TORINO AIRPORT
CONNECTED TO

SAGAT

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2014

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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 31/12/2014

F2i Aeroporti S.p.A.	54.46%
Equiter S.p.A.	12.40%
FCT Holding S.r.l.	10.00%
Finpiemonte Partecipazioni S.p.A.	8.00%
Tecnoinfrastrutture S.r.l.	6.76%
Province of Turin	5.00%
Aviapartner S.p.A.	0.42%
Treasury stock	2.96%
Total	**100.00%**

CORPORATE BODIES

BOARD OF DIRECTORS

Giuseppe DONATO	Chairman
Paolo VERNERO	Vice Chairman
Roberto BARBIERI	Chief Executive Officer
Annalisa ANDREETTA	Director
Domenico CEMPELLA	Director
Alberto EICHHOLZER	Director
Giuseppina FALAPPA	Director
Gian Luigi GARRINO	Director
Vincenzo ILOTTE	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 31/12/2014

SAGAT S.p.A. HIGHLIGHTS 2014

TRAFFIC

The Turin Airport ends 2014 with 3,431,986 passengers in transit at Caselle, 8.6% more than in January -December 2013.

INCOME RESULT

The most relevant income components for the year are shown below.
The **value of production** net of grants, €48,724 thousand, has increased by 1.1% (€48,203 thousand in 2013).
The **GOM** amounts to €11,101 thousand (22.8% of billing volume) and was €12,384 thousand in 2013 (25.7% of billing volume).
The **EBITDA** amounts to €10,639 thousand (€9,747 thousand in 2013).
The **EBIT** amounts to €2,295 thousand (€1,303 thousand in 2013).
The **EBT** amounts to €1,525 thousand (€1,281 thousand in 2013).
The **profit** amounts to €795 thousand (€215 thousand in 2013).
Net financial position: debt exposure for €2,250 thousand, improving by €5,954 thousand compared to the exposure as of 31 December 2013 (€8,204 thousand).

INVESTMENTS IN 2014

About €3 million on aggregate were invested during the course of the year in infrastructures and service systems, aimed mostly at renovating the existing infrastructures in both the aircraft manoeuvring areas and in airport buildings and their appurtenances.
SAGAT has also performed maintenance activities on assets held in concession, especially the runway, for about €0.6 million.
The investments made allowed the company to improve the quality of the services provided and maintain high airport safety standards.

SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2014

Passenger traffic data at the Turin Airport showed, in the first two months of 2015, a fair 4.1% increase compared to the corresponding period in 2014.

DEVELOPMENTS

While moderate growth is expected in 2015 overall, both globally and in Italy, growth forecasts are still uncertain and based on multiple variables, such as oil price trends, expenditure in investments, financial market conditions and European geopolitical situation.
At regional level there still is a pessimistic climate regards to recovery perspectives; the only opportunity seems to come from the export business, where more favourable developments are expected.
The air sector, like the real economy as a whole, might suffer the negative effects of this scenario, and the airlines might tend in any case to concentrate their efforts on efficiency improvement and cost cutting policies, also by repositioning their routes and aircraft.
In particular, the careful monitoring of the restructuring process started by Alitalia and Meridiana should continue.
Due to these considerations, SAGAT's efforts 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.

1.1 Report on financial position and performance

Dear Shareholders,

while the general scenario remains critical, 2014 was a positive year for our Company, that saw an improvement in volumes growth and in its main financial indicators.
The competitive picture in which SAGAT and the other Group companies have operated in 2014 was characterised by a series of critical factors that have affected the performance of the company, but that the Company was able to counter, seizing the opportunities that a deeply changing market has offered.

In terms of macro-economy, the scenario remained uncertain in the Eurozone and in Italy, the recovery was faint and weaker than expected.
In terms of air industry, carriers have suffered the negative effects of this phase of uncertainty and have concentrated their efforts on efficiency improvement and cost cutting policies. Two national carriers in particular, Alitalia e Meridiana, have undergone significant restructuring operations that led to a consequent reduction in operations.

Notwithstanding this general picture, the Turin Airport managed to increase its passenger volume, increasing the profit-making capability of its aviation compartment. Traffic growth reached 8.6%, almost double of the Italian average. The improvement of connections to European hubs and the opening of new international routes, especially to Eastern Europe countries, boosted the international scheduled passenger traffic (18.1%). The opening of new bases for those carriers that joined our station recently has completed this development picture, which SAGAT proactively supported through transparent and sustainable commercial incentive policies aimed at maintaining a balanced and diversified growth in the course of time, through a more solid presence of traditional carriers and the addition of new low-cost carriers.

By intensifying our initiatives aimed at revitalizing the non-aviation retail offer, we were able to attract first-class operators, internationally and among local excellencies. These operators opened new retail points in our airport just before the total redesigning and renovation of the physical layout of our retail area, with a view to modernization and to catering for new passenger requirement.

Also, the cost-cutting and cost-effectiveness improvement process already started in the second half of 2013 continued. Together with development policies, it has led to an improvement in the Company's financial position and performance, so much that Group indebtedness was entirely brought to zero.

This Directors' Report accompanying the Financial Statements as of 31/12/2014 was prepared in compliance with the provisions in art. 2428 of the Civil Code and contains the Directors' remarks on the overall performance and the most significant events occurred during the year 2014 and after 31 December 2014.

The figures for year 2014 are compared with those from year 2013.

The balance sheet and net financial position for the year are shown compared to the closing balances as of 31/12/2013.

DOMESTIC AND INTERNATIONAL BUSINESS SCENARIO

INTERNATIONAL

Like in the three years before, the recovery was weaker than expected also in 2014. This was due to unsatisfactory growth performances in the Euro area, in Japan and in certain emerging European markets (especially Russia) as well as in Latin America. The Euro area and Japan accounted for more than half the downgrades of global growth in 2014 (and one-third of the reduction in global growth estimates for 2015). Global growth increased only marginally by 2.6% in 2014 compared to 2.5% in 2013. The growth gap between the leading economies is becoming wider: in the United States and in the United Kingdom the recovery gained impulse, while the Euro area and Japan were left behind. China is still experiencing a fair growth, which is however gradually slowing down. In medium and low-income countries, growth has dropped because of multiple reasons (cyclical factors, stricter domestic policies, political stresses). Deep structural factors, including a slowdown of productivity, are curbing growth prospects in the medium term.

Many major factors are directing world outlooks: the prices of soft commodities, the low interest rates, the increasingly divergent monetary policies of the leading economies and the weak global trade. In particular, global operations have been supported by the sharp drop in oil prices since mid-year 2014.

Overall, global growth is expected to increase moderately, by 3% in 2015, and on average by 3.3% until 2017. High-income countries might see a 2.2% growth in 2015-17, in the wake of a gradual recovery of labour markets, of tax consolidation and of costs of borrowing remaining low.

In developing countries, growth is expected to accelerate gradually, increasing from 4.4% in 2014 to 4.8% in 2015, up to 5.4% before year-end 2017.

This slow global recovery implies significant risks, and might be revised downwards. The impact of financial market volatility, the intensification of geopolitical tensions, volatility episodes in the commodities markets, financial stress in the main emerging markets might lead to reconsidering the operations at risk. If the Eurozone or Japan should slip into a prolonged period of stagnation or deflation, global trade might weaken even more.

From a political viewpoint, the still fragile recovery in high-income countries requires an easy-going monetary policy and a flexible approach to fiscal policies that should support growth, but also requires down-to-earth redevelopment plans and structural reforms in the medium term. A global regaining of financial strength might reduce capital flows and trigger further currency depreciation in developing countries. Higher-income countries and developing countries should both implement structural reforms, including improvements in public institutions and infrastructures, in order to promote growth and new job openings.

Source: World Bank, Global Economic Prospects (January 2015).

ITALY

Consumer spending has moderately recovered in the last quarters in Italy, following the trends of available income supported by Government measures. Consumer contribution to the economic growth was counterbalanced by a decrease in investments, held back by wide margins of unused capacity, by high uncertainties about demand developments and by difficulties in the building construction industry. According to available indicators, domestic product apparently went down in the fourth quarter of the past year. Employment figures improved during the Summer of 2014, albeit slightly; after three quarters of substantial stagnation the amount of hours worked started to grow again, in industrial sectors as well as in the tertiary. However, the economic recovery remains fragile, as shown by the early figures for October and November: the expectations of the enterprises about job demand developments in the opening months of 2015 remain negative. Consumer price trends remain weak: there was a

0.2% drop in December in the Eurozone and a 0.1% drop in Italy, and there might be a further decrease due to the fall in energy product prices. According to a recent Banca d'Italia-Il Sole 24 Ore opinion poll, the enterprises expect to maintain the selling prices of their products substantially stable in 2015. According to more recent surveys, corporate credit offer terms have improved, but remain strict for the smaller enterprises; the average interest rates on new loans have gradually decreased, while still remaining higher than Eurozone ones (by about 30 base points for corporate and family loans). Demand factors tied to investment weakness, and the perception of a high credit risk in certain business categories, are still restraining lending trends. According to Banca d'Italia outlooks, Italy will experience a small growth in 2015, and a stronger one in the following year: in the main scenario the growth is expected to be about 0.4 and 1.2% respectively. But there is wide uncertainty about these figures. The intensity of investment expenditure recovery will be crucial, and might benefit from a quick improvement in the demand and in financial conditions, notwithstanding the high degree of unused production capacity. More favourable economic trends would be had if oil prices remain at the same levels as in these last days. Overall, apart from benefiting from the oil price fall and from the gradual recovery of international trade, the domestic economy would be supported by an expansive attitude of currency policies, which also reflects in the depreciation of the Euro, and by the tax wedge reduction measures adopted with the so-called Stability Act. Risks for the economy might arise from a heavier stress on the international financial markets, a worsening of the political situation in Greece and of the Russian crisis, as well as from a general weakening of the emerging economies. The risks that inflation remains too low for too long arise from the persistence of wide margins of unused production capacity, whose impact on price trends seems to have increased in recent years, and from the possibility of a further aggravation of prospects.

Source: Banca d'Italia - Economic Bulletin no. 1 – 2015.

THE ECONOMY OF PIEDMONT

In the first quarter of 2014 the Piedmontese manufacturing industry seems to have been treading on the path of recovery: the positive cyclical phase that had started in the second half of 2013 has continued in January-March 2014. After the 0.6% and 0.9% increases recorded in the last two months of 2013 respectively, a raw +3.5% growth trend in industrial production was recorded in the first quarter of 2014. However, the figure requires interpretation, as the variation was measured compared to the period January-March 2013, when the production output suffered a 5.1% reduction.

Positive results are also suggested by other indicators: domestic orders, that had been decreasing for nine consecutive quarters, have increased by 0.5% compared to January-March 2013. Foreign orders have increased by +4.5%.

Piedmontese manufacturers experienced a 4% growing trend in their total turnover; the increase was slightly lower for the foreign component, that scored a 3.5% increase compared to the corresponding quarter in the prior year.

The phase of expansion of the Piedmontese manufacturing industry, driven by vehicle manufacturers, has continued in the second quarter of 2014, showing a +4.2% raw growth trend in industrial production. The good dynamics of the regional manufacturing industry were also confirmed by the positive results suggested by other economic indicators. For the second consecutive quarter, domestic orders experienced a slight increase (+0.4% compared to April-June 2013), while foreign orders experienced a stronger one (+3.7%). Billing volumes, too, performed fairly well: Piedmontese manufacturing companies saw a 1.1% average growth trend compared to the corresponding quarter in the previous year, slightly falling (0.9%) only in the foreign component.

The increase in industrial production did not cover all the economic fields, though. Vehicle manufacturers had the best performance for the second consecutive quarter, showing a +28% increase. The performance of mechanical industries (+3.0%) and chemicals and plastics industries (+2.2%) were also convincing. Positive, albeit lower, trends were had in the metal industries (+1.8%), food industries (+1.3%) and textiles/clothing industries (+0.6%). On the

other hand, the output of electric industries (-0,4%) and wood and furniture industries (-4.5%) has decreased.
The figures for the closing months of 2014 show a continuation of the recovery process for the Piedmontese manufacturing industry. Thanks especially to the very good performance of vehicle manufacturers, in the fourth quarter of 2014 the regional industries showed, on aggregate, a production growth trend overall.
The production increase recorded in the fourth quarter of the year compared to the corresponding period in 2013 (+2.1%), follows that of the preceding quarters (+3.5% in the first quarter, +4.2% in the second quarter and +2.3% in the third quarter). As a whole, the average annual growth of the industrial production for 2014 amounted to +3.0%.
Domestic orders grew by 2.0% compared to October-December 2013, confirming the partial recovery of the domestic market. Foreign orders were still positive (+0.4%), although weaker than in the previous quarters. Billing volumes variations also did moderately well: Piedmontese manufacturing companies saw a -0.3% average growth trend in their total billing volumes; the foreign component grew by half percentage point.
The increase in production in the fourth quarter of 2014 did not cover all the economic fields, though.
Vehicle manufacturers performed best (+16.7%), followed by electric and electronic industries (+ 3.4%). Although less than the regional average, chemical, oil and plastics industries also experienced a growth (+1.7%), obtaining increases in production throughout 2014. The growth has also affected the food and mechanical industries, both of which recorded a 0.9% increase in production. On the other hand, the performances of other industries were negative: the output of the textile and clothing industries decreased slightly (-0.4%), while the metal industries (-1.6%) and the wood and furniture ones reported a heavier decline (-5.4%).

According to data from the Registers of Companies of the Chambers of Commerce, 26,386 new companies were established in Piedmont in 2014, compared to the 28,630 new entries registered in 2013. After deducting the 28,375 cessations (which do not include automatic strike-offs from the Registers, decreasing compared to the 31,119 had in 2013), the balance is 1,989 companies less than in the prior year. Therefore, the total companies registered as of year-end 2014 are 447,035.
The balance between new registrations into and removals from the Registers of Companies translates into a -0.44% growth rate, slightly better than the -0.54% recorded in 2013. The figures for Piedmont are crosscurrent compared to the figures recorded for Italy as a whole (+0.51%). From the analysis of Piedmontese enterprises by company form, we may see that other companies (+2.73%) and stock companies (+2.20%) continue to show good dynamics, while sole proprietorships (-0.73%) and partnerships are showing negative trends (-1.66%).

2015 FORECASTS

The worsening of confidence levels observed during the last quarter of 2014 had raised concerns about a beginning of year characterized by growing pessimism. The results of the survey for the quarter January-March 2015 confirm a general worsening of confidence levels, which means that recovery prospects remain an illusion.
According to the survey on the manufacturing sector, 26% of respondent companies expect to reduce their production levels in the coming months, while 16.5% of them expect to raise them, the differential being -9.9% (compared to -2.5% in the preceding quarter). Forecasts about total orders are not improving compared to September: 29.7% are pessimistic and 17.2% are optimistic, and the balance is in favour of the former: -12.5% (-9.3% in the fourth quarter).
Expectations on exports remain favourable, albeit decreasing compared to the September survey. As a whole, 19.9% of companies expect to raise exports, while 15.7% expect to decrease them, the balance being in favour of the former: 4.3% (compared to 7.0% reported previously). Investment forecasts have not changed much, both in terms of significant investments (20.4% vs. 19.3% in September) and of investments for replacements (45.9% vs.

44.7%). Plant utilization rates remain basically stable (from 69.8% to 68.8%) and way below the levels that were considered normal just before the crisis.
Occupational forecasts remain negative, confirming the greater difficulties of the economic scenario: 15.5% of the sample expects a decrease in the payroll, while only 10.2% expects an increase, the differential being -5.3% (-4.4% from the past survey). Respondent companies also report another slight increase in the resort to temporary lay-off, which 28.2% of the sample plan on using (versus 25.9% in the past quarter). After dropping in the past quarter, investment forecasts are resuming a growth trend: 22.9% of the sample has planned significant investments and 44% will make replacement investments.
Source: Unioncamere Piemonte, Surveys on the manufacturing industry and new/defunct companies in Piedmont in 2014.

AIRPORT INDUSTRY

THE GLOBAL SCENARIO

According to the preliminary data provided by ACI, global passenger traffic ended 2014 with a 5.1% growth p.a. International and domestic traffic have grown by 5.8% and 4.5% respectively.

As a whole, passenger traffic proved able to withstand the uncertainties of the global economic scenario. In 2014 in particular, international tourism was affected by the geopolitical risks that still exist in certain parts of the world, like East Europe and the Middle East. Also, the Ebola epidemic took its toll on the aviation industry. Nevertheless, international traffic has increased.

Although variegated, the recovery of the global economy had brought an increase in the global demand of products and raw materials from abroad. This contributed to revitalizing the air cargo market in the final quarter of 2013 and in 2014, after several years of no growth. In fact, the air cargo industry grew by 4.7% in 2014.

A review of individual markets suggests that the air cargo demand in Africa is recovering, and has grown by 3.2% in 2014. Notwithstanding the adverse impact of the Ebola crisis on air cargo transport in the Western African continent, North Africa showed an increase after the gloomy years 2012 and 2013. While the Egyptian tourism industry paralysed due to political instability, with a meaningful -6.5% drop recorded at the Cairo airport, the most congested airport in North Africa and the gateway to the most popular tourist destinations, in 2014 compared to the previous year, other North African airports such as Algiers (ALG) and Casablanca (CMN) showed a fairly good growth, by 9.1% and 5.4% respectively. Johannesburg (JNB), the most congested airport in Africa, closed the year at +1.3%.

Airports in the Asia-Pacific region reported an aggregate passenger traffic growth by almost 6% over the entire year. However, many of the largest airports in the region are experiencing a slowdown, partly because they are reaching their maximum capacities, and partly due to a decrease in the demand. Peking (PEK) has grown by 2.9% in 2014, way below the two-digit growth rates recorded before 2011. However, China as a whole is still growing by 7%, fuelled by a series of other airports serving the Chinese domestic market. The second most congested airport in the Asia-Pacific region is also the most congested one in Japan, Haneda (HND), that has grown by 5.3% in 2014.

The Latin America and Caribbean region is one where passenger traffic has grown more during 2014, with an aggregate growth rate of over 6%, which also owes to the flourishing domestic markets of Brazil, Mexico and Colombia. In particular, the three largest commercial airports of Sao Paulo (GRU), Mexico City (MEX) and Bogota (BOG) recorded traffic growths of 9.2%, 8.6% and 8.6% respectively in 2014. Despite the recession in Brazil, the largest economy of the region, passenger traffic was unaffected by the economic slowdown.

The Middle East remains at the lead of the growth ranking, at +9.4% over the entire year. Two-digit growth rates are still being recorded at the airports of Abu Dhabi (AUH) and Doha (DOH), that have grown by 20.2% and 13.2% respectively in 2014. The preliminary figures for Dubai (DXB), the most congested airport in the region and one of the largest hubs worldwide, reveal that this airport is sixth in the ranking of the world's most congested airports in 2014. Even though the runway had to be closed for works in June and July, the airport recorded a +6.1% increase in passenger traffic in 2014.

In North America, considering the maturity of the aviation market, the growth by 3.3% in 2014 was in any case above the 0.5% year-on-year trend recorded between 2000 and 2013. While domestic traffic takes the biggest share of total passenger traffic in North America, international traffic continues to grow in its market segment. For example, with the enlargement of its international terminal, Los Angeles (LAX) grew by almost 7% in international passenger traffic, allowing LAX to earn a position among the fastest-growing commercial airports in North America in 2014, with a 6% aggregate traffic increase. Atlanta (ATL), the most congested airport in the world, grew by 1.8% in 2014, carrying more than 96 million passengers.

In spite of the uncertainties in the Euro area during 2014, Europe ended the year with a positive sign and saw passenger traffic growing by over 5%. Most of the leading airports adversely affected by the Eurozone crisis started to recover in 2014. Madrid (MAD), the most congested airport in Spain, and Rome (FCO) reported a traffic increase by 5.3% and 6.5% respectively in 2014. Atene (ATH) reported a traffic growth by over 21%. Turkish airports are still growing well in 2014: Istanbul (IST) has continued to rise in the ranking of the most congested airports in the world and has grown by 10.6% compared to 2013. On the other hand, geopolitical stresses in Eastern Europe are causing a 13% fall in passenger traffic in Ukraine and minimizing growth in certain large airports in Russia.

In conclusion, there has been in recent years a sharp difference in growth trends between the airports located in developed countries and those located in emerging markets.
The mature markets of North America and Europe experienced modest growths, while large emerging economies, BRICS countries in particular (Brazil, Russia, India, China and South Africa) reported two-digit traffic growths, year on year. The recent slowdown in the emerging markets translated into lower growth trends in cargo and passenger traffic. However, the developed economies of Europe and North America have grown in 2014, so growth rates from all regions are comparable.
Source: ACI.aero.

THE EUROPEAN SCENARIO

According to the data published by ACI Europe, global passenger traffic in European airports in 2014 has grown on average by 5.4%.
In particular, passenger traffic in Europe has grown by +4.9% except for Greece, Luxembourg, Lithuania, Portugal, Romania, Belgium and Ireland, that recorded above-average performances. On the other hand, countries like Poland, France, Germany, Austria, Latvia and Czech Republic grew below the European average.
Extra-EU airports reported a rather high growth in passenger traffic: +7.3%, with Serbia, Iceland, Macedonia, Georgia and Turkey growing well above average.
Cargo traffic grew by +3.6%, the performance of EU and non-EU airports being similar (+3.6% and +3.3% respectively).
Total aircraft movement increased by +2.6%, following the increase in capacity. However, the most part of this additional capacity was distributed among non-EU airports, where movement grew by +5.6% compare to as little as +1.5% in EU airports.
2014 was a positive year for European airports: passenger traffic did better than the economy, proving the resilience of the air transport demand.

However, 2014 was also a year during which geopolitical tensions had direct impact on passenger traffic, particularly in Russia and Ukraine, lowering the good beginning-of-year performances of non-EU airports.
The most part of passenger traffic growth was fuelled by low cost airlines, that improved their market share in the major airports. Ambitious non-EU airlines have continued to grow in European airports subject to regulatory restrictions —in certain cases even indirectly, through the acquisition of European airlines.
Looking at the market developments that followed the global financial crisis burst out in 2008, there have been significant changes: while the top 3 European airports remain London-Heathrow, Paris-Charles de Gaulle and Frankfurt, Istanbul-Atatürk has sprung from 10th to 4th in the ranking, with a passenger traffic increase by over 50% (28 million passengers more). There are now 13 EU airports in Europe's top 20, but there were 16 in 2008. Since then, Moscow-Sheremetyevo and the Turkish airports of Antalya and Sabiha Gocken have climbed up in the ranking. Quite surprisingly, Istanbul-Sabiha Gocken rose from the 81st to the 18th place in the ranking of European airports, growing by more than 440% in just 6 years.
Looking ahead, 2015 has seemingly made a good start. Even though air traffic growth might slow down in the coming months, there are no immediate negative indicators.
Overall, in 2014 the airports with more than 25 million passengers per year (Group 1), those with 10 to 25 million passengers (Group 2), those with 5 to 10 million passengers (Group 3) and those with less than 5 million passengers (Group 4) reported average growth rates of +4.8%, +7.4%, +2.8% and +6.3% respectively.
Source: ACI Europe.

THE ITALIAN SCENARIO

2014 confirms itself as a positive year for the Italian air transport market, which has grown after two years of decline. Italian airports reported an increase in passenger traffic by 4.5% compared to 2013 and an increase in carried cargo volumes by 5%.
More than 150 million passengers were in transit at Italian airports, 6.4 million more than in 2013. Movement figures have also grown, albeit slightly (0.6%), totalling 1.4 million movements in the year.
Both domestic traffic (+2.5%) and international traffic (+5.9%) have grown in 2014 compared to the previous year. In particular, EU traffic increased by +7.5% compared to 2013.
Rome-Fiumicino, Milan-Malpensa, Milan-Linate, Bergamo and Venice have confirmed in 2014 too their position at the top of the most congested airport ranking.
The increase in passenger volumes has affected almost all Italian airports, giving proof of air traffic growth potential in all the regions of the peninsula, islands included.
In particular, in 2014 the airports with passenger traffic above 10 million per year saw an average traffic increase by 6%; those with passenger traffic between 5 and 10 million increased by 3.8%, those with passenger traffic between 1 and 5 million increased by 4.3% and those with passenger traffic below one million decreased by -7.1%.
Very positive results were also seen in the cargo sector, that in 2014 has grown on aggregate by 5% compared to the prior year. The total cargo handled exceeds 952 thousand tonnes, 12 thousand more than in 2011.
Air traffic improvement in Italy is a key driver for the Italian economy. In fact, a very recent study by ACI EUROPE shows that European airports contribute to the continent's economic growth, generating on aggregate €675 billion per year, or 4.1% of Europe's GDP.
Therefore, the figures for 2014, within a macro-economic scenario characterized by a reduction in the prices of raw materials such as oil, seem to anticipate the desired economic recovery of our country.
Source: Assaeroporti

THE AIRLINES

According to IATA, air traffic capacity has increased by 5.6% in 2014, with a 0.2% increase of the average load factor, that was 79.7%. All airlines reported a growth in the demand. More than half of such growth was reported in emerging markets, including Asia-Pacific and the Middle East. In recent months, the increase in the domestic market has played an important part in steering the growth, thanks especially to an increase in the demand in the Chinese domestic market, that grew by 11% in 2014.
Overall, passenger volumes increased by 5.9% compared to the previous year, by 6.1% in the international market and by 5.4% in the domestic one.
Business passenger demand too has performed well in 2014, increasing by 5.9%.

As far as the international passenger market is concerned, the capacity has increased by 6.4% and the load factor recorded was 79.2%.
Carriers in the Asia-Pacific region reported a 5.8% increase compared to 2013, the greatest among the macro-regions reviewed. However, traffic figures were substantially flat during the last four months, due to signals of a slowdown in the region's production activities, even though trade volumes remained high. Capacity has increased by 7.0%, lowering the average load factor to 76.9%.
European carriers reported a 5.7% increase in 2014. Capacity has increased by 5.2%, and the load factor recorded was 81.6%. The traffic reported by low-cost and other airlines in Turkey counterbalanced the economic weakness and the risks in the area.
North American airlines reported a 3.1% increase in the demand in 2014.
Capacity has increased by 4.6%, lowering the load factor to 81.7%, the highest among all regions.
Middle Eastern airlines reported the greatest annual traffic growth (13%). Capacity has increased by 11.0%, raising the load factor by 0.8 percentage points to 78.1%.
Latin American airlines reported a 5.8% growth. Capacity has increased by 4.7%, raising the load factor by 0.8 percentage points to 80%. While the economic growth of Brazil is at a standstill, trade volumes in the region have improved in the recent months.
African airlines reported the lowest growth rates, +0.9% compared to 2013. With a capacity increase by 3.0%, load factor went down by 1.5 percentage points to 67.5%, the lowest among all regions. The weakness in the international air travel demand for the carriers in this region was apparently not due to the Ebola epidemic, the impact of which was restricted to markets that account for a small percentage of total traffic.
Domestic passenger traffic grew by 5.4% in 2014; there was growth in all markets, with China (+11%) and the Russian Federation (+9.8%) at the lead. Capacity has increased by 4.3%, and the load factor recorded was 80.6%.
Source: IATA.

AEA partner airlines, according to early estimates for 2014, have reached the record-breaking average load factor of 81% in 2014. The passengers carried on board of domestic, European and intercontinental flights were 11 million more than in 2013, growing by 3% in spite of the slow economic growth in Europe. Three-fourths of all passengers have flown on routes within Europe.
As in 2013, the greatest increase was seen in long-range routes, that recorded a 4.5% passenger increase. In European routes, including domestic flights, the aggregate passenger growth was 2.7%.
Given the relatively modest increase in capacity, this growth in the demand was due to the commercial strategies implemented by the airlines and to a more efficient use of the aircraft. Cargo traffic has also grown in 2014, by 2% compared to the previous year.
Source: AEA.

Two national carriers, Alitalia e Meridiana, have undergone significant restructuring operations that led to a consequent reduction in operations. The operations of Alitalia in particular, that followed the change in the shareholding structure of the airline, were aimed at disposing of aircraft and strengthening the Rome hub, and affected all airports in Northern Italy for the routes from North to South.

1.2 Regulatory framework

The transition from the pre-existing fee calculation system to the one established under the new regulatory framework, in adoption of EC Directive 2009/12/EC, was completed during the course of 2014.

PRE-EXISTING PROVISIONS

The amount of airport fees was originally established —and applicable to all Italian airport— under Law 5 May 1976 no. 324.

Subsequently, Law 24 December 1993 no. 537 had established that airport fees were to be set by decrees, enacted, for each airport, by the Minister of Infrastructures and Transportation, together with the Minister of Economy and Finance, according to principles of cost matching and of compliance with qualitative and quantitative factors.

The subsequent approving resolution by CIPE on the subject, no. 86/2000, had introduced the Programme Agreement, that was supposed to be executed by and between each airport management company and ENAC, and then approved by decree of the Minister of infrastructures and Transportation together with the Minister of Economy and Finances.

By Decree Law 30 September 2005 no. 203, converted into Law no. 248/2005 (the so-called “system requirements act”), as already explained in the Directors' Reports for the previous years, certain fee calculation criteria were amended and certain environment protection parameters were added to quality parameters. The new framework was then approved by CIPE by Directive no. 38/2007 (later superseded by Directive no. 51/08, with the same language, issued after the go-ahead resulting from the Government-Regions meeting, in order to cure an unconstitutionality issue detected by the Constitutional Court in art. 11 nonies of the law in question, insofar as it failed to involve the State-Regions meeting before the CIPE's enforcing Directive was issued.

Later on (7 April 2008) ENAC published in its website the final text of its Guidelines for the Compliance with CIPE Directive no. 38/2007, approved by Ministerial Decree no. 41/T of 14 February 2008, after obtaining the favourable opinion of NARS (the Guideline, with an identical text, were then re-issued by Decree of the Minister of infrastructures and Transportation dated as of 10 December 2008, following CIPE Directive no. 51/2008).

The system requirements act and the relevant enforcing provisions contained a series of provisions that were considered prejudicial to airport management companies: in particular the single-till principle, whereby even the income from non-regulated commercial activities contribute (wholly or partially) to covering the costs of regulated activities. In more detail, item 1.2 of Resolution 51/2008 specified that, pursuant to Law 248/2005, 50% of the margin earned by the airport management company on non-regulated services, such as for instance the earnings from the exploitation of retail areas within the airport grounds, had to be applied to the reduction of airport fees.

As explained in the Directors' Reports for the previous years, SAGAT and other airport management companies have been bringing several appeals before the Administrative Courts against the prejudicial effects of the System Requirements Act and its enforcing provisions, challenging the constitutionality of the former and the legitimacy of the latter.

So far, these appeals have not had a favourable outcome.

THE NEW LAW PROVISIONS ON AIRPORT FEES

In 2009 the subject of airport fees was affected by EU legislation changes aimed at creating a standardized regulatory framework for these fees, common to all EU countries.
Under the key principles of the new Directive —that applies to airports with a traffic of at least 5 million passengers per year— each Member State is required to create an authority, juridically and functionally independent from any airport management company, and fees are to be determined by mutual agreement between management company and users. If no agreement is reached, the parties will be entitled to address the independent authority.
The above-mentioned Directive was adopted in the Italian law system with Law 24 March 2012 no. 27, that converted Decree Law no. 1/2012, extending the scope of application of such rule to all national airports without distinction in terms of traffic volumes (articles 71 – 82 of Decree Law 1/2012).
The new provision has set up a new procedure for the calculation and collection of airport fees in the national airports open to commercial traffic and has created the relevant authority (Autorità di Regolazione dei Trasporti, ART), entrusted with regulatory and supervision functions and called to approve the form of application and the amounts of airport fees.
According to the new fee calculation mechanism, the ART authority prepares the fee models. The airport management company then calculates the amount of fees on the basis of such models. The fees calculated in this way, after consultation with users, are submitted to ART for approval.
Therefore, as a consequence of the new fee calculation mechanism:

- ENAC has lost jurisdiction on fees, now taken over by ART;
- the programme agreement between SAGAT and ENAC has ceased to be an instrument of airport fee negotiation.

