Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2015	FINANCIAL STATEMENTS AS 31/12/2014
A) PRODUCTION VALUE		
1) Revenues from sales and services	55,29,193	54,023,443
2) Variations in the inventory of in-process, semi-finished and finished products	0	0
3) Variations in orders in progress	0	0
4) Fixed assets developed internally	0	29,548
5) Other income and proceeds - operating grants shown separately	12,959,944	4,108,624
TOTAL PRODUCTION VALUE (A)	**68,189,136**	**58,161,615**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	1,687,318	1,928,057
7) Cost of services	20,504,156	19,925,040
8) Rent, lease and similar costs	1,140,406	1,156,941
9) Staff costs:		
a) salaries and wages	14,352,193	13,918,946
b) social security	4,142,344	4,046,389
c) severance pay	900,858	915,224
d) pension and similar benefits	0	0
e) other costs	307,103	280,711
Total staff costs	**19,702,497**	**19,161,270**
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	2,653,111	3,429,995
b) depreciation of tangible assets	7,469,580	7,479,487
c) other write-down of assets	26,398	0
d) write-down of current receivables and of cash and equivalents	115,796	249,109
Total amortisation, depreciation and write-downs	**10,264,884**	**11,158,591**
11) Variations in the inventory of raw and maintenance materials, consumables and goods	86,753	1,038,940
12) Provisions for liabilities and charges	1,353,292	330,187
13) Other provisions	0	0
14) Miscellaneous operating costs	2,205,607	1,735,425
TOTAL PRODUCTION COSTS (B)	**56,944,911**	**56,434,451**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**11,244,225**	**1,727,164**

CONSOLIDATED INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2015	FINANCIAL STATEMENTS AS 31/12/2014
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments:		
a) dividends and other income from subsidiary companies	0	0
b) dividends and other income from associated companies	0	0
c) dividends and other income from others	0	0
16) Other financial income:		
a) from non current receivables	0	0
b) from non current securities	0	0
c) from current securities	0	0
d) other income	41,462	350,043
Total	**41,462**	**350,043**
17) Interest and other financial charges	-284,172	-332,066
17 - bis) Exchange gains (losses)	-358	-1,351
TOTAL FINANCIAL INCOME AND CHARGES (C)	**-243,068**	**16,626**
D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS		
18) Revaluation		
a) of equity investments	0	0
b) of financial assets	0	0
c) of current securities	0	0
19) Write-downs:		
a) of equity investments	-5,685	-4,325
b) of financial assets	0	0
c) of current securities	0	0
TOTAL VALUE ADJUSTMENTS ON FINANCIAL ASSETS (D)	**-5,685**	**-4,325**

CONSOLIDATED INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2015	FINANCIAL STATEMENTS AS 31/12/2014
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income		
- Contribution gain	0	5,205,576
- Exceptional income	0	0
- Taxes from previous years	0	0
- Others	100,419	32,531
21) Exceptional charges		
- Charges	-372,807	-986,422
TOTAL EXTRAORDINARY ITEMS	**-272,388**	**4,251,685**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**10,723,083**	**5,991,150**
22) Income taxes for the year		
a) Current taxes	-1,194,851	-867,966
b) Deferred tax assets (liabilities)	-838,125	-104,526
23) PROFIT (LOSS) OF THE YEAR, GROUP AND MINORITY SHAREHOLDERS	**8,690,107**	**5,018,658**
PROFIT (LOSS) PERTAINING TO THE GROUP	**8,709,054**	**3,356,723**
PROFIT (LOSS) PERTAINING TO MINORITY SHAREHOLDERS	**-18,947**	**1,661,935**

These financial statements are accurate and match with the contents of corporate accounting books.

On behalf of the Board of Directors
The Chairman

4.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31/12/2015

4.2.1 General principles and drafting principles for the Consolidated Financial Statements

SECTION I

FORM AND CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. The Consolidated Financial Statements are made up of Balance Sheet, Income Statements and Notes, and are accompanied by the Directors' Report. They were prepared in compliance with Legislative Decree 127/1991 (enforcing European Community Directives IV and VII) and with the Italian accounting standards issued by the Italian Accounting Body.

2. The Consolidated Financial Statements are meant to provide a faithful and accurate picture of the financial position and standing, as well as of the operating result, of the Group as a whole.

3. The form and contents of the Balance Sheet and Income Statement comply with the provisions of the Italian Civil Code for the holding company, in order to give a faithful and accurate presentation of the Group.

4. The Consolidated Financial Statements refer to the closing date of the holding company's annual accounts, which corresponds to the closing date of the annual accounts of the other companies included in the consolidation.

5. While the mandatory disclosures under the laws of Italy concerning the form and contents of consolidated financial statements are deemed sufficient to provide a true and accurate picture, the following additional information are provided:

   - reconciliation between the net equity and net profit of the holding company and those of the Group, as resulting from the consolidated financial statements;
   - analysis of the balance sheet — included in the Directors' Report for the Group;
   - statement of cash flow — included in the Directors' Report for the Group;
   - additional relevant information based on the characteristics and size of the Group.

6. The Consolidated Financial Statements were audited pursuant to article 2409-bis of the Civil Code by the independent auditors Deloitte & Touche S.p.A.

7. The financial statements are stated in Euros; the figures in these Notes are in Euro thousands, except as otherwise indicated.

SECTION II

SCOPE OF CONSOLIDATION

1. The subsidiary companies including those directly or indirectly controlled by the holding company according to the definition given in art. 26 of Legislative Decree 127/91, were consolidated fully, except the companies Torino Servizi s.r.l, and SAGAT Engineering S.r.l., into liquidation since 18 October 2004 and 12 May 2015, respectively. In accordance with the provisions in art. 28 (2) of Legislative Decree 127/91, considering also that their financial statements are drafted in a different form than those of the other companies in the SAGAT Group, they were not included in the consolidation.

2. The list of companies included in the consolidation is given below:

Company	Registered address	Share capital	Shareholders' equity	Interest share %
SAGAT S.p.A.	Caselle T.se	12,911	48,220	Holding company
SAGAT Handling S.p.A.	Caselle T.se	3,900	2,968	100%
Aeroporti Holding S.r.l.	Caselle T.se	11,000	17,533	55.45%
Sistema S.r.l.	Caselle T.se	15	10	100%

The list of companies included in the consolidation by the equity method is given below:

Company	Registered address	Share capital	Shareholders' equity	Interest share %
Air Cargo S.r.l. (1-2)	Torino	53	-10	36%

(1) Direct investment share. Figures from the latest financial statements available as of 31/12/2014

The following holdings are valued by the cost method:

Company	Registered address	Share capital	Shareholders' equity	Interest share %
Aeroporto G. Marconi di Bologna S.p.A. (2)	Bologna	74,000	123,638	7.21%

(2) Figures from the latest financial statements available as of 31/12/2014
The investment in Aeroporto di Bologna was 5.91% as of 31 December 2015

Please note that the scope of consolidation has changed compared to the previous year due to the removal of the subsidiary SAGAT Engineering, into voluntary liquidation since 12 May 2015.

SECTION III

CONSOLIDATION PROCEDURES

1. The assets and liabilities of the subsidiaries, as well as their income and costs, were fully consolidated. In the Consolidated Financial Statements, the carrying value of equity investments was eliminated, together with the share directly or indirectly owned by the holding company. The differences arising from the elimination of equity investments against the net book value of the subsidiaries' equities as of the date of purchase are released to the assets and liabilities of the consolidated subsidiaries, capped to their current amounts. Any residual positive amount is added to an assets caption denominated “Consolidation difference” and amortised on a straight-line basis according to its estimated recoverability; any negative residual amount is added to an equity caption denominated “Consolidation reserve”.

2. Minority interests in the equities and in the operating results of the consolidated subsidiaries are shown separately.

3. The balances of accounts payable and receivables, and the intercompany transactions among consolidated companies, are fully eliminated. The Consolidated Financial Statements do not show any profits or losses still unrealised by the Group as a whole, because arising from intercompany transactions.

4. The financial statements of the subsidiaries as of 31/12/2015 prepared by the respective Boards of Directors for the respective Shareholders' approval were used for consolidation purposes. In the case of associated companies, the latest financial statements approved available for the year 2014 were used.

5. The Consolidated Financial Statements were prepared following uniform accounting standard in the presence of comparable transactions.

SECTION IV

ACCOUNTING STANDARDS

1. Financial statement items were valued according to the principle of conservatism and going concern, also taking into account the economic function of each assets or liabilities item.

2. Only the profits realised as of the closing date of the reference year are shown.

3. The income and costs accruing to the year were taken into account, regardless of when collected or disbursed. The costs related to the income recorded for the year were considered as accruing in the year.