The new EU principles, adopted with Law 27/2012, have therefore brought considerable innovation in the airport fee regulation framework. Fee calculation now depends on negotiations between managing companies and users, and no longer on a top-down procedure based on planning targets as in the past.
During the course of 2014, the adoption of the EU directive was fully implemented and the lawmakers took action to settle certain interpretation uncertainties arisen when the new rule was first applied.
In particular, ART —that was created in September 2013— issued its Resolution no. 64/2014, releasing three fee calculation models on the basis of annual passenger volume. There are three brackets: one for airports with traffic volumes under 3 million passengers p.a., one for airports with traffic volumes between 3 and 5 million passengers p.a., and one for airports with volumes above 5 million passengers p.a.
While fee calculation is simplified for the first bracket, and determined autonomously by the airport management company, fee calculation for the other two brackets is determined by the ART authority with the so-called price cap criterion, adjusted according to factual elements presented by the airport management companies involved.
Consultation with airport users is envisaged for all of the three brackets, and if no agreement is reached between airport management companies and airport users a complaint may be filed with the ART authority.
It is worth noting that the fee models approved by ART, although formulated in a manner that leaves some room for interpretation, supersede the single till system previously introduced by the System Requirements Act.
At a later time, Decree Law 12 September 2014 no. 133, amended and converted by Law 11 November 2014 no. 164 (the so-called "Unlock Italy" Decree), specified and coordinated the respective fields of intervention of ART and ENAC.
In particular, the Unlock Italy Decree made it clear that ENAC, as licensor entity, will maintain supervision and regulatory functions in the interest of safety, environment protection, service quality, airport development and investment planning in airports. With the execution of the programme agreement, ENAC is therefore called to approve the investment, quality and environment protection plans that airport management companies will use as the basis of the fees that they will propose to the users committee, and subsequently to ART.

The Parliament then recently took action to ultimately supersede the single till system introduced by the System Requirements Act: in fact, article 1 (220) of Law 23 December 2014 no. 190 ("Stability Act 2015") has amended article 76 (1) of Law 24 March 2012 no. 27 and removed the restriction whereby fee models were to be defined "in compliance with the principles and criteria set forth by article 11-nonies of Decree Law 30 September 2005 no. 203, amended and converted by Law 2 December 2005 no. 248, i.e. the so-called System Requirements Act, that had introduced the partial single till.
Considering the full operation regime of the new regulatory framework on airport fees, and taking into account the relinquishment of the single till system introduced by the System Requirements Act, SAGAT has started the procedure to abandon the appeals it had filed against the referred law, the CIPE DIrective and the ENAC guidelines.

INTERIM ADJUSTMENTS OF AIRPORT FEES

As explained in the previous Directors' Reports, under art. 21 bis of Decree Law 31 December 2007 no. 248 (the so-called "Milleproroghe" decree, or "decree of a thousand extensions"), amended and converted into Law 28 February 2008 no. 31, the lawmaker established that: "Pending the issuing of the decrees referred to in article 10 (10) of Law 24 December 1993 no. 537, as replaced by article 11-nonies (1) of Decree Law 30 September 2005 no. 203, amended and converted by Law 2 December 2005 no. 248, to be adopted on or before 31 December 2008, the Ministry of Transport, by decree of its own, proceeds with the adjustment of airport fees to the planned inflation rate."
Various adjustments were provided for as a consequence of the above, duly detailed in the Directors' Reports for the previous years.
Other airport fee adjustments were provided for in 2014 in accordance with the above-referred provisions of law, first with Ministerial Decree 20 November 2013, into force since 9 March 2014, and later with Ministerial Decree 30 May 2014, into force since 6 September 2014.
Under art. 3 of the latter decree, the new amounts of airport fees will be forfeited as soon as the fees established in compliance with Directive 2009/12/EC become applicable.
The average increase of unit landing and take-off fees at the Turin Airport was about +1%.

1.3 Traffic scenario

TRAFFIC AT THE TURIN AIRPORT

The Turin Airport ends 2014 with 3,431,986 passengers in transit at Caselle, 8.6% more than in January-December 2013.
Despite the effects of the continuing economic crisis and the restructuring of Gruppo Alitalia, that has sharply reduced its flights to Southern Italy effective from October 2014, trends were positive thanks to an increase in international traffic.

PASSENGERS	Year To Date			
	Act	LY	Var. vs LY	%
Domestic	1.817.333	1.774.521	42.812	2,41%
International	1.423.531	1.204.944	218.587	18,14%
Charter	178.238	169.736	8.502	5,01%
Gen. Aviation	7.791	7.358	433	5,88%
Transit	5.093	3.728	1.365	36,61%
Total	**3.431.986**	**3.160.287**	**271.699**	**8,60%**
ATM	**42.463**	**43.656**	**-1.193**	**-2,73%**

The domestic division reported a 2.41% increase, with 42,812 passengers more compared to the prior year.
This result is even better if we consider the massive reduction of flights on North-South routes from October onwards. To counter the abandonment of southbound flights by the national carrier, commercial policies focused on attracting new carriers, based on a model that rewards traffic volume targets and speed in reaching them, always with economic sustainability in mind.
The international division reported an 18.14% increase, with 218,587 passengers more compared to the prior year, thanks to the opening of several international flights.

DESTINATIONS

The breakdown of scheduled traffic by route is shown below:

PASSENGERS	Destinations - SCHEDULED				
	Act	LY	Var. vs LY		% of total
ROMA Fiumicino	616.689	661.706	-45.017	-6,8%	19,03%
CATANIA	311.165	288.100	23.065	8,0%	9,60%
NAPOLI	252.172	226.780	25.392	11,2%	7,78%
FRANKFURT	208.677	202.637	6.040	3,0%	6,44%
PARIS C. De Gaulle	177.885	178.622	-737	-0,4%	5,49%
MUNCHEN	164.870	158.213	6.657	4,2%	5,09%
BARI	145.692	158.415	-12.723	-8,0%	4,50%
LONDON Stansted	134.725	133.724	1.001	0,7%	4,16%
BARCELONA	127.247	74.606	52.641	70,6%	3,93%
LONDON Gatwick	116.683	103.395	13.288	12,9%	3,60%
Total top 10 destinations	**2.255.805**	**2.186.198**	**69.607**	**3,18%**	**69,61%**
Others	**985.059**	**793.267**	**191.792**	**24,2%**	**30,39%**
Total traffic	**3.240.864**	**2.979.465**	**261.399**	**8,8%**	**100,00%**

Domestic scheduled traffic has increased by +2.41%, a result obtained notwithstanding the fact that national carriers removed many of their flights to Central and Southern Italy:

- August: Blu Express removed its flights to Rome;
- October: Alitalia removed its flights to Catania, Palermo and Bari, Meridiana removed its flights to Catania and Olbia, Alitalia reduced its flights to Naples and Meridiana reduced its flights to Cagliari.

The new domestic scheduled flights opened in 2014, that allowed the airport to close the year with a positive result, were the following:

- April: to Alghero (seasonal flight), operated by Alitalia;
- May: to Olbia (seasonal flight), operated by Volotea;
- July: to Alghero (seasonal flight), operated by Ryanair;
- September: new multiple flights per day to Rome by Vueling, with aircraft stationed at Turin;
- October: additional flights to Naples by Meridiana and to Trapani by Ryanair;
- November: new flight to Catania operated by Blue Air;

International scheduled traffic has increased by 18.14% compared to the previous year. New openings and improvements in 2014 were the following:

- May: to Amsterdam, twice daily, operated by KLM;
- June: to Palma de Mallorca (seasonal), operated by Volotea;
- September: to Bucharest, operated by Wizz Air;
- October: to Eindhoven, operated by Ryanair;
- December: to Chisinau, operated by Air Moldova, plus seasonal flights to Birmingham and Manchester, operated by Monarch and Jet2.com respectively.

Rome was the most requested destination (616,689 passengers), declining by 6.8% compared to 2013, and is the leading destination with 19.03% of total traffic.
Catania performed remarkably as destination, growing by 8% and maintaining its share of total passengers carried substantially unchanged from the prior year (9.6%).
Naples did well too, third destination by number of passengers, increasing by 11.2% with a 7.78% share of total traffic.
The good performance of the German destinations Frankfurt and Munich was confirmed (operated by Lufthansa, +3% and +4.2% respectively) and the Air France flight to Paris Charles de Gaulle also maintained its performance.
Flights to London Gatwick operated by British Airways grew by 12.9%.
Worth of mention is the excellent performance of the flights to Barcelona operated by Vueling and Ryanair, that increased by 70.6%.

The table below shows a comparison of the movements for the top ten scheduled flight destinations between 2014 and 2013:

MOVEMENTS	Destinations - SCHEDULED				
	Act	LY	Var. vs LY		% of total
ROMA Fiumicino	5.673	6.494	-821	-12,6%	17,07%
CATANIA	2.383	2.262	121	5,3%	7,17%
NAPOLI	2.844	2.852	-8	-0,3%	8,56%
FRANKFURT	2.823	2.811	12	0,4%	8,50%
PARIS C. De Gaulle	2.556	2.598	-42	-1,6%	7,69%
MUNCHEN	2.823	2.870	-47	-1,6%	8,50%
BARI	991	1.144	-153	-13,4%	2,98%
LONDON Stansted	841	869	-28	-3,2%	2,53%
BARCELONA	996	654	342	52,3%	3,00%
LONDON Gatwick	957	853	104	12,2%	2,88%
Total top 10 destinations	**22.887**	**23.407**	**-520**	**-0,0%**	**68,88%**
Others	**10.340**	**8.549**	**1.791**	**20,9%**	**31,12%**
Total traffic	**33.227**	**31.956**	**1.271**	**4,0%**	**100,00%**

In terms of aggregate movements, there has been a 2.73% decrease. Despite the 3.85% increase in commercial aviation movements, the loss of 2,172 general aviation movements led to negative balance of aggregate movements.

The aggregate data for 2014 suggest that the growth in passenger numbers is more than double the increase of cargo movements.

Aggregate aircraft tonnage increased by 6.3% compared to January-December 2013.

Charter traffic has increased by 5.01.

The aggregate carried cargo volume was 7,036,856, decreasing from the 9,694,409 kilos recorded in 2013 (-27.4%).

AIRLINES

The main airlines that have worked at our airport in 2014, and their respective passengers, are shown below:

PAX	Carriers - SCHEDULED				
	Act	LY	Var. vs LY		% of total
ALITALIA GROUP	978.973	1.100.796	-121.823	-11,1%	30,21%
RYANAIR	720.563	576.729	143.834	24,9%	22,23%
LUFTHANSA	376.714	377.143	-429	-0,1%	11,62%
MERIDIANA FLY S.p.A.	276.161	279.498	-3.337	-1,2%	8,52%
AIR FRANCE	177.887	178.424	-537	-0,3%	5,49%
VUELING AIRLINES	139.247	44.784	94.463	210,9%	4,30%
BRITISH AIRWAYS	100.474	93.298	7.176	7,7%	3,10%
TURKISH AIRLINES	66.129	55.337	10.792	19,5%	2,04%
AIR NOSTRUM	61.017	57.311	3.706	6,5%	1,88%
KLM	53.659	0	53.659	-	1,66%
Total top 10 carriers	**2.950.824**	**2.763.320**	**187.504**	**6,79%**	**91,05%**
Others	**290.040**	**216.145**	**73.895**	**34,2%**	**8,95%**
Total	**3.240.864**	**2.979.465**	**261.399**	**8,8%**	**100%**

In 2014, low-cost traffic accounted, in terms of passengers, for 30.7% of total scheduled traffic, a percentage that has grown by 40.54% compared to 2013:

PAX	Low Cost				
	Act	LY	Var. vs LY		% of total
RYANAIR	720.563	576.729	143.834	24,94%	21,0%
VUELING AIRLINES	139.247	44.784	94.463	210,93%	4,1%
VOLOTEA	52.390	12.180	40.210	330,13%	1,5%
TRANSAVIA AIRLINES	50.992	12.655	38.337	302,94%	1,5%
BLU EXPRESS	42.803	90.442	-47.639	-52,67%	1,3%
GERMANWINGS	20.228	0	20.228	__	0,6%
EASYJET AIRLINE	16.779	11.012	5.767	52,37%	0,5%
WIZZ AIR,LTD	8.216	298	7.918	__	0,2%
JET2.COM	439	0	439	__	0,0%
AIR ARABIA MAROC	295	440	-145	-32,95%	0,0%
TWIN JET (TWIN AIR)	53	11	42	381,82%	0,0%
Total	**1.052.005**	**748.51**	**303.454**	**40,54**	**30,7%**

The trends of scheduled movements by carrier are shown below:

MOVEMENTS	Carriers - SCHEDULED				
	Act	LY	Var. vs LY		% of total
ALITALIA GROUP	9.228	10.866	-1.638	-15,1%	27,8%
LUFTHANSA	5.764	6.201	-437	-7,0%	17,3%
RYANAIR	4.598	3.877	721	18,6%	13,8%
MERIDIANA FLY S.p.A.	2.796	2.698	98	3,6%	8,4%
AIR FRANCE	2.558	2.596	-38	-1,5%	7,7%
VUELING AIRLINES	1.263	422	841	199,3%	3,8%
AIR NOSTRUM	991	898	93	10,4%	2,98%
KLM	870	2	868	__	2,62%
BRITISH AIRWAYS	822	764	58	7,6%	2,5%
TURKISH AIRLINES	692	652	40	6,1%	2,1%
Total top 10 carriers	**29.582**	**28.976**	**606**	**0,0%**	**89,03%**
Others	**3.645**	**2.980**	**665**	**22,3%**	**10,97%**
Total	**33.227**	**31.956**	**1.271**	**4,0%**	**100%**

Below is a summary of the historical trends and specific seasonality of 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
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	297.868	296.352	**332.116**	304.432	309.331	277.005	248.069	267.181	**3.431.986**

2014-2013 variation percentages

monthly	3,9%	6,2%	3,9%	5,8%	14,3%	9,0%	16,5%	13,0%	13,0%	5,8%	4,1%	6,4%
progressive	3,9%	5,1%	4,6%	4,9%	6,8%	7,2%	8,6%	9,1%	9,6%	9,2%	8,8%	8,6%

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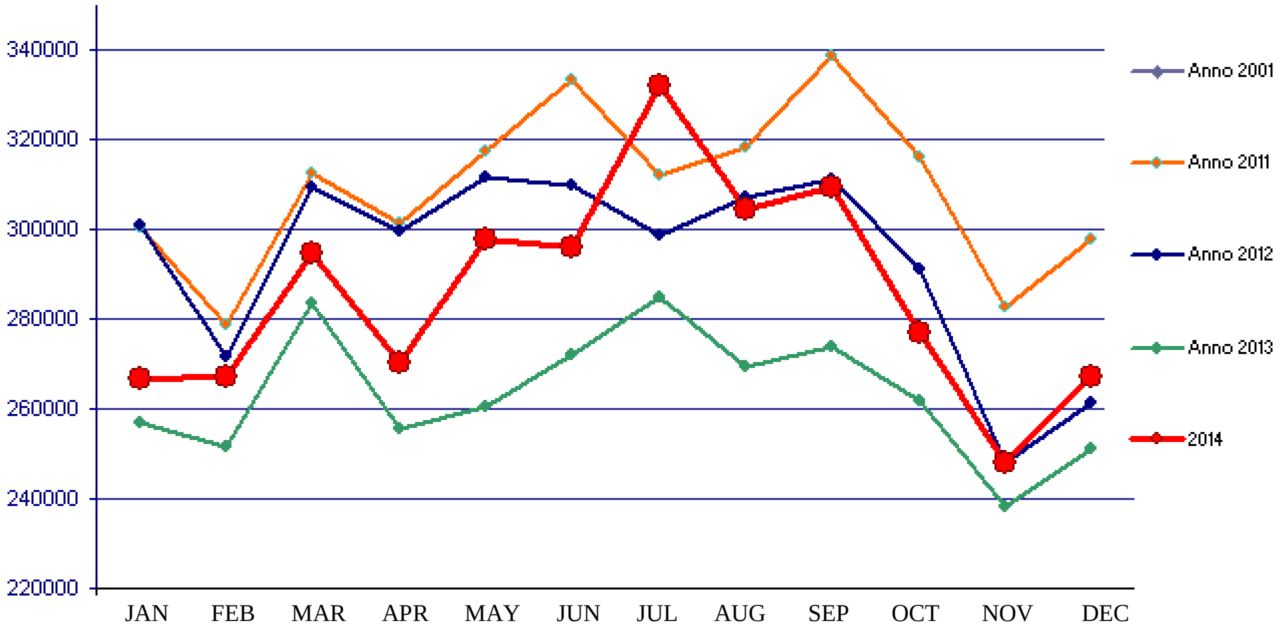


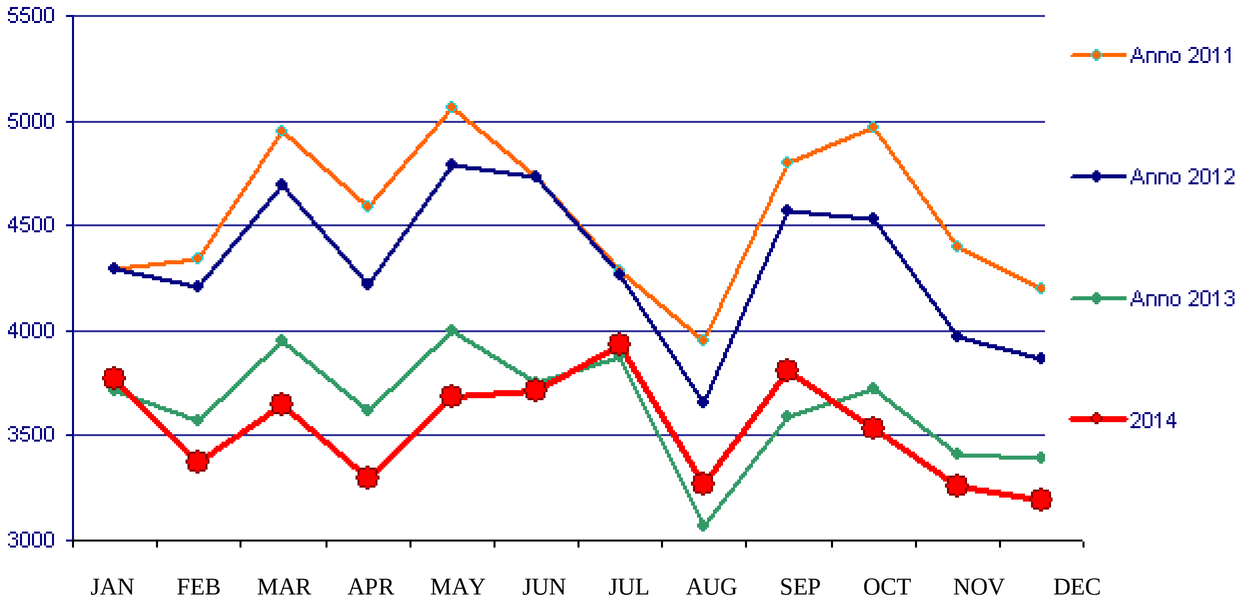
Below is a summary of the historical trends and specific seasonality of the total number of movements at our airport:

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	3.643	3.294	3.685	3.713	3.931	3.269	3.808	3.533	3.259	3.191	**42.463**

2014-2013 variation percentages

monthly	1,5%	-5,7%	-7,8%	-9,0%	-7,9%	-1,1%	1,3%	6,6%	6,2%	-5,0%	-4,3%	-5,9%
progressive	1,5%	-2,0%	-4,1%	-5,3%	-5,8%	-5,0%	-4,1%	-3,0%	-2,0%	-2,3%	-2,5%	-2,7%



1.4 Analysis of the Income Statement

The Income Statement 2014, presented in summary form in the table below, closes at a net operating profit of €795 thousand, improving by €580 thousand compared to the €215 thousand profit recorded in the prior year.

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

The value of production net of grants, totalling €48,724 thousand, has increased on aggregate by 1.08% and reflects, on one hand, the performance of the various traffic components at our airport and, on the other, the progress made by the Company in its approach to the management of activities not directly related to airport operations, as described in more detail further on in this Report.

Staff costs amount to €12,629 thousand, increasing by €756 thousand, or +6.36% compared to 2013.

Operating costs, €24,994 thousand on aggregate, have increased by €1,048 thousand compared to the prior year owing, on one hand, to the increase in business volumes for the portion directly related thereto and, on the other, to the cost-cutting initiatives implemented, such as the replacement of outsourced staff with internal resources, especially in the engineering area and wherever feasible and cost-effective. Netted of the aggregate increase in the costs related to the greater traffic at the airport, operating costs appear to have slightly decreased, considering the major growth in the volume of operations implemented at the airport.

The captions “Provisions" (€463 thousand on aggregate), and "Amortisation and depreciation" (€10,618 thousand on aggregate) have considerably decreased compared to the prior year. A detailed analysis of the main changes in these captions is given in the Notes.

The balance of financial and extraordinary components, -770 thousand Euro, has worsened by €749 thousand compared to 2013.

Taxes, €729 thousand on aggregate, have decreased by €337 thousand compared to the prior year.

In the light of the above, the net profit earned in 2014 amounts to €795 thousand, improving by €580 compared to 2013.

The table below shows the main Income Statement components. A comparison with 2013 figures is also provided.

Euro thousand

	2014	2013	Difference
Value of production*	48.723.879	48.203.080	520.799
Staff costs	12.628.721	11.873.022	755.699
Operating costs	24.993.939	23.945.800	1.048.139
GOM	**11.101.219**	**12.384.258**	**-1.283.039**
% GOM	**22,8%**	**25,7%**	
Amortisation, depreciation & write-downs	462.575	2.636.982	-2.174.407
EBITDA	**10.638.644**	**9.747.276**	**891.368**
% EBITDA	**21,8%**	**20,2%**	
Amortisation and depreciation	10.617.767	10.905.813	-288.046
Grants	2.273.767	2.461.200	-187.433
EBIT	**2.294.644**	**1.302.663**	**991.981**
% EBIT	**4,7%**	**2,7%**	
Balance of interest and exceptional income/expenses	-769.928	-21.360	-748.568
Gross profit for the year	**1.524.716**	**1.281.303**	**243.413**
Income taxes	729.372	1.066.719	-337.347
Net profit of the year	**795.344**	**214.584**	**580.760**
Index of financial independence**	**11.602.687**	**13.792.000**	**-2.189.313**

(*) 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 2014 and 2013:

Euro thousand

	2014	%	2013	%	Difference
Value of production	**48.723.879**	**100,0%**	**48.203.080**	**100,0%**	**520.799**
Aviation	**28.300.975**	**58,1%**	**26.126.923**	**54,2%**	**2.174.052**
of which:					
Fees	13.818.290		12.572.341		1.245.949
Centralised infrastructures	6.161.487		5.807.122		354.365
Assets used in common	599.241		628.095		-28.854
Security	6.095.973		5.614.266		481.707
Aviation services (PRM and luggage)	1.625.984		1.505.100		120.884
Handling	**363.189**	**0,7%**	**475.000**	**1,0%**	**-111.811**
Non-aviation	**17.531.832**	**36,0%**	**19.211.165**	**39,9%**	**-1.679.333**
of which:					
Non-aviation services	869.778		262.459		607.319
Ticketing	139.352		151.034		-11.682
Airport Retail Corners	1.877.560		3.687.600		-1.810.040
Retail and restaurant subcontracts	2.714.397		2.374.342		340.055
Other business subcontracts	1.568.309		1.551.689		16.620
Sublease of spaces	3.797.168		4.210.110		-412.942
Parking Lots	5.427.190		5.465.650		-38.460
Advertising	1.138.078		1.508.651		-370.573
Other revenues	**2.527.883**	**5,2%**	**2.389.992**	**5,0%**	**137.891**

The value of production has increased in 2014 by an aggregate amount of €521 thousand, reaching €48,724 thousand.

The aggregate increase in *aviation income* by €2,174 thousand (+8.32%), is due to traffic trends and to the effects of the above-mentioned partial and delayed adjustments of airport fees to inflation.

Therefore, the income from fees, security and centralised infrastructures is in line with air traffic trends to/from the airport and with the trends of airport fees as a whole.

Non-aviation income was reduced by €1,679 thousand (-8.7%) in 2014, decreasing from €19,211 thousand in 2013 to €17,532 thousand in 2014.

The decrease was strongly affected by the performance of the Airport Retail Corners, which SAGAT ceased to operate in July 2014; the business was then subcontracted to a leading international operator, the Heinemann Group, that started its activity in November 2014.
This new state of things implied the reclassification of the dedicated business unit within the Income Statement, where the corresponding earnings and costs were both reduced.

The various factors that have significantly affected the various income components are described below.

- Airport Retail Corners:

This caption includes the income generated from the three Airport Retail Corners (Wine & Food, Beauty & Fashion and Fashion Corner), totalling €1,878 thousand, with a decrease by €1,810 thousand compared to 2013. The decrease is due to the effects of the change of operator described above and to the consequent reduction in the number of months of operation compared to 2013, when SAGAT had run the Airport Retail Corners over the entire course of the year.

- Retail / restaurant subcontracts:

In 2014, Retail and Restaurant subcontracts have increased by €340 thousand compared to 2013, reaching a total of €2,714 thousand.

The earnings in the Food & Beverage segment remained basically stable.
The Retail segment has benefited from the presence of new operators and also from the start of Duty Free activities, subcontracted as described above.

- Other business subcontracts and sublease of airport spaces

This segment totalled €5,365 thousand and decreased by 6.8% (€396 thousand) compared to 2013.
The reduction is due to the performance of the subleases of non-retail spaces, that decreased by €413 thousand, mostly as a consequence of the surrender of the airline vip lounges at the airport. SAGAT took them over and implemented one single, high-quality vip lounge in common to the entire airport. The relevant earnings deriving from the use of such vip lounge by the airlines or the passengers were reclassified under the caption "Non-aviation services".

- Parking lots

In 2014 this segment remained basically stable. Earnings totalled €5,427 thousand, compared to €5,466 thousand totalled in 2013.
This result was the effect of the general slowdown of the real economy and of the consequent cost-cutting policies imposed by companies on travel expenses, as well as by the increasingly aggressive attitude of the competitors in the areas surrounding the airport grounds (there are presently 9 of them).
Last but not least, it should be pointed out that SAGAT took the burden of the VAT rate increase that came into effect in October 2013 without reflecting it on its end prices, which implied an adverse effect on the comparison between 2014 and 2013 figures.

- Advertising:

Advertising income saw a decrease in 2014, in the amount of €370 thousand.
An arm's length agreement was entered into with a new subcontractor in 2014. The decrease in advertising income owes to the economic and business difficulties of the previous operator, that could no longer sustain the terms originally agreed upon.
It is worth mentioning that the new operator, a market leader, apart from guaranteeing continuity and ideally even improvements in this segment, will also implement a modernization of the facilities at the airport, making the —now urgent— relevant investments on its own.
The performance in this segment also reflects the decrease in co-marketing activities by some €100 thousand, with a corresponding reduction in costs.

- Non-aviation handling:

This caption, €870 thousand, growing by €607 thousand, has benefited from the change in vip lounge operation as described above.

The other income components recorded, €2,528 thousand, show a slight increase compared to the €2,390 thousand recorded in 2013. For more details please refer to the corresponding sections in the Notes.

STAFF COSTS

Staff costs for 2014, inclusive of outsourced staff, amounts to €12,629 thousand, increasing by about €756 thousand compared to the prior year.

This is mainly due to several factors, such as the increase in the number of employees, the relocation of employees from the subsidiaries SAGAT Engineering and SAGAT Handling, the increase in traffic volumes, the impact of the new collective bargaining agreement executed in October 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 €24,994 thousand, with a decrease by €1,048 thousand compared to the year ended 31/12/2013, which is basically due to the following circumstances:

- less costs of materials by €720 thousand, of which €391 thousand relating to less purchases of products intended for resale at the Airport Retail Corners, that have ceased to be run directly by SAGAT since July 2014, and €250 thousand relating to less purchases of de-icing fluid and heating fuel thanks to the different weather situation compared to the prior year;

- greater costs incurred for the boosting of air traffic (about €1,800 thousand);

- greater marketing costs by some €305 thousand;

- greater costs for security services (€258 thousand);

- greater maintenance costs by about €740 thousand, due to direct release to the Income Statement 2014 of leased asset maintenance costs (€614 thousand) without using the relevant provisions as the Company used to do in the previous years, and to major maintenance interventions implemented during the year (€125 thousand);

- less costs on utilities, especially electricity and telephones (about €80 thousand);

- less costs of services by about €520 thousand, due basically to the cutting of the cost of the cooperative that used to operate the Airport Retail Corners before they were closed (-€300 thousand) and to the lesser aggregate cost of the services performed by the subsidiary SAGAT Engineering, that has virtually stopped operating since August.

GROSS OPERATING MARGIN

Due to the reasons explained above, the GOM has decreased by €1,283 thousand compared to the prior year, reaching €11,101 thousand in 2014, or 22.8% of the value of production.

PROVISIONS AND WRITE-DOWNS

The provisions and write-downs show an aggregate reduction by €2,174 thousand due to the following main circumstances:

- allocation of a total of €231 thousand (€171 thousand more than in 2013) to the already sizeable provision for bad debts in order to cater for the needs arisen during the year;
- allocation of a total of €232 thousand, €1,095 thousand less than in 2013, to the provision for future contingencies in order to align it to the actual risks that are known to SAGAT as of 31.12.2014.
- zeroing of the provision for the maintenance of assets held in concession (€1,250 thousand less than in 2013). For more details please refer to the section dedicated to the provision for contingencies in the Notes.

GRANTS

These are recorded in the amount of €2,274 thousand and show a slight decrease compared to the €2,461 thousand recorded in 2013, due to the developments in the useful life of the assets they relate to.. For more details please refer to the corresponding sections in the Notes.

EBITDA

Due to the reasons explained above, the EBITDA has increased by €891 thousand, reaching €10,639 thousand in 2014, or 21.8% of the value of production.

AMORTISATION AND DEPRECIATION

The amount of amortisation and depreciation, toalling €10,618 thousand, has decreased by €288 thousand as the result of ordinary asset life cycle;

EBIT

The EBIT reaches €2,295 thousand, increasing by €992 thousand compared to the €1,303 thousand recorded in the prior year.

FINANCIAL AND EXTRAORDINARY COMPONENTS

The balance of financial and extraordinary components, €-770 thousand, has decreased by €749 thousand compared to 2013, basically due to the following:

- significant improvement (+€397 thousand) of the difference between financial income and financial expense, that improved from -€202 thousand in 2012 to +€195 thousand in 2014. The improvement is basically due to the greater amount of dividends paid by the subsidiaries (288 thousand);
- improvement (-€670 thousand) of the negative balance of financial asset adjustments, which decreased from €673 thousand in 2013 to €3 thousand in 2014. This difference owes to the write-down of the equity investment in the subsidiary Sistema S.r.l. at year-end 2014, as detailed in the Notes;

- worsening (-€1,816 thousand) of the difference between non-recurring income and expenses, that changed from +€854 thousand in 2013 to -€962 thousand in 2014; The worsening is basically due to the €1,008 thousand recorded in 2013 as interest, revaluation and Court expenses collected from the legal action on the adjustment of airport fees to the programmed inflation rate for the years 1999 – 2005. Therefore, contingent liabilities for €920 thousand were recorded in 2014 in the light of the appeal award in the action SAGAT vs. the handling company Aviapartner (see above). For more details on this matter —which also implied the use of provisions previously allocated for €527 thousand)— please refer to the section of the Director's Report dedicated to controversies.

EBT

The EBT amounts to €1,525 thousand, improving by €243 thousand compared to the prior year.

TAXES

The aggregate tax burden has decreased by €337 thousand compared to the prior year. Total taxes for the year amount to €729 thousand.
The difference between the actual 2014 tax rate and the theoretical IRES/IRAP rate (31.7%) is described in detail in the dedicated section of the Notes.

PROFIT

In the light of the above, the net profit earned in 2014 amounts to €795 thousand, improving by €580 compared to 2013.

1.5 Analysis of the Balance Sheet

The table below shows the Balance Sheet components reclassified according to financial principles. A comparison with 2013 figures is also provided.

Euro thousand

				31/12/2014	31/12/2013	Difference
A	**Fixed assets**					
		Intangible assets		5.124	7.802	-2.678
		Tangible assets		54.630	59.560	-4.930
		Financial assets		13.815	35.926	-22.111
				73.569	**103.288**	**-29.719**
B	**Working capital**					
		Inventory		372	1.407	-1.035
		Trade receivables		10.592	8.863	1.729
		Other assets		14.574	13.058	1.516
		Trade payable		-8.931	-8.788	-143
		Provisions for liability and charges		-13.969	-14.099	130
		Other liabilities		-31.723	-32.513	790
				-29.085	**-32.072**	**2.987**
C	**Invested capital (less liabilities for the year)**		**(A+B)**	**44.484**	**71.216**	**-26.732**
D	**Staff severance pay**			**2.512**	**2.785**	**-273**
E	**Invested capital (less liabilities for the year and staff severance pay)**		**(C-D)**	**41.972**	**68.431**	**- 26.459**
	funded with:					
F	**Own capital**					
		Paid-in share capital		12.911	12.911	0
		Reserves and results carried forward		26.016	47.101	-21.085
		Profit (Loss) of the year		795	215	580
				39.722	**60.227**	**-20.505**
G	**Medium / long-term financial indebtedness**			**6.000**	**7.500**	**-1.500**
H	**Short-term financial indebtedness (net cash available**					
		Short-term financial payables		1.500	1.625	-125
		Financial assets		0	0	0
		Cash and short-term financial receivables		-5.250	-921	-4.329
				-3.750	**704**	**-4.454**
I	**Indebtedness (Net financial position)**		**(G+H)**	**2.250**	**8.204**	**-5.954**
L	**Total, as in "E"**		**(F+I)**	**41.972**	**68.431**	**- 26.459**

As shown in the table, the capital invested, less liabilities for the year and staff severance pay, has decreased by €26,459 thousand due to the following changes:

- decrease in fixed assets by €29,719 thousand due to:

o decrease in intangible assets by €2,678 thousand, due mostly to new investments made in the year (€707 thousand), less amortisation (€3,385 thousand);

o decrease in tangible assets by €4,930 thousand, due to the effects of ordinary asset depreciation (€7,233 thousand), less the new investments made during the year (€2,303 thousand);

o decrease in financial assets by €22,111 thousand, due to:

▪ the write-down of the book value of the subsidiary Aeroporti Holding (€21,625 thousand) following the corresponding capital decrease implemented by the Company in accordance with the resolution of its shareholders on 9 April 2014;

▪ the reduction in long-term receivables to the subsidiary Aeroporti Holding (€490 thousand) following the total repayment by the subsidiary of the non-interest-bearing shareholder loan made at year-end 2013;

▪ the write-down of the book value of the share held in the subsidiary Sistema (€3 thousand) which, besides, during the year had been increased by €5 thousand following the contribution paid by shareholders to bring the capital to €15 thousand as per shareholder resolution of 18 April 2014;

▪ the increase of cash deposits (€2 thousand).

- increase of working capital by €2,987 thousand, due essentially to:

o reduction of total inventory by €1,035 thousand on aggregate, due basically to the zeroing of the inventory of products intended for re-sale consequent to the change of Airport Retail Corner operator;

o increase in trade receivables by €1,729, due to:

➢ the increase in the total receivables from customers by €1,419 thousand, of which €1,230 thousand arising from the increase in the balance of actual receivables from customers, €50 thousand from the reduction in the balance of credit notes to be issued and €139 thousand from the increase in the invoices to be issued. The increase relates almost entirely to the increase in the receivables from one of the main national carriers, that has increased its exposure by some €1,722 thousand since the end of 2013 as a consequence the critical phase it is experiencing. It is worth noting that an addendum to the agreement for the full repayment of the exposure (signed in October 2014) was entered into with the legal representatives of the carrier in question in January 2015. According to the reformulated agreement, the carrier is expected to honour all its debts by September 2016;

➢ changes in the provision for bad debts, that was reduced by €310 thousand with €527 thousand allocated and €14 thousand used, partially offset by a readjustment to actual needs (€231 thousand).

o increase in other assets (€1,516 thousand) due mainly to the increase in receivables from Group companies (€600 thousand), to the increase in prepayments (€436 thousand) following the carry forward to future years, by the principle of accrual, of the portion of costs incurred for the redundancy scheme launched in 2014 and, for the remaining part, to the increase in other receivables;

- o decrease in trade payables by €143 thousand;

- o decrease in other liabilities by €790 thousand, due essentially to:

- ▪ the decrease in deferred income (€2,265 thousand) in connection with the ordinary release of Olympic Games grants;

- ▪ the decrease in payables to subsidiary companies (€675 thousand);

- ▪ the increase in other payables (€1,998 thousand), of which €883 thousand are greater municipal taxes payable and the rest are mostly miscellaneous other payables;

- o decrease in the provisions for contingencies by €130 thousand.

- decrease by €273 thousand in the exposure towards the employees companies on account of their severance pay.

Own capital decreased by €20,505 thousand due to:

- the decrease by €21,085 thousand in the extraordinary reserve, following the distribution of extraordinary dividends for €21,300 thousand, as per Shareholder resolution of 17 April, and the recording of 2013 profits (€215 thousand);

- the change in the profit of the year, from €215 thousand in 2013 to €795 thousand in 2014.

Net financial indebtedness has improved on aggregate by €5,954 thousand, due to the following changes:

- o 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;

- o reduction in net short-term financial indebtedness by €125 thousand due to the fact that the company did not make use of the credit lines available with banks;

- o increase by €4,329 thousand in the cash and equivalents with banks and in the company treasury, due mostly to the fact that many payments by customers were concentrated in the final part of the year.

1.6 Analysis of cash flow

The operations in the year generated €5,954 thousand in financial resources. Such figure is the result of the cash flow generated by income less costs.

The cash flow from operations, €8,153 thousand in total, derives from the self-financing generated by ordinary and extraordinary operations (€11,603 thousand) and from the variation in net working capital (€3,450 thousand), less write-downs and provisions in the period (€463 thousand).

The cash flow was used to fund investments in intangible and tangible assets (€3,010 thousand) and to distribute the already mentioned extraordinary dividend (€21,300 thousand); it has increased, in the amount of €22,111 thousand, as a consequence of the aggregate impairment of financial assets.

Therefore, the total cash flow from operations amounts to €5,954 thousand. Net indebtedness as of 31/12/2014 has reached €2,250 thousand, improving compared to an indebtedness of €8,204 thousand as of 31/12/2013.

The changes described above are summarised in the table below:

Net Financial Position as of 31/12/2013*		**-8.204**
Self-financing from ordinary and extraordinary operations		11.603
Profit (Loss) of the year	795	
Amortisation, depreciation and write-downs of fixed assets	10.618	
Provisions for bad debts	463	
Net difference in the provision for staff severance pay	-273	
Difference in net working capital after amortisation, depreciation and write-downs		-3.450
Cash flow generated by income		**8.153**
Net cash flow from investments		-3.010
Net difference in fixed assets after write off of dismissed assets		
Cash flow from financial assets		22.111
Dividends		-21.300
Net cash flow from operations		**5.954**
Net Financial Position as of 31/12/2014*		**-2.250**

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

1.7 Analysis of principal financial ratios

	2010	2011	2012	2013	2014
Production value	54.613	58.984	53.051	48.203	48.724
Operating costs	24.189	26.687	25.792	23.946	24.994
Staff	12.455	12.823	12.418	11.873	12.629
GOM	17.969	19.474	14.841	12.384	11.101
Net result	4.458	3.496	-1.167	215	795
Shareholders'equity	65.090	64.582	60.012	60.227	39.722
ROI	9,97	8,72	-0,50	1,90	1,90
ROE	6,85	5,41	-1,94	0,36	2,00
Investments	9.259	9.846	12.718	2.755	3.010
Financial autonomy **(*)**	17.337	18.526	16.534	13.792	11.603
Accounts receivable from customers	18.031	16.797	9.376	8.863	10.592
Average length of trade receivables	130	118	68	71	84
Accounts payable to vendors	14.128	11.841	12.400	8.788	8.931
Average length of trade payables	214	162	175	134	130
Net earnings per share	1,78	1,40	-0,47	0,09	0,32

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

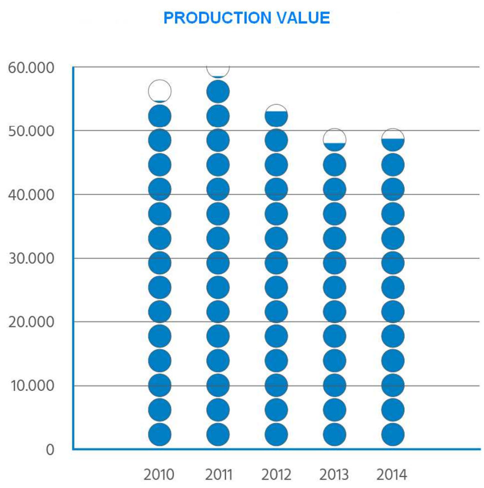
ROI: net profit / investments

ROE: net income / shareholders' equity

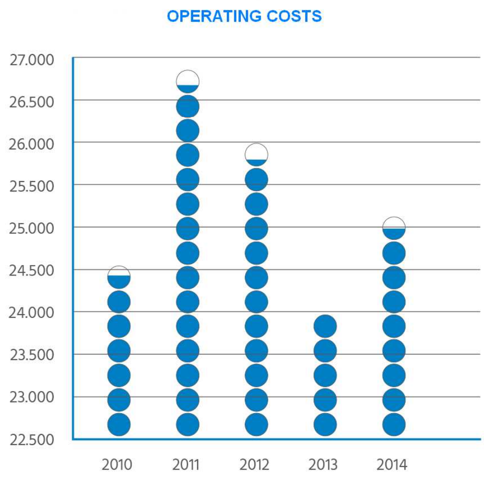
AVERAGE LENGTH OF RECEIVABLES: trade receivables / trade earnings (caption A1 of IV EEC financial statements)

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

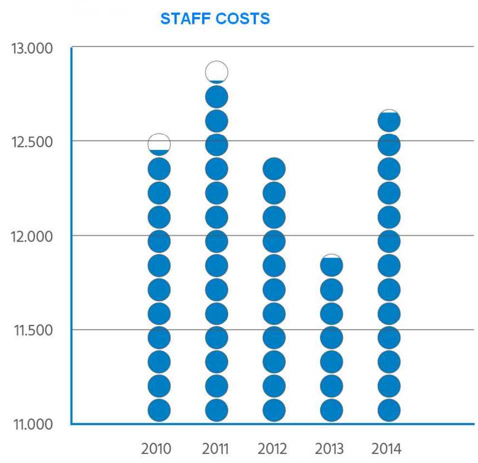
NET EARNINGS PER SHARE: in 2009, following a capital increase at no charge, the number of shares increased from 1,970,000 to 2,502,225.



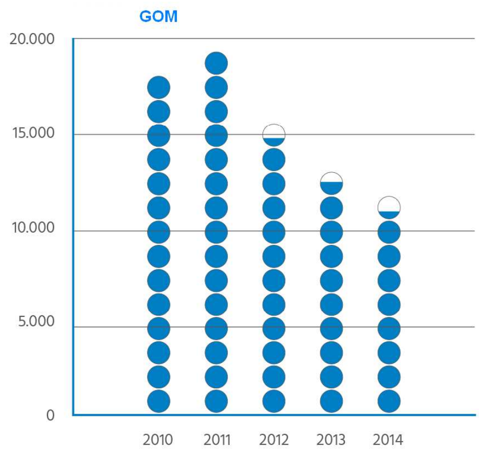
PRODUCTION VALUE
60.000
50.000
40.000
30.000
20.000
10.000
0
2010
2011
2012
2013
2014



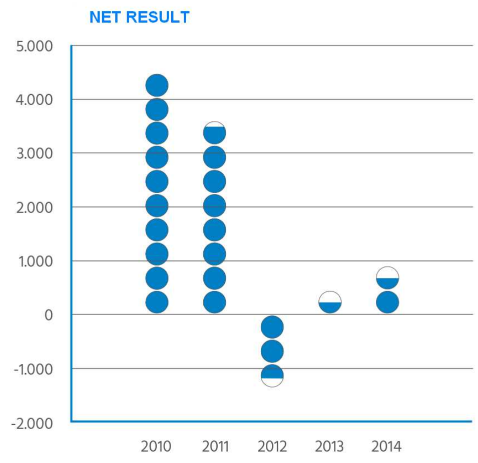
OPERATING COSTS
27.000
26.500
26.000
25.500
25.000
24.500
24.000
23.500
23.000
22.500
2010
2011
2012
2013
2014



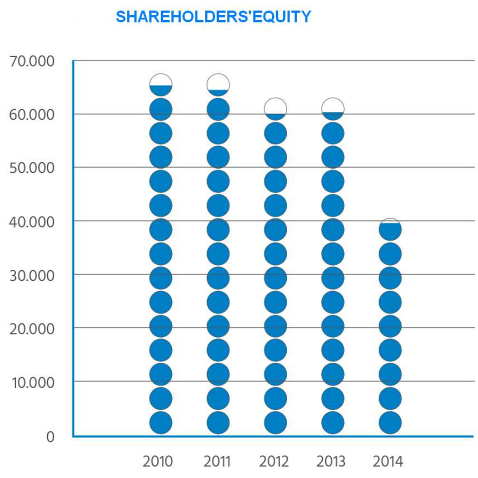
STAFF COSTS
13.000
12.500
12.000
11.500
11.000
2010
2011
2012
2013
2014



GOM
20.000
15.000
10.000
5.000
0
2010
2011
2012
2013
2014

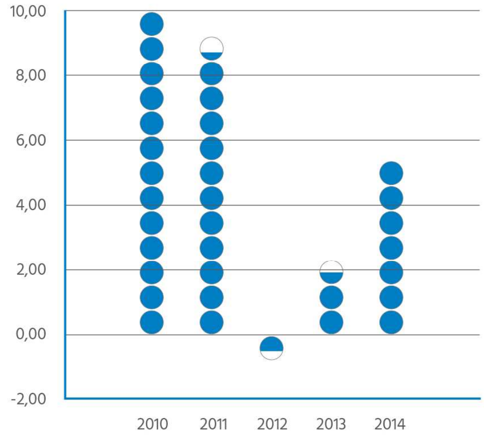


NET RESULT
5.000
4.000
3.000
2.000
1.000
0
-1.000
-2.000
2010
2011
2012
2013
2014

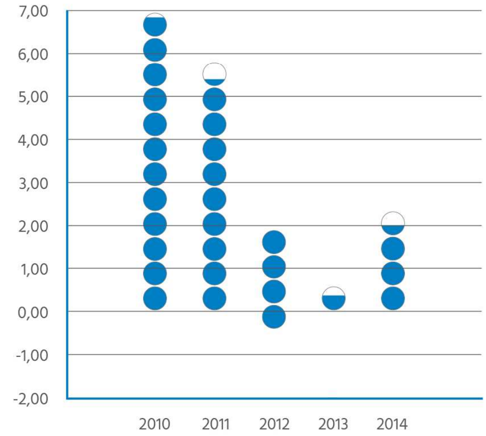


SHAREHOLDERS'EQUITY
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0
2010
2011
2012
2013
2014

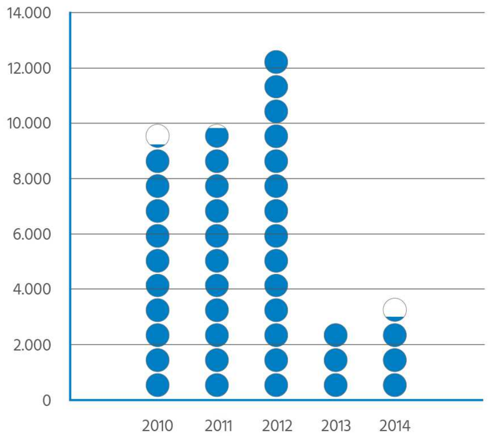
ROI



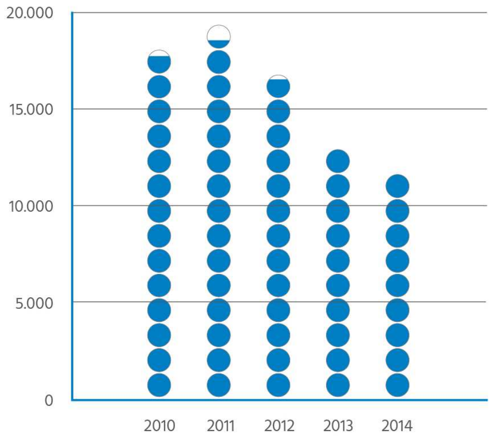
ROE



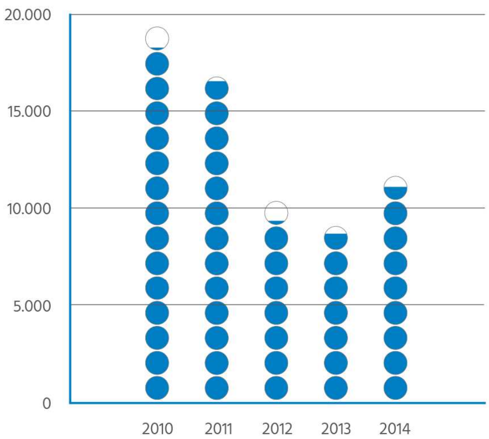
INVESTMENTS



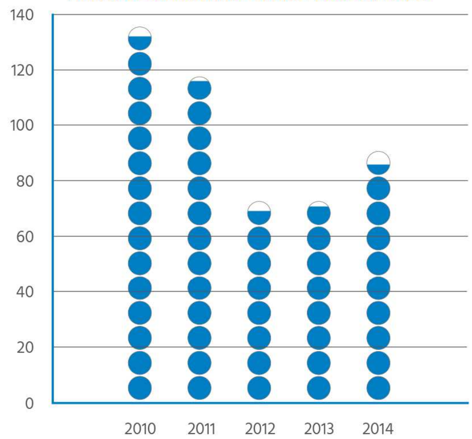
FINANCIAL AUTONOMY

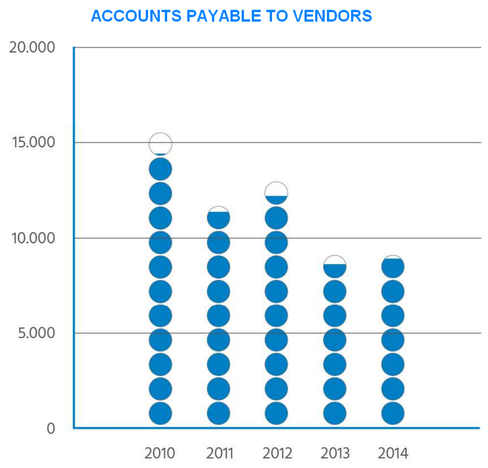


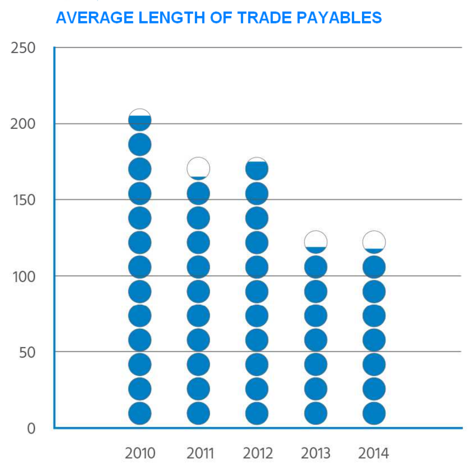
ACCOUNTS RECEIVABLE FROM CUSTOMERS

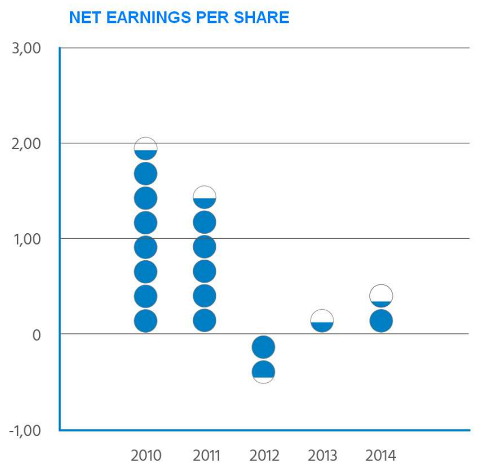


AVERAGE LENGTH OF TRADE RECEIVABLES









1.8 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, the highlights of which are provided further on in this Report.

FEES

Airport fees were adjusted as provided for by the law (see the section "Regulatory framework" above).

1.9 Retail services

The performance of the retail business in 2014, that ends the year with an 8.7% decrease in earnings compared to 2013, was affected mostly by the performance of Airport Retail Corners, that SAGAT ceased operating in July 2014.

The business was subcontracted to a leading international operator, the Heinemann Group, that started its activity in November 2014.
This new state of things implied the reclassification of the dedicated business unit within the Income Statement, where the corresponding earnings and costs were both reduced. Positive margins are expected by such change, in the light of the new operator's expertise and knowledge of the specific sector.

The positive trend of passenger traffic was counterbalanced by the macro-economic situation, that caused a general lower inclination to spending of both consumer and corporate customers.

The launch of new shops at the airport, with international operators (Heinemann and Tiger) and major regional ones (Gobino, Borbonese) contributed to counter the prospective negative effects of the current real economy crisis.

RETAIL, FOOD & BEVERAGE SUBCONTRACTS AND DIRECT ARC OPERATION

In 2014 the subcontracted retail business benefited from the launch of certain new shops, as described above, as well as from the new Duty Free layout.

The earnings in the Food & Beverage segment remained basically stable.

NON-RETAIL SUBCONTRACTS AND ACTIVITIES

While the earnings from the Rent-a-Car segment remained stable, the aircraft refuelling business showed a slight improvement.

The earnings from the sublease of non-retail spaces decreased in 2014 by about 10%, due to the dismissal of airline VIP lounges, replaced by a common VIP lounge operated directly by SAGAT, the earnings from which are recorded under the caption "Non-aviation services".

PARKING LOTS

The billing volume from the parking lots in 2014, €5,427 thousand, was basically the same as in 2013.
The main reasons are, on one hand, the reduction in the number of passengers in transit at the airport and, on the other, the effects of the general economic scenario, that has presumably changed travelling habits (shorter trips) with direct impact on average parking length, plus the effect of increasingly aggressive competitors outside the airport grounds (there are 9 of them presently).
Last but not least, it should be pointed out that SAGAT took the burden of the VAT rate increase that came into effect in October 2013 without reflecting it on the end prices.

ADVERTISING

Advertising income saw a decrease in 2014, amounting to €379 thousand.
An arm's length agreement was entered into with a new subcontractor at the beginning of 2014. The decrease in advertising income owes to the economic and business difficulties of the previous operator, that could no longer sustain the terms originally agreed upon.
It is worth mentioning that the new operator, a market leader, apart from guaranteeing continuity and ideally even improvements in this segment, will also implement a modernization of the facilities at the airport, making the —now urgent— relevant investments on its own.
The performance in this segment also reflects the decrease in co-marketing activities by some €100 thousand, with a corresponding reduction in costs.

1.10 Quality

SAGAT S.p.A. has been UNI EN ISO 9001:2008 certified since December 2009.
On 27 November 2014, the certification body TÜV-Italia performed its annual audit without detecting any non-compliance; on the contrary, it formulated two positive remarks (one of which relating to the complaint handling process) and a comment about further improvement opportunities for our Quality Assurance System. Therefore, the validity of our three-year certificate for the period 2013-2015 was confirmed.

QUALITY POLICY

SAGAT's Quality Policy is based on being aware of two things: on one hand, an entity responsible for the management of such an essential public service as an airport cannot fail to regard passengers/customers as the pivotal elements of its mission.
On the other hand, the increasingly aggressive competition among airports and the alternative offer of high-speed railway connections call for a scrupulous attention to the quality of our offer and services to users.
Therefore, the Company has launched a major plan for improving the infrastructure and the quality of passenger services.
SAGAT has given a priority strategic value to quality, across all corporate processes, and has committed to a strict application and continuing improvement of its QA System.
The Quality Policy released in November 2014 has therefore set the following goals:

a) to pursue excellency 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 respect of airport operators;

c) to make company organization even more efficient, through training, refresher courses and qualification of its human resources, and assessing the relevant effectiveness in terms of service quality and compliance with procedures;

d) to monitor consistently offered and perceived quality indicators, reviewing the results so that possible lines of action or opportunities for further performance improvement may be determined;

e) to operate in strict compliance with the laws in force on Service Quality and with the provisions of UNI EN ISO 9001 rules.

CUSTOMER SATISFACTION

In 2014 the forms of surveying customer satisfaction were discontinuous.
In order to gain a more exact picture of customer satisfaction levels, starting from 2014 we changed the frequency by which questionnaires were administered, the quality parameters surveyed being equal.
In the past the Company used to perform three research fields, in periods that reflected the stratification of the reference universe (April, July and November). But starting from this year the face-to-face questionnaires have started to be administered almost daily.
The selection and sizing of the sample comply with the provisions of ENAC Circular APT-12, that on 31/10/2014 was superseded by the new Circular January 06 entitled “Quality of Services in Air Transport: Standard Service Charters for Airport Management Companies and Airlines”. The latter Circular requires airports with a total traffic between 2 and 5 million passengers per year to obtain a sample of 1,100 interviews.

In 2014 SAGAT performed over 1,400 surveys with an even number of answers (as per ENAC suggestions), i.e. six degrees of judgement where 1 = very low and 6 = excellent. The satisfaction rate is measured calculating the percentage of positive answers (4, 5 and 6) out of the total of positive and negative answers.
Also, the size of the sample has changed compared to the past. While the sample of 1,413 units exceeds the minimum size required by ENAC, it determines an increase in statistic error (from ±1.8% to ±2.6%, but still below the maximum associated error of ±3% as per ENAC indications).
Therefore, the change requires greater caution when comparing 2014 results with 2013 ones, and consequently with the standards established in the Service Charter 2014.
As mentioned earlier, we deem that the almost daily frequency of collection of perceived quality judgements will give a more realistic picture of the degree of satisfaction of our customers.
For thoroughness of information about the meaningful variations compared to 2013, it should be pointed out that passenger traffic grew by 8.6% between 2013 and 2014. Therefore, 2014 compares with a year in which the drop in traffic volumes might have affected the accomplishment of particularly positive quality goals.

COMPARISON BETWEEN COMMITMENTS AND QUALITY RESULS OBTAINED IN 2014

Indicator % of satisfied passengers with respect to:	**Goal * 2014**	**Results 2014**
Delays caused by station error	0,75%	0,08%
Misguided luggage per 1.000 passengers caused by station error	1 / 1.000	0,17 / 1.000
First luggage item claim time (in 90% of cases)	20’	18’26’’
Last luggage item claim time (in 90% of cases)	24’	23’58’’
Waiting time on board until first passenger disembarks (in 90% of cases)	4’00’’	(4’13’’)
% of satisfied passengers with respect to:		
Safety of individuals and belongings	90,5%	99,3%
Airport cleanliness	91,5%	95,4%
Restroom cleanliness	88,0%	(77,7%)
Luggage cart availability	88,5%	(84,5%)
Availability/quality/prices of shops and newsstands	91,0%	94,6%
Availability/quality/prices of cafeterias	92,0%	96,0%
Availability/quality/prices of restaurant	89,5%	(74,9%)
General quality of information service	87,5%	98,0%
Staff politeness	91,0%	96,5%
Staff professionalism	90,5%	98,9%
Waiting time at ticket counters	89,0%	96,5%
Waiting time at check-in	94,0%	95,6%
Waiting time at passport control	92,0%	94,8%
Availability, frequency, timeliness and price of public transport	74,5%	90,2%

*Standards included in the Service Charter 2014.

As shown in the table, the quality standards set by SAGAT and the passengers' opinions about the service at the Turin Airport are definitely good. In 2014 the services provided

were again judged excellent, even taking into account the higher margin of statistic error mentioned above.
Unsurprisingly, the three indicators where our "promise" to passenger was not fulfilled (shown between parentheses in the table) are in any case at more than acceptable levels —however, improving them remains obviously a must. The downward deviation from the set standards is due, apart from the statistic error mentioned above, to the following reasons.

Perception about restroom cleanliness and functioning

It is reasonable to assume that the lower traffic volumes of 2013 may have affected user perception positively and that, conversely, the greater traffic of 2014 may have had a negative impact. However, more plausibly, the deviation is due to the fact that passenger feedback is now being collected daily, providing a steadier picture of user perception.
In order to improve in any case the cleanliness and proper functioning of the restrooms, we launched an action plan that included, among other things, the setting of new working shifts by the cleaning contractor, the replacement of certain supplies and the short and medium-term planning of infrastructure investments.
Besides, the results relating to the restrooms are counterbalanced by a decidedly high satisfaction rate (95.4%) about airport cleanliness in general.

Perception about luggage cart availability

It should be noted that, in itself, this parameter is positioned in the full satisfaction range (84.5%), despite being below the standard set in the Service Charter (88.5%).
And, account taken of statistic error, the difference between actual result and standard thins definitely out and does not give rise to particular concerns.

Perception about the availability/quality/prices of restaurants and cafeterias

In this case too the aggregate parameter (restaurants and cafeterias) is positioned in the full satisfaction range (85.5%), despite being below the 90% standard set in the Service Charter. The figure is affected by the performance of the restaurant (only 74.9% users were satisfied versus a target of 89.5), while cafeterias score a remarkable 96%.
SAGAT has already taken due action with the subcontractor concerned, using the available contractual leverage.

Waiting time on board until first passenger disembarks

Regarding this indicator, that exceeds by 13 seconds the standard set in the Service Charter 2014, it is worth noting that such a minimum deviation has no significant effect on the general quality perceived by users.
On the other hand, we cannot exclude that the deviation might be the mere consequence of a rounding off due to the different forms of recording in the “hours-minutes” format.

PASSENGERS WITH DISABILITY OR REDUCED MOBILITY (PRM)

Passenger traffic in 2014 included more than 20,500 passengers with disability or reduced mobility at Turin Airport, 19% more compared to the prior year.
Taking advantage of the opportunity offered by the insourcing of customer satisfaction surveys related to the new method of interviewing, we have deemed it appropriate to enlarge the sample base in order to have a more effective survey of PRM opinions.
With the previous research fields, carried out in three periods of the year, customer satisfaction levels were equal or very close to 100%, but paradoxically we could not assume that they reflected well enough the natural degree of PRM satisfaction. In fact, customer opinion rarely remains steady at "near-perfection" levels; it more often reflects the subjective nuances of those who —according to the disability they suffer from— feel that the service received is more or less in line with their expectations.

Therefore, the 2014 sample was meaningfully enlarged (about 550 interviews) and represents 2.7% of total PRM traffic. Moreover, the field was “diluted” continuatively throughout the year.
The more than proportional growth in the sample base compared to the reference universe was therefore intentional, and aimed at obtaining less “absolute” and more plausibly realistic data.
It is worth noting that all the figures for 2014 —while decreasing compared to 2013— remain in the excellency range, way above the 80% threshold.
In 2014 the aggregate PRM satisfaction rate was 99.1% (it was 99.5% in 2013).

COMPLAINT MANAGEMENT

Complaint management received some innovation in 2014, allowing SAGAT to obtain a positive remark from the Certifying Body at the verification audit performed in November 2014 to maintain the three-year UNI EN ISO 9001:2008 certification.
The greater sensibility and care for the centrality of passengers were reflected in the number of complaints and reports handled in 2014 compared to the prior year (93 in 2014 vs. 31 in 2013). The average response time was 4.2 days.
Besides, almost half of the mail received were complaints of technical nature caused by the customers' failure to comply with the terms of use for the online parking reservation service.
All reports, including unjustified ones, were replied to. In a spirit of utmost care for our customers, whenever we felt it appropriate we also offered our customers a “complimentary bonus” for half the amount complained about, even when the complaint was without reason.
Starting from 2014, the QA Service, without prejudice to the duties of the Press Office, also monitors what we may call “indirect” complaints, i.e. the letters sent by citizens to the local dailies, as well as the news published in the press. Where necessary, these reports too are given due receipt of, again in a spirit of passenger centrality and in the attempt to achieve continuing improvement of airport services.

1.11 Public relations and comunication

In 2014 SAGAT strengthened and improved its ties with the companies, authorities and administration bodies in its territory.
The Company also launched a series of communication initiatives aimed at increasing Airport popularity and spreading knowledge about the services offered.
PR and communication activities were multi-targeted: to the corporate world, to cultural and social operators in the territory and to potential passengers.

EVENTS TARGETED TO INSTITUTIONS, BUSINESSES AND TRADE

In January 2014 SAGAT organized a round table entitled *“Turin, an airport for a town open to the world: the transformation of the town and of its territory, the new entrepreneurial, innovation, cultural and tourism trends and the challenges of the coming years”*, with the purpose of networking and highlighting the local excellencies and to make airlines aware of the potential of Region Piedmont in the tourism, cultural and economic field, promoting airport services and raising the awarenes of institutions and business people on the subject.
The event took place at the Royal Theatre of Turin and was coordinated by the Editor in Chief of La Stampa, Mario Calabresi. It was also attended by the Mayor of Turin Piero Fassino and by representatives from the academic, cultural and industrial systems of the town, in a debate with airline and tour operator representatives.