4. The risks and losses accruing in the year were taken into account, even where known after year end.

5. Non-comparable items included in each caption were valued separately.

6. The valuation criteria adopted are the same as in the prior year.

7. There are no assets or liabilities items falling under multiple captions (art. 2464 (2) of the Civil Code).

8. The items characterising the Group's business were added for the sake of clarity.

4.2.2 Standards applied in item valuation, value adjustment and foreign currency translation

FIXED ASSETS

The assets intended for durable use were recorded under fixed assets.

Intangible assets

Intangible assets were valued at purchase or production cost, inclusive of ancillary costs, and amortised on a straight-line basis year after year, according to their residual useful life. The amortisation schedule, drafted by the principle explained above, is shown below.

Intangible assets	
Type of asset	**Amortisation rate**
Industrial patent and intellectual property rights	**33%**
other intangible assets	according to their estimated residual useful life

The amortisation criteria and rates were the same applied in the prior year.
As of the year end, there are no intangible assets with a value permanently lower than their purchase cost inclusive of ancillary costs, after amortisation; therefore, there was no need to write down any asset.

Tangible assets

Tangible assets were valued at purchase or production cost, inclusive of ancillary costs, except the assets subject to revaluation pursuant to L. 72/83, as better explained in Part III of these Notes.
The cost of the assets includes the interest expense incurred for the making of the assets until ready for use, for the portion reasonably attributable to the assets. The amount of interest expense recorded under balance sheet assets is shown in Part III of these Notes.

The cost of the tangible assets of limited duration is depreciated on a straight-line basis according to their residual useful life.
The depreciation schedule, drafted by the principles explained above, is shown below.

Tangible assets	
Type of asset	**Depreciation rate**
buildings and pertaining roads	4%
aircraft runways and aprons	expected useful life commensurate to the concession term, expiring in 2035
flight assistance systems	31.5%
other systems	10%
ramp and runway equipment	31.5%
other equipment	20%
special purpose equipment	12.5%
prefabricated structures	10%
cars	25%
cargo vehicles	20%
furniture and fittings	12%
electric and electronic equipment	20%
other tangible assets	20%
minor tangible assets	100%

In previous years, for certain categories of assets, where required due to their particular obsolescence, the rates above were doubled in the first three year of use of the assets.
For the assets that started being used in the reference year, the rates were halved in order to take account, on a flat basis, of their reduced use. However, the full rates were applied to the assets that started being used at the beginning of the year.

As of the year end, there are no tangible assets, according to the company's plans, with a value permanently lower than their purchase cost (revalued as appropriate) inclusive of ancillary costs, after depreciation.

Please note that, as a consequence of the amendment to art. 104 of the Unified Income Tax Code ("TUIR") introduced by Decree Law 31 December 1996, no. 669, whereby depreciation over concession length is only allowed alternatively (and no longer in addition) to conventional depreciation over useful life, the holding company decided to adopt conventional depreciation effective from 1997, deducting from the historical cost of each asset the respective concession-based depreciation accumulated. The only exception are "aircraft runways and aprons": for these assets the holding company continued to use concession-based depreciation as per art. 104 of the TUIR, because in this case it matches with the residual useful life of the assets.

Financial assets

These are the costs of long-term financial investments.
Investments in associated companies were recorded by the equity method.
Investments in companies that are neither subsidiaries not associated companies were recorded at cost, adjusted to take account of durable impairment, where applicable.
If the reasons for such adjustments cease to exist in subsequent years, then the original value is reinstated.

Accounts receivable are shown at their presumable realisation value.

Treasury shares are recorded at subscription cost. If they suffer a presumably durable loss, their carrying value is written down accordingly.
If the reasons for such adjustments cease to exist in subsequent years, then the original value is reinstated.

Inventory

The inventory of raw and ancillary materials, consumables and goods, comprising mostly products materials and spares, was recorded at purchase cost, inclusive of ancillary costs.
Such cost was calculated —as in previous years— by the weighted average method.
The assets that do not appear to be actually eligible for use in the production process were recorded at realisation value, if lower than the purchase cost.
In any case, the value at which inventory items are recorded does not exceed their market value, taking into account the usefulness/instrumentality of the assets within the production process.
The value of fungible assets does not differ significantly from the costs current as of year end.

Accounts receivable

Accounts receivable were recorded at their presumable realisation value, which corresponds to the difference between face value and provision for bad debts.
The accounts receivable on interest in arrears were written off in the years in which they have respectively accrued.
The amount allocated to the provision for bad debts was calculated taking into account the risk of non-collection of the total of trade receivables taken as a whole, and deemed sufficient.
There are no accounts receivable for which collection terms were contractually postponed and that should therefore be written down and adjusted to current rates, in accordance with accounting standards.

Current financial assets

Financial assets were recorded at the lesser of purchase cost, inclusive of ancillary costs, or current market value at year end.

Cash and cash equivalents

These are recorded at face value.

Accruals and deferrals

Accrual and deferral captions include the income or costs accruing in the year but to be collected or disbursed in future years, and the costs or income incurred or collected before year end but accruing in future years. These captions only include portions of costs and income in common to two or more years, the amount of which varies in time.

Provisions for liabilities and risks

The provisions for liabilities and risks include solely the amounts allocated in order to cover losses or payables of probable or certain occurrence, the amount or exact date of occurrence of which was however uncertain as of year-end.

Provision for staff severance pay

Law 27 December 2006, no. 296 (2007 Finance Act) introduced new rules for the employees' severance pay ("TFR") accumulated effective from January 1, 2007. These rules apply to the Group companies with more than 50 employees.
As a consequence of the pension reform, for the holding company and for SAGAT Handling:

- the portions of TFR accrued as until 31.12.2006 remain with the company;

- the portions of TFR accrued effective from 1 January 2007, according to each employee's individual option based on express or tacit subscription, were either:
  a) contributed to pension funds;

  b) kept with the company, that transferred the portions of TFR to the Treasury Fund created by INPS, the Italian social security agency.

The portions accrued in the reference year since January 1, 2007 are still shown in caption B9 c) of the income statement, “Staff severance pay”.
Caption C in the balance sheet, “Provision for staff severance pay” shows the residual amount of the provision as of year-end, less the advances granted and the amounts allocated to pension funds as of December 31; captions D13, “Social security payables” and D14, “Other payables” show the accounts payable as of 31 December on portions of TFR still to be contributed to the Treasury Fund of INPS and to pension funds.

Accounts payable

These are recorded at face value.

MEMORANDUM ACCOUNTS

These are recorded at face value, taking into account the commitments and risks existing as of year-end. Memorandum accounts include commitments capable of affecting, by nature and amount, the financial position and standing of the company, that need to be known for the purpose of determining such position.

Revenues and expenses

Revenues, expenses and other income and costs were recognised according to the principles of conservatism and accrual, after deduction of discounts, allowances, incentives and facilitations. The earnings from services were recognised when the corresponding services were rendered.

Grants

Grants are recorded in the Income Statement under the caption “Other income and proceeds” in the year where reasonable certainty arises that the company is entitled to receive them, and posted as deferred income accruing in future years; at the end of each year, such deferred income is reduced and reversed to the Income Statement, at the same rate used for the amortisation or depreciation of the asset that the grant refers to.

Income taxes

The corporate income taxes ("IRES" and "IRAP") payable, shown in caption E.22, are calculated in accordance with tax regulations on the basis of the taxable income.

Already from the year ended 31 December 2004, the holding company SAGAT, acting as parent company, had opted for consolidated taxation pursuant to articles 117 et seq. of President's Decree 917/86.
During the year 2006, the subsidiary Sistema S.r.I. also opted in.
As a consequence of this, SAGAT S.p.A. calculates the IRES owed by the Group in accordance with the rules mentioned above, setting off its result with the positive and negative taxable bases of the consolidated companies.
The economic relationships, the responsibilities and the mutual obligations that the consolidated companies have with one another are defined in the "bilateral agreements on tax consolidation and relevant information flows" signed by the Group companies, whereby:

- the subsidiaries with a positive taxable income will transfer to the parent company the funds corresponding to the greater tax owed by the latter on the consolidated income; in this case, instead of recording the taxes for the year, the subsidiaries will record the account payable to the holding company, that will pay the tax;

- the subsidiaries with a negative taxable income will receive a compensation corresponding to the tax saving that they would benefit from without the tax consolidation, regardless of whether the loss is included or not in the calculation of the Group's income; in this case, the subsidiary will record an account receivable from the parent company equal to the tax benefit that will become available to the latter, and deduct the corresponding consolidation gain from the current taxes for the year;

- by virtue of principal or joint and several liability, each subsidiary agrees to refund any amounts that the parent company may be required to pay to the Tax Office for facts under the responsibility of that subsidiary;

- the parent company is solely entitled to decide whether to file appeals against tax assessments and/or penalties in circumstances subject to joint and several liability of the parent company and the subsidiaries.