In May SAGAT organized the workshop “Flying from Turin is easier” dedicated to the trading segment to promote communication channels and study new forms of cooperation between the airlines operating at the airport and Piedmontese tour operators and travel agencies.
SAGAT, in partnership with Transavia, also contributed to presenting the Turin-Amsterdam route to travel agents, at an event held at the landmark building Mole Antonelliana.
In May, the Turin Airport hosted the annual meeting of API Torino at its General Aviation terminal.

CULTURAL AND CHARITABLE JOINT INITIATIVES

In the cultural framework, SAGAT confirmed its cooperation with the National Museum of Cinema, with a stronger contribution to the development of the tourism-related and cultural vocation of the territory and to the promotion of one among the favourite sites of the tourists who come visit Turin. For the first time, the Museum found a "second home" at the Turin Airport: starting from June, passengers were offered a premiere of the exhibitions being held at the museum building in a dedicated area of the Arrivals Hall, while interactive totems distributed at both Arrivals and Departures let visitors explore the museum's rich collections, through a searchable selection of museum archives, and to learn all the museum's events and initiatives, including festivals.

Apart from these initiatives, in 2014 SAGAT carried on its partnership with the major cultural authorities like the Royal Palace of Venaria Reale, the Sandretto Re Rebaudengo Foundation, the Royal Theatre of Turin, the Stefano Tempia Academy, the Book Fair, the Turin Jazz Festival, Artissima, the Collisioni Festival and many social operators such as CasaOz, AISM, AIL, the Rotary Club and the fund-raising activities of NGO's such as MAS Children e OAFI.
SAGAT also cooperated with CPD in driving people with reduced mobility, and with Assaeroporti in the Government campaign “Safe Italy”, with the project entitled “Friendly Piedmont – Homophobia? No, thanks”, with the Municipality of Turin for Italy's six-months period of chairmanship of the Council of Europe and for the conference on the European Social Charter.
SAGAT also carried on its strong and fruitful partnership with the Tourism Authority of Turin and its Province in the promotion of Turin as a tourism destination through the implementation of press trips, mailing out of newsletters and promotional initiatives targeted to tourism operators.

ADVERTISING CAMPAIGNS

In 2014 the Turin Airport promoted itself with several advertising campaigns.
The first one, entitled *“Flying from Turin is easier”* was launched in Spring to promote the network of connections available from Turin and the new seasonal routes for the Summer; a second campaign, entitled *“You can tell a big gift from the ticket”* was aimed at giving maximum visibility to the connections and offers of the airlines flying from Turin, combined with a promotion on parking fares. Both campaigns were advertised in the main daily newspapers, in the metro and on the radio.
SAGAT also cooperated with Gruppo Alpitour in the campaign *“Time flies when on holiday. Fly from Turin!”*, sponsoring the Summer holiday destinations reachable from Turin and for which Alpitour associates sell packages.
Last but not least, a campaign dedicated to the upcoming Winter season was launched, with the title *“Fasten your ski boots”*, that was advertised, among others, also in the British review “Telegraph”.
Additional co-branded campaigns for the promotion of flights to/from Turin were implemented with Air Moldova, Blue Air, Brussels Airlines, Etihad Regional, Germanwings, KLM, Meridiana, Turkish Airlines, Vueling, Wizz Air, including for the promotion of the Vola TorinoPass.

SPECIAL EVENTS

In 2014 the Turin Airport even opened up to families, hosting more than 350 children accompanied by their parents during the two-days event entitled “Airport with open doors”, on the first weekend in June. The children were able to visit the airport and look closely at many of the activities that are carried out there, like the falconry service, the Fire Brigade, the helicopter pilot team and the Airport Safety and Suitability Department. The initiative was hugely successful, and the places available were all booked in a few hours.

SAGAT also inaugurated its Baby Lounge, a premise located in the air side of the boarding area, entirely reserved to children and their parents. In partnership with the Italian and Provincial Committee for UNICEF of Turin, an area called “Baby Pit Stop” was also created inside the Baby Lounge, reserved to breastfeeding mothers.

RELATIONSHIPS WITH THE MEDIA

In this framework, SAGAT promoted all the new connections and services launched during the course of the year.

The most important events included the launch of the twice-daily flight to Amsterdam operated by KLM, inaugurated officially with a press conference and an opening gala attended by Pieter Elbers, CEO of KLM. The new connection was also promoted for the press with a press trip organized by SAGAT and KLM, to which journalists from the leading local newspapers and TV's were invited.

Another major event was the launch of the Vueling base in Turin, with one aircraft stationed there starting from September, and the launch of multiple daily flights to Rome Fiumicino. The press conference called for the announcement, held in July at the Medieval Hamlet, was also attended by Vueling's CEO Alex Cruz.

Great visibility was also given to the new connections to Eastern Europe, with the pres conference that presented and inaugurated the first Turin – Bucharest flight by Wizz Air, the largest low-cost airline in Central and Eastern Europe, and with the event for the inauguration of the first Turin – Chisinau flight operated by Air Moldova. On this latter occasion, the aircraft was saluted by the Fire Brigade with a water arch that won the “Arch of Triumph” award of the popular aviation website anna.aero as best water arch in 2014.

Other press conferences and press releases concerned the launch of flights and services, including:

- the new Vola TorinoPass card;
- the new Winter route Turin – Manchester by Jet2.com;
- the 2014 Summer schedule from Turin by Ryanair and the new route to Alghero;
- the Summer routes from Turin to Olbia and Palma de Mallorca by Volotea;
- the 2014-2015 Winter schedule from Turin by Ryanair and the new route to Eindhoven;
- the renovation of the retail area of the Turin Airport with the opening of the new shops and the new Heinemann Duty Free;
- the new Winter connection Turin – Warsaw by Wizz Air;
- the Blue Air base of operations at Turin and the launch of connections to Catania;
- the 2015 Summer schedule from Turin by Ryanair and the new route to Palermo.

And also:

- the record-breaking number of charter flights in a day for the Europa League football final on May 14, when the teams of Benfica and Sevilla played at the Juventus Stadium (41 charter flights and 7,300 fans arriving). An open-door day was organized on this occasion, allowing photographers and aficionados to take close snapshots of the tens of aircraft parked in the aprons;

- the departure of special cargoes on account of Thales Alenia Space;
- the opening of the EXPO 2015 info point.

In October, SAGAT implemented together with ENAC an awareness-raising campaign targeted to departing passengers, about the items not allowed on board, so as to speed up the controls at security gates.

Moreover, in 2014 the company continued its internal and public communications campaign on the power management system in order to obtain TUV ISO 50001 certification for its power management system. In this regard, the Turin Airport joined the *"M'illumino di meno"* ("Dim down the lights") energy-saving day sponsored by the radio show *Caterpillar* (RAI Radio2) and turned off the beacons of its apron South for one hour.

1.12 Environment

ENVIRONMENTAL POLICY

The main goals of the environment policy promoted by SAGAT are the enforcement of the regulations governing the matter, the cooperation with neighbouring communities and local authorities at specific programmes, and the reduction, where possible, of impacts (air, water, noise, wastes) caused by airport operations.
SAGAT is committed to spreading and strengthening a culture of environment protection, raising awareness about environmental factors among all its employees through proper training, the compliance with internal rules and procedures being guaranteed.

ORGANIZATION AND MANAGEMENT SYSTEM

SAGAT has organized itself so that its Environment, Engineering, Operations, Prevention and Protection divisions work in close cooperation to cope with the various environmental aspects related to airport activities, resource consumption and waste generation and disposal according to the Organization Model, Special Section 1 – Environment, pursuant to Decree Law no. 231/2001.
Starting from 2013, SAGAT has started a process that will lead to the adoption of an Environment Management System based on ISO 14001:2004 standards, with the ultimate aim of setting up an integrated system for the management of Environmental and Occupational Safety and Health aspects, based on OSHAS 18001:2007 standards.

WASTE MANAGEMENT

As far as waste management is concerned, the activities pertaining to SAGAT consist of the management, from collection to delivery to the dumping ground, of the wastes produced by the activities of the airport and of the operators that under various respects are present in the airport grounds. The entire process complies with the environmental laws in force and with airport operation procedures.
In recent years, recycling areas have been set up to collect different types of wastes: this allows all airport divisions and operators to correctly separate and dispose of the wastes at authorized public sites.
The containers used for waste collection are identified and signalled as provided for by job safety and environmental regulations in accordance with the degree of hazard carried by each type of waste. All temporary disposal areas are signalled with boards indicating which types of wastes they accommodate and their respective degree of hazard.

WATER TREATMENT

The environmental impact on surface waters deriving from the operations at Turin airport relates to the management of rainwater on the runway and aprons, which is treated by means of dedicated purification plants.

The rainwater falling on the aprons is channelled to a de-oiler, located near head 36 of the runway, where a lamellar treatment system removes any hydrocarbons in the water.

The construction of a system for the collection and treatment of the rainwater falling on the takeoff and landing runway, denominated "first rain tanks", was completed in 2012. The discharge of industrial waste waters in the sewerage system was authorized in 2013, and the town's water management authority verified its proper operation on location in 2014.

A new purification plant for the waste waters from the washing apron in front of the airport vehicle repair workshop was completed in 2013. The discharge of these waters, classified as industrial waste waters, was authorized in January 2014.

AIRPORT NOISE

This environmental factor affects especially those communities that live closer to the airport. SAGAT is constantly committed to an efficient and effective noise management, guaranteeing on-going communication and exchange with the competent authorities and developing noise abatement projects.

The Airport Noise Commission, created pursuant to former art. 5 of Ministerial Decree 31/10/97 *“Methods of airport noise measurement”* and formed by ENAC, ENAV, Ministry of the Environment, ARPA Piemonte, Regione Piemonte, Province of Turin, Municipality of Caselle Torinese, Municipality of San Francesco al Campo, Municipality of San Maurizio Canavese, airlines (AOC) and SAGAT, approved airport zoning for the Turin Airport on 16/01/2013.

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 and corresponding types of construction allowed therein.

To define the portions of land included in such buffer zones (A, B and C) the so-called “planning approach” was followed, which is the state-of-the-art method to find a balance between airport enlargement plans, town plans and municipal noise pollution classification plans. The result obtained could match the need for protecting and improving the territory with the airport enlargement forecasts for the coming years.

In particular, 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 zone C is entirely within the airport grounds.

In 2014, in compliance with Ministerial Decree 29/11/2000 *“Criteria to be followed by the companies and entities managing public transport services or their infrastructures in the drafting of intervention plans for noise mitigation and abatement”*, the airport management company developed a specific study to verify possible noise exceedance events in the airport zoning approved in 2013, and the noise levels resulted below the limits set for the zoning.

SAGAT's strategy to ensure that the increase of aviation traffic at the airport is compatible with the sound climate aroung the airport grounds is based on the following initiatives and investments:

- steady monitoring of airport noise levels via the airport noise monitoring network composed of 8 measurement stations;
- calculation of the sound indicators as established by Italian and EU regulations;
- verification of compliance with noise-prevention procedures;
- study of the acoustic impact around the airport grounds via simulations based on INM software;
- handling of residents' complaints through the analysis of the aviation activities that caused them and proposals for mitigating actions;
- sharing of airport and land planning instruments with the territorial authorities;

- cooperation with the authorities in charge of airport noise pollution management, in the form of dedicated round tables.

ENERGY MANAGEMENT SYSTEM

In SAGAT's view, energy management is an essential component of sustainable development, and has chosen to have its EMS certified under the UNI EN ISO 50001:2011 international standard.
This standard provides a reference framework for the integration of energy performance in business operations. It promotes the best engineering/management practices for energy efficiency in the projects for the reduction of greenhouse gas emissions.
The certification process started in 2011 and involved the entire company, giving value to the existing best practices, the structures and professional profiles in the company, and promoting the development of a mindset focused on the saving and the correct use of energy.
In June 2012 the Turin Airport became the first airport in the world to obtain the TÜV certificate for its EMS, and is among the first certified airports in Europe.

The actions taken under the improvement plans established in the EMS allowed us to improve the efficiency of the end uses of energy at airport infrastructures, and included:
- management actions aimed at maximizing plant and infrastructure operation;
- installation of inverters on the electric engines of air conditioning systems;
- improvement of the plant monitoring and supervision system;
- installation of high efficiency lighting systems;
- improvement of air conditioning and heating systems efficiency.

As a consequence of the various initiatives launched, a significant reduction in energy consumption was obtained, from 6,502 TOE (tonnes of oil equivalent) consumed in 2011 to 5,311 TOE consumed in 2013. Consumption trends continued to perform well in 2014, achieving a further reduction by about 3% compared to 2013.

Apart from improving the efficiency of its systems, promoting the use of renewable sources was one of the goals of SAGAT's energy policy: starting from 2012, 20% of the power purchased comes from a certified renewable source.

In 2013 the Turin Airport joined the *“M’illumino di meno”* ("Dim down the lights") energy-saving day sponsored by the public radio channel RAI Radio2, and turned off the beacons of one aircraft parking apron for one night. In 2014, all technical approvals were collected for the turning off of the beacons of aprons Kilo and General Aviation in all the nights of the year where there are no aircraft stationing in them.

The Airport's joining the *“M’illumino di meno”* initiative was an opportunity to launch an in-house communication campaign about energy saving and the EMS. Its slogan, *“L'energia non vola via"* (“Power won't fly away”) is accompanied by a green logo in the shape of an apostrophe encompassing the silhouette of an aircraft, which appears in the various installations set up around the workplaces to raise employee awareness on energy saving and on the good practices that contribute to achieving the company's energy saving goals.

1.13 Staff and organization

ORGANIZATION

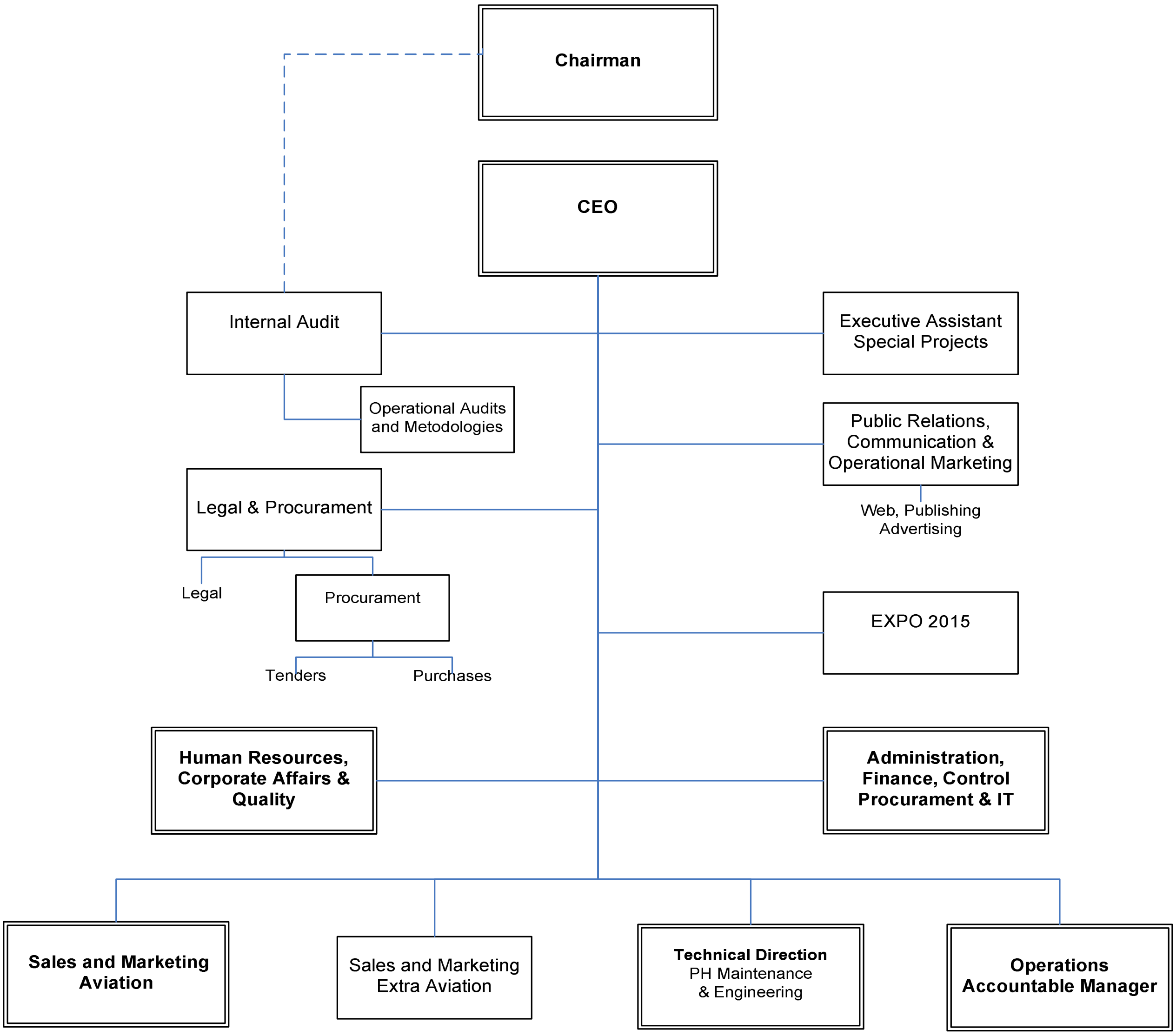
During the course of 2014 the organizational structure underwent certain changes that affected both operating and commercial areas.

In July in particular, Order No. 2/2014 established a thorough organizational review that followed, among other things, the lay-off procedure implemented and the transfer of SAGAT Engineering personnel. In particular:

- The commercial business was separated, with the creation of a “Commercial Marketing Aviation” Department and a “Commercial Marketing Extra Aviation” Department.
- A “Legal and Buying” Departyment was created, that reports directly to the CEO.
- The Quality Departments was absorbed by the Human Resource Department, that was renamed “Human Resources, Corporate Affairs and Quality” Department.
- A new Design Department, in charge of the functions previously carried out by SAGAT Engineering s.r.l., was added to the Airport Operations Management Department and a specific Environment Department was also created.

On 30 September, Order No. 3/2014 established the creation of the Engineering Department, reporting directly to the CEO, and the abolition of the “Engineering Area” that reported to the Operations Management Department.
The current organization chart is provided below:

ORGANIZATION CHART OF SAGAT S.p.A. AS OF 31/12/2014



STAFF

The aggregate number of SAGAT Spa employees as of 31.12.2014 (231) has increased compared to 31.12.2013 (+5), taking into account the transfer of 6 employees from SAGAT Engineering last August. The average annual headcount is 230.25, increasing by 7.42 compared to the prior year.

It is worth noting that, starting from January, when Project Matrix was launched, 18 people (of which 8 from SAGAT Handling, first seconded and then definitively transferred since May), after completing a thorough training and professional qualification programme, started working as security guards at the security gates, a service that was formerly carried out by Police officers and not included in the responsibilities of SAGAT Spa.

The tables below show the breakdown of employees.

EMPLOYEES AT SAGAT S.p.A. as of 31/12/2014 (headcount)

Table A
Permanent employees

	EMPLOYEES	EQUIVALENT FULL TIME
Executives	5	5
Total clerical staff	128	126,88
Total blue-collar staff	84	83,87
Total Table A	**217**	**215,75**

Table B
Term employees

	EMPLOYEES	EQUIVALENT FULL TIME
Term Employees	14	8,74
Apprenticeship Contracts	0	0
Trainees	0	0
Total Table B	**14**	**8,74**

Total A + B	**231**	**224,49**

INDUSTRIAL RELATIONS

In 2014 SAGAT S.p.A. entered into a major agreement with the trade unions, aimed at facing the challenges of a market that is becoming increasingly difficult and competitive, in a scenario characterized by:

- the increasingly aggressive competition of the airports of Malpensa, Orio al Serio and Cuneo and of high-speed trains on the Turin-Rome route;
- the economic crisis that causes a lower inclination to travelling, for leisure and for business, and lower spending at the Airport shops;
- the increasingly aggressive competition in the car parking business;
- the default in payments by certain carriers and the developments in the airline market, with demand for new services and lower rates;
- the long-term gap in the fee application system, that has stopped most fee increases from the year 2000 on.

The most significant clauses of the agreement were the following.

- Lay-off procedure. A mandatory procedure was opened and then formally launched by agreement with the trade unions dated as of 26 February 2014. As a consequence of the procedure, implemented for restructuring purposes, 15 employees who, by age and/or years of creditable service, met the requirements to receive their retirement benefit either during or at the end of the lay-off term, have left the company. The employees involved in the lay-off procedure benefited from the Special Income Support Fund for the air transport business, thanks to which they could receive a lay-off pay of up to 80% the last gross yearly pay they were receiving while working at SAGAT.

- Holiday leave. An extraordinary programme relating to unused days of leave was started already in 2013. The maximum amount of unused leave allowed is now 5 days per employee.

- Welfare. The Company has maintained certain major welfare components in its employees' pay, such as kindergarten and nursery school allowances, but has now capped them. However, certain non-welfare gratuities (such as the 50% refund of one air ticket per year and the Christmas gifts) were abolished, and the amount of the long-service bonus was cut down.

TRAINING

During the course of 2014, SAGAT S.p.A. promoted its employees' skills in the professional and engineering areas, through its own trainers and through contracted training companies, taking into account the requirements imposed by the Quality Certificate obtained from TUV Italia.

The employees of SAGAT S.p.A., including outsourced workers and subcontractors, in 2014 attended 595 training courses for 3,146 training hours, that involved 1,806 participants for a total of 10,570 hours.

Of these courses, in-house training services offered 225 courses for 511 in-class training hours that involved 687 participants for a total of 2,631 hours/employee, while the courses offered by contracted trainers were 370 for 2,635 teaching hours, and involved 1,119 participants for a total of 7,393 hours/employee. Part of these courses were funded by professional funds such as Fondimpresa, or by launching company-internal training plans.

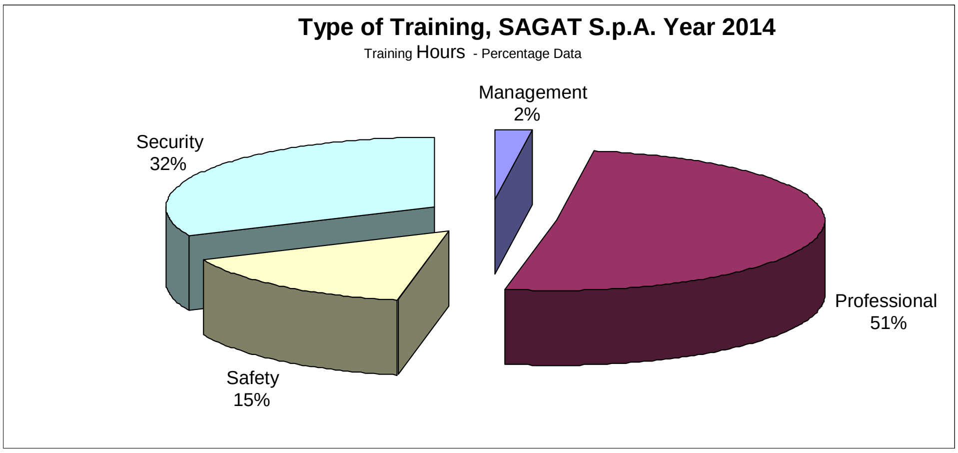
The table below summarises the total internal and external training offered and/or carried out for the personnel of SAGAT S.p.A., of interim companies and of SAGAT S.p.A. subcontractors, including the training offered by SAGAT S.p.A. on behalf of Government bodies.

SAGAT S.p.A. Totals Year 2014	SAGAT Trainers	Contracted Trainers	Totals
Courses	225	370	595
Participants	687	1.119	1.806
Teaching hours	511	2.635	3.146
Partecipant training hours	2.631	7.939	10.570

SAGAT	Women		Men		Totals	
Position	**Participants**	**Training hours**	**Participants**	**Training hours**	**Participants**	**Training hours**
Executives	0	0	3	17	3	17
Junior executives	28	257	39	253	67	510
Clerks	205	1810	226	1494	431	3304
Blue collars	96	600	533	2357	629	2957
Interns	5	46	28	288	33	334
Temporary	45	264	323	2094	368	2358
Contractors	51	182	63	238	114	420
Outsourced	1	8	108	449	109	457
State agencies	1	4	51	209	52	213
Total	432	3171	1374	7399	1806	10570

COURSE TYPES

In 2014 SAGAT S.p.A. employees attended various types of training courses, mostly of technical/professional nature, followed by mandatory training and refresher courses on airport safety. The chart below shows the percentage data.



1.14 Investments

The infrastructures and plant service systems included in the Investment Plan of SAGAT S.p.A. were built during the course of 2014 for a total value of €3,010 thousand.

The most relevant investments are briefly described below.

INFRASTRUCTURES AND SERVICE SYSTEMS

The infrastructures and plant service systems built in 2014 were aimed mostly at renovating existing parts of airport buildings and infrastructures, particularly the airport's retail and service spaces.

The most important service systems installed at aircraft manoeuvring areas in 2014 are:

- waterproofing of the rainfall drainage ditch alongside the West taxiways, between the Kilo apron and the waiting point called Yankee1;

- road construction works to implement and make compliant an area dedicated to snow accumulation and disposal;

- minor requalification works on the protective layer in airside areas and on the roads in landside areas.

The works worth of mention at the passenger building are:

- preparatory construction and service system works for the creation of new routes for arriving passengers, from the air bridges through the retail spaces on floor +6.61 of the passenger building, with the related construction and installation works:

- a new staircase for direct pedestrian connection between airside floor +6.61 and arrivals level;

- structural works to accommodate the installation of a new escalator, parallel to the new connection staircase referred to above;

- service installations related to the two interventions described above, and change of automation systems in the new arriving passenger routes, especially the sliding doors;

- works aimed at creating one-way gates in arrivals area South.

- modernization, embellishment and enlargement of the vip lounge “Piemonte Lounge” on floor +10.93 North of the passenger building;

- arrangement of the new Gobino shop at the centre of the departures hall of the passenger building;

- completion of the arrangement of the new Borbonese shop in the departures front of the passenger building;

- arrangement of the new Tiger Store in the boarding corridors North of the passenger building;

- arrangement of the new children and babies reception area denominated Baby Pit Stop in airside area South of the front of the passenger building;

- arrangement of the Expo 2015 point;

- automation of Police control stations at boarding gates 1 and 2;

- implementation of fire hydrants/hose reels in the passenger building, according to the Fire Brigade's compliance recommendations.

Among the interventions in other airport buildings and infrastructures are:

- replacement of 2 diesel oil heaters serving the de-icing system and installation of the new control board for the relevant heating station;

- insulation of the prefab metal shed containing the water purifier of the vehicle repair shop;

- works aimed at achieving energy saving, such as installation of new led lamps in the airport beacons;

- installation of inverters for various power generation purposes in case of lack of mains power.

IT SYSTEMS

During the year 2014, SAGAT started a thorough upgrade of its most strategical IT platforms used for both operations and administration/accounting, and replaced its airport system (pivotal for the management and distribution of operational information) and its ERP system, used to handle accounts receivable and payable, payroll, general accounting and cash, analytic accounting.

The new airport system, purchased from Software Design (a F2i Group company), has features not available before, such as clearance acquisition, development of tactical and strategic scenarios for the allocation of airport infrastructures according to the flights scheduled by the airlines, flight real time management and allocation of resources according to planning and optimization rules, streamlining of data certification processes for statistic and administrative purposes, better integrated and real-time sharing of operational information with State authorities, handling companies and other airport operators. The system has been operating at full potential since 16/12/2014.

To replace its administration software, obsolete and incapable of meeting the emerging requirements, SAGAT adopted a new-generation ERP (based on the Oracle E-Business Suite platform and again developed by the same F2i Group company), in order to have a more dynamic and flexible system, open to future upgrades. The first stage of the project started in 2014 and included the implementation of accounting/administration rules and the migration of history data useful for accounting year 2015. This stage was accompanies by a revision of aggregation and reclassification rules, aimed at achieving a broader coverage and better automation of Planning and Control processes.

Thanks to the adoption of Oracle's Business Intelligence platform, the company could implement *tableaux de bord* for the Aviation, Non-Aviation and Economic-Administration areas, for consultation and development of regular closing periods.

With the introduction of a new payroll platform the Human Resources personnel received a valid support in the process of in-sourcing payroll activities. The configuration also involved a revision of the forms of interfacing with other HR and ERP company systems.
The system started operating in January 2015 and includes a web portal from which all employees may download their payslip in electronic format.

As to airport infrastructures, the hardware was upgraded (PCs, boarding pass and luggage tag printers, etc.). The existing hardware had been installed before the 2006 Winter Olympics.

A new e-commerce portal was launched on the Web, where passengers may purchase VolaTorinoPass cards and other products for the use of Fast Track and Piemonte Lounge services.

Last but not least, the company continued to upgrade the hardware and software of company back-office workstations, introducing new devices and peripherals and purchasing new software licenses.

1.15 Research & development activities

The company did not incur in R&D costs during the year.

1.16 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.

SAGAT VS. AVIAPARTNER

The Directors' Reports for the past years already reported about the awards of the Court of Turin of 22 January 2009 and 23 January 2009, that defined at first instance the two controversies on fee matters pending between SAGAT and AVIAPARTNER.

One controversy regarded the opposition by AVIAPARTNER to a Court order notified by SAGAT initiative for the amount of €731,921.91, or the value of the fees for common-use property owed and not paid between 2001 and 2005.
The other controversy had arisen by AVIAPARTNER initiative. AVIAPARTNER had asked the Courts to verify that the method of calculation of the fees for the use of property in common applied by SAGAT did not comply with the laws governing the matter, and that SAGAT abused of its dominant position imposing the payment of illegitimate fees.
The Court of Turin rejected in both cases the requests of AVIAPARTNER, finding that the procedures followed to calculate and apply the fees for the use of property in common were correct, and that SAGAT was entitled to demand their payment.

In 2009 AVIAPARTNER appealed against the awards at first instance, but paid of its own accord €879,598 inclusive of costs and interest.

During the course of 2010, SAGAT sought and obtained another Court order for the payment of €1,237,899.10, relating to fees on the use of common property not paid by AVIAPARTNER after the first Court order (i.e. between 2005 and 2009). On 18 June 2010 AVIAPARTNER notified its opposition to the Court order. SAGAT appeared as party and requested the temporary enforcement of the order. The Court admitted our request and AVIAPARTNER complied spontaneously in April 2011, paying to SAGAT the entire amount of €1,237,899.10.
The opposition ended in favour of SAGAT: on 30 September 2011, the Court of Turin ruled confirming the order in its entirety.
In May 2012, AVIAPARTNER appealed against the ruling at first instance.

During the course of 2013, SAGAT sought and obtained a third Court order for the payment of €578,743.86, again relating to fees on the use of common property not paid by AVIAPARTNER between 2010 and 2012. The order will soon be served on the opponent.

The former two appeals came to an end in 2014, with different results.
First, on 31 March 2014 (award of the Court of Appeal of Turin no. 696/14), the Court of Appeal expressed its findings on the amounts owed to SAGAT for 2005-2009, substantially accepting all of SAGAT's assertions and finding that common-use property “may be charged by SAGAT, by effect of the law”. As to the amount of the fees, the Court considered that the fees applied by SAGAT between 2006 and 2009 were legitimate and due in their entirety, and ordered a reduction only for 2005, as the calculation method then adopted (5.7% of the handling company's billing volume) was deemed not to reflect correctly the costs.
Later on, by award no. 1992/14 registered on 8 October 2014, the Court of Appeal instead judged against SAGAT in the case relating to the fees charged for the years 2001 – 2005. The Court of Appeal of Turin corrected the first-instance award by which the Court of Turin had recognized SAGAT's right to charge the handling companies for the use of common property and the fairness of the fees charged by SAGAT under applicable laws.
Therefore, the Court of Appeal ordered that SAGAT should return the fees paid by AVIAPARTNER in enforcement of the corrected award, and refund the relevant interest.
The two pronouncements by the Court of Appeal, although apparently opposite to each other (according to one SAGAT is the losing litigant and according to the other AVIAPARTNER is the losing litigant), outline a consistent and unambiguous picture of juridical considerations.
In particular, both findings make it clear that:

- SAGAT “was and is entitled to obtain a fee for the use of common property at the Airport of Turin Caselle”
- such right “has statutory, nature, in particular descends from Legislative Decree 18/99 […] regardless of the existence of agreements between the parties”;
- from 2000 on SAGAT has “satisfactorily” identified which common-use property are subject to the fees in question;
- in the years 2001-2005 “under a theoretical/technical profile […] the fee charged does not meet, on the basis of the documentary evidence filed, the calculation criteria that should have been followed under Legislative Decree 18/99”, and particularly the cost-reflection and transparency principles;
- the fair amount of the fees owed for 2005 —which the Court determined on the basis of an assessment made by Price Waterhouse Cooper filed by AVIAPARTNER for the case— was about 30% lower than the amount originally charged by SAGAT;
- for the period 2006, 2007, 2008 and 2009 the fees are “due in the amount indicated by SAGAT”, as they were calculated according to the principles of “pertinence, objectivity, transparency and non discrimination pursuant to Legislative Decree 18/99”.