Deferred taxes

The Group has recorded deferred taxes according to the temporary differences in the taxable base arisen during the course of the year. In particular, the deductible temporary differences arising from negative income components to be deducted totally or partially in future years will generate deferred tax assets, recorded under caption C.II.4-ter of the assets section, while the temporary differences arising from positive income components to be taxed in years subsequent to the reference one, or from negative income components deducted in a year preceding the one in which they were recorded in the income statement, will generate deferred tax liabilities, recorded under caption B.2 of the liabilities section. Deferred taxes are

calculated at the tax rates currently in force and taking into account the tax rates expected in future years.
The amount shown in the caption "Income taxes for the year" is the result of the algebraic sum of current and deferred taxes, so as to represent the actual tax burden pertaining to the reference year.
No deferred tax assets that cannot be reasonably expected to be recovered in the future were recorded. Similarly, no deferred tax liabilities that are unlikely to arise were recorded.
The temporary differences that led to recording deferred tax assets and liabilities, their rates and the differences (compared to the prior year) in the amounts credited and/or charged to the income statement and as equity components are described and shown in the tables commenting the deferred tax assets and liabilities for the year.

As the consolidation agreements provide that the consolidated companies be entitled to a refund of the tax savings corresponding to the fiscal losses transferred to the parent company, where such losses exist, the corresponding amount of deferred tax assets was not recorded.

Principles for the translation of items stated in foreign currencies

Any assets and liabilities other than non-monetary fixed assets are recorded at the exchange rate in force as of year-end; any net gains are allocated to a specific non-distributable reserve at the moment of calculating the operating result.

4.2.3 Analysis of principal consolidated items

The additional information to be disclosed under art. 38 of Legislative Decree 127/1991 are given in the same order as in mandatory financial statements patterns.

BALANCE SHEET

Intangible assets

These are the costs of permanent, non-tangible production factors, after deduction of the relevant amortisation. They relate to permanent ownership and utilisation rights (or similar) or concession rights, to improvements made to leased assets, or to outstanding costs that will affect future years.
Intangible assets, totalling €3,205 thousand, have decreased on aggregate by €1,987 thousand in the year.
The summary table below reports a detailed description of the changes in the various intangible assets components occurred during the year.

	01/01/2015			Difference					31/12/2015
	Historical cos	Amortisation provision	**Valued carried**	Purchases capitalisation	Reclass. +(-)	Disposals/Write-offs	Sv.(-)/Ripr.	Amortisation	**Valued carried**
B.I.1 Start up and improvement costs	35	33	**2**					-1	**1**
B.I.3 Industrial patent and intellectual property righs (ex B.I.4)	2,407	2,316	**91**	159	639			-328	**561**
B.I.6 Investments in progress and payments on account	1,466		**1,466**	295	-656		-37		**1,068**
B.I.7 Other assets	27,312	23,679	**3,633**	266				-2,324	**1,575**
Total intangible assets	**31,220**	**26,028**	**5,192**	**720**	**-17**	**0**	**-37**	**-2,653**	**3,205**

The change shown in caption B.I.3 “Industrial patent and intellectual property rights”, net of amortisation for €328 thousand, relates to the installation of new software or the implementation of existing software by the holding company (€798 thousand), as described in detail in the Directors' Report section on investments.

The caption “Investments in progress and payments on account” (B.I.6) has decreased by €398 thousand compared to the prior year, mostly due to the fact that software previously purchased by the holding company and not yet used at year-end 2014 have started being used.

The caption “Other assets” (B.I.7) includes mostly the costs incurred for improvements and additions to the aprons and for the renovation of the runway; this particular "other assets" component has increased by €266 thousand and was amortised for €2,324 thousand, out of a total of €2,653 thousand amortisation for the entire caption.

Tangible assets

These include the costs (revalued as applicable) of permanent production factors represented by capital equipment owned by Group companies, including those that will be returned upon expiration of the concession, characterised by the dual requirement of long useful life and tangible nature, shown after deduction of depreciation, including concession-based depreciation.

Tangible assets amount in total to €49,737 thousand and have decreased on aggregate by €5,203 thousand in the year.

The summary table below reports a detailed description of the changes to the various tangible assets components occurred during the year.

	01/01/2015				Difference						31/12/2015			
	Historical cost	Reval. As per Laws 72/1983 and 342/2000	(Depreciation provisions)	**Valued carried**	Purchases	Reclassifications	(divestments original cost)	Divest. Use of provision	(Revaluation difference)	(Depreciation)	Historical cost	Reval. As per Laws 72/1983 and 342/2000	(Depreciation provisions)	**Valued carried**
B.II.1 Land	3,516			**3,516**							3,516			**3,516**
B.II.bis 1 and B.II.bis 1bis Buildings and related roads (1)	79,823	282	(45,007)	**35,098**	293	1,033				(2,208)	81,149	282	(47,215)	**34,216**
B.II.bis 2 Plant and machinery (1)	59,714	6,567	(57,441)	**8,840**	472	187				(4,052)	60,373	6,567	(61,493)	**5,447**
B.II.3 Operating and sales equipment	13,915	182	(12,701)	**1,396**	166	47				(468)	14,128	182	(13,169)	**1,141**
B.II.4 Other assets	32,434	2,036	(33,190)	**1,280**	493	54	(38)			(703)	32,943	2,036	(33,893)	**1,086**
B.II.5 Investmens in progress and payments on account	4,810			**4,810**	1,208	(1,688)					4,331			**4,331**
Total tangible assets	**194,212**	**9,067**	**(148,339)**	**54,940**	**2,632**	**(367)**	**(38)**			**(7,431)**	**196,440**	**9,067**	**(155,770)**	**49,737**

[1] Freely transferable assets

The caption “Building and related roads” (B.II.bis 1 and 1-bis) has decreased on aggregate by €882 thousand. The variation, ascribable entirely to the holding company, was caused by the joint effect of purchases (€293 thousand), capitalisation of assets previously recorded as investments in progress (€1,033 thousand) and annual depreciation (€2,208 thousand). In particular, the anti-seismic renovation works implemented by the holding company on certain sheds and other works at airport buildings were capitalised. No obsolete assets were disposed of during the year.

The caption “Plant and machinery” (B.II.-bis 2) has decreased on aggregate by €3,393 thousand. The variation, ascribable entirely to the holding company, is due to purchases (€472 thousand), capitalisation of assets previously recorded as investments in progress (€187 thousand) and annual depreciation (€4,052 thousand). In particular, the increases relate to the capitalisation by the Holding Company of service systems implemented at airport buildings. No obsolete assets were disposed of during the year.

The caption “Operating and sales equipment” (B.II.3) has decreased on aggregate by €255 thousand, due to purchases (€166 thousand) and annual depreciation (€468 thousand). The most signficant additions include the purchase by the Holding Company of vehicles for improved aircraft handling services and for runway cleaning. No obsolete assets were disposed of during the year.

The caption “Other assets” (B.II.4) has decreased on aggregate by €194 thousand, due to depreciation (€703 thousand) and purchases (€493 thousand in total). The increase is due mostly to the purchase of airport monitors, as described in detail in the Directors' Report section on investments.

A cargo loader was dismissed by the subsidiary SAGAT Handling in 2015.
The caption “Investments in progress and payments on account” (B.II.5) has decreased by €479 thousand.

The balance of the revaluation applied pursuant to Law 72 of 19/3/1983 and to Law 342 of 21/11/2000 has not changed from the prior year. The details of the revaluation applied are shown in the table below:

Item	Net value revaluation	Statutory 72/83	Revaluation per Law 342/2000	Total
B.II.1 Land	3,516			3,516
B.II.1 Buildings and related roads	79,823	282		80,105
B.II.2 Plant and machinery	59,714	50	6,517	66,281
B.II.3 Operating and sales equipment	13,915	182		14,097
B.II.4 Other assets	32,434	52	1,984	34,470
B.II.5 Investments in progress and payments on account	4,810			4,810
Total tangible assets	**192,212**	**566**	**8.501**	**203,279**

The amount of interest expense recorded under balance sheet assets is shown in the table below and has not changed from the prior year (art. 2424 (1. 8) of the Civil Code):

Item	Gross value
B.II.1 Buildings and related roads	2,323
B.II.2 Plant and machinery	792
Total tangible assets	**3,115**

Financial assets

The equity investments recorded amount to a total of €17,652 thousand, of which €11 thousand in subsidiary companies and €17,641 thousand in other companies.

In 2015 the caption "Investments in associated companies" has decreased by €15 thousand due to the write-down of the book value of Air Cargo, that entered liquidation procedure on September 9, 2015.