On 17 November 2014 SAGAT was served the appeal filed by AVIAPARTNER with the Corte di Cassazione to obtain annulment of the Court of Appeal award no. 696/14, favourable to SAGAT. The case before the Cassazione, in which SAGAT appeared, is still pending, and the terms for filing an appeal with the Cassazione against award no. 1992/14 are also pending.

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. In this case, the payments subject to revocation amount to €956,458.85. SAGAT HANDLING too appealed against to 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.

INFLATION

As you may know, 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 Turin Caselle 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.

1.17 Privacy

Since the year 2000 the company has put into effect privacy measures pursuant to Law 675/96, in enforcement of President's Decree 318/99. The adoption of these measures was reported in the Privacy Plan, revised in 2009 to comply with Legislative Decree 196/03.

1.18 Risk factors

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

CREDIT RISK

The Company deems to be adequately protected against this risk in 2014, 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. With a view to mitigating this risk, in 2014 SAGAT secured the availability of credit lines it has not used yet, so as to be able to face possible liquidity requirements promptly.

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 2014, we deem that the company is not subject to liquidity risk.

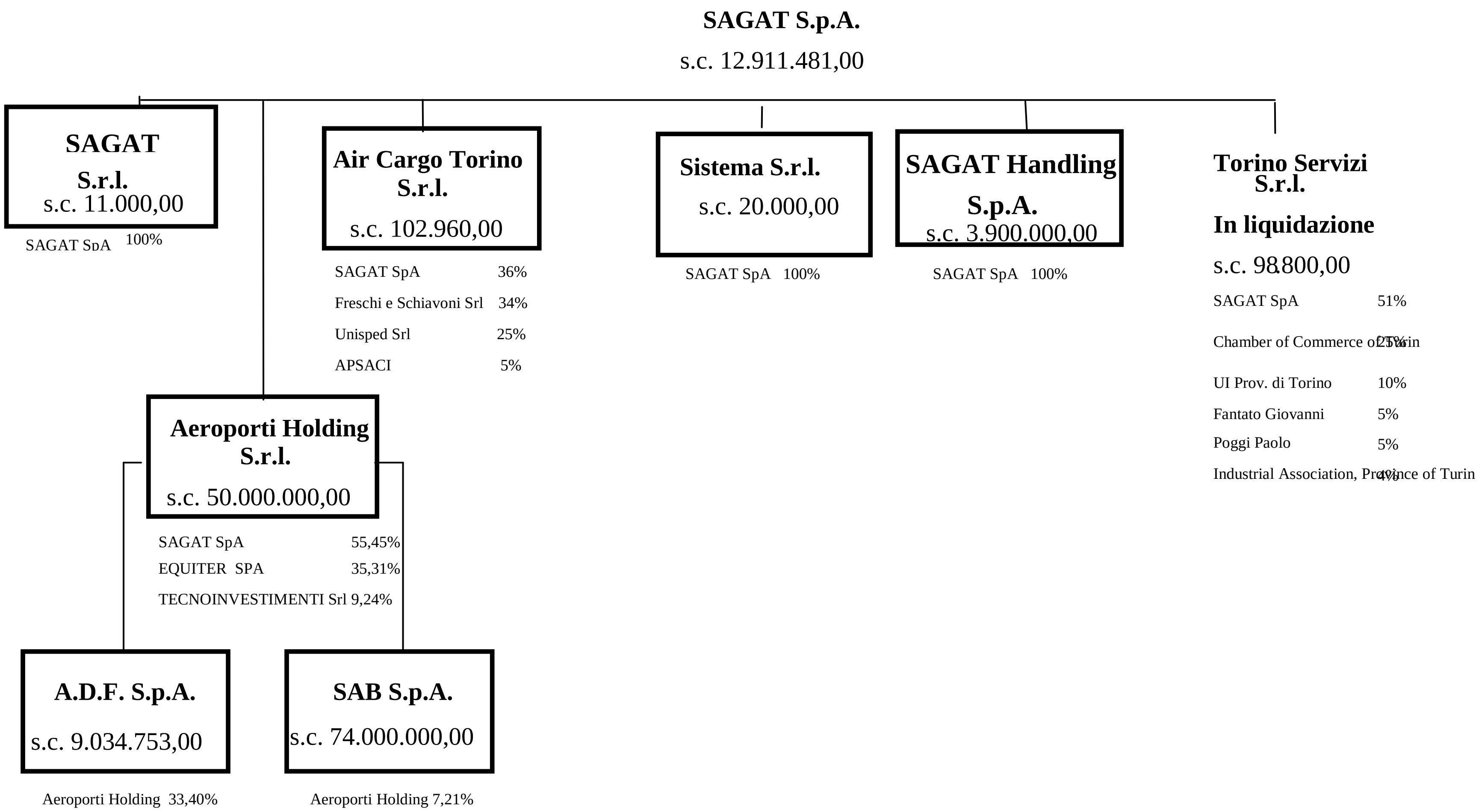
EXCHANGE RISK AND INTEREST RATE RISK

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.

1.19 Holding structure

The most relevant details of SAGAT's holdings as of 31.12.2014 are shown below.

SAGAT S.p.A HOLDINGS AS OF 31 DECEMBER 2014 (figures are stated in Euro)


SAGAT S.p.A.
s.c. 12.911.481,00
SAGAT S.r.l.
s.c. 11.000,00
SAGAT SpA 100%
Air Cargo Torino S.r.l.
s.c. 102.960,00
SAGAT SpA 36%
Freschi e Schiavoni Srl 34%
Unisped Srl 25%
APSACI 5%
Sistema S.r.l.
s.c. 20.000,00
SAGAT SpA 100%
SAGAT Handling S.p.A.
s.c. 3.900.000,00
SAGAT SpA 100%
Torino Servizi S.r.l.
In liquidazione
s.c. 98.800,00
SAGAT SpA 51%
Chamber of Commerce of Turin 25%
UI Prov. di Torino 10%
Fantato Giovanni 5%
Poggi Paolo 5%
Industrial Association, Province of Turin 4%
Aeroporti Holding S.r.l.
s.c. 50.000.000,00
SAGAT SpA 55,45%
EQUITER SPA 35,31%
TECNOINVESTIMENTI Srl 9,24%
A.D.F. S.p.A.
s.c. 9.034.753,00
Aeroporti Holding 33,40%
SAB S.p.A.
s.c. 74.000.000,00
Aeroporti Holding 7,21%

As to investments in other companies, please note that the data shown relates to the latest financial statements approved; where the financial statements for 2014 were not available, the data relating to 2013 were reported.

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 Turin Caselle Airport.

Income statement highlights are: value of production, €11,758 thousand, gross operating margin (GOM) positive by €390 thousand and €104 thousand loss for the year.

Statistic data on handled traffic show an increase in the movements and a reduction in the cargo handled, compared to 2013.

The increase in aircraft movements (4.2%) is due to the positive impact of the flights by Ryanair, Vueling, Volotea and Germanwings, that counterbalanced the reduction in the flights operated by Alitalia and the cessation of operations by Blu Express.

The same positive trend affected passenger traffic, that increased by 7.8%.

The share of traffic handled by Sagat Handling in 2014, compared to the total traffic in transit at Turin, was 75.3% of cargo tonnage (75.3% as of 31/12/2013), 78.4% of passenger traffic (78.9% as of 31/12/2013) and 68.8% of aircraft movements (68.5% as of 31/12/2013).

Cargo traffic has decreased noticeably, by 26.4%, or over 2.5 million kilogrammes less of goods handled.

The table below summarises the main income results of the activities carried out by SAGAT Handling during the course of 2014.

Euro thousand

Income statement	2014	2013	**Difference**
Production value	11.758	11.977	-219
Staff costs	-6.334	-6.634	300
Operating costs	-5.034	-5.350	316
GOM	**390**	**-7**	**397**
Amortisation, depreciation and provisions	-407	-451	44
EBIT	**-18**	**-458**	**440**
Financial income and charges	14	34	-20
Extraordinary income and charges	7	-238	245
EBT	**3**	**-662**	**665**
Income taxes for the year	-107	-7	-100
Net result of the year	**-104**	**-669**	**565**

The value of production, €11,758 thousand, is made up mostly of ordinary and extra handling fees paid by carriers, which amount to €9,077 thousand and are recorded as income from sales and services.

The decrease in the value of production by €219 compared to 2013 is essentially due to the already mentioned decrease in the volume of cargo traffic and to the decrease of extra income from handling services, including the €290 thousand decrease in the aircraft de-icing services caused by the milder Winter weather.

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, €2,667 thousand on aggregate, are intercompany costs.

As a consequence of the above, the gross operating margin was positive by €390 thousand.

The €397 thousand increase in the gross operating margin compared to the prior year is essentially due to the already mentioned decrease in operating costs and in the cost of staff, as the result of 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 negative value of €18 thousand.

The balance of extraordinary items is positive by €7 thousand and has improved compared to the prior year, that was affected by a contingent liability arising from the realignment, in an amount of €248 thousand, of the payables to employees on days of holiday leave accumulated from past years and not used.

Due to the above, the EBT is positive by €3 thousand.

The tax burden for the year amounts on aggregate to €107 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 loss for the year of €104 thousand, but has improved compared to the €669 thousand loss recorded at year-end 2013..

Aeroporti Holding S.r.l.

The year ended 31 December 2014 for our subsidiary Aeroporti Holding was characterised by a number of particularly significant events.

In the first half of the year, namely on 4 March 2014, the company transferred to Corporacion America Italia S.r.l. its entire investment in the company that runs the Florence airport, AdF S.p.A., corresponding to 3,017,764 shares.

The unit transfer price of the shares was €13.42, for an aggregate cash value of €40,498,392.88, while the book value recorded was €36,413,946.56. The arising surplus (€4,084,446.32), pursuant to art. 87 TUIR, benefits from a 95% tax exemption (exemption of holdings, or "pex" regime).

Therefore, as of 31 12 2014, the company held only a share in the company that runs the Bologna airport (hereinafter SAB, that did not change during the year, remaining at 2,134,614 shares held.

This number accounts for 7.21% of SAB capital and corresponds to a book value of €17,640,882.86.

On 9 April the Shareholders, following a Board proposal and in line with the circumstance arising from the selling of the share held in AdF, resolved to reduce the share capital, that was deemed to be too high compared to the company's business prospects, by an aggregate amount of €39 million.

Following such reduction —which took place in July— after 90 days from filing the relevant resolution, the share capital of Aeroporti Holding now amounts to €11 million.

The company does not have any employees.

The table below summarises the main income results of the activities carried out by Aeroporti Holding during the course of 2014.

FINANCIAL STATEMENT AS OF	31/12/2014
Value of production	20.515
Cost of staff	0
Operating costs	-554.209
GOM	**-533.694**
Amortis., depreciat. & write-downs	0
EBITDA	**-533.694**
Interest income and expense	306.982
Exceptional income and expenses	4.084.446
EBT	**3.857.734**
Income taxes for the year	-127.241
Net profit	**3.730.493**

SAGAT Engineering S.r.l.

The corporate purpose of SAGAT Engineering S.r.l., a 100% subsidiary of SAGAT, is to carry out feasibility studies, research, consulting services, design service, works supervision, tests, work-site safety compliance interventions, technical/economic consistency assessment, and engineering/administrative activities for the contracting and execution of works directly or indirectly related to airport operations.

The activities carried out by SAGAT Engineering in 2014, the company's twelfth year in business, was characterised by the prosecution, as in the past years, of support activities to SAGAT in all the technical issues relating to the implementation of the infrastructure development plan at the Turin Caselle airport and of technical/professional support activities aimed at the management of airport infrastructures.

Under specific contracts, these activities included several projects, studies and specific activities, among which we may mention the following:

- as to infrastructures and infrastructure management at aircraft movement areas and related services:

- coordination and field work for the transfer on a georeferenced information system (GIS) of the plant service networks in the air side area of the airport;

- continuation of the activities aimed at implementing, in coordination with other Italian airports, a unified and coded pavement management system;

- start of a project study for installing a fire-fighting simulator for the Fire Brigade in the airside area;

- start of preliminary projects for the renovation of the West shoulder and the implementation of a drainage system along the runway; second-phase project for the waterproofing of the rainwater drainage channels along the edge of the taxiway;

- start of the new inventory list of the obstacles to air navigation in compliance with ENAC guidelines;

▪ as to the passenger building and the management of its services, operations and commercial activities:

- preliminary and final projects for a new routing layout for the passengers arriving at the passenger building;

- project for the entrance doors and one-way gates for the passengers arriving at the passenger building;

- project for the new layout of bus parking places along the roads in front of the passenger building;

- project and work supervision for the new additions to the “Piemonte" VIP lounge at the passenger building;

- architectural and interior design for the “Baby Pit Stop” at the passenger airport;

- prospective projects for the implementation of a space to accommodate a museum corner at the passenger building;

▪ as to other specialist engineering services:

- continuation of energy management and of coordination and technical support for maintaining the ISO50001 energy certification;

- specialist technical support and assistance to horizontal and vertical signage at the airport and relevant information;

- specialist support activities for the management of airport fire-fighting systems;

- specialist graphic design support in the creation of banners for SAGAT's web portal and of information, advertising and promotional materials, as well as graphic design and customization of commercial offers;

Effective from 1 August 2014, the company has actually ceased its business, because all its employees were transferred to the holding company as of 31 July 2014. This was the first step in a process of efficiency improvement of the SAGAT Group, that also plans to reduce the number of Group companies and concentrate within the holding company all those business activities that remain necessary. As of the closing date for these financial statements, the liquidation procedure was not yet formally started.

The essential figures from the SAGAT Engineering financial statements are shown in the table below:

FINANCIAL STATEMENT AS OF 31/12/2014	
Production value	329
Shareholders'equity	2.074
Profit of the year	11

Sistema S.r.l.

The year ended 31 December 2014 was the tenth one in business for Sistema S.r.l., a company established on 8 March 2005 with SAGAT S.p.A. as single shareholder and having as 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 course of 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 adopted 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.
That resolution was made conditional on the authorization, by the Municipality 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, therefore that resolution does not affect these financial statements.

Sistema S.r.l. has had no employees and earned no income in 2014.

The essential figures from its financial statements are shown below:

FINANCIAL STATEMENT AS OF 31/12/2014	
Production value	0
Shareholders'equity	12
Loss of the year	(3)

Air Cargo Torino S.r.l.

The business of Air Cargo S.r.l. is the handling of cargo at the airport.
The financial statements considered are the ones as of 31/12/2013.
The essential figures from its financial statements are shown below:

FINANCIAL STATEMENT AS OF 31/12/2013	
Production value	701
Shareholders'equity	41
Loss of the year	(12)

Torino Servizi S.r.l. in liquidazione

The company was placed into voluntary liquidation on 18 October 2004. As of the closing date for the financial statements 2014, the liquidation procedure was not completed yet.

1.20 Information on management and coordination

SAGAT S.p.A. exercises “management and coordination” activities in respect of its subsidiaries SAGAT Handling S.p.A., SAGAT Engineering S.r.l., Sistema S.r.l. and Aeroporti Holding S.r.l.

1.21 Relationships with subsidiaries and other related parties

The financial relationships between SAGAT and its subsidiary and associated companies are shown in the table below:

COMPANY	INCOME	COSTS	ACCOUNTS RECEIVABLE AS OF 31/12/2014	ACCOUNTS PAYABLE AS OF 31/12/2014
Subsidiary companies				
SAGAT Handling S.p.A.	2.667	1.888	1.292	1.037
SAGAT Engineering S.r.l.	101	322	0	1.977
Aeroporti Holding S.r.l.	11	0	44	0
Sistema S.r.l.	1	0	12	0
Total	**2.780**	**2.210**	**1.348**	**3.014**
Associated companies				
Air Cargo Torino S.r.l.	59	9	0	0
Total	**59**	**9**	**0**	**0**

1.22 Significant events occurred after the closing of the year and predictable developments for 2015

SIGNIFICANT EVENTS OCCURRED AFTER 31.12.2014

- On 6 February 2015, F2i signed an agreement for the sale of a 49% share in F2i Aeroporti S.p.A. to a venture formed by Ardian (60%) and Credit Agricole Assurances (40%). F2i Aeroporti is presently holding, apart from 54.5% in SAGAT S.p.A., also 35.7% in SEA S.p.A. (Airports of Milan Malpensa and Linate) and 70% in GESAC S.p.A. (Airport of Naples). The transaction is intended to launch a strong strategic alliance to carry on F2i's policy of development and investments in the Italian and foreign airport business. The transaction is awaiting go-ahead fromt he Antitrust Authority and is expected to be finalized in the coming months.

- In February 2015 the Turin Airport was included in the list of the 9 strategic airports in the European core network, on condition that it implements, with the leverage of high-speed/high capacity railway connections between Turin and Milan, a system of alliances with the intercontinental airport of Milan Malpensa, aimed at boosting the development of both airports mutually, and of the entire Northwest basin.

- The activities that will lead, during the course of this year, to the brand new design of duty free areas and new layout of the airside retail hall were started In the opening months of 2015. The concept at the foundation of the new duty free shops will be the walk-through concept, in line with all new generation airports.

- The airport's retail offer continues to improve: a CRAI-branded supermarket was opened in the landside arrivals area in February 2015.

- The January 2015 report of Assaeroporti, the Italian association of airport management companies, reports a 5.0% growth in passenger traffic compared to January 2014. The traffic increase is related mostly to the growth in international traffic (+7.4 %) and EU traffic (+10.1 %).

Passenger traffic data at the Turin airport showed, in the first two months of 2015, a 4.11% increase compared to the corresponding period in 2014.

In particular, a 15.29% increase in passengers on international scheduled flights was seen, while passengers on domestic scheduled flights, due especially to the removal of southbound flights by Alitalia Group and Meridiana, have decreased by 6.96%. Charter passengers have increased by 10.99% compared to January-February 2014.

	Year to date			
PAX	**Act**	**LY**	**Var. vs LY**	**%**
Domestic	237.426	255.179	-17.753	-6,96%
International	242.428	210.268	32.160	15,29%
Charter	74.573	67.190	7.383	10,99%
Transit	980	632	348	55,06%
Gen. Aviation	935	1.088	-153	-14,06%
Total	**556.342**	**534.357**	**21.985**	**4,11%**
ATM	**6.554**	**7.137**	**-583**	**-8,17%**

Below is a list of the new connections introduced in 2014 that had a positive impact on traffic flows for the first two months of 2015:

- to Rome by Vueling
- to Amsterdam by Klm;
- to Eindhoven by Ryanair;
- to Bucharest by Wizzair;
- to Catania by Blue Air;
- to Chisinau by Air Moldova;
- to Birmingham by Monarch (seasonal);
- to Manchester by Jet2.com (seasonal);
- to Copenhagen by Air Berlin (seasonal);
- to Warsaw by Wizzair (seasonal).

Other factors that have positively affected passenger traffic flows in the first two months of 2015 are the increase in frequencies, the seats offered or the seat occupancy rates for the following flights:

- Alitalia to Tirana (+94% in the first two months 2015 compared to same period in 2014)
- British Airways to London Gatwick (+12%, thanks to the increase in weekly frequencies)
- Meridiana to Naples (+72%);
- Ryanair to Barcelona, Bari, Brindisi, Catania, Dublin, Malta and Trapani (average increase of Ryanair passengers by 26%),
- Volotea to Palermo (+107%, thanks to the doubling of flights compared to first two months of 2014).

The flights removed in the last four months of 2014 that have impacted on the first two months of 2015 were the following:

- Blu Express to Rome, since August 2014;
- Gruppo Alitalia (to Catania, Palermo, Bari), removed since October 2014;
- Meridiana to Catania, removed since October 2014;
- Royal Air Maroc to Casablanca, removed since September 2014;
- Transavia.com to Amsterdam, removed since November 2014.

Total movement decreased by 8.17%, cargo movement by 3.16%.
New flights announced for 2015:
New flights have already been announced for the rest of 2015.
The detail of the new openings planned to the date is as follows:

- Wizzair to Timisoara, 2 weekly flights from 28/03/2015;
- Ryanair to Palermo, 7 weekly flights from 1/04/2015, and, beginning in April, additional flights to Brussels Charleroi and Barcelona El Prat;
- Transavia to Amsterdam, 3 to 5 flights per week, from 02/04/2015 until 23/10/2015;
- Vueling, seasonal flights to:
- Alicante, 2 weekly flights (02/06/2015-29/09/2015);
- Minorca, 2 weekly flights (01/07/2015-06/09/2015);
- Split, 2 weekly flights (02/07/2015-07/09/2015);
- Blue Air to Bari, 3 weekly flights from 01/05/2015 and 4 additional flights on the Turin-Catania route, of which two starting from 3/04/2015 and two starting from 01/06/2015.

PREDICTABLE DEVELOPMENTS

While moderate growth is expected in 2015 overall, both globally and in Italy, growth forecasts are still uncertain and based on multiple variables, such as oil price trends, expenditure in investments, financial market conditions and European geopolitical situation.
At regional level there still is a pessimistic climate regards to recovery perspectives; the only opportunity seems to come from the export business, where more favourable developments are expected.

The air sector, like the real economy as a whole, might suffer the negative effects of this scenario, and the airlines might tend in any case to concentrate their efforts on efficiency improvement and cost cutting policies, also by repositioning their routes and aircraft.
In particular, the careful monitoring of the restructuring process started by Alitalia and Meridiana should continue.

Due to these considerations, SAGAT's efforts 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.

1.23 Tresury shares

The company holds treasury shares for 2.96% of its capital, corresponding to a total value of €4,824 thousand.
A total of 74,178 treasury shares are owned, corresponding to an aggregate face value of €383 thousand.

1.24 Proposals for the allocation of the result of the year

Dear Shareholders,

- the financial statements as of 31/12/2014 detailed in this report, audited pursuant to the law by independent auditors Deloitte & Touche S.p.A., present a net profit of €795,344.00, which we propose allocating entirely to the Extraordinary Reserve.

On behalf of the Board of Directors

The Chairman

2. FINANCIAL STATEMENTS
as of 31/12/2014

2.1 BALANCE SHEET AND INCOME STATEMENT OF SAGAT S.P.A.

2.1.1 Balance Sheet: Assets

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) CONTRIBUTIONS RECEIVABLE FROM SHAREHOLDERS		
B) FIXED ASSETS		
I. Intangible assets		
1) Start up and improvement costs		
2) R & D and advertising costs		
3) Industrial patent and intellectual property rights	90.856	165.055
4) Concessions, licenses, trademarks and similar rights		
5) Goodwill		
6) Investments in progress	1.466.031	964.097
7) Other non current assets	3.567.147	6.672.760
Total	**5.124.034**	**7.801.912**
II. Tangible assets		
1) Land and buildings	3.515.794	3.515.795
2) Plant and machinery		
3) Operating and sales equipment	1.341.858	1.607.850
4) Other assets	1.033.353	1.452.001
5) Investments in progress and payments on account	4.800.659	4.304.474
II.bis Freely transferable assets		
1) Land and buildings	34.660.581	36.185.569
1bis) Runways and land used for runways	437.720	473.414
2) Plant and machinery	8.840.174	12.021.079
3) Operating and sales equipment		
4) Other assets		
5) Investments in progress and payments on account		
Total	**54.630.139**	**59.560.182**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
III. Financial assets		
1) Investments in:		
a) Subsidiary companies	8.965.951	30.589.248
b) Associated companies	13.234	13.234
d) Other companies	0	0
2) Accounts receivable:		
a) From subsidiary companies:		
due within 12 months		
due beyond 12 months		490.660
b) From associated companies:		
due within 12 months		
due beyond 12 months		
c) From parent companies:		
due within 12 months		
due beyond 12 months		
d) From others:		
due within 12 months		
due beyond 12 months	11.907	9.706
Total accounts receivable:		
due within 12 months		
due beyond 12 months	11.907	500.366
3) Other securities:		
due within 12 months		
due beyond 12 months		
4) Treasury shares - aggregate face value is also shown in the notes -	4.823.612	4.823.612
Total	**13.814.704**	**35.926.460**
TOTAL FIXED ASSETS (B)	**73.568.877**	**103.288.554**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
C) CURRENT ASSETS		
I. Inventory		
1) Raw and maintenance materials, consumables	316.606	255.280
2) In-process and semi-finished products		
3) Orders in progress		
4) Finished products and goods	55.724	1.151.729
5) Advances		
Total	**372.330**	**1.407.009**
II. Accounts receivable		
1) From customers:		
due within 12 months	10.592.097	8.863.117
due beyond 12 months		
2) From subsidiary companies:		
due within 12 months	1.680.770	1.081.147
due beyond 12 months	784.138	784.138
3) From associated companies:		
due within 12 months		
due beyond 12 months		
4) From parent companies:		
due within 12 months		
due beyond 12 months		
4bis) Tax receivables:		
due within 12 months	2.495.170	2.405.574
due beyond 12 months	68.524	67.278
4ter) Deferred tax assets:		
due within 12 months		
due beyond 12 months	2.704.159	2.794.106
5) Other accounts receivable:		
due within 12 months	6.106.041	5.625.703
due beyond 12 months	56.080	56.080
Total accounts receivable:		
due within 12 months	**20.874.078**	**17.975.541**
due beyond 12 months	**3.612.901**	**3.701.602**
Total	**24.486.979**	**21.677.143**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
III. Current financial assets		
1) Investments in subsidiary companies		
2) Investments in associated companies		
3) Investments in other companies		
4) Treasury shares - aggregate face value is also shown		
5) Other securities	0	
Total	**0**	**0**
IV. Cash and cash equivalents		
1) Cash in bank	5.151.383	830.025
2) Cheques	52.000	8.000
3) Cash and valuables in hand	46.135	82.895
Total	**5.249.518**	**795.974**
TOTAL CURRENT ASSETS (C)	**30.108.827**	**24.005072**
D) ACCRUED INCOME AND PREPAYMENTS - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued income	0	0
Prepayments	679.785	244.105
TOTAL ACCRUED INCOME AND PREPAYMENTS (D)	**679.785**	**244.105**
TOTAL ASSETS	**104.357.489**	**127.537.731**

2.1.2 Balance Sheet: Liabilities

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
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		
VI. Reserves provided for under the by-laws		
VII. Other reserves:		
- Reserve for purchase of treasury shares	4.823.612	4.823.612
- Extraordinary reserve	235.757	21.321.173
- Reserve for extraordinary investments	4.906.340	4.906.340
- Fund as per art. 55 DPR 917/86	0	0
VIII. Loss carried forward		
IX. Profit (loss) of the year	795.344	214.584
TOTAL SHAREHOLDERS' EQUITY (A)	**39.721.978**	**60.226.634**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) Pension and similar funds		
2) Fund for tax disputes		
3) Other provisions:		
- Exchange rate fluctuation fund		
- Future liabilities fund	5.487.255	5.475.297
- Maintenance expenses fund for assets held under concess.	8.481.495	8.623.828
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**13.968.750**	**14.099.125**
C) PROVISION FOR STAFF SEVERANCE PAY	2.511.604	2.784.937
TOTAL (C)	**2.511.604**	**2.784.937**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
D) ACCOUNTS PAYABLE		
1) Bonds:		
due within 12 months		
due beyond 12 months		
2) Convertible bonds:		
due within 12 months		
due beyond 12 months		
3) Loans from shareholders		
4) Payables to banks:		
due within 12 months	1.500.000	1.624.946
due beyond 12 months	6.000.000	7.500.000
5) Payables to other lenders:		
due within 12 months		
due beyond 12 months		
6) Advances:		
due within 12 months		
due beyond 12 months		
7) Trade payables:		
due within 12 months	8.930.551	8.788.265
due beyond 12 months		
8) Payables in the form of credit instruments:		
due within 12 months		
due beyond 12 months		
9) Payables to subsidiary companies:		
due within 12 months	3.012.331	3.686.995
due beyond 12 months		
10) Payables to associated companies:		
due within 12 months		
due beyond 12 months		
11) Payables to parent companies:		
due within 12 months		
due beyond 12 months		
12) Taxes payable:		
due within 12 months	942.595	919.832
due beyond 12 months		
13) Payables to social security institutions:		
due within 12 months	805.052	706.921
due beyond 12 months		
14) Other payables:		
due within 12 months	14.535.521	12.537.379
due beyond 12 months	178.788	134.787
Total	**14.714.309**	**12.672.166**
Total:		
due within 12 months	**29.726.050**	**28.139.392**
due beyond 12 months	**6.178.788**	**7.634.787**
TOTAL ACCOUNTS PAYABLE (D)	**35.904.838**	**35.899.125**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued expenses	2.337	1.384
Deferred income	12.247.982	14.526.526
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	**12.250.319**	**14.527.910**
TOTAL LIABILITIES AND EQUITY	**104.357.489**	**127.537.731**

2.1.3 Memorandum Accounts

MEMORANDUM ACCOUNTS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
Assets under concession from the Municipality of Turin	59.654.058	59.654.058
Bank and other guarantees received from third parties	17.939.780	15.161.257
TOTAL	**77.593.838**	**74.815.315**

2.1.4 Income Statement

INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2014	FINANCIAL STATEMENTS AS 31/12/2013
A) PRODUCTION VALUE		
1) Revenues from sales and services	46.135.357	45.741.747
2) Variations in the inventory of in-process, semi-finished and finished products		
3) Variations in orders in progress		
4) Fixed assets developed internally		
5) Other income and proceeds - operating grants shown separately	4.862.290	4.922.534
TOTAL PRODUCTION VALUE (A)	**50.997.647**	**50.664.281**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	1.597.475	3.013.767
7) Cost of services	19.604.982	17.950.213
8) Rent, lease and similar costs	1.096.134	1.015.814
9) Staff costs:		
a) salaries and wages	9.153.773	8.568.310
b) social security	2.677.578	2.512.549
c) severance pay	620.804	599.272
d) pension and similar benefits		
e) other costs	176.566	192.892
Total staff costs	**12.628.721**	**11.873.023**
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	3.384.766	3.450.473
b) depreciation of fixed assets	7.233.001	7.455.340
c) other write-down of assets		
d) write-down of current receivables and of cash and equivalents	230.888	59.847
Total amortisation, depreciation and write-downs	**10.848.655**	**10.965.660**
11) Variations in the inventory of raw and maintenance materials, consumables and goods	1.034.680	331.350
12) Provisions for liabilities and charges	231.687	1.327.135
13) Other provisions		1.250.000
14) Miscellaneous operating costs	1.660.669	1.634.656
TOTAL PRODUCTION COSTS (B)	**48.703.003**	**49.361.618**
OPERATING PROFIT – PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**2.294.644**	**1.302.663**

INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2014	FINANCIAL STATEMENTS AS 31/12/2013
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments	530.862	242.942
16) Other financial income:		
a) from non current receivables		
b) from non current securities		
c) from current Securities		4.935
d) other income	40.043	37.010
Total	**570.905**	**284.887**
17) Interest and other financial charges	(374.606)	(487.131)
17bis) Exchange gains (losses)	(1.400)	(467)
TOTAL FINANCIAL INCOME AND CHARGES (C)	**194.899**	**(202.711)**
D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS		
18) Revaluation		
a) of equity investments		
b) of financial assets		
c) of current Securities		
19) Write-downs:		
a) of equity investments	(3.148)	(672.841)
b) of financial assets		
c) of current Securities	0	0
TOTAL VALUE ADJUSTMENTS ON FINANCIAL ASSETS (D)	**(3.148)**	**(672.841)**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income		
- Other exceptional income	21.593	1.124.829
21) Exceptional charges		
- Other exceptional charges	(983.272)	(270.637)
TOTAL EXTRAORDINARY ITEMS (E)	**(961.679)**	**854.192**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**1.524.716**	**1.281.303**
22) Income taxes for the year		
a) Current taxes	(639.425)	(884.899)
b) Deferred tax assets (liabilities):	(89.947)	(181.820)
23) PROFIT (LOSS) OF THE YEAR	**795.344**	**214.584**

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

On behalf of the Board of Directors
The Chairman

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 and of the Financial Statements themselves.
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 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, as revised by the Italian Accounting Body to align them with the new provisions of law arising from Legislative Decree no. 6 of 17 January 2003 and, where appropriate, supplemented with International Accounting Standards, where compatible.