Denomination and location	Share capital	Net result as of 31/12/2014	Equity as of 31/12/2014	% held	Nominal share held as of 31/12/2014	Carrying value as of 31/12/2015	Share of result 2014
Air Cargo Torino Srl based in Caselle T.se – c/o Airport	53	-51	-10	36.00%	19		-18

The caption "Investments in other companies" remains the same as in 2014 and relates to the book value of the investment held by Aeroporti Holding in SAB, as detailed in the table below.
Please note that the figures shown refer to the financial statements as of 31/12/2014 and are shown in accordance with article 2427-bis of the Civil Code:

Denomination and location	Share capital	Net result as of 31/12/2014	Equity as of 31/12/2014	% held	Nominal share held as of 31/12/2014	Carrying value as of 31/12/2014	Difference between equity share held & carrying value
Aeroporto G.Marconi di Bologna S.p.A. - Bologna Borgo Panigale	7,.000	6,577	123,638	7.21%	8,914	17,641	-8,727

As of December 31, 2015, Aeroporti Holding held 2,134,614 common shares in Aeroporto di Bologna, the value of which remains unchanged compared to the prior year and, as of December 31, 2015, accounts for 5.91% of the share capital of Aeroporto di Bologna.

Noncurrent receivables for a total of €12 thousand are cash deposits and have remained basically the same as in 2014.

Financial assets also include 74,178 treasury shares for a total value of €4,824 thousand, the same as in the prior year.
The Company has decided to maintain the value of its treasury shares as it was in the prior year, without reporting any durable value impairment. Also, effective from their first posting and during 2015, these shares were not reclassified from financial assets, as no circumstance occurred and no decision was made affecting their nature as durable investment, therefore confirming that these shares are not intended for realisation in the short term.

Lastly, effective from January 1, 2016 a new formulation of article 2357-ter (3) of the Civil Code came into effect, according to which "the purchase of treasury shares implies an equal reduction in the equity, applied by posting a specific negative caption under the liabilities section". In other words, no reduction or increase in the value of the treasury shares owned may reflect in the income statement.

Inventory

The inventory, totalling €341 thousand, refers basically to raw and ancillary materials, consumables and maintenance materials belonging to the holding company. The item has decreased by €87 thousand compared to the prior year.
As of year-end, the inventory did not include any component that might be expected to be realised at a lower price than the respective inventory value.

Accounts receivable

These are recorded for a total of €24,339 thousand, compared to €27,074 thousand in 2014. The total relates mostly to customers in Italy or in the European Union.

The caption “Accounts receivable from customers” has decreased from €13,292 thousand as of 31/12/2014 to €11,979 thousand as of 31/12/2015, by €1,313 thousand. The variation is due mostly to the normalization of creditor positions, that in 2014 were affected by problems with the largest domestic customer now ceased in 2015. A careful overdue credit collection policy has also been followed.
This caption includes accounts receivable at a face value of €14,464 thousand (€15,794 thousand in 2014) net of the write-down (€2,485 thousand) allocated to the provision for bad debts and to the provision for bad debts on interest in arrears. The provisions for bad debts were reduced during the year by a total amount of €29 thousand (€107 released, €145 used and €223 reinstated with a new allocation). Therefore, the total value of the provisions is sufficient to cover risks of non-collection of the accounts receivable existing as of year-end.

The receivables from subsidiary companies, €802 thousand and unchanged from the prior year, relate to amounts owed to the holding company by the subsidiary Torino Servizi s.r.l., which is under liquidation and as such left outside the scope of consolidation, as explained above. The holding company SAGAT had prudentially allocated the amount of these receivables to the provisions for liabilities and risks already in previous years.

Tax receivables are recorded for €2,846 thousand (€3,677 thousand as of 31/12/2014). These receivables are due beyond 12 months in an amount of €69 thousand. The details of tax receivables are shown in the table below:

Detail	2015	2014
IRES receivables	127	1,098
IRES refund receivables	882	882
IRAP receivables	65	85
Creditor VAT	1,504	1,358
Other	268	254
Total	**2,846**	**3,677**

Please note that the “Account receivable on IRES refund”, €882 thousand as in the prior year, relates to the application for refund of the extra taxes paid between 2007 and 2011, due to the omitted deduction of the IRAP tax due on the costs of subordinate and quasi-subordinate employees.
The application for refund, filed on 18/02/2013 by the holding company for all Group companies by virtue of tax consolidation, pertains for €724 thousand to SAGAT, for €302 thousand to SAGAT Handling and for €15 thousand to SAGAT Engineering. A portion of the refund was collected in 2014.
The balance of the captions “IRES receivables” and “IRAP receivables” represents, as far as IRES is concerned, the difference between the payments on account made during the year and the amount payable as it results from the tax consolidation and, as far as IRAP is concerned, the difference between the payments on account made during the year and the amounts payable as they result from each company's tax return.

The caption "Deferred tax assets and liabilities" amounts to €2,214 thousand and is detailed in the table below:

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	8,378	6,248	
Total taxable temporary differences	-241	0	
Net temporary differences	8,136	6,248	
B) Fiscal effect			
Provision for deferred tax liabilities (assets) at beginning of year	-2,783	-270	**-3,052**
Deferred tax liabilities (assets) for the year	830	9	**838**
Provision for deferred tax liabilities (assets) at end of year	-1,953	-261	**-2,214**

The caption "Other accounts receivable", totalling €6,496 thousand, has increased by €243 thousand compared to the prior year. The variation in the components of this figure includes the increase in the payments on account made to service providers in favour of the holding company.

Detail	31/12/2015	Of which due after 12 months	31/12/2014	Of which due after 12 months	Difference
Accounts receivable from the Municipality of Turin	211		211		
Other accounts receivable from the P.A.	33		33		
From vendors on downpayments & credit notes non expected	962	11	656	11	306
Other accounts receivable	5,206	73	5,354	73	-148
Total	**6,412**	**84**	**6,254**	**84**	**158**

The caption "Accounts receivable from the Municipality of Turin", unchanged from the prior year, represents the residual portion of an advance that SAGAT had to pay in 1992 for the completion of certain works at the control tower, in order to cover the insufficient funds earmarked by the Municipality after the construction contractor ICEM went bankrupt and the guarantor insurer FIRS was placed into forced liquidation, as neither of the latter honoured their obligation to repay the contractually agreed advances. The company has filed proof of claim as creditor in the bankruptcy of ICEM and in the forced liquidation of FIRS. No decisive events in this proceeding have occurred during the year.

The caption "Other accounts receivable" includes €4,731 thousand in receivables on Municipal taxes owed to the holding company by the carriers working at the airport.

Current financial assets

As of 31/12/2015, there are no securities held as temporary liquidity.

Cash and cash equivalents

These include:

- as to bank and post office deposits, the funds immediately available on deposits or current accounts with banks and post offices;

- as to cash in hand, the liquidity existing as of 31 December 2015 in the treasuries of Group companies;

- as to cheques, the credit instruments received from third parties as deposits.

Compared to the past year, the items are broken down as follows:

Detail	2015	2014	Difference
Cash in bank and post office current accounts	14,469	7,553	-6,916
Cash and valuables in hand	36	48	12
Cheques	52	52	
Total	**14,557**	**7,653**	**-6,904**

Accrued income and prepayments

These total €744 thousand (€766 thousand as of 31/12/2014), as better detailed below:

	2015	2014
Accrued income		
Deferred interest income	0	0
TOTAL ACCRUED INCOME		
Prepayments		
Insurances	188	117
Other	141	215
Employee	415	444
TOTAL PREPAYMENTS	**744**	**776**
TOTAL	**744**	**776**

The caption “Insurance” includes the portions of insurance premiums paid in 2015 and accruing in the subsequent year.

Shareholders' equity

The capital stock of the Holding Company amounts to Euro 12,911,481, unchanged from the prior year, composed of 2,502,225 shares each with a face value of €5.16. As of year-end, it was distributed as follows among the Shareholders:

2i Aeroporti S.p.A.	54.88%
Equiter S.p.A	12.40%
FCT Holding S.r.l.	10.00%
Finpiemonte Partecipazioni S.p.A.	8.00%
Tecno Holding S.p.A.	6.76%
Metropolitan City of Turin(formerly Province of Turin) *	5.00%
Treasury stock	2.96%
Total	**100.00%**

* For more details please refer to paragraph 1.3 “Shareholder structure” of the Director's Report

The share premium reserve recorded amounts to €6,104 thousand. This reserve is tax-exempt in case of distribution and has not changed from the prior year.

The revaluation reserve, €7,363 thousand, was recorded to account for the revaluation of company assets made by the company pursuant to Law 342/2000. The reserve has not changed in 2014.

The legal reserve, amounting to €2,582 thousand, has not changed compared to the prior year, as it has already reached one-fifth of the capital pursuant to art. 2430 of the Civil Code.