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 were presented insofar as it was deemed appropriate for a more complete and detailed information.

In particular, such additional information 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 company's financial position and standing and of its 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 thousand, 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.

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).

1. Only the profits realised as of the closing date of the reference year are shown (art. 2423 bis (1. 2) of the Civil Code).

2. The income and costs accruing in 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.

3. 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).

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

Where necessary, the accounting standards reported below were adjusted to take into account the amendments, additions and new aspects introduced with the 2014 general update of National Accounting Standards, approved and published in final format by OIC on 5 August 2014 (except for OIC 24, approved on 28 January 2015). In particular, the following standards were reformulated compared to their respective previous versions:

- OIC 9 Write-offs for durable impairment of tangible and intangible assets
- OIC 10 Statement of cash flow
- OIC 12 Financial Statement composition and tables
- OIC 13 Inventory
- OIC 14 Cash and equivalents
- OIC 15 Accounts receivable
- OIC 16 Tangible assets
- OIC 17 Consolidated financial statements and equity method
- OIC 18 Accruals and deferrals
- OIC 19 Accounts payable
- OIC 20 Debt securities
- OIC 21 Holdings and treasury shares
- OIC 22 Memorandum accounts
- OIC 23 Orders in progress
- OIC 24 Intangible assets
- OIC 25 Income taxes
- OIC 26 Transactions, assets and liabilities in foreign currencies
- OIC 28 Shareholders' equity
- OIC 29 Changes in accounting standards, changes in accounting estimates, correction of errors, exceptional events and transactions, events occurred after year end
- OIC 31 Provisions for liabilities and charges and employees' severance pay

While the other standards have remained unchanged.

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

   5.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);

   5.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;

   5.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);

   5.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);

   5.e. for each item in the Balance Sheet and Income Statement, the corresponding item from the prior year is also shown;

   5.f. no offset of entries was made (art. 2423 ter (6) of the Civil Code).

6. 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, the leading company decided to adopt conventional depreciation in previous years, 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 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 investments are long-term investments and are recorded at purchase or underwriting cost.
If a subsidiary suffers a presumably durable loss, its carrying is written down accordingly.
If the reasons for such adjustments cease to exist in subsequent years, then the value is reinstated.
Accounts receivable are shown at their presumable realisation value.

INVENTORY

The inventory of raw and ancillary materials, consumables and goods, comprising mostly products intended for sale in the airport retail corners 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 DEFFERALS

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 CHARGES

The provisions for liabilities and charges 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 1 January 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, by 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 institution.

The portions accrued in the reference year since 1 January 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 2014; 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 were recorded at face value.

MEMORANDUM ACCOUNTS

These were 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 when the relevant profit accrues, 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 S.r.l. in liquidazione.
The subsidiaries SAGAT Handling SpA, SAGAT Engineering Srl and Aeroporti Holding Srl 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 description of the temporary differences that led to recording deferred tax assets and liabilities, the indication of their rates and of the differences compared to the prior year, of the amounts recorded in the income statement (as earnings) and as equity components (liabilities), is given 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 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 €5,124 thousand, have decreased on aggregate by €2,678 thousand in the year.

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

	Start up and improvement costs	R & D and advertising costs	Industrial patent and intellectual property rights	Concessions, licenses, trademarks and similar rights
Amount at beginning of year				
Cost	0	0	165,055	0
Amount carried	0	0	165,055	0
Variations during the year				
New acquisitions	0	0	59,134	0
Amortisation in the year	0	0	133,333	0
Total difference	0	0	-74,199	0
Balance at end of year				
Cost	0	0	224,189	0
Amortisation (Amortisation provision)	0	0	133,333	0
Amount carried	0	0	90,856	0

	Goodwill	Investments in progress and payments on account	Other intangible assets	Total intangible assets
Amount at beginning of year				
Cost	0	964,097	6,672,760	7,801,912
Amount carried	0	964,097	6,672,760	7,801,912
Variations during the year				
New acquisitions	0	501,934	145,820	706,888
Amortisation in the year	0	0	3,251,433	3,384,766
Total difference	0	501,934	-3,105,613	-2,677,878
Balance at end of year				
Cost	0	1,466,031	6,818,580	8,508,800
Amortisation (Amortisation provision)	0	0	3,251,433	3,384,766
Amount carried	0	1,466,031	3,567,147	5,124,034

The change shown in caption B.I.3 “Industrial patent and intellectual property rights”, net of amortisation for €133 thousand, relates to the installation of new software or implementation of existing software by the company (€59 thousand).
The caption “Investments in progress and payments on account” (B.I.6) has increased by €502 thousand compared to the prior year, mostly due to the purchase of new software not yet used as of year end, as described in detail in the Directors' Report section on investments.
The caption “Other assets” (B.I.7) includes mostly the costs incurred for improvements and additions to the aprons and for the intensive renovation of the runway; this particular "other

assets" component has increased by €31 thousand and was amortised for €3,172 thousand, out of a total of €3,252 thousand amortisation for the entire caption. The company also incurred costs for the purchase of new Winter and Summer outfits for its technical and clerical staff, in the total amount of €111 thousand.

TANGIBLE ASSETS

These 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 €54,630 thousand and have decreased on aggregate by €4,930 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	Ather tangible assets	Investments in progress and payments on account	Total tangible assets
Amount at beginning of year						
Cost	83,006,636	65,436,325	12,964,838	28,136,061	4,304,474	193,848,334
Depreciation (Depreciation provision)	42,831,859	53,415,246	11,356,988	26,684,060	0	134,288,153
Amount carried	40,174,777	12,021,079	1,607,850	1,452,001	4,304,474	59,560,181
Variations during the year						
New acquisitions	613,227	845,856	99,790	247,900	496,185	2,302,958
Depreciation in the year	2,173,909	4,026,761	365,782	666,548	0	7,233,000
Total difference	-1,560,682	-3,180,905	-265,992	-418,648	496,185	-4,930,042
Balance at end of year						
Cost	83,619,863	66,282,181	13,064,628	28,383,961	4,800,659	196,151,292
Depreciation (Depreciation provision)	45,005,768	57,442,007	11,722,770	27,350,608	0	141,521,153
Amount carried	38,614,095	8,840,174	1,341,858	1,033,353	4,800,659	54,630,139

Caption B.II.1) includes freely transferable assets in the amount (post-depreciation) of €35,089,300, of which €437,720 relate to runways and land used for runways. The caption "Plant and machinery", totalling €8,840,174 after depreciation, is entirely composed of freely transferable assets.

The caption "Buildings and pertaining roads" (B.II.bis and 1 bis) has decreased on aggregate by €1,561 thousand, due to purchases (€95 thousand), capitalisation of assets previously recorded as investments in progress (€518 thousand) and annual depreciation (€2,174 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 asset was disposed of during the year.

The caption "Plant and machinery" (B.II. bis 2) has decreased on aggregate by €3,181 thousand, due to purchases (€342 thousand), capitalisation of assets previously recorded as investments in progress (€504 thousand) and annual depreciation (€4,027 thousand). In particular, the increases relate to the capitalisation of construction works at airport buildings for a total of €464 thousand.
No obsolete asset was disposed of during the year.

The caption "Operating and sales equipment" (B.II.3) has decreased on aggregate by €266 thousand, due to purchases (€99 thousand) and annual depreciation (€365 thousand). Among the most significant purchases made in the year there are 2 passenger security scanners.
No obsolete asset was disposed of during the year.

The caption "Other assets" (B.II.4) has decreased on aggregate by €419 thousand, due to depreciation (€667 thousand) and purchases (€248 thousand). The increase is due mostly to the purchase of airport monitors, as described in detail in the Directors' Report section on investments.
No obsolete asset was disposed of during the year.

The caption "Investments in progress and payments on account" (B.II.5) has increased by €497 thousand after the variations described above.
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:

	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 €8,979 thousand, have decreased on aggregate by €21,623 thousand compared to the prior year, due mostly to the portion pertaining to SAGAT (55.45%) of the voluntary capital reduction made in 2014 by the subsidiary Aeroporti Holding (from €50,000,000 to €11,000,000), as the capital was deemed excessive compared to the actual business carried out and not justified by the financial requirements of the subsidiary.

The holdings in the subsidiaries SAGAT Handling, Aeroporti Holding, SAGAT Engineering and Sistema are valued at the respective purchase cost.

The carrying value of the share held in the subsidiary Sistema was increased by €5 thousand after recording the reinstatement of its capital, approved by the subsidiary's Shareholders on 18 April 2014, and then reduced for write-off, given the permanent impairment suffered during the year (3 thousand).

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.

The caption “Investments in associated companies” has not changed during the course of 2014.

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 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 31.12.2013 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.

	Investments in subsidiary companies	Investments in associated companies	Investments in parent companies	Investments in other companies	Total investments
Amount at beginning of year					
Cost	30,589,248	13,234	0	0	30,602,482
Amount carried	30,589,248	13,234	0	0	30,602,482
Variations during the year					
Other variations	-21,623,297	0	0	0	-21,623,297
Total variations	-21,623,297	0	0	0	-21,623,297
Balance at end of year					
Cost	8,965,951	13,234	0	0	8,979,185
Amount carried	8,965,951	13,234	0	0	8,979,185

	Other securities	Treasury stock
Amount at beginning of year		
Cost	0	4,823,612
Amount carried	0	4,823,612
Variations during the year		
Other variations	0	0
Total variations	0	0
Balance at end of year		
Cost	0	4,823,612
Amount carried	0	4,823,612

The accounts receivable recorded under financial assets, totalling €12 thousand, have decreased by €488 thousand compared to the prior year due to the €490 thousand reduction of the receivables claimed from Aeroporti Holding after the latter company repaid part of the residual portion of the non-interest-bearing shareholder loan granted to it in previous years.

The summary variations of 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	490,660	0	0	9,707	500,367
Variations during the year	-490,660	0	0	2,200	-488,460
Balance at end of year	0	0	0	11,907	11,907
Portion due after 5 years	0	0	0	0	0

List of investments in subsidiary 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	Value carried or corresponding creditor amount
1	Aeroporti Holding S.r.l.	Italy	11,000,000	3,730,493	18,083,273	10,027,175	6,099,500
2	Sistema S.r.l.	Italy	15,000	-3,148	11,852	11,852	11,852
3	SAGAT Engineering S.r.l.	Italy	11,000	11,170	2,073,662	2,073,662	11,000
4	SAGAT Handling S.p.a.	Italy	3,900,000	-104,291	2,739,307	2,739,307	2,843,598
Total							8,965,950

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	Value carried or corresponding creditor amount
1	Air Cargo Torino S.r.l.	Italy	53,000	-12,176	40,824	14,697	13,234
Total							13,234

The figures for Air Cargo S.r.l. are taken from the latest financial statements available as of 31/12/2013.

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 others	11,907	11,907
Total noncurrent receivables	11,907	11,907

Financial assets – Value

	Book value	Fair value
Receivables from others	11,907	11,907
Treasury stock	4,823,612	4,823,612

	Description	Book value	Fair value
1	Deposits	11,907	11,907
Total		11,907	11,907

CURRENT ASSETS

Inventory

The inventory, totalling €372 thousand, refers basically to raw and ancillary materials, consumables and maintenance materials. The balance has decreased by €1,035 thousand compared to the prior year due to the Company's decision to stop running the Airport Retail Corners directly and subcontract instead their management to a leading specialist operator in the industry. As part of the relevant agreement, the operator in question accepted to take charge of almost all the stocks of goods existing as of the date of handover.
As of year end, the inventory did not include any element that might be expected to be realised at a lower price than the respective inventory value.

The breakdown and variation of individual items 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	255,280	0	0	1,151,729	0	1,407,009
Variation during the year	61,326	0	0	-1,096,005	0	-1,034,679
Balance at end of year	316,606	0	0	55,724	0	372,330

ACCOUNTS RECEIVABLE

These are recorded for a total of €24,487 thousand, compared to €21,677 thousand in 2013. The total relates mostly to customers in Italy or in the European Union.

The caption "Accounts receivable from customers" has increased from €8,863 thousand as of 31/12/2013 to €10,592 thousand as of 31/12/2014 (+€1,729 thousand). The increase relates almost entirely to the increase in the receivables from one of the main national carriers, that has increased its exposure by some €1,722 thousand since the end of the past year, as a consequence the critical phase it is experiencing. It is worth noting that an addendum to the agreement for the full repayment of the exposure (signed in October 2014) was entered into with the legal representatives of the carrier in question in January 2015. According to the reformulated agreement, the carrier is expected to honour all its debts by September 2016.

This caption includes accounts receivable at a face value of €12,334 thousand net of the write-down (€1,742 thousand) allocated to the provision for bad debts (€1,623 thousand) and to the provision for bad debts on interest in arrears (€119 thousand).

As already explained in the Directors' Report section on controversies, the receivables from customers include about €0.9 million challenged by a number of airport users with respect to the congruity of certain fees applied by the holding company. In view of this, SAGAT has taken all the necessary measures to protect its rights. For more details please refer to the section in the Director's Report on controversies.

The provision for bad debts decreased by €527 thousand for utilizations and received an allocation of €162 thousand, and amounts to €1,508 thousand at year end.

The credit risk provision was used in the total amount of €14 thousand and later reinstated up to the amount of €115 thousand, with an allocation of €69 thousand.

Therefore, the total value of the provision for bad debts and of the credit risk provision is sufficient to cover risks of non-collection of the accounts receivable existing as of year end, given the difficulties still characterising the air transport market, especially for domestic carriers.

The caption "Accounts receivable from subsidiary companies", 2,465 thousand after write-down by €147 thousand, has increased by €600 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 in liquidazione, for which a provision was made already in the previous years.

The details of these receivables are shown in the table below:

From subsidiary companies	31/12/2014	31/12/2013
Aeroporti Holding S.r.l.	349	0
SAGAT Handling S.p.A	1.304	972
Sistema S.r.l.	12	11
SAGAT Engineering S.r.l.	0	82
Torino Servizi S.r.l.	947	947
Provision for bad debts	-147	-147
Total	2.465	1.865

Tax receivables are recorded in the amount of €2,564 thousand, slightly increasing compared to the €2,473 thousand as of 31/12/2013.

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	31/12/2014	31/12/2013
IRES receivables	1.098	1.151
IRES refund receivable	882	1.041
IRAP receivable	58	120
Creditor VAT	485	117
Other	41	44
Total	2.564	2.473

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. This caption decreased by €159 thousand, as the first portion of the refunds were collected during the year.

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 €2,704 thousand; if the company had considered an unlimited time horizon for the reversal of these assets, this balance would have been greater by €2,244 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", €6,162 thousand, has increased by €480 thousand compared to the prior year, basically due to the increase in receivables from carriers on municipal taxes (€264 thousand) and to other minor changes.

The details of receivables from others are shown in the table below:

DETAIL	31/12/2014	Of wich after 12 months	31/12/2013	Of which after 12 months	Variazione
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	607	11	378	11	229
Accounts receivable from carriers on municipal taxes	4.830		4.566		264
Other accounts receivable	481	45	494	45	(13)
Total	**6.162**	**56**	**5.682**	**56**	**480**

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.

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:

	Current trade receivables	Current receivables from subsidiary companies	Current receivables from associated companies	Current receivables from parent companies
Amount at beginning of year	8,863,117	1,865,285	0	0
Variation during the year	1,728,980	599,623	0	0
Balance at end of year	10,592,097	2,464,908	0	0
Portion due after 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	2,472,852	2,794,106	5,681,783	21,677,143
Variation during the year	90,842	-89,947	480,338	2,809,836
Balance at end of year	2,563,694	2,704,159	6,162,121	24,486,979
Portion due after 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	10,592,097	10,019,180	572,917
Current receivables from subsidiary companies	2,464,908	2,464,908	0
Current tax receivables	2,563,694	2,563,694	0
Current deferred tax assets	2,704,159	2,704,159	0
Current receivables from others	6,162,121	6,162,121	0
Total current receivables	**24,486,979**	**23,914,062**	**572,917**

CURRENT FINANCIAL ASSETS

There are no securities held as of 31/12/2014 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 31/12/2014 in the treasury 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	830,025	8,000	82,895	795,974
Variation during the year	4,321,358	44,000	-36,760	4,453,544
Balance at end of year	5,151,383	52,000	46,135	5,249,518

ACCRUED INCOME AND PREPAYMENTS

As of 31/12/2014 these amount on aggregate to €680 thousand (€244 thousand as of 31.12.2013) and are composed as better explained below:

	Loan discount	Accrued income	Other prepayments	Total income and prepayments
Amount at beginning of year	0	0	244,105	244,105
Variation during the year	0	0	435,680	435,680
Balance at end of year	0	0	679,785	679,785

Breakdown of prepayments:

	Amount
Insurance	85,767
Subordinate employees	443,749
Other	150,269
Total	**679,785**

The caption “Insurance” includes the portions of insurance premiums paid in 2014 and accruing in the subsequent year.

The new item "Subordinate employees" represents the costs incurred by the Company for the lay-off procedure in 2014 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 for the year, as 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:

F2i Aeroporti S.p.A.	54.46%
Equiter S.p.A.	12.40%
FCT Holding S.r.l.	10.00%
Finpiemonte Partecipazioni S.p.A.	8.00%
Tecnoinfrastrutture S.r.l.	6.76%
Province of Turin	5.00%
Aviapartner S.p.A.	0.42%
Treasury stock	2.96%
Total	**100.00%**

The share premium reserve recorded amounts to €6,104,521. 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 (1) of the Civil Code.

The other reserves comprise:

- reserve for the purchase of treasury shares, €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 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 2014.

- The extraordinary reserve, €236 thousand, is entirely made up of annual profits and has decreased by €21,085 compared to the prior year. The difference was caused by: a) increase by €215 thousand after allocation of all 2013 profits; b) decrease by €21,300 thousand after distribution of extraordinary dividends from the reserve in question, as approved by the Shareholders of the holding company on 17 April 2014. The distribution of the referred extraordinary dividend relates directly to the inflow of cash (€21,625 thousand) generated by the capital reduction implemented by the subsidiary Aeroporti Holding as a consequence of its disposal of the share held in the company that manages the Florence Airport.

- 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.

	Amount at beginning of year	Distribution of dividends	Other uses	Increases
Share capital	12,911,481	0	0	0
Share premium reserve	6,104,521	0	0	0
Revaluation reserves	7,362,627	0	0	0
Legal reserve	2,582,296	0	0	0
Other reserves				
Extraordinary or optional reserve	21,321,173	21,300,000	0	214,584
Reserve for purchase of treasury shares	4,823,612	0	0	0
Miscellaneous other reserves	4,906,340	0	0	0
Total other reserves	31,051,125	21,300,000	0	214,584
Profit (loss) of the year	214,584	0	-214,584	
Total equity	60,226,634	21,300,000	-214,584	214,584

	Decreases	Reclassifications	Result of the year	Balance at end of year
Share capital	0	0		12,911,481
Share premium reserve	0	0		6,104,521
Revaluation reserves	0	0		7,362,627
Legal reserve	0	0		2,582,296
Other reserves				
Extraordinary or optional reserve	0	0		235,757
Reserve for purchase of treasury shares	0	0		4,823,612
Miscellaneous other reserves	0	0		4,906,340
Total other reserves	0	0		9,965,709
Profit (loss) of the year			795,344	795,344
Total equity	0	0	795,344	39,721,978

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

For a clearer picture of equity component variations, their variations in the past year are reported below:

	Amount at beginning of year	Distribution of dividends	Other uses	Increases
Share capital	12,911,481	0	0	0
Share premium reserve	6,104,521	0	0	0
Revaluation reserves	8,513,223	0	0	0
Legal reserve	2,582,296	0	0	0
Other riserves				
Extraordinary or optional reserve	21,321,173	0	0	0
Reserve for purchase of treasury shares	4,823,612	0	0	0
Miscellaneous other reserves	4,923,121	0	0	0
Total other reserves	31,067,906	0	0	0
Profit (loss) of the year	-1,167,377	0	1,167,377	
Total equity	60,012,050	0	1,167,377	0

	Decreases	Reclassifications	Result of the year	Balance at end of year
Share capital	0	0		12,911,481
Share premium reserve	0	0		6,104,521
Revaluation reserves	1,150,596	0		7,362,627
Legal reserve	0	0		2,582,296
Other reserves				
Extraordinary or optional reserve	0	0		21,321,173
Reserve for purchase of treasury shares	0	0		4,823,612
Miscellaneous other reserves	16,781	0		4,906,340
Total other reserves	16,781	0		31,051,125
Profit (loss) of the year			214,584	214,584
Total equity	1,167,377	0	214,584	60,226,634

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 previous 3 years - coverage of losses	Summary of uses made in previous 3 years - other reasons
Share capital	12,911,481	Share capital			0	0
Share premium reserve	6,104,521	Share capital	A,B,C.	6,104,521	0	0
Revaluation reserves	7,362,627	Share capital	A,B,C.	7,362,627	1,150,596	0
Legal reserve	2,582,296	Profits	B.		0	0
Other reserves						
Extraordinary or optional reserve	235,757	Profits	A,B,C.	235,757	0	21,300,000
Reserve for purchase of treasury shares	4,823,612	Profits		0	0	0
Miscellaneous other reserves	4,906,340	Profits	A,B.C.	4,906,340	16,781	0
Total other reserves	9,965,709			5,142,097	16,781	21,300,000
Total	38,926,634			18,609,245	1,167,377	21,300,000
Residual portion eligible for distribution				18,609,245		

	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
1	Reserve for non-routine investments	4,906,340	Profits	A,B,C.	4,906,340	0	0
2	Reserve as per art. 55 DPR 917/86	0	Profits	A,B,C.	0	16,781	0
Total		4,906,340					

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

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. The use shown in the "Other reasons" column relates to the above-mentioned distribution of an exceptional dividend approved by the Shareholders on 17 April 2014.

In order to provide more exhaustive information on equity, the following details are also given 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 CHARGES

This caption 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**	**14,099,125**	**14,099,125**
Variations during the year				
Amount allocated in the year	0	0	231,687	231,687
Amount used in the year	0	0	362,062	362,062
Other variations	0	0	0	0
Total variations	0	0	-130,375	-130,375
Balance at end of year	**0**	**0**	**13,968,750**	**13,968,750**

The provision for future liabilities, €5,487 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 €12 thousand, as a consequence of the following:

- the company used provisions created in past years to cover pending controversies for €220 thousand;
- €232 thousand were allocated to cover new controversies started and potential liabilities arisen during the year.

The provision for leasehold maintenance expenses included the amount allocated by the company to cover the maintenance of the assets in concession that the company is required to provide under the obligation to return such assets in good state upon expiration of the concession in 2035. In compliance with the accounting standards (OIC 31), the congruency of the provision for leasehold maintenance was verified in 2014 as well. In particular, this provision has progressively increased since its first creation, in 1996. After observing the actual frequency of the interventions made and their amounts, the Company has deemed it appropriate to perform a thorough review of the presuppositions and amount of this provision, considering that it was created to cope with actual prospective needs of maintenance interventions aimed at keeping in good order the property and facilities that the airport management company has received in concession.
Therefore, the company has not deemed to increase this provision further in 2014, pending completion of the above-referred review.
An amount of €142 thousand from this provision was used to cover part of routine maintenance costs and safety compliance costs incurred in 2014, that are of recurring nature and are intended to counter the ordinary wear and tear of the assets in question.

PROVISION FOR STAFF SEVERANCE PAY

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

Balance as of 01/01/2014	**2.785**
Amount allocated in the year	621
Additions for staff coming in from other companies	184
Decreases for staff moved to other companies	0
Amount used for resignations and payments on account	(489)
Amount transferred to INPS or pension funds	(589)
Balance as of 31/12/2014	**2.512**

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 2014, kept with the company, contributed to pension funds and allocated to the INPS Treasury Fund.

The captions "Increase" and "Decrease" include the portions of TFR relating to staff transferred to/from other SAGAT Group companies.
The caption “Amount used” includes the TFR paid to the employees, both in the form of payments on account and upon termination of employment.
The caption “Transfers” includes the TFR accrued and destined to pension funds and to the Treasury Fund.

	Provision for staff severance pay
Amount at beginning of year	**2,784,937**
Variations during the year	
Amount allocated in the year	620,804
Amount used in the year	894,137
Total variations	-273,333
Balance at end of year	**2,511,604**

ACCOUNTS PAYABLE

The accounts payable are recorded for €35,905 thousand (€35,899 thousand as of year-end 2013) 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 €7,500 thousand (€9,125 thousand in the prior year) relate entirely to the long-term loan entered into 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 installment.

The accounts payable to vendors include the trade payables towards other entities than subsidiary companies. They amount on aggregate to €8,930 thousand (€8,788 thousand in the prior year) and have increased by €142 thousand.

The payables to subsidiary companies amount to €3,012 thousand and have decreased by €675 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 two loans of €500 and €1,500 granted by the subsidiaries SAGAT Handling S.p.A. and SAGAT Engineering S.r.l., respectively, to the holding company, on arm's length terms, with a view to maximising the use of financial resources at Group level.

The details of the accounts payable to subsidiary companies are shown in the table below:

	31/12/2014	31/12/2013
Aeroporti Holding S.r.l.		18
SAGAT Handling S.p.A.	1.036	1.359
SAGAT Engineering S.r.l.	1.976	2.310
Sistema S.r.l.	-	-
Total	**3.012**	**3.687**

Tax payables have increased by €23 thousand compared to the prior year and amount in total to €943 thousand. Their detail is as follows:

	31/12/2014	31/12/2013
IRAP	-	-
Witholdingtax payables	360	359
Surtaxes payable Fees	580	558
Other	3	3
Total	**943**	**920**

There are no payables due beyond 12 months.

Social security payables amount to a total of €805 thousand and are shown in the table below:

	31/12/2014	31/12/2013
INPS/INAIL	537	457
Other	268	250
Total	**805**	**707**

The other payables, totalling €14,715 thousand, relate to:

	31/12/2014	31/12/2013
ENAC/Concession fee	263	187
Employees	1.063	942
Surtaxes on boarding fees	5.889	5.006
Other payables	7.500	6.537
Total	**14.715**	**12.672**

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 increased in the year by €883 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 €5,800 thousand, the account payable by the holding company on fire-fighting services at the airport, as dictated 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:

	Amount at beginning of year	Variation during the year	Balance at end of year	Portion due beyond 5 years
Payables to banks	9,124,946	-1,624,946	7,500,000	0
Trade payables	8,788,265	142,286	8,930,551	0
Payables to subsidiary companies	3,686,995	-674,664	3,012,331	0
Tax payables	919,832	22,763	942,595	0
Social security payables	706,921	98,131	805,052	0
Other payables	12,672,166	2,042,143	14,714,309	0
Total accounts payable	35,899,125	130,659	35,904,838	0

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**
Payables to banks	7,500,000	7,500,000	0
Trade payables	8,930,551	7,820,999	1,109,552
Payables to subsidiary companies	3,012,331	3,012,331	0
Tax payables	942,595	942,595	0
Social security payables	805,052	805,052	0
Other payables	14,714,309	14,714,309	0
Accounts payable	35,904,838	34,795,286	1,109,552

Accounts payable – with Company assets as collaterals

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

	Mortgage payables	Lien payables	Special privilege payables	Total payables with collaterals	Payables without collaterals	Total
Payables to banks	0	0	0	0	7,500,000	7,500,000
Trade payables	0	0	0	0	8,930,551	8,930,551
Payables to subsidiary companies	0	0	0	0	3,012,331	3,012,331
Tax payables	0	0	0	0	942,595	942,595
Social security payables	0	0	0	0	805,052	805,052
Other payables	0	0	0	0	14,714,309	14,714,309
Total accounts payable	0	0	0	0	35,904,838	35,904,838

ACCRUED EXPENSES AND DEFERRED INCOME

These total €12,250 thousand and have decreased by €2,278 thousand compared to 31/12/2013, as better detailed below:

	Accrued expenses	Discount on loans granted	Other accrued expenses	Total accrued expenses and deferred income
Amount at beginning of year	1,384	0	14,526,526	14,527,910
Variation during the year	953	0	-2,278,544	-2,277,591
Balance at end of year	2,337	0	12,247,982	12,250,319

Breakdown of accrued expenses and deferred income:

The caption “Deferred income” relates mostly 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 2014 portion of these grants released to the income statement.

	Amount
Accrued interest expense	2,337
Total	**2,337**

	Amount
Deferred income on grants obtained	11,114,835
Deferred income from ENAC on BHS system	941,836
Other deferred income	191,311
Total	**12,247,982**

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, pursuant to art. 2425 (2) of the Civil Code. Their breakdown and nature are shown below:

Nature	31/12/2014	31/12/2013
Third-party assets received in concession	59.654	59.654
Personal guarantees given to third parties	17.940	15.161
Total	**77.594**	**74.815**

Third-party assets in 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 Income Statement

Income statement items are classified in accordance with the explanatory document of the accounting standard issued by Italy's National Committee of Professional Accountants ("CNDC") no. 12 (concerning the classification in the income statement of income and costs according to current accounting standards) and with the explanatory document no. 1 of the accounting standard issued by the Italian Accounting Body in 2005.
The most relevant Income Statement components for 2014 are shown below.

Value of production

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	**46,135,357**	**13,818,289**	**6,095,973**	**2,893,455**	**5,427,191**	**2,208,211**

	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	**1,877,560**	**5,241,890**	**6,161,487**	**1,767,852**	**599,241**	**44,208**

Revenues from sales and services by territory

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

	Total	1	2
Revenues from sales and services by territory			
Territory		**Italy**	**Foreign**
Amount for current year	**46,135,357**	**42,430,866**	**3,704,491**

OTHER REVENUES AND PROCEEDS

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

	Year 2014	Year 2013
Recoupment of utilities in common and other expenses	47	39
Other proceeds	2.541	2.422
Construction grants	2.274	2.461
Total	**4.862**	**4.922**

This caption, totalling €4,862 thousand, has decreased by €60 thousand compared to the prior year.

The caption “Construction grants” includes, according to the criteria described above, among others, the following grants:

- FIP grant for the implementation of the “Investments for safety services management” project (resolution of Regione Piemonte no. 339/02 [ex 829/01]), recorded according to the criteria described above in the amount of €0.2 thousand;

- FIP grant for the implementation of the “Investments for safety services management” project (resolution of Regione Piemonte no. 407/02 [ex 828/01]), recorded according to the criteria described above in the amount of €6 thousand;

- 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 and decreasing by €185 thousand compared to the prior year.

The caption "Other proceeds" includes €1,058 thousand as earnings from services carried out for Group companies and €527 thousand on amounts allocated to the provision for bad debts in past years and released to the income statement because no longer necessary, in the light of the appeal award in the action SAGAT vs. the handling company Aviapartner (see above). For more details please refer to the section in the Director's Report on controversies.

Production costs

PURCHASE OF RAW AND MAINTENANCE MATERIALS, CONSUMABLES AND GOODS

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

	Year 2014	***Year* 2013**
Maintenance materials	257	226
Miscellaneous materials	40	47
Materials for resale	508	1.708
Fuels and lubricants	539	715
De-icing	201	275
Stationery and prints	53	43
Total	**1.598**	**3.014**

The caption includes the cost of purchasing raw and ancillary materials, consumables and maintenance materials. The amount of "Materials intended for resale" has decreased by €1,200 thousand compared to the prior year due to the Company's decision to stop running the Airport Retail Corners directly and subcontract instead their management to a leading specialist operator in the industry.

COST OF SERVICES

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

	Year 2014	Year 2013
Miscellaneous services	2.043	2.474
Assistance, storage and PRM services	1.139	1.156
Electricity and other utilities	3.406	3.482
Technical, management, marketing advice	525	541
Watch service	2.339	2.080
Cleaning, waste collection and disposal	884	885
Maintenance / repair and misc. contractual costs	1.321	1.255
Maintenance / repair rent, lease and similar costs	615	0
Business and general insurance	336	347
Misc. staff costs (cafeteria, training, T&E, etc.)	416	428
Services rendered by subsidiary companies	917	1.126
Other	5.664	4.176
Total	**19.605**	**17.950**

RENT, LEASE AND SIMILAR COSTS

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

	Year 2014	Year 2013
Airport concession fee	483	432
Rent owed to Municipality of Turin	340	339
Other concession fees	111	99
Rent and leases	162	146
Total	**1.096**	**1.016**

STAFF COSTS

Staff costs for 2014, inclusive of outsourced staff, amounts to €12,629 thousand, increasing by about €756 thousand compared to the prior year.