The other reserves comprise:

1. reserve for the purchase of treasury stock, €4,824 thousand. This reserve was created in consequence of the shareholders' resolution of 10/12/2002 that authorised the purchase of a maximum of 58,400 shares of the company, entirely freed up, for a total amount of €2,336,000. The company made such purchase on 14 March 2003. The original value was adjusted up to €2,537 thousand during the course of 2006. In 2008 the reserve was increased further by €2,286 thousand, after the closing of the stock option plan addressed to the company's managers. The increase was made by drawing a matching amount from the extraordinary reserve. The reserve has not changed in 2015;

2. the extraordinary reserve, €1,031 thousand, is entirely made up of annual profits and has increased by €795 thousand compared to the prior year. The variation is due entirely to the allocation of all the profits obtained in 2014;

3. reserve for extraordinary investments, €4,906 thousand, made up entirely of provisions subject to ordinary taxation and unchanged from the prior year;

4. consolidation reserve, €2,270 thousand, unchanged from 2014;

5. the caption "Profit (loss) carried forward" (€1,740 thousand), has decreased by €490 thousand compared to the prior year.

The equity pertaining to minority shareholders, €7,292,663, includes the capital and reserves of subsidiaries pertaining to minority shareholders and reflects a net negative variation by €263,972 in the year, due to the following: a) €18,947 decrease following the attribution to minority shareholders of their portion of the 2015 loss of the subsidiary Aeroporti Holding; b) €245,025 reduction following the attribution to minority shareholders of their portion of the dividend distributed by the same subsidiary Aeroporti Holding.
No deferred tax liabilities were recorded for untaxed reserves, because no transaction that may give rise to taxation is expected for the time being.
The reconciliation between the holding company's equity and result for the year and the consolidated equity and result for the year is given below:

	Shareholders' equity	Net result
Equity and net result, SAGAT	**48,220,004**	**8,498,026**
Difference between carrying value and equity of consolidated companies	4,221,352	203,479
Consolidation adjustments	0	7,549
Equity and net result pertaining to the Group	**52,441,356**	**8,709,054**
Equity and net result pertaining to minority shareholders	**7,292,663**	**-18,947**
Equity and net result pertaining to the Group and to minority shareholders	**59,734,019**	**8,690,107**

Provision for future liabilities

The details of this item are shown in the table below:

	Pension and similar funds	Provision for tax disputes, including deferred taxes	Other provisions	Total provisions for future liabilities
Amount at beginning of year	**0**	**0**	**14,427**	**14,427**
Variations during the year				
Amount allocated in the year	0	0	1,353	1,353
Amount used in the year	0	0	-354	-354
Other variations	0	0	-8,481	-8,481
Total variations	0	0	-7,482	-7,482
Balance at end of year	**0**	**0**	**6,945**	**6,945**

The provision for future liabilities, €6,945 thousand, is recorded according to the principle of conservatism to account for possible liabilities arising from civil and administrative controversies, pending or merely probable. During the year the provision has increased by €999 thousand, as a consequence of the following:

- the company used provisions made in past years to cover pending controversies for €354 thousand;

- a total of €1,353 thousand were allocated to cover new controversies started and potential liabilities arisen during the year.

The provision for the maintenance of assets held in concession (€8,481 at year-end 2014) was released entirely to the income statement in 2015. The Holding Company SAGAT made this decision, supported by independent expert advice, considering that the entire provision was excessive, and therefore released it to the income statement. For more details please refer to the corresponding sections in the Notes of SAGAT.

Provision for employees' severance pay

The provisions for the employees' severance pay ("TFR") were calculated for each company and in accordance with the rules applicable to each company in the Group, as better explained in the paragraph on the drafting principles for the consolidated financial statements.
The caption "Amount allocated" includes the revaluation of the provision, calculated in accordance with the law, and the TFR accrued between 1 January and 31 December 2015, kept with the company, contributed to pension funds and allocated to the INPS Treasury Fund.
The caption "Amount used" includes the TFR paid during the year to the employees, both in the form of payments on account and upon termination of employment, and the TFR accrued and destined to pension funds and to the Treasury Fund as described above.
The table below shows the variations occurred during the year:

	Provision for staff severance pay
Amount at beginning of year	**3,692**
Variations during the year	
Amount allocated in the year	901
Amount used in the year	-1,081
Other variations	0
Total variations	-181
Balance at end of year	**3,512**

Accounts payable

The accounts payable are recorded for €35,224 thousand (€34,824 thousand as of year-end 2014). They relate mostly to vendors in Italy or in the European Union.
Their breakdown and most significant changes occurred during the year are shown below.
Accounts payable to shareholders are nil in 2015 as they were in 2014.
The accounts payable to banks, totalling €6,000 thousand (€7,500 thousand in the prior year) relate entirely to the long-term loan entered into by the Holding Company on 8 February 2010 for an original amount of €15 million: This loan is not backed by guarantees and is subject to the compliance with the usual financial parameters, that were actually complied with. In addition to the loan mentioned above, in order to fix its cost definitely for its entire duration, an interest rate swap agreement of the same length as the loan was executed. The portion of this loan expiring within 12 months amounts to €1,500 thousand.
in order to guarantee that the non-speculative nature of the fund is maintained throughout its duration, the amount of principal under the IRS agreement will follow the repayment schedule of the loan, and be reduced gradually until it reaches zero in concurrence with the repayment of the last instalment.

The accounts payable to vendors include the trade payables towards other entities than Group companies. These amount on aggregate to €10,982 thousand (€9,904 thousand in the prior year) and have increased by €1,078 thousand.

The accounts payable to subsidiary companies, totalling €1,516 thousand, reflect the exposure of Group companies towards other Group companies not included in the consolidation due to being in voluntary liquidation.

Tax payables, totalling €1,093 thousand, are detailed in the table below:

	31/12/2015	31/12/2014
Withholding tax payables	483	500
Surtaxes payables fees	606	580
Other	4	15
TOTAL	**1,093**	**1,095**

The item does not include payables due beyond 12 months.

Social security payables are all due within 12 months. They amount in total to €1,076 thousand and shown in the table below:

	31/12/2015	31/12/2014
INPS / INAIL	822	779
Other	254	322
TOTAL	**1,076**	**1,101**

The other payables, totalling €14,556 thousand, relate to:

	31/12/2015	31/12/2014
ENAC / Concession fee	285	263
Employees	1,301	1,329
Surtaxes on boarding fees	5,694	5,889
Other payables	7,276	7,742
TOTAL	**14,556**	**15,223**

Please note that, in accordance with the laws in force, the entire amount of the account payable to ENAC on airport fees will be paid in the coming year.

The caption "Other payables" also includes, for a total of €5,614 thousand, the account payable by the Holding Company on fire-fighting services at the airport as governed by the 2007 Finance Act.

The account payable to the Tax Office on Municipal taxes has decreased in the year by €195 thousand and represents the contra entry of the account receivable by SAGAT from the carriers for the same reason. Please note that SAGAT is only required to proceed with the payments as it collects the amounts owed by the carriers.

Accruals and deferred income

As of 31/12/2015, these amount on aggregate to €9,996 thousand (€12,250 thousand as of 31/12/2014) and are composed as better explained below:

	Accrued expenses	Premium on loans granted	Deferred income	Total accrued expenses and deferred income
Amount at beginning of year	**5**	**0**	**12,248**	**12,253**
Variations during the year	-3	0	-2,253	-2,256
Balance at end of year	**2**	**0**	**9,995**	**9,996**

The caption "Deferred income" relates mostly to portions of construction grants deferred by the Holding Company because not pertaining to the reference year. These grants were recorded according to the specific accounting criteria described above. The decrease recorded in the reference year relates mostly to the 2015 portion of these grants released to the income statement.

Payables, accrued and deferred income broken down by maturity and type

A breakdown of payables, accrued and deferred income by maturity and type is presented below:

	Bonds	Convertible bonds	Loans from shareholders	Payables to banks	Payables to other lenders	Payments on account	Trade payables
Amount at beginning of year				7,500			9,904
Variations during the year				-1,500			1,079
Balance at end of year				6,000			10,983
Portion due within 12 months				1,500			10,983
Portion due after 12 months				4,500			
Of these, payable beyond 5 years							

	Payables to subsidiary companies	Payables to associated companies	Payables to parent companies	Taxes payable	Social security payables	Other payables	Total accounts payable
Amount at beginning of year	1			1,095	1,101	15,223	34,824
Variations during the year	1,515			-2	-25	-667	400
Balance at end of year	1,516			1,093	1,076	14,556	35,224
Portion due within 12 months	1,516			1,093	1,076	14,404	30,572
Portion due after 12 months						152	4,652
Of these, payable beyond 5 years							

Commitments and nature of memorandum accounts

Their breakdown and nature are shown below:

Nature	31/12/2015	31/12/2014
Third-party assets received in concession	59,654	59,654
Personal guarantees received from third parties	9,836	18,010
Total	**69,490**	**77,664**
Personal guarantees given to third parties	78	78
Total	**78**	**78**

Third-party assets in concession are the fixed assets received in concession by SAGAT. These, however, are only the investments made by the entity granting the concession since the 1980's to the date, as the value of the assets built before that date —which include aircraft movement areas— is unknown.
They also include the value of the airport enlargement works carried out and funded by the Municipality of Turin on the occasion of the Winter Olympics.
The personal guarantees received from third parties are the bank guarantees received from carriers and from third parties in general.
The personal guarantees given to third parties, €78 thousand, are personal guarantees given by FINAIRPORT SpA (now SAGAT Handling) to an insurance company —pro-rated with the other shareholders— against the bank guarantee given by the insurer to the town of Ciriè on behalf of the subsidiary CIRIE' 2000 Srl, for urban development and construction costs relating to that company, and against an application for VAT refund, again on behalf of the subsidiary CIRIE' 2000 Srl.

INCOME STATEMENT

Income statement items are classified in accordance with the Civil Code and the explanatory document no. 1 of the accounting standard no. 12 issued by the Italian Accounting Office in 2005.

Revenues from sales and services

The revenues from sales and services obtained by the Group entirely in the territory of Italy and from customers based mostly in Italy or in the European Union, are broken down as follows (art. 2427 (1.10 of the Civil Code).

	Year 2015	Year 2014
Revenues from air traffic	14,716	13,818
Security	6,502	6,096
Handling and air traffic services	13,258	12,384
Car parking services	5,396	5,427
Subcontracted services	3,440	2,208
Subcontracted businesses and airport spaces	5,167	7,119
Centralised infrastructures	6,015	6,161
Assets in exclusive use	576	641
Assets used in common	84	127
Other revenues	74	42
Total	**55,229**	**54,023**

Other revenues and proceeds

The other proceeds are broken down as follows:

	Year 2015	Year 2014
Recovery of utilities in common and miscellaneous expenses	150	154
Miscellaneous contingent gains	1,117	1,017
Other income	9,423	664
Construction grants	2,270	2,274
Total	**12,960**	**4,109**

This caption, totalling €12,960 thousand, has increased noticeably compared to the prior year.
The caption "Other contingent gains" includes the release of the portion of accounts payable for 2009 (€743 thousand) relating to the so-called Fire Prevention provision, that was adjudged as not payable by the Company under a final Court award.
The caption "Other income" show a significant increase compared to the €664 thousand recorded in 2014, mostly due to the effect of the holding company's decision to release the entire provision for leasehold maintenance in the total amount of €8,481 thousand.
The caption “Construction grants” includes, according to the criteria described above, among others, the portions accruing in the reference year of the following grants pertaining to the holding company:

- grants from Regione Piemonte for the enlargement works at the passenger building, general aviation and luggage logistics building included in the Master Programme Agreement for the improvement of airport infrastructures in view of the "Turin 2006" 20th Winter Olympics (agreement no. 9313 of 12 July 2004), recorded according to the criteria described above in the amount of €1,322 thousand;

- ENAC grant for the implementation of the automated baggage handling system (BHS), recorded according to the criteria explained above, in the amount of €942 thousand.

PRODUCTION COSTS

Purchase of raw and maintenance materials, consumables and goods

The relevant costs are broken down as follows:

	Year 2015	Year 2014
Maintenance materials	342	387
Miscellaneous materials	104	110
Materials for resale	286	508
Fuels and lubricants	629	650
De-icing	251	201
Stationery and prints	75	72
Total	**1,687**	**1,928**

Services

The costs of services are composed of:

	Year 2015	Year 2014
Miscellaneous services	2,668	2,828
Assistance, storage and PRM services	599	871
Electricity and other utilities	3,308	3,406
Technical, management, marketing advice	774	751
Watch services	2,498	2,339
Cleaning, waste collection and disposal	829	884
Maintenance / repair and misc. contractual costs	1,497	1,387
Maintenance and repair of leased assets	720	615
Business and general insurance	405	422
Misc. staff costs (cafeteria, training, T&E, etc.)	576	545
Other	**6,629**	**5,877**
TOTAL	**20,504**	**19,925**

Leased assets

Leasehold costs are composed of:

	Year 2015	Year 2014
Airport concession fee	519	483
Rent owed to Municipality of Turin	340	340
Rent owed to Municipality of San Maurizio	24	24
Other concession fees (radio)	88	87
Rent and leases	170	223
Total	**1,140**	**1,157**

Staff costs

Staff costs, inclusive of outsourced staff, amounted on aggregate to €19,702 thousand (€19,161 thousand in 2014), with an increase by about €541 thousand compared to the prior year.

This is mainly due to several factors, such as the increase in traffic volumes, the impact of the new collective bargaining agreement and the slight increase in certain ordinary staff cost components.

The average headcount has remained more or less the same, year on year (+0.33) and employees as of 31/12/2015 were 397, 21 more than at 31 December 2014.

The breakdown of total Group employees by category in 2014 and 2015 is shown below.

	Headcount 2015		Headcount 2014	
	Average	**As of 31/12**	**Average**	**As of 31/12**
Executives	4,58	5	4,16	5
Clerical staff	244,00	251	243,34	239
Blue-collar staff	134,50	141	135,25	132
Total	**383,08**	**397**	**382,75**	**376**

Amortisation, depreciation and write-downs

These are broken down as follows:

	Year 2015	Year 2014
Depreciation of tangible assets	7,470	7,480
Amortisation of intangible assets	2,653	3,430
Other write-downs of fixed assets	26	
Write-downs of accounts receivable	116	249
Total	**10,265**	**11,159**

The caption "Amortisation and depreciation" has decreased from the prior year by €787 thousand, basically due to ordinary life cycle and replacement of fixed assets in the various Group companies.

During the course of the year, a total value of fixed assets of €26 thousand was written down on assets that no longer contribute to the making of the Company's income.
As mentioned earlier, the provision for bad debts received an allocation of €116 thousand, in order to be adjusted to the Company's actual needs.

Variations in the inventory of raw and maintenance materials, consumables and goods

The stock of raw and ancillary materials, consumables and goods has decreased by €87 thousand in the year ended as of 31/12/2015.
The caption "Variations in inventory" has decreased compared to the year ended 31/12/2014 by €952 thousand, due to the fact that the stock no longer includes the goods intended for resale at the duty free shops, previously run by the holding company.

Provisions for liabilities and risks

An amount of €1,353 thousand was allocated in the year to the provision for liabilities and risks in order to cater for the losses or payables of certain nature and of probable or certain occurrence, the amount or date of occurrence of which is however uncertain as of the closing date. For details about the nature of the amounts allocated, please refer to the section in these Notes dedicated to the provision for liabilities and risk and its variations.

Miscellaneous operating costs

Miscellaneous operating costs relate to:

	Year 2015	**Year 2014**
Entertainment expenses	56	78
Contingent liabilities /Downward adjustment of income	439	110
Membership fees	133	133
Damages paid to third parties	169	2
Fire Department fees	649	710
Municipal property taxes	225	252
Other	535	450
Total	**2,206**	**1,735**

This caption has increased by €471 thousand compared to the prior year.

Financial income and expense

Financial income is composed as follows:

	2015	2014
Interest and other financial expense	-284	-333
Other financial income	41	350
Total financial income and expense (C)	**-243**	**17**

The balance of this caption, €243 thousand, arises almost entirely from interest expense on bank loans.

Adjustments to the value of financial assets

This caption includes the write-down by €6 thousand of the investment in the subsidiary Air Cargo, that entered into liquidation procedure in 2015.

Exceptional income and charges

The caption "Exceptional income", €100 thousand on aggregate, has increased by €68 thousand compared to the prior year and represents the total of contingent gains relating to previous years.

The caption "Exceptional charges", €373 thousand on aggregate, has decreased by €614 thousand compared to the prior year and represents the total of contingent liabilities relating to previous years.

Income taxes

This caption, totalling €2,033 thousand, is composed of the estimated amount of income taxes for the year plus deferred tax assets and liabilities.

	Year 2015	Year 2014
IRES	957	129
IRAP	237	738
Deferred tax assets (liabilities)	839	105
Total	**2,033**	**972**

The table below shows the reconciliation between the theoretical tax burden and the tax burden recorded in the consolidated financial statements as of 31 December 2015, compared with the corresponding period in 2014.

	Year 2015	Year 2014
EBT	5,737	5,991
Theoretical IRES rate (%)	27,5%	27,5%
Theoretical income tax	1,578	1,648
Tax effects of IRES variations	-620	-1,518
Effects of deferred tax	838	105
IRAP	237	738
Income taxes carried (current and deferred)	**2,033**	**972**

The theoretical tax burden was calculated by applying the current corporate income tax ("IRES") rate (27.5%) to the EBT.
The effects of the regional tax ("IRAP") rate were calculated separately, because this tax is not levied on the same taxable base used for IRES purposes.