The change is due essentially to the following factors:

– transfer of SAGAT Engineering employees to SAGAT S.p.A. (+2.5 FTE since August), €140 thousand;

– increase in the number of employees due to the transfers from SAGAT Handling and to the more intensive resort to term employment to handle growing traffic volumes (+3.27 FTE), €105 thousand. This amount does not take into account the early positive effects of the lay-off procedure launched in July;

– effects of the new collective bargaining agreement entered into in October (effective from September), €125 thousand;

– allocation of funds for the current year's Performance Bonuses, over €100 thousand;

– lesser number of leave days used (€60 thousand) due to the using up of residual leave from prior years;

– increase in extra hours worked (€70 thousand) and in outsourced work (€25 thousand), due to the greater traffic volumes.

Staff costs include the caption “Other costs”, detailed in the table below (thousand Euro):

	Year 2014	Year 2013
Gratuities	20	46
Workers’ compensation insurance	26	25
Employees’ welfare allowance	122	122
Incentives to voluntary termination	9	0
Total	**177**	**193**

AMORTISATION, DEPRECIATION AND WRITE-DOWNS

These are stated in thousand Euro and broken down below:

	Year 2014	Year 2013
Amortisation of intangible assets	3.385	3.450
Depreciation of tangible assets	7.233	7.455
Write-downs of accounts receivable	231	60
Total	**10.849**	**10.965**

The caption "Amortisation and depreciation" has decreased from the prior year by €287 thousand, basically due to ordinary life cycle and replacement of fixed assets.

The total balance of the provision for bad debts decreased by €541 thousand, as €14 thousand were used and €527 thousand were released to the income statement during the year. At the closing of 2014, the provisions were reinstated with a total allocation of €231 thousand, against positions particularly at risk .

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

The stocks of raw and maintenance materials, consumables and goods have decreased by €1,035 thousand in the year ended as of 31/12/2014, due to the already described change in strategy concerning the subcontracting of the retail business to a leading international operator.

PROVISIONS FOR LIABILITIES AND CHARGES

An amount of €232 thousand was allocated in the year to the provision for liabilities and charges in order to cater for the losses or payables 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 dedicated to the provision for liabilities and charges and its variations in the Notes.

OTHER PROVISIONS

With respect to the annual allocation to the provision for third-party assets held in concession (€1,250 thousand), in 2014 the Company has deemed it appropriate to perform a thorough review of the presuppositions and amount of this provision, considering that it was created to cope with actual prospective needs of maintenance interventions aimed at keeping in good order the property and facilities that the airport management company has received in concession.
Therefore, the company has not deemed to increase this provision further in 2014, pending completion of the above-referred review.

MISCELLANEOUS OPERATING COSTS

The relevant costs are stated in thousand Euro and broken down as follows:

	Year 2014	Year 2013
Entertainment / guest expenses	78	90
Contingent liabilities / Downward adjustment of income	93	56
Membership fees	109	107
Damages paid to third parties	2	8
Fire Department fees	710	717
Municipal property taxes	252	256
Other	417	401
Total	**1.661**	**1.635**

This caption has increased slightly (€26 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 other than dividends.
The company has collected €126 thousand on dividends paid by its subsidiary SAGAT Engineering and €405 thousand on dividends paid by its subsidiary Aeroporti Holding, of which €100 thousand pertaining to profits 2013 and €305 thousand pertaining to profits 2014.

Financial income

The €40 thousand recorded are: interest income from banks and post offices (€39 thousand) and interest income from the Tax Office (€1 thousand).

Exchange gains (losses)

Exchange gains and losses, €1,400 in total, relate to differences realised during the year. Gains amount to €56 and losses to €1,456.

	Amount realised	Amount assessed	Total
Exchange gains	56	0	56
Exchange losses	1,456	0	1,456

Interest and other financial expense - breakdown by nature of payables

Interest and other financial charges, totalling €375 thousand, are made up of interest expense on short and long-term bank loans (€324 thousand) and interest expense on loans from Group companies (€51 thousand).

	Bonded loans	Payables to banks	Other	Total
Interest and other financial expense	0	324,092	50,514	374,606

ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

Financial asset value was adjusted in the year for a total of €3 thousand, to accommodate the impairment of equity investments in subsidiary companies, due to the durable losses recorded by these companies during 2014 or 2013.

In particular, the investment in the subsidiary SAGAT Handling was written down by €3 thousand to reflect the losses recorded in 2014.

EXCEPTIONAL INCOME AND CHARGES

The caption “Exceptional income”, €22 thousand on aggregate, represents the total of contingent gains relating to previous years.

The caption "Exceptional charges" recorded in the aggregate amount of €983 thousand, includes the total of contingent liabilities relating to previous years, among which there is the €921 thousand contingent liability arising from the enforcement of Court decision no. 1992/14, registered on 8 October 2014, in the legal action started by Aviapartner. For more details please refer to the section in the Director's Report on pending controversies.

INCOME TAXES FOR THE YEAR

This item, totalling €729 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 (in thousand Euro):

IRES	54
IRAP	585
Deferred tax assets and liabilities	90
Total	**729**

The description of the temporary differences that led to recording deferred tax assets and liabilities and their impact on the financial statements are already contained in the table commenting the caption "Deferred tax assets".

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 2014, compared with the corresponding period in 2013.

	Year 2014	Year 2013
EBT	1.524.716	1.281.303
Theoretical IRES rate (%)	27,5%	27,5%
Theoretical income tax	419.297	352.358
Tax effects of IRES variations	-306.424	-100.645
Tax effects loss carried forward	-58.402	0
Effects of deferred tax	89.947	181.820
IRAP	584.954	633.186
Income taxes carried (current and deferred)	**729.372**	**1.066.719**

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 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, and information on fiscal loss.

	Amount
A) Temporary differences	
Total deductible temporary differences	9,119,701
Total deductible temporary differences	256,381
Net temporary differences	-8,863,320
B) Fiscal effects	
Provision for deferred tax liabilities (assets) at beginning of year	-2,794,106
Deferred tax liabilities (assets) for the year	89,947
Provision for deferred tax liabilities (assets) at end of year	-2,704,159

	Description	Amount
1	Maintenance provisions	942,240
2	Provision for bad debts	310,516
3	Provision for future liabilities	1,344,726
4	Fiscal loss	0
5	Other minor	177,182
Total		**2,774,664**

	Description	Amount
1	Dividends not collected	4,193
2	Greater fiscal amortisation/depreciation	66,311
Total		**70,504**

	Prior year - Amount of fiscal loss	Prior year - Fiscal effect	Current year - Amount of fiscal loss	Current year - Fiscal effect
Fiscal loss used				
pertaining to the year	288,665	79,383	0	0
pertaining to prior years	0	0	0	0
Total loss used	288,665	79,383	0	0
Fiscal loss carried forward, expected to be used with reasonable certainty	0	0	0	0
Total benefit assessed	0	0	0	0

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.

INFORMATION ABOUT THE STAFF

The average number of employees increased y 7.42 FTE, as a consequence of SAGAT S.p.A. taking in the staff of its subsidiary SAGAT Engineering, that ceased operations in August, and other employees from SAGAT Handling S.p.A. The increase was partially balanced by the employees that left under the lay-off procedure described earlier.

The headcount as of 31/12 reflects 2 term employees more compared to December 2014, who were required to cover operating requirements in the charter season.

The table below shows the average headcount broken down by category:

	Executives	Junior Exec.	Clerical staff	Blue-collar staff	Other employees	Total Employees
Average headcount	4	0	129	97	0	230

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	593,439
Auditors' emoluments	50,307
Total emoluments paid to Directors and Auditors	**643,746**

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 OF 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 also contains the statement of cash flow, to provide a picture of liquidity movements during the year.
The statement was prepared according to the “Report of cash flows” pattern. 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.

	2014	2013
EBIT per share	0,92	0,52
Gross EPS	0,61	0,51
Net EPS	0,32	0,09

THE BOARD OF DIRECTORS

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

S.A.G.AT. S.P.A.

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

Dear Shareholders,

in 2014 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 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, also 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, pursuant to art. 2409-septies of the Civil Code, with the Independent Auditors 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 particular problematic points 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 correctly recognise and present operations. 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 audit controls and compliance with Legislative Decree 231/2001, of the interim audits by the Internal Auditors and the Supervisory Body, that do not reflect any particular critical issue. The exchange between the two bodies was facilitated by the fact that the Chairman of the Board of Auditors is also a member of the Supervisory Body.*

The Board of Auditors had acquired sufficient information on the transactions of higher economic and financial impact 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 it necessary to make any remark on the above-referred transactions. The Auditors have not found any non-standard or unusual transaction.

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.

The Auditors acknowledge that no reports as per art. 2408 of the Civil Code have been filed in the year 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 €795,344 (€214,584 in 2013) and show a net equity, account taken of the profit, of €39,721,978, decreasing by €20,504,656 compared to the prior year, which is the result of the allocation to reserves of the entire profit from the prior year and use of the residual other reserves to distribute an extraordinary dividend of €21,300,000 as approved by the Shareholders on 17 April 2014.

Regards to the activities pertaining to the Board of Auditors as far as the preparation of 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 laid down in 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 is compliant with the laws in force and 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 the Independent Auditors have issued today their own unqualified report pursuant to art. 14 of Legislative Decree 39/2010, without uncertainties, audit restrictions or requests for further information.

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 2014 and to the proposal to allocate the profits as formulated by the Board of Directors.

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, which was also without uncertainties, audit restrictions or requests for further information.

Turin, 7 April 2015

THE BOARD OF AUDITORS
Lorenzo GINISIO, Chairman

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.

3 We have audited the financial statements of SAGAT S.p.A. (the "Company") for the year ended 31 December 2014. The Directors of SAGAT S.p.A. are responsible for preparing the consolidated financial statements pursuant to the rules governing their preparation. We are responsible for our professional opinion on the financial statements, based on our audit.

4 We have carried out the audit according to the accounting principles issued by the National Committee of Tax Consultants and Professional Accountants and recommended by Consob. In accordance with said principles, our audit was planned and aimed at acquiring all the necessary elements to ascertain whether the consolidated financial statements are flawed by significant errors and appear to be reliable as a whole. The audit includes sample verifications of the elements proving the amounts recorded and information provided in the consolidated financial statements, as well as the adequacy and accuracy of the accounting standards adopted and of the estimates made by the Directors. We hold the results of the audit as capable of providing a reasonable basis for our professional opinion.

For an opinion about the financial statements for the previous year, the figures of which are presented for comparison purposes pursuant to the law, please refer to the report issued on 28 March 2014.

5 In our opinion, the financial statements of SAGAT S.p.A. as of 31 December 2014 are compliant with the rules governing their preparation, and therefore provide a clear, true and accurate picture of the financial position and performance of the Company.

6 The Directors of SAGAT S.p.A. are responsible for preparing the Directors' Report pursuant to the law. We are responsible for expressing an opinion about the consistency of the Directors' Report with the financial statements in accordance with the law. To this end, we have followed the procedures indicated in Audit Standard no. 001 issued by the National Committee of Tax Consultants and Professional Accountants and recommended by Consob. In our opinion, the Directors' Report is consistent with the financial statements of SAGAT S.p.A. as of 31 December 2014.

DELOITTE & TOUCHE S.p.A.

Eugenio Puddu
Partner

Turin, 7 April 2015

3. DIRECTORS' REPORT – SAGAT GROUP as of 31/12/2014

SAGAT Group Highlights 2014

TRAFFIC

The Turin Airport ends 2014 with 3,431,986 passengers in transit at Caselle, 8.6% more than in January-December 2013.

INCOME **RESULT**

The most relevant income components for the year are shown below.
The **value of production** net of grants, €55,888 thousand, has increased by 0.2% (€5,773 thousand in 2013).
The **GOM** amounts to €10,942 thousand (19.6% of billing volume) and was €12,484 thousand in 2013 (22.4% of billing volume).
The **EBITDA** amounts to €10,363 thousand (€9,713 thousand in 2013).
The **EBIT** amounts to €1,727 thousand (€946 thousand in 2013).
The **EBT** amounts to €5,991 thousand (€1,506 thousand in 2013).
The **Group's profit** amounts to €3,357 thousand (€267 thousand in 2013).
Net financial position: debt exposure for €153 thousand, improving by €6,594 thousand compared to the exposure as of 31 December 2013 (€6,441 thousand).

INVESTMENTS IN 2014

About €3.1 million on aggregate were invested during the course of the year. The Group has also performed maintenance activities on assets held in concession, especially the runway, for about €0.6 million.
The investments were:

* in the case of SAGAT, infrastructures and service systems aimed mostly at renovating the existing infrastructures in both the aircraft manoeuvring areas and in airport buildings and their appurtenances;

* 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 DECEMBRE 2014

Passenger traffic data at the Turin airport showed, in the first two months of 2015, a fair 4.1% increase compared to the corresponding period in 2014.
The movements handled by SAGAT Handling have instead slightly decreased: -7.1% compared to the prior year, decreasing in terms of market share from 68.5% in 2013 to 65.8% in February 2015. Cargo traffic has decreased by 9.4%.

DEVELOPMENTS

SAGAT Group's efforts 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 31/12/2014 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 2014 and after 31 December 2014.

The figures for year 2014 are compared with those from year 2013.

The balance sheet and net financial position for the year are shown compared to the closing balances as of 31/12/2013.

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 Turin 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 2014, presented in summary form in the table below, closes at a net operating profit of €3,357 thousand, improving by €3,090 thousand compared to the €267 thousand profit recorded in the prior year.

	2014	2013	Difference
Value of production *	55.887.848	55.773.326	114.522
Staff costs	19.161.270	18.954.226	207.044
Operating costs	25.784.403	24.335.198	1.449.205
GOM	**10.942.175**	**12.483.902**	**-1.541.727**
% GOM	**19,6%**	**22,4%**	
Amortisation, depreciation & write-downs	579.296	2.771.389	-2.192.093
EBITDA	**10.362.879**	**9.712.513**	**650.366**
% EBITDA	**18,5%**	**17,4%**	
Amortisation & depreciation	10.909.482	11.228.108	-318.626
Grants	2.273.767	2.461.200	-187.433
EBIT	**1.727.164**	**945.605**	**781.558**
% EBIT	**3,1%**	**1,7%**	
Balance of financial income (expenses) and exceptional gains (losses)	4.263.986	560.252	3.703.734
EBT	**5.991.150**	**1.505.857**	**4.485.293**
Income taxes	972.492	1.132.980	-160.489
Portion pertaining to minority shareholders	1.661.935	106.175	1.555.760
Net profit	**3.356.723**	**266.702**	**3.090.021**
Financial independence **	**14.301.476**	**14.301.495**	**-19**

(*) 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 2014 and 2013:

	2014	%	2013	%	Difference
Value of production	**55.887.848**	**100,0%**	**55.773.326**	**100,0%**	**114.522**
Aviation	**27.728.608**	**58,1%**	**25.538.930**	**54,2%**	**2.189.678**
of which:					
Fees	13.818.289		12.572.341		1.245.948
Centralised infrastructures	6.161.188		5.807.122		354.066
Assets used in common	126.697		139.997		-13.300
Security	6.095.973		5.614.266		481.707
Aviation services (PRM and luggage)	1.526.461		1.405.204		121.257
Handling	**9.882.506**	**0,7%**	**10.500.907**	**1,0%**	**-618.401**
of which:					
Ground handling	9.077.377		9.442.867		
Cargo handling	805.129		1.058.040		
Non-*aviation*	16.405.364		18.091.018		-1.685.654
of which:					
***Non-aviation* services**	**869.779**		**262.459**		**607.320**
Ticketing	139.352		151.034		-11.682
Airport Retail Corners	1.877.560		3.687.599		-1.810.039
Retail and restaurant subcontracts	2.714.397		2.374.342		340.055
Other business subcontracts	1.568.309		1.551.689		16.620
Sublease of spaces	2.670.699		3.089.964		-419.265
Parking Lots	5.427.190		5.465.650		-38.460
Advertising	1.138.078		1.508.281		-370.203
Other revenues	**1.871.370**	**5,2%**	**1.642.471**	**5,0%**	**228.899**

The value of production net of grants has increased in 2014 by an aggregate amount of €115 thousand, reaching €55,888 thousand.

The increase in aviation income, €2,190 thousand (+8.58%), is due to traffic trends and, as far as the Holding Company is concerned, to the effects of partial and delayed adjustments of airport fees to inflation.

Therefore, the income from fees, security and centralised infrastructures is in line with air traffic trends to/from the airport and with the trends of airport fees as a whole.

Regards to handling income and with specific reference to the subsidiary SAGAT Handling, the decrease in the value of production compared to 2013 is essentially due to the already mentioned decrease in the volume of cargo traffic and to the decrease of extra income from handling services, including the €290 thousand decrease in the aircraft de-icing services caused by the milder Winter weather.

Non-aviation income was reduced by €1,686 thousand (-9.32%) in 2014, decreasing from €18,091 thousand in 2013 to €16,405 thousand in 2014.

The aggregate difference, which is in any case of a lesser size compared to the drop in traffic volumes, is the consequence of various factors that have significantly affected the income components.
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, €1,871 thousand, show a slight increase compared to the €1,642 thousand recorded in 2013.

STAFF COSTS

Staff costs, inclusive of outsourced staff, amounted on aggregate to €19,161 thousand (€18,954 thousand in 2013), with an increase by about €207 thousand compared to the prior year.

This difference, certainly a positive one compared to the percentage growths in the various traffic components during the year, is the result of a series of negative components detailed in a specific section of the Notes. The most significant of the components that have caused an increase in staff costs are the effects of the new collective bargaining agreement for airport management companies entered into in September, and the most significant among those leading to savings are the effects of the lay-off procedure started in July, as a consequence of which 18 employees left the company before December.

OPERATING **COSTS**

Operating costs have reached €25,784 thousand, increasing by €1,449 thousand compared to the year ended 31/12/2013. Netted of the aggregate increase in the costs related to the greater traffic at the airport, and of the non-recurring costs related to the sale of the share held in the company that manages the Florence airport, the operating costs appear to have slightly decreased, considering the major growth in the volume of operations implemented at the airport. In any case, the growth in operating costs is basically due to the following:

- less costs for security services (€783 thousand), of which:
  - less costs for the purchase of products for resale at the Airport Retail Corners, no longer run by the Group since July 2014 (about €391 thousand);
  - less costs incurred for the purchase of de-icing fluid and snow removal services (€250 thousand) thanks to the different weather situation compared to the prior year;
  - €50 thousand on fuel, lubricants and tires;
- greater costs incurred by SAGAT for the boosting of air traffic (about €1,080 thousand);
- greater marketing costs incurred by the Holding Company, by some €305 thousand;
- greater costs incurred by SAGAT for security services (€258 thousand);
- greater maintenance costs by about €720 thousand, due to direct release to the Income Statement 2014 of leased asset maintenance costs (€614 thousand) without using the relevant provisions as the Company used to do in the previous years, and to major maintenance interventions implemented during the year (€106 thousand);

- less costs incurred by Group companies on utilities, especially electricity and water (about €80 thousand);

- less costs of services by about €373 thousand, due basically to the cutting of the cost incurred by SAGAT to pay the cooperative that used to operate the Airport Retail Corners before they were closed (-€300 thousand) and to the lesser aggregate cost of the stock handling services performed by the subsidiary SAGAT Handling, due to the lesser volume of goods handled (€50 thousand);

- greater costs on professional fees and overheads (about €250 thousand) entirely related to the expenses incurred by Aeroporti Holding to sell its share in ADF. Netted of the said non-recurring costs for €466 thousand, the item would have decreased by €216 thousand.

GROSS OPERATING MARGIN

Due to the reasons explained above, the GOM has decreased by €1,542 thousand compared to the prior year, reaching €10,942 thousand in 2014, or 19.6% of the value of production.

PROVISIONS AND WRITE-DOWNS

Provisions and write-downs, €579 thousand on aggregate, show a decrease by €4,127 thousand due to the following circumstances:

- allocation of a total of €249 thousand (€174 thousand more than in 2013) to the already sizeable provision for bad debts in order to cater for the needs arisen during the year;

- allocation of a total of €330 thousand, €1,116 thousand less than in 2013, to the provision for future contingencies in order to align it to the actual risks that are known to Group companies as of 31.12.2014. For details about the nature of the amounts allocated, please refer to the section dedicated to the provision for liabilities and charges and its variations, in the Notes for the Holding Company and for the subsidiary SAGAT Handling.

- zeroing of the provision for the maintenance of assets held in concession (€1,250 thousand less than in 2013). For details about this decision, please refer to the section dedicated to the provision for liabilities and charges and its variations in the Notes.

EBITDA

Due to the reasons explained above, the EBITDA has increased by €650 thousand, reaching €10,363 thousand in 2014, or 18.5% of the value of production.

AMORTISATION AND DEPRECIATION

The amount of amortisation and depreciation, toalling €10,909 thousand, has decreased by €319 thousand as the result of ordinary asset life cycle.

GRANTS

These are recorded in the amount of €2,274 thousand and show a slight decrease compared to the €2,461 thousand recorded in 2013, due to the developments in the useful life of the assets they relate to. For more details please refer to the corresponding sections in the Notes.

EBIT

The EBIT reaches €1,727 thousand, increasing by €781 thousand compared to the €946 thousand recorded in the prior year.

FINANCIAL AND EXCEPTIONAL COMPONENTS

The balance of financial and exceptional components, €4,264 thousand, has increased by €3,704 thousand compared to 2013, basically due to the following:

- significant improvement (+€383 thousand) of the negative difference between financial income and financial expense, that decreased from -€367 thousand in 2013 to +€16 thousand in 2014;

- improvement (+€3,619 thousand) of the positive difference between financial income and financial expense (€4,252 thousand compared to €633 thousand in 2013. The improvement is basically due to the recording of €4,084 as gain obtained by the subsidiary Aeroporti Holding from the sale of the shares previously held in the company that manages the Florence Airport;

- worsening (-€298 thousand) of financial asset adjustments, which shifted from €294 thousand in 2013 to -€4 thousand in 2014.

EBT

As a consequence of the changes described above, the EBT amounts to €5,991 thousand, improving by €4,485 thousand compared to the €1,506 thousand recorded in the prior year.

TAXES

The aggregate tax burden for the Group has decreased by €161 thousand compared to the prior year. Total taxes for the year amount to €972 thousand.

The difference between the actual 2014 tax rate and the theoretical IRES/IRAP rate (31.70) is due mostly to the almost total exemption (95%) of the gain obtained by the subsidiary Aeroporti Holding.

PROFIT

Therefore, the net profit earned by the Group in the year amounts to €3,357 thousand, improving by €3,090 thousand compared to the net actual €267 thousand profit obtained in the prior year.

3.4 Analysis of the Balance Sheet

The table below shows the Balance Sheet components reclassified according to financial principles. A comparison with 2013 figures is also provided.

Euro thousand

				31/12/2014	31/12/2013	Difference
A	**Fixed assets**					
		Intangible assets		5.192	7.811	-2.619
		Tangible assets		54.940	60.094	-5.154
		Financial assets		22.491	57.786	-35.295
				82.623	**125.691**	**-43.068**
B	**Working capital**					
		Inventory		428	1.467	-1.039
		Trade receivables		13.292	10.937	2.355
		Other assets		14.558	13.791	767
		Trade payables		-9.904	-9.489	-415
		Provisions for liability and charges		-14.427	-14.557	130
		Other liabilities		-29.670	-30.067	397
				-25.723	**-27.918**	**2.195**
C	**Invested capital (less liabilities for the year)**		**(A+B)**	**56.900**	**97.773**	**-40.873**
D	**Staff severance pay**			**3.692**	**4.236**	**-544**
E	**Invested capital (less liabilities for the year and staff severance pay)**		**(C-D)**	**53.208**	**93.537**	**-40.329**
	funded with:					
F	**Own capital**					
		Paid-in-share capital		12.911	12.911	0
		Reserves and results carried forward		29.536	50.569	-21.033
		Profit (loss) of the year		3.357	267	3.090
		Equity pertaining to minority shareholders		7.557	23.349	-15.792
				53.361	**87.096**	**-33.735**
G	**Medium / lont-term financial indebtedness**			**6.000**	**7.892**	**-1.892**
H	**Short-term financial indebtedness (net cash available)**					
		Short-term financial payables		1.500	1.625	-125
		Financial assets		0	0	0
		Cash and short-term financial receivables		-7.653	-3.076	-4.577
				-6.153	**-1.451**	**-4.702**
I	**Indebtedness (Net financial position)**		**(G+H)**	**-153**	**6.441**	**-6.594**
L	**Total, as in "E"**		**(F+I)**	**53.208**	**93.537**	**-40.329**

As shown in the table, the capital invested, less liabilities for the year and staff severance pay, has decreased by €40,329 thousand due to the following changes:

- decrease in fixed assets by €43,068 thousand due to:

- o decrease in intangible assets by €2,619 thousand, due mostly to new investments made in the year (€811 thousand), less amortisation (€3,430 thousand);

- o decrease in tangible assets by €5,154 thousand, due to the effects of ordinary asset depreciation (€7,479 thousand), less the new investments made during the year (€2,325 thousand);

- o decrease in financial assets by €35,295 thousand, mostly as the consequence of the decrease in investments in associated companies (€35,293 thousand) relating to the sale by the subsidiary Aeroporti Holding of the entire share previously held in the company that manages the Florence Airport;

- increase of working capital by €2,195 thousand, due essentially to:

- o reduction of total inventory by €1,039 thousand on aggregate;

- o increase in trade receivables by €2,355, due to:

- ➢ the increase in the total receivables from customers by €2,063 thousand, of which €1,930 thousand arising from the increase in the balance of actual receivables from customers and €133 thousand from the increase in the invoices to be issued;

- ➢ changes in the provision for bad debts, that was reduced by €292 thousand with €541 thousand used, partially offset by a readjustment to actual needs (€249 thousand).

- o increase in other assets by €767 thousand, due essentially to:

- ➢ increase in prepayments (€470 thousand) due mainly to the carry-forward to future years of the portions accruing thereto of the costs of the lay-off procedure launched in 2014 by the Holding Company and by SAGAT Handling;

- ➢ increase in other payables for the remaining part.

- o increase in trade payables by €415 thousand;

- o decrease in the provisions for liabilities and charges by €130 thousand;

- o decrease in other liabilities by €397 thousand, due essentially to:

- ▪ the decrease in accrued expenses and deferred income (€2,277 thousand) in connection with the ordinary release of Olympic Games grants;
- ▪ the increase in other payables (€1,797 thousand), of which €883 thousand are greater municipal taxes payable and the rest are mostly miscellaneous other payables;

- decrease by €544 thousand in the exposure towards the employees companies on account of their severance pay.

The company's own capital has decreased by €33,735 thousand due to:

- the distribution by the Holding Company SAGAT of extraordinary dividends for €21,300 thousand, as per Shareholder resolution of 17 April;
- the change in the profit of the year, from €267 thousand in 2013 to €3,357 thousand in 2014;
- reduction in the equity pertaining to minority shareholders by €15,792 thousand due to:
  - the reduction of the share capital of Aeroporti Holding by an aggregate amount of €39,000 thousand. The portion pertaining to minority shareholders amounts to €17,374 thousand;
  - increase after attribution to minority shareholders of their portion of the 2014 profits (€1,662 thousand);
  - reduction after attribution to minority shareholders of their portion of the dividends distributed by Aeroporti Holding in 2014 (€80 thousand).

The net financial position is positive by €153 thousand and has improved on aggregate by €6,594 thousand due to:

- reduction in medium to long term indebtedness by €1,892 thousand, of which €1,500 thousand after repayment, according to the plan, of the instalments of the loan obtained in 2010, which originally amounted to €15,000 thousand, and €392 thousand after total repayment of the non-interest-bearing loan originally granted by minority shareholders;
- reduction in net short-term financial indebtedness by €125 thousand due to the fact that the Group did not make use of the credit lines available;
- increase by €4,577 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 €6,594 thousand in financial resources. Such figure is the result of the cash flow generated by income less costs.

The cash flow from operations, €11,527 thousand in total, derives from the self-financing generated by ordinary and extraordinary operations (€14,301 thousand) and the above-referred change in net working capital (€2,774 thousand), less write-downs and provisions in the period (€579 thousand).

The cash flow was used to fund investments in intangible and tangible assets (€3,136 thousand) and to distribute the already mentioned extraordinary dividend (€21,300 thousand); it has increased, in the amount of €35,295 thousand, as a consequence of the aggregate impairment of financial assets.

The net cash flow from operations, less the change in the equity of minority shareholders by €15,792 thousand, is therefore positive, and amounts to €6,594 thousand.
Considering the changes explained above, indebtedness as of 31/12/2014 has significantly improved, reaching €153 thousand, compared to an indebtedness of €6,441 thousand as of 31/12/2013.