Operating profit (loss)
The consolidated profit for the year, €8,690 thousand, is composed of the net profit of the Group (€8,709 thousand) and the profit pertaining to minority shareholders (€19 thousand).

4.2.4 Other information

SIGNIFICANT EVENTS OCCURRED AFTER THE CLOSING OF THE YEAR AND PREDICTABLE DEVELOPMENTS
For these events please see the comments in the Directors' Report.

RELATIONSHIPS WITH SUBSIDIARIES AND OTHER RELATED PARTIES
For a more detailed analysis, please see the dedicated section in the Directors' Report for the Holding Company. It is however worth noting here that these relationships were all at arm's length.

EMOLUMENTS OF DIRECTORS AND AUDITORS
The total amount of the emoluments paid to the directors and statutory auditors of the consolidated companies is shown in the table below:

	Year 2015
Directors	648
Statutory Auditors	80
Total	**728**

These emoluments are recorded under costs of services and takes into account all the people who have held offices as directors and statutory auditors during the reference year, even if only for a part of it.

INDEPENDENT AUDITORS'FEES
The total amount of the fees paid to the independent auditors for the mandatory annual audit of the accounts as well as for other services provided during the year is shown in the table below:

Activities performed	2015		
	SAGAT	SAGAT HANDLING	TOTAL SAGAT GROUP
Audit of financial statements	16,000	8,000	24,000
Audit of consolidated financial statements	4,000		4,000
Accounting compliance audit	9,000		9,000
Other services	7,000	7,000	14,000
Total	**36,000**	**15,000**	**51,000**

On behalf of the Board of Directors
The Chairman

4.3 INDEPENDENT AUDITORS'REPORT TO THE CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 14 OF LEGISLATIVE DECREE 27.1.2010, No.39

To the Shareholders of SAGAT S.p.A.

Auditors' report to the consolidated financial statements

We have audited the consolidated financial statements of Sagat Group, comprising the balance sheet as of 31 December 2015, the income statement for the year ended on that date and the relevant supplementary notes.

Directors' responsibilities for the consolidated financial statements

The Directors are responsible for preparing the consolidated financial statements so as to provide a faithful and accurate picture of the company accounts, in accordance with the Italian provisions of law governing their drafting principles.

Auditors' responsibilities

We are responsible for providing our professional opinion on the consolidated financial statements, based on our audit. We have performed our audit based on international auditing standards (ISA Italia) developed pursuant to art. 11 (3) of Legislative Decree 39/10. These standards require compliance with ethical principles as well as the planning and performance of the audit with a view to obtaining reasonable certainty that the consolidated financial statements do not contain material errors.

The audit implies the implementation of procedures aimed at obtaining evidence of the figures and the information contained in the consolidated financial statements. Audit procedures are chosen based on the auditors' professional opinion, which includes an assessment of the risk of material errors in the consolidated financial statements of fraudulent nature or caused by unintentional behaviour or events. As a basis for such risk assessment, the auditors take into account the internal audit process that accompanied the preparation of the company's consolidated financial statements to provide a faithful and accurate picture of the accounts, solely for the purpose of setting the auditing procedures most appropriate to the circumstances, and not for the purpose of expressing any judgement on the effectiveness of the company's internal audit. The independent audit also implies an evaluation of the suitability of the accounting standards adopted, of the rationale of the accounting estimates made by the Directors, and of the presentation of the consolidated financial statements as a whole.

We believe we have obtained enough evidence for us to express our opinion.

Opinion

In our opinion, the consolidated financial statements provide a faithful and accurate picture of the financial position and standing of Sagat Group as of 31 December 2015 and of the result of financial year 2015 in accordance with the Italian provisions of law governing the drafting of consolidated financial statements.

Other references

Without prejudice to our opinion, please refer to the information detailed more exhaustively in the Directors' Report and in the Notes concerning the fact that the provision for leased assets maintenance, €8,481 thousand as of the closing of the prior financial year, has been entirely released to the income statement this year. The Holding Company Sagat made this decision with the support of independent expert advice, considering that the entire provision was excessive, and therefore released it to the income statement.

Report on other provisions of law

Opinion on the consistency of the Directors' report with the consolidated financial statements

We have followed the procedures indicated in audit standard (SA Italia) no. 720B in order to express, in accordance with the law, our opinion on the consistency of the Directors' report, under the responsibility of the Directors of Sagat S.p.A., with the consolidated financial statements of Sagat Group as of 31 December 2015. In our opinion, the Directors' Report is consistent with the consolidated financial statements of Sagat Group as of 31 December 2015.

DELOITTE & TOUCHE S.p.A.

Giuseppe Pedone
Partner

Turin, 12 April 2016

5. Annexes

SAGAT HANDLING S.P.A.
FINANCIAL STATEMENTS AS OF 31/12/2015

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) CONTRIBUTIONS RECEIVABLE FROM SHAREHOLDERS	0	0
B) FIXED ASSETS		
I. Intangible assets		
3) Industrial patent and intellectual property rights	0	0
7) Other non current assets	45,586	65,915
Total	**45,586**	**65,915**
II. Tangible assets		
3) Operating and sales equipment	5,760	53,752
4) Other assets	226,396	246,462
5) Investments in progress and payments on account	0	9,500
Total	**232,156**	**309,714**
III. Financial assets		
1) Investments in:		
d) Other compagnie	0	0
Total	**0**	**0**
TOTAL FIXED ASSETS (B)	**277,742**	**375.629**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
C) CURRENT ASSETS		
I. Inventory		
1) Raw and maintenance materials, consumables	53,552	55,812
Total	**53,552**	**55,812**
II. Accounts receivable		
1) From customers:		
due within 12 months	2,400,059	2,687,957
4) From parent companies:		
due within 12 months	510,249	1,034,432
4bis) Tax receivables:		
due within 12 months	1,101,906	866,455
due beyond 12 months	176,582	174,493
4ter) Deferred tax assets:		
due within 12 months	323,290	348,204
due beyond 12 months	0	0
5) Other accounts receivable:		
due within 12 months	93,722	63,801
due beyond 12 months	28,409	28,409
Total accounts receivable:		
due within 12 months	4,429,226	5,000,849
due beyond 12 months	204,991	202,902
Total	**4,634,217**	**5,203,751**
III. Current financial assets		
5) Other securities	0	0
Total	**0**	**0**
IV. Cash and cash equivalents		
1) Cash in bank	2,052,182	1,619,444
3) Cash and valuables in hand	1,284	2,076
Total	**2,053,466**	**1,621,520**
TOTAL CURRENT ASSETS (C)	**6,741,234**	**6,881,083**
D) ACCRUED INCOME AND PREPAYMENTS - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued income	0	696
Prepayments	97,670	91,909
TOTAL ACCRUED INCOME AND PREPAYMENTS (D)	**97,670**	**92,605**
TOTAL ASSETS	**7,116,647**	**7,349,317**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) SHAREHOLDERS' EQUITY		
I. Share capital	3,900,000	3,900,000
IV. Legal reserve	192,761	192,761
VII. Other reserves:		
- Extraordinary reserve	149,403	149,403
- Reserve for coverage of losses	0	0
VIII. Loss carried forward	-1,502,857	-1,398,566
IX. Profit (loss) of the year	228,586	-104,291
TOTAL SHAREHOLDERS' EQUITY (A)	**2,967,893**	**2,739,307**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
2) Provision for deferred taxes	0	0
3) Other	399,892	457,970
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**399,892**	**457,970**
C) PROVISION FOR STAFF SEVERANCE PAY	1,157,688	1,180,748
D) ACCOUNTS PAYABLE		
7) Trade payables:		
due within 12 months	789,685	736,687
11) Payables to parent companies:		
due within 12 months	852,907	1,303,292
12) Taxes payable:		
due within 12 months	136,486	133,392
13) Payables to social security institutions:		
due within 12 months	340,098	292,289
14) Other payables:		
due within 12 months	471,998	503,132
TOTAL:		
due within 12 months	2,591,174	2,968,792
due beyond 12 months	0	0
TOTAL ACCOUNTS PAYABLE (D)	**2,591,174**	**2,968,792**
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued expenses	0	2,500
TOTAL LIABILITIES	**7,116,647**	**7,349,317**

MEMORANDUM ACCOUNTS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
Guarantees received from third parties	122,000	70,000
Guarantees given to third parties	-77,631	-77,631
Guarantees payable	77,631	77,631
Guarantees receivable	-122,000	-70,000
Total	**0**	**0**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) PRODUCTION VALUE		
1) Revenues from sales and services	10,320,590	9,608,744
5) Other income and proceeds - operating grants shown separately	2,312,322	2,149,057
TOTAL PRODUCTION VALUE (A)	**12,632,912**	**11,757,801**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	515,210	448,671
7) Cost of services	2,715,440	2,781,568
8) Rent, lease and similar costs	1,690,042	1,678,308
9) Staff costs:		
a) salaries and wages	4,885,353	4,622,859
b) social security	1,377,250	1,324,849
c) severance pay	285,023	283,978
d) pension and similar benefits	0	0
e) other costs	110,555	102,655
Total staff costs	**6,658,180**	**6,334,341**
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	39,369	44,292
b) depreciation of fixed assets	181,984	246,486
d) write-down of current receivables and of cash and equivalents	15,787	18,220
Total amortisation, depreciation and write-downs	**237,140**	**308,998**
11) Variations in the inventory of raw and maintenance materials, consumables and goods	2,261	4,260
12) Provisions for liabilities and charges	135,693	98,500
14) Miscellaneous operating costs	282,633	121,000
Total production costs (B)	**12,236,600**	**11,775,646**
OPERATING PROFIT – PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**396,312**	**-17,845**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments:		
c) other companies	0	0
16) Other financial income:		
d) other income	10,124	13,600
Total	**10,124**	**13,600**
17) Interest and other financial charges	-1	0
17bis) Exchange gains (losses)	64	49
TOTAL FINANCIAL INCOME AND CHARGES (C)	**10,187**	**13,649**
D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS	**0**	**0**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income:		
- Other exceptional income	15,493	11,703
21) Exceptional charges:		
- Other exceptional charges	-21,244	-4,921
TOTAL EXTRAORDINARY INCOME AND CHARGES (C)	**-5,751**	**6,782**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**400,748**	**2,586**
22) Income taxes for the year:		
a) Current taxes	-147,248	-99,722
b) Deferred tax assets (liabilities)	-24,914	-7,155
23) PROFIT(LOSS) OF THE YEAR	**228,586**	**-104,291**

AEROPORTI HOLDING S.R.L.
FINANCIAL STATEMENTS AS OF 31/12/2015

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) CONTRIBUTIONS RECEIVABLE FROM SHAREHOLDERS		
- Shares not yet called up	0	0
B) FIXED ASSETS		
III. Financial assets		
1) Investments in:		
b) associated companies	0	0
d) other companies	17,640,883	17,640,883
Total financial assets	**17,640,883**	**17,640,883**
TOTAL FIXED ASSETS (B)	**17,640,883**	**17,640,883**
C) CURRENT ASSETS		
II. Accounts receivable		
4) From parent companies:		
- due within 12 months	14,819	18,108
- due beyond 12 months	0	0
4bis) Tax receivables:		
due within 12 months	14,119	0
due beyond 12 months	0	0
4ter) Deferred tax assets:		
- due within 12 months	0	0
- due beyond 12 months	306	0
5) Other accounts receivable:		
- due within 12 months	2,415	0
- due beyond 12 months	0	0
Total accounts receivable:		
- due within 12 months	31,353	18,108
- due beyond 12 months	306	0
Total accounts receivable	**31,659**	**18,808**
IV. Cash and cash equivalents		
1) Cash in bank and post office current accounts	104,855	724,399
Total cash and cash equivalents	**104,855**	**724,399**
TOTAL CURRENT ASSETS (C)	**136,514**	**742,507**
D) ACCRUED INCOME AND PREPAYMENTS		
Prepayments	0	0
TOTAL ASSETS	**17,777,397**	**18,383,390**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) SHAREHOLDERS' EQUITY		
I. Share capital	11,000,000	11,000,000
II. Share premium reserve	1,544,963	1,544,963
IV. Legal reserve	294,992	108,467
VII. Other reserves	59,203	59,203
VIII. Profit (loss) carried forward	4,634,115	1,640,147
IX. Profit (loss) of the year	-42,530	3,730,493
TOTAL SHAREHOLDERS' EQUITY (A)	**17,490,743**	**18,083,273**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
2) Fund for tax disputes, including deferred taxes	0	0
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**0**	**0**
D) ACCOUNTS PAYABLE		
3) Loans from shareholders:		
- due beyond 12 months	0	0
7) Trade payables:		
- due within 12 months	13,386	214,537
11) Payables to parent companies:		
- due within 12 months	256,940	61,649
- due beyond 12 months	0	0
12) Taxes payable:		
- due within 12 months	7,168	15,963
13) Payables to social security institutions:		
- due within 12 months	2,421	2,222
14) Other payables:		
- due within 12 months	5,185	5,746
TOTAL ACCOUNTS PAYABLE (D)	**285,100**	**300,717**
E) ACCRUED EXPENSES AND DEFERRED INCOME		
Accrued expenses	1,554	0
TOTAL LIABILITIES AND EQUITY	**17,777,397**	**18,383,390**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) PRODUCTION VALUE		
TOTAL PRODUCTION VALUE (A)	**0**	**20,515**
B) PRODUCTION COSTS		
7) Cost of services	42,539	553,188
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	0	0
14) Miscellaneous operating costs	17,071	1,021
TOTAL PRODUCTION COSTS (B)	**59,610**	**554,209**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**-59,610**	**-533,694**
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments	0	0
16) Other financial income:		
d) other income than the above	0	306,982
17) Interest and other financial charges	-1,177	0
TOTAL FINANCIAL INCOME AND CHARGES (C)	**-1,177**	**306,982**
D) ADJUSTMENTS IN VALUE OF FINANCIAL ASSETS		
19) Write-downs:	0	
a. Depreciation of holdings	0	
TOTAL ADJUSTMENTS IN VALUE OF FINANCIAL ASSETS (D)		
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income:		
- contingent gains	5,701	4,084,446
21) Exceptional charges:		
- contingent liabilities	-2,569	0
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**3,132**	**4,084,446**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**-57,655**	**3,857,734**
22) Income taxes for the year:		
a) current taxes	14,819	-124,040
b) deferred tax assets (liabilities)	306	-3,201
TOTAL INCOME TAXES FOR THE YEAR	**15,125**	**-127,241**
23) PROFIT (LOSS) OF THE YEAR	**-42,530**	**3,730,493**

SISTEMA S.R.L.
FINANCIAL STATEMENTS AS OF 31/12/2015

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
B) FIXED ASSETS		
1) Start up and improvement costs:	4,684	4,684
- amortisation and depreciation	-3,331	-2,880
Total intangible assets	**1,353**	**1,804**
TOTAL FIXED ASSETS (B)	**1,353**	**1,804**
C) CURRENT ASSETS		
II. Accounts receivable		
4) From parent companies:		
- due within 12 months	1	0
4bis) Tax receivables:		
- due within 12 months	654	253
Total accounts receivable	**655**	**253**
IV. Cash and cash equivalents		
1) Cash in bank and post office current accounts	21,438	24,555
Total cash and cash equivalents	**21,438**	**24,555**
TOTAL CURRENT ASSETS (C)	**22,093**	**24,808**
TOTAL ASSETS	**23,446**	**26,612**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) SHAREHOLDERS' EQUITY		
I. Share capital	15,000	15,000
VII. Other reserves	0	0
VIII. Loss carried forward	-3,148	0
IX. Profit (loss) of the year	-1,524	-3,148
TOTAL SHAREHOLDERS' EQUITY (A)	**10,328**	**11,852**
D) ACCOUNTS PAYABLE		
7) Trade payables:		
- due within 12 months	189	2,255
11) Payables to parent companies:		
- due within 12 months	12,562	12,417
12) Taxes payable:		
- due within 12 months	342	63
14) Other payables:		
- due within 12 months	25	25
TOTAL ACCOUNTS PAYABLE (D)	**13,118**	**14,760**
TOTAL LIABILITIES AND EQUITY	**23,446**	**26,612**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2015	FINANCIAL STATEMENTS AS OF 31/12/2014
A) PRODUCTION VALUE (A)	**0**	**0**
B) PRODUCTION COSTS		
7) Cost of services	261	1,164
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	451	937
14) Miscellaneous operating costs	752	966
TOTAL PRODUCTION COSTS (B)	**1,464**	**3,067**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**-1,464**	**-3,067**
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income:		
d) other income than the above	2	2
TOTAL FINANCIAL INCOME AND CHARGES (C)	**2**	**2**
E) EXTRAORDINARY INCOME AND CHARGES		
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**0**	**0**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**-1,462**	**-3,065**
22) Income taxes for the year:		
a) current taxes	-62	-83
b) deferred tax assets (liabilities)	0	0
TOTAL INCOME TAXES FOR THE YEAR	**-62**	**-83**
23) PROFIT (LOSS) OF THE YEAR	**-1,524**	**-3,148**