The changes described above are summarised in the table below:

Euro thousand

Net financial position as of 31/12/2013*			**-6.441**
Self-financing from ordinary and extraordinary operations			14.301
Profit (Loss) of the year		*3.357*	
Amortisation, depreciation and write-down of fixed assets		*10.909*	
Provisions for bad debts		*579*	
Net difference in the provision for staff severance pay		*-544*	
Difference in net working capital after amortisation, depreciation and write-downs			-2.774
Cash flow generated by income			**11.527**
Cash flow from investments after amortisation			-3.136
Net difference in fixed assets after write off of dismissed assets			0
Cash flow from financial assets			35.295
Dividends			-21.300
Difference in equity pertaining to minority shareholders			-15.792
Net cash flow from operations			**6.594**
Net financial position as of 31/12/2014*			**153**

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

3.6 Principal financial ratios

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

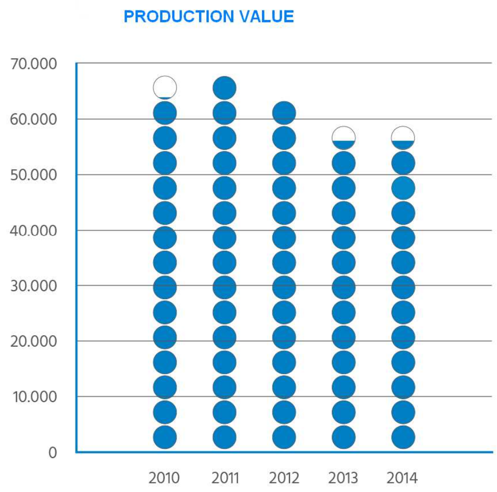
(*) VALUE OF PRODUCTION: the total of earnings minus the grants received
(**) FINANCIAL INDEPENDENCE: profit (loss) of the year + amortisation and depreciation + write-downs and provisions + net change in the provision for staff severance pay

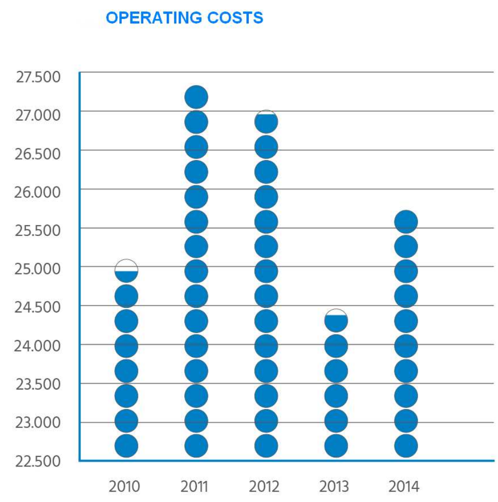
ROI: net profit / investments

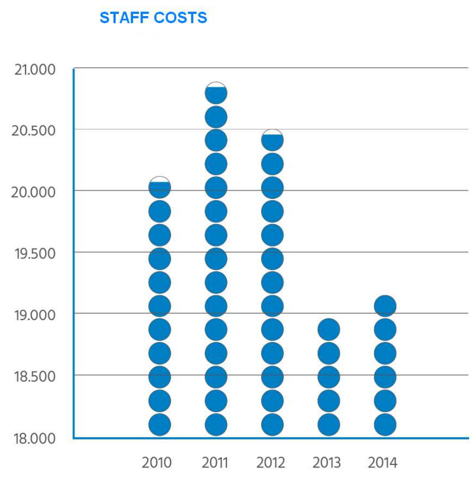
ROE: net income / shareholders' equity

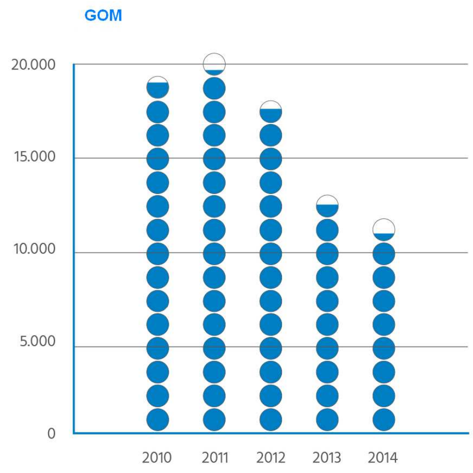
AVERAGE LENGTH OF RECEIVABLES: trade receivables / trade earnings (caption A1 of IV EEC financial statements)

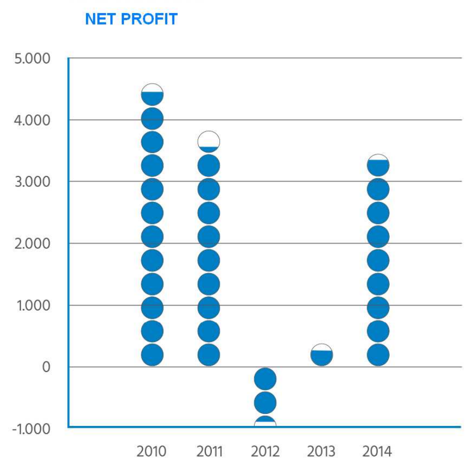
AVERAGE LENGTH OF PAYABLES: trade payables / cost of vendor services

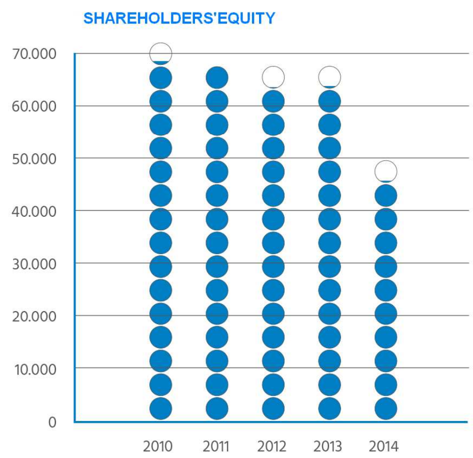

PRODUCTION VALUE
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0
2010
2011
2012
2013
2014

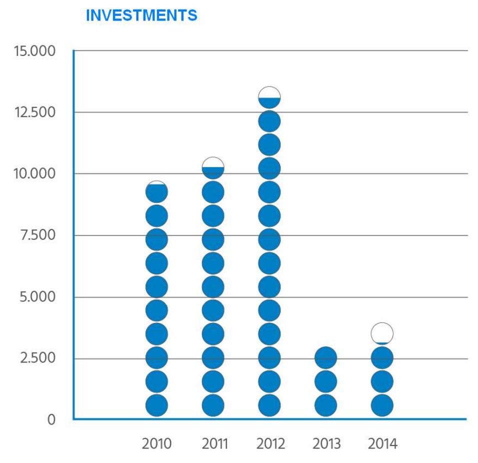

OPERATING COSTS
27.500
27.000
26.500
26.000
25.500
25.000
24.500
24.000
23.500
23.000
22.500
2010
2011
2012
2013
2014

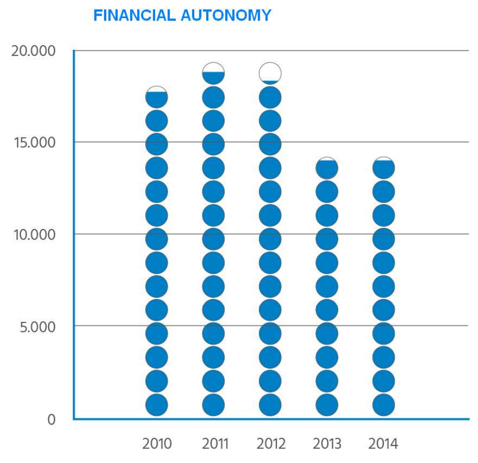

STAFF COSTS
21.000
20.500
20.000
19.500
19.000
18.500
18.000
2010
2011
2012
2013
2014

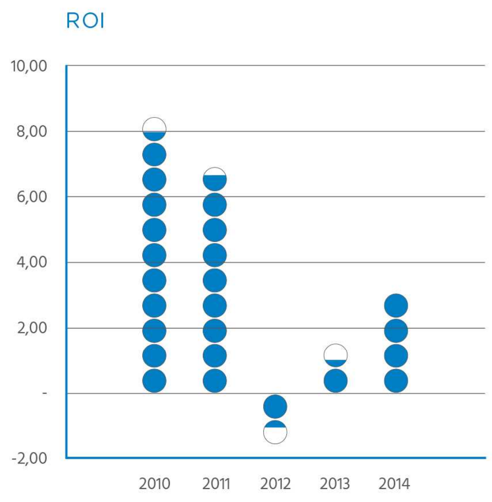

GOM
20.000
15.000
10.000
5.000
0
2010
2011
2012
2013
2014

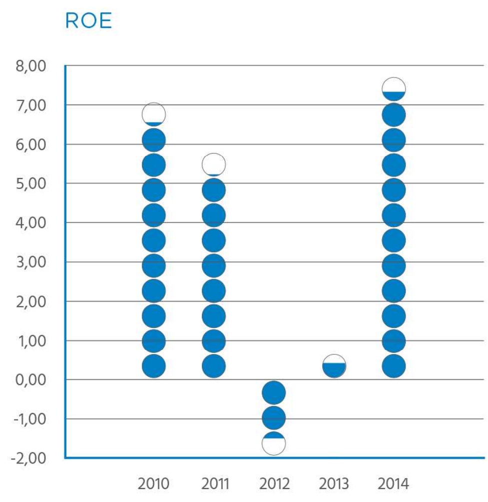

NET PROFIT
5.000
4.000
3.000
2.000
1.000
0
-1.000
2010
2011
2012
2013
2014


SHAREHOLDERS'EQUITY
70.000
60.000
50.000
40.000
30.000
20.000
10.000
0
2010
2011
2012
2013
2014









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

All Group companies underwent major organizational changes in 2014. In particular, SAGAT Engineering S.r.l. transferred its staff to the Holding Company, following the decision to go into liquidation after the closing of the financial statements 2014.

SAGAT S.p.A. underwent a revision of its entire organization on 15 July.
The main points of its Order No. 2/2014 were the following:

- The commercial business was separated, with the creation of a “Commercial Marketing Aviation” Department and a “Commercial Marketing Extra Aviation” Department.

- A “Legal and Buying” Department was created, that reports directly to the CEO.

- The Quality Departments was absorbed by the Human Resource Department, that was renamed “Human Resources, Corporate Affairs and Quality” Department.

- A new Design Department, in charge of the functions previously carried out by SAGAT Engineering, was added to the Airport Operations Management Department, and a specific Environment Department was also created.

On 30 September, Order No. 3/2014 established the creation of the Engineering Department, reporting directly to the CEO, that added further value to design and maintenance expertise. So the Engineering Department that previously reported to the Operations Management Department was abolished.
SAGAT Handling too underwent organizational changes in July, aimed at streamlining its structure and develop internal synergies. In particular, the Ramp and Apron Services were unified, and a job rotation process was put into place for 4 out of 5 company managers, to improve the mix of expertise and favour experience sharing.

INDUSTRIAL RELATIONS

In 2014 the Group companies entered into major agreements with the trade unions, aimed at facing the challenges of a market that is becoming increasingly difficult and competitive, in a scenario characterized by:

- the increasingly aggressive competition of the airports of Malpensa, Orio al Serio and Cuneo and of high-speed trains on the Turin-Rome route;

- the economic crisis that causes a lower inclination to travelling, for leisure and for business, and lower spending at the Airport shops;

- the increasingly aggressive competition in the car parking business;

- the default in payments by certain carriers and the developments in the airline market, with demand for new services and lower rates;

- the long-term gap in the fee application system, that has stopped most fee increases from the year 2000 on.

On 29 January 2014, SAGAT Handling, the trade unions and employee representatives entered into an agreement that is particularly important in terms of staff costs optimization, and very innovative in terms of industrial relations.
The parties agreed to making efforts to recover efficiency, allocating additional resources to development and carrying on strong marketing actions in respect of airlines.
The most significant aspect of the agreement was the opening of a lay-off procedure whereby 3 employees SAGAT Handling employees could leave the company before retirement age maintaining, for the entire duration of the lay-off, 80% of their compensation at the time of leaving. The procedure was funded, among others, by means of the Special Fund for Air Transport Support.
The parties also agreed to a major and significant cut in certain components of the company's supplementary employment agreement into force until 31/12/2014, such as the higher pay for weekday and holiday night-time shifts, field allowances and Sunday work allowances.
The agreement also provided for the suspension for one year of the Christmas gifts and of the 50% refund of air tickets for the employees; starting from 2014 —but without a set deadline— the amount of the long-service bonus was reduced, and the refund of kindergarten and nursery school tuition was capped, while the previous agreements with the unions did not provide for any maximum amount.
Last but not least, an extraordinary programme relating to unused days of leave was introduced, reducing to a maximum of 3 days the average residual amount of leave days per employee as of 31 December 2014.
Along the lines of the agreement entered into by SAGAT Handling, on 4 February SAGAT S.p.A. and the trade unions signed an agreement on certain issues, especially holiday leave, gratuities, welfare and start of lay-off procedure.
It is assumed that 15 employees will leave the company under the lay-off procedure, on the same terms explained for SAGAT Handling. An extraordinary programme relating to unused days of leave was started already in 2013. The maximum amount of unused leave allowed is now 5 days per employee.

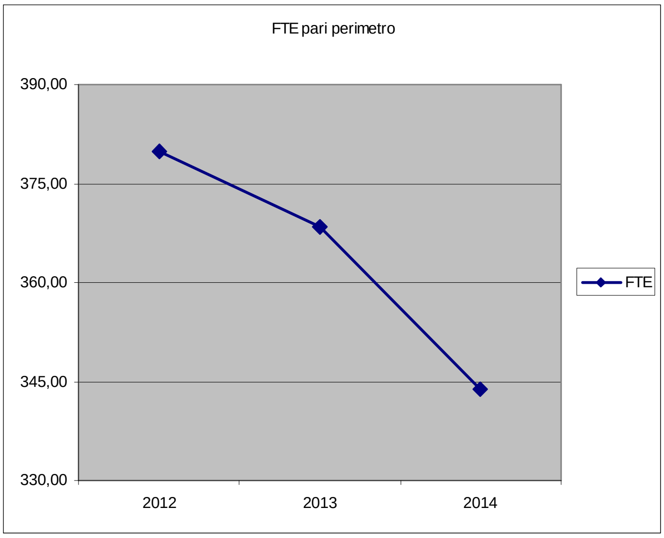
Subsequent agreements with the trade unions on 26 February 2014 defined the essential elements required to start the procedures. The lay-off is mandatory for those workers who already meet the requirements to receive their pension, or for those workers who will meet such requirements in the three-year term of the lay-off. It will also be available to those employees who will choose to leave voluntarily. Therefore, a total of 18 people left the Group during the year, leading to an aggregate annual saving on staff costs of €300 thousand. Please note that lay-off costs (voluntary resignation bonuses and indemnities in lieu of notice) were distributed in the 36 months of lay-off duration, in order not to place a burden on the accounts of one year only.

STAFF

The aggregate number of Group employees as of 31.12.2014 has reduced compared to 31.12.2013 (-10 employees or –8 FTE) and has reached a headcount of 376, of which 26 on permanent employment contracts.

It is worth noting that, starting from January, when Project Matrix was launched, 18 people (of which 8 FTE), after completing a thorough training and professional qualification programme, started working as security guards at the security gates, a service that was formerly carried out by Police officers and not included in the responsibilities of SAGAT.

The chart below shows staff trends as FTE (scope being equal).



The table shows a clear improvement in the passenger (PAX) / Full Time Equivalent ratio in 2014: at equal scope of activity the ratio increased by 15.3%.

SAGAT Group	2012	2013	2014	2014/2013	%
Pax	3,521,847	3,160,287	3,431,986	271,699	8.6%
Full Time Equivalent	**379.94**	**368.34**	**361.77**	-6.6	-1.8%
of which on Matrix (Security)	*0.00*	*0.00*	*18.00*		
Full Time Equivalent *equal scope of activity*	**379.94**	**368.34**	**343.77**	-24.6	-6.7%
Full Time Equivalent /PAX	9,269	8,580	9,487	907	10.6%
Full Time Equivalent /PAX, equal scope of activity (not Matrix)	9,269	8,662	9,983	1,321	15.3%

The tables below show the breakdown of employees (headcount) among the various Group companies.

HEADCOUNT COMPARISON 2011-2014
(Figures refer to December 31)

Table A - Permanent Employees

	2011	2012	2013	2014			
	Consolidated			**SAGAT**	**SAGAT Handling**	**SAGAT Engineering**	**Consolidated**
Executives	6	5	4	5	0	0	5
Total clerical staff	245	244	245	128	103	0	231

Total blue-collar staff	121	120	120	84	30	0	114
Total A	372	369	369	217	133	0	350

Table B - Term Employees

	2011	2012	2013	2014			
	Consolidated			**SAGAT**	**SAGAT Handling**	**SAGAT Engineering**	**Consolidated**
Term Employees	40	27	17	14	12	0	26
Apprenticeship Contracts	1	2	0	0	0	0	0
Trainees	0	1	0	0	0	0	0
Total B	41	28	17	14	12	0	26
Total A + B	413	397	386	231	145	0	376

TRAINING

SAGAT developed its annual training plan also in 2014, 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 under control.
The training was implemented through own in-house trainers and through contracted training companies, taking into account the requirements imposed by the Quality Certificate obtained from TUV Italia, the suggestions of domestic and international laws, the IATA, IOSA and ISAGO manuals, the Airport Manual and Station Policy of SAGAT S.p.A..

In 2014, the employees of SAGAT S.p.A. and SAGAT Handling S.p.A., including outsourced workers and subcontractors, attended 1,581 training courses for 6,248 training hours, that involved 3,819 participants for a total of 21,167 hours.
Of these courses, in-house training services offered 1,054 courses for 2,559 class/training hours that involved 1,923 participants for a total of 7,910 hours/employee, while the courses offered by contracted trainers were 527 for 3,689 teaching hours, and involved 1,898 participants for a total of 13,257 hours/employee. Part of these courses were funded through professional funds such as Fondimpresa, or by launching company-internal training plans.

Training, SAGAT Group employees, 2014

	SAGAT Trainers	Contracted Trainers	Totals
Total Courses	1.054	527	1.581
Total Participants	1.923	1.896	3.819
Total Teaching Hours	2.559	3.689	6.248
Total Participants Training Hours	7.910	13.257	21.167

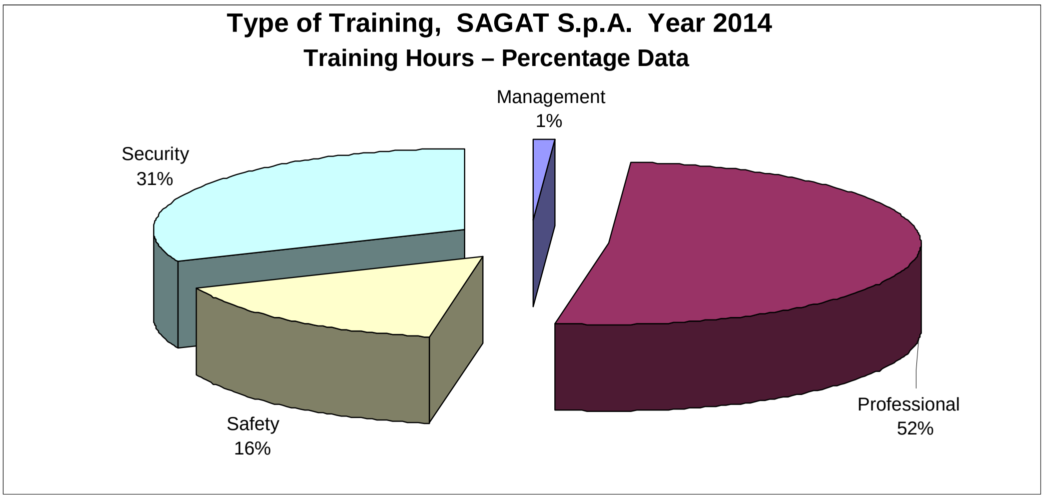
Training hours, SAGAT Group employees, 2014

	SAGAT S.p.A.	SAGAT Handling	Total Group
Annual average training hours per employee as of 31/12/2014	30.8	39.7	34.3

SAGAT	Women		Men		Totals	
Position	**Participants**	**Training hours**	**Participants**	**Training hours**	**Participants**	**Training hours**
Executives	0	0	3	17	3	17
Junior executives	38	349	48	299	86	648
Clerks	696	4809	463	2704	1159	7513
Blue collars	96	600	1099	3766	1195	4366
Interns	5	46	28	288	33	334
Temporary	312	2486	374	2418	686	4904
Contractors	60	218	436	2497	496	2715
Outsourced	1	8	108	449	109	457
State agencies	1	4	51	209	52	213
Total	1209	8520	2610	12647	3819	21167

COURSE TYPES

In 2014 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. The chart below shows the percentage data for each type of course.



3.11 Investments

The aggregate volume of investments made by the SAGAT Group in 2014 amounts to €3,136 thousand.

In detail, apart from the investments made by the Holding Company (€3,010 thousand in total), the additional investments were made by the subsidiary SAGAT Handling, for an aggregate amount of €123 thousand, and by the subsidiary Sistema, for €3 thousand. The investments made by SAGAT Handling were mostly Winter and Summer outfits for its technical and clerical 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 Holdings structure

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 31/12/2014

4.1 CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

4.1.1 Consolidated Balance Sheet: Assets

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) CONTRIBUTIONS RECEIVABLE FROM SHAREHOLDERS		
B) FIXED ASSETS		
I. Intangible assets		
1) Start up and improvement costs	1.804	486
2) R & D and advertising costs		
3) Industrial patent and intellectual property rights	90.856	165.055
4) Concessions, licenses, trademarks and similar rights		
5) Goodwill		
6) Investments in progress	1.466.031	964.097
7) Other non current assets	3.633.062	6.681.666
Total	**5.191.753**	**7.811.304**
II. Tangible assets		
1) Land and buildings	3.515.794	3.515.794
2) Plant and machinery		
3) Operating and sales equipment	1.395.610	1.740.991
4) Other assets	1.279.815	1.853.112
5) Investments in progress and payments on account	4.810.159	4.304.474
II.bis Freely transferable assets		
1) Land and buildings	34.660.581	36.185.569
1bis) Runways and land used for runways	437.720	473.414
2) Plant and machinery	8.840.174	12.021.079
3) Operating and sales equipment		
4) Other assets		
5) Investments in progress and payments on account		
Total	**54.939.853**	**60.094.433**

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
III. Financial assets		
1) Investments in:		
a) Subsidiary companies	1	1
b) Associated companies	14.696	35.311.838
d) Other companies	17.640.883	17.640.883
2) Accounts receivable:		
a) From subsidiary companies:		
due within 12 months		
due beyond 12 months		
b) From associated companies:		
due within 12 months		
due beyond 12 months		
c) From parent companies:		
due within 12 months		
due beyond 12 months		
d) From others:		
due within 12 months		
due beyond 12 months	11.907	9.707
Total accounts receivable:		
due within 12 months		
due beyond 12 months	11.907	9.707
Total	11.907	9.707
3) Other securities:		
4) Treasury shares - aggregate face value is also shown	4.823.612	4.823.612
Total	**22.491.099**	**57.786.041**
TOTAL FIXED ASSETS (B)	**82.622.705**	**125.691.778**

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
C) CURRENT ASSETS		
I. Inventory		
1) Raw and maintenance materials, consumables	372.418	315.353
2) In-process and semi-finished products		
3) Orders in progress		
4) Finished products and goods	55.724	1.151.729
5) Advances		
Total	**428.142**	**1.467.082**
II. Accounts receivable		
1) From customers:		
due within 12 months	13.291.639	10.936.976
due beyond 12 months		
2) From subsidiary companies:		
due within 12 months	16.281	16.281
due beyond 12 months	784.138	784.138
3) From associated companies:		
due within 12 months		
due beyond 12 months		
4) From parent companies:		
due within 12 months		
due beyond 12 months		
4 - bis) Tax receivables		
due within 12 months	3.608.269	3.684.152
due beyond 12 months	68.523	67.278
4 - ter) Deferred tax assets		
due within 12 months	348.204	366.376
due beyond 12 months	2.703.462	2.789.816
5) Other accounts receivable:		
due within 12 months	6.169.074	5.693.255
due beyond 12 months	84.490	84.490
Total accounts receivable:		
due within 12 months	23.433.467	20.697.040
due beyond 12 months	3.640.613	3.725.722
Total	**27.074.080**	**24.422.762**

CONSOLIDATED BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
III. Current financial assets		
1) Investments in subsidiary companies		
2) Investments in associated companies		
3) Investments in other companies		
4) Treasury shares - aggregate face value is also shown		
5) Other securities		
Total	**0**	**0**
IV. Cash and cash equivalents		
1) Cash in bank	7.552.450	2.981.450
2) Cheques	52.000	8.000
3) Cash and valuables in hand	48.443	86.580
Total	**7.652.893**	**3.076.030**
TOTAL CURRENT ASSETS (C)	**35.155.115**	**28.965.874**
D) ACCRUED INCOME AND PREPAYMENTS - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued income		
Prepayments	775.973	306.174
TOTAL (D)	**775.973**	**306.174**
TOTAL ASSETS	**118.553.793**	**154.963.826**

4.1.2 Consolidated Balance Sheet: Liabilities

CONSOLIDATED BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
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		
VI. Reserves provided for under the by-laws		
VII. Other reserves:		
- Reserve for purchase of treasury shares	4.823.612	4.823.612
- Extraordinary reserve	235.757	21.321.173
- Reserve for extraordinary investments	4.906.340	4.906.340
- Provision as per Art. 55 DPR 917/86		
- Consolidation reservs	2.269.651	2.269.651
VIII. Profit (loss) carried forward	1.250.967	1.198.849
IX. Profit (loss) of the year	3.356.723	266.701
Equity pertaining to the Group	**45.803.975**	**63.747.251**
Equity pertaining to minority shareholders	**7.556.635**	**23.349.391**
TOTAL SHAREHOLDERS' EQUITY (A)	**53.360.610**	**87.096.642**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
1) Pension and similar funds		
2) Fund for tax disputes, including deferred taxes		
3) Other provisions:		
- Exchange rate fluctuation fund		
- Future liabilities fund	5.945.226	5.933.304
- Maintenance expenses fund for leased or rented assets	8.481.495	8.623.827
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**14.426.721**	**14.557.131**
C) PROVISION FOR STAFF SEVERANCE PAY	3.692.352	4.236.377
TOTAL (C)	**3.692.352**	**4.236.377**

CONSOLIDATED BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
D) ACCOUNTS PAYABLE		
1) Bonds: due within 12 months		
due beyond 12 months		
2) Convertible bonds: due within 12 months		
due beyond 12 months		
3) Loans from shareholders due within 12 months		
due beyond 12 months		392.340
4) Payables to banks: due within 12 months	1.500.000	1.624.946
due beyond 12 months	6.000.000	7.500.000
5) Payables to other lenders: due within 12 months		
due beyond 12 months		
6) Advances: due within 12 months		
due beyond 12 months		
7) Trade payables: due within 12 months	9.903.628	9.489.329
due beyond 12 months		
8) Payables in the form of credit instruments: due within 12 months		
due beyond 12 months		
9) Payables to subsidiary companies: due within 12 months	1.158	766
due beyond 12 months		
10) Payables to associated companies: due within 12 months		
due beyond 12 months		
11) Payables to parent companies: due within 12 months		
due beyond 12 months		
12) Taxes payable: due within 12 months	1.094.518	1.088.707
due beyond 12 months		
13) Payables to social security institutions: due within 12 months	1.100.883	1.067.392
due beyond 12 months		

CONSOLIDATED BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
14) Other payables: due within 12 months	15.044.654	13.248.259
due beyond 12 months	178.787	134.787
Total: due within 12 months	28.644.841	26.519.399
due beyond 12 months	6.178.787	8.027.127
TOTAL ACCOUNTS PAYABLE (D)	**34.823.628**	**34.546.526**
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY Accrued expenses	2.500	624
Deferred income	12.247.982	14.526.526
TOTAL (E)	**12.250.482**	**14.527.150**
TOTAL LIABILITIES AND EQUITY	**118.553.793**	**154.963.826**

4.1.3 Consolidated Memorandum Account

CONSOLIDATED MEMORANDUM ACCOUNT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
Third-party assets received in concession	59.654.058	59.654.058
Company assets held by third parties		
Bank and other guarantees received from third parties	18.009.780	15.161.257
Personal guarantees given to third parties	77.631	77.631
Third-party assets held by the company (A.V.L. - ENAV)		
TOTAL	**77.741.469**	**74.892.946**

4.1.4 Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2014	FINANCIAL STATEMENTS AS 31/12/2013
A) PRODUCTION VALUE		
1) Revenues from sales and services	54.023.443	54.143.513
2) Variations in the inventory of in-process, semi-finished and finished products		
3) Variations in orders in progress		
4) Fixed assets developed internally	29.548	76.925
5) Other income and proceeds - operating grants shown separately	4.108.624	4.014.088
TOTAL PRODUCTION VALUE (A)	**58.161.615**	**58.234.526**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	1.928.057	3.393.014
7) Cost of services	19.925.040	17.719.538
8) Rent, lease and similar costs	1.156.941	1.107.050
9) Staff costs:		
a) salaries and wages	13.918.946	13.703.649
b) social security	4.046.389	3.999.684
c) severance pay	915.224	941.900
d) pension and similar benefits		
e) other costs	280.711	308.993
Total staff costs	**19.161.270**	**18.954.226**
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	3.429.995	3.500.911
b) depreciation of tangible assets	7.479.487	7.727.197
c) other write-down of assets		
d) write-down of current receivables and of cash and equivalents	249.109	75.138
Total amortisation, depreciation and write-downs	**11.158.591**	**11.303.246**
11) Variations in the inventory of raw and maintenance materials, consumables and goods	1.038.940	355.838
12) Provisions for liabilities and charges	330.187	1.446.251
13) Other provisions		1.250.000
14) Miscellaneous operating costs	1.735.425	1.759.759
TOTAL PRODUCTION COSTS (B)	**56.434.451**	**57.288.922**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**1.727.164**	**945.604**

CONSOLIDATED INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2014	FINANCIAL STATEMENTS AS 31/12/2013
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments:		
a) dividends and other income from subsidiary companies		
b) dividends and other income from associated companies		
c) dividends and other income from others		14.529
16) Other financial income:		
a) from non current receivables		
b) from non current securities		
c) from current securities		4.935
d) other income	350.043	40.535
Total	**350.043**	**59.999**
17) Interest and other financial charges	-332.066	-426.253
17 - bis) Exchange gains (losses)	-1.351	-481
TOTAL FINANCIAL INCOME AND CHARGES (C)	**16.626**	**-366.735**
D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS		
18) Revaluation		
a) of equity investments		294.351
b) of financial assets		
c) of current securities		
19) Write-downs:		
a) of equity investments	-4.325	
b) of financial assets		
c) of current securities		
TOTAL VALUE ADJUSTMENTS ON FINANCIAL ASSETS (D)	**-4.325**	**294.351**

CONSOLIDATED INCOME STATEMENT	FINANCIAL STATEMENTS AS 31/12/2014	FINANCIAL STATEMENTS AS 31/12/2013
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income		
- Contribution gain	5.205.576	
- Exceptional income		
- Taxes from previous years		
- Others	32.531	1.219.590
21) Exceptional charges		
- Charges	-986.422	-586.954
TOTAL EXTRAORDINARY ITEMS	**4.251.685**	**632.636**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**5.991.150**	**1.505.856**
22) Income taxes for the year		
a) Current taxes	-867.966	-799.983
b) Deferred tax assets (liabilities)	-104.526	-332.997
23) PROFIT (LOSS) OF THE YEAR, GROUP AND MINORITY SHAREHOLDERS	**5.018.658**	**372.876**
PROFIT (LOSS) PERTAINING TO THE GROUP	**3.356.723**	**266.701**
PROFIT (LOSS) PERTAINING TO MINORITY SHAREHOLDERS	**1.661.935**	**106.175**

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 31/12/2014

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 National Committees of Tax Consultants and Professional Accountants, as revised by the Italian Accounting Body to align them with the new provisions of law arising from Legislative Decree no. 6 of 17 January 2003 and, where appropriate, supplemented with International Accounting Standards, where compatible.

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 content 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 is 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;
- report 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 Euro; the figures in these Notes are in Euro thousand, 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 company Torino Servizi s.r.l, into liquidation since 18 October 2004, that, in accordance with art. 28 (2) of Legislative Decree 127/91, considering also that its financial statements are drafted in a different form than those of the other companies in the SAGAT Group, was 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	39.722	Capogruppo
SAGAT Engineering S.r.l.	Caselle T.se	11	2.074	100%
SAGAT Handling S.p.A.	Caselle T.se	3.900	2.739	100%
Aeroporti Holding S.r.l.	Caselle T.se	11.000	18.083	55,45%
Sistema S.r.l.	Caselle T.se	15	12	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	41	36%

(1) Direct investment. Figures from the latest financial statements available as of 31.12.2013.
(2) The investment in the Florence Airport is no longer included in the scope of consolidation, following the sale of the relevant equity share in 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.(3)	Bologna	74.000	121.113	7,21%

(3) Figures from the latest financial statements available as of 31.12.2013.

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 31.12.2014 prepared by the respective Boards of Directors for the respective Shareholders' approval were used for consolidation purposes. In the case of associated companies, including Aeroporto di Firenze S.p.A., the latest financial statements approved available for the year 2013 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 in 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 elements included in each item were valued separately.

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

   Where necessary, the accounting standards reported below were adjusted to take into account the amendments, additions and new aspects introduced with the 2014 general update of National Accounting Standards, approved and published in final format by OIC on 5 August 2014 (except for OIC 24, approved on 28 January 2015). In particular, the following standards were reformulated compared to their respective previous versions:

- OIC 9 Write-offs for durable impairment of tangible and intangible assets
- OIC 10 Statement of cash flow
- OIC 12 Financial Statement composition and tables
- OIC 13 Inventory
- OIC 14 Cash and equivalents
- OIC 15 Accounts receivable
- OIC 16 Tangible assets
- OIC 17 Consolidated financial statements and equity method

- OIC 18 Accruals and deferrals
- OIC 19 Accounts payable
- OIC 20 Debt securities
- OIC 21 Holdings and treasury shares
- OIC 22 Memorandum accounts
- OIC 23 Orders in progress
- OIC 24 Intangible assets
- OIC 25 Income taxes
- OIC 26 Transactions, assets and liabilities in foreign currencies
- OIC 28 Shareholders' equity
- OIC 29 Changes in accounting standards, changes in accounting estimates, correction of errors, exceptional events and transactions, events occurred after year end
- OIC 31 Provisions for liabilities and charges and employees' severance pay

While the other standards have remained unchanged.

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 other intangible assets	**33%** 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, d7rafted 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 leading 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 subsidiary 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 value is reinstated.
Accounts receivable are shown at their presumable realisation value.

Inventory

The inventory of raw and ancillary materials, consumables and goods, comprising mostly products intended for sale in the airport retail corners 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 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 charges

The provisions for liabilities and charges 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 1 January 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, by 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 institution.

The portions accrued in the reference year since 1 January 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 2014; 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.
As far as SAGAT Engineering is concerned, as this company has a number of employees below the threshold of application of the new rules, the provision for staff severance pay item reflects the amount calculated pursuant to art. 2120 of the Civil Code and to the collective bargaining agreement in force. The item includes the accounts payable on this respect to all the employee as of year end, after deduction of advances already granted and of amounts contributed to pension funds.

Accounts payable

These were recorded at face value.

MEMORANDUM ACCOUNTS

These were 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.l. 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 description of the temporary differences that led to recording deferred tax assets and liabilities, the indication of their rates and of the differences compared to the prior year, of the amounts recorded in the income statement (as earnings) and as equity components (liabilities), is given 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 €5,192 thousand, have decreased on aggregate by €2,619 thousand in the year.

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

	01/01/2014			**Difference**					**31/12/2014**
	Historical cost	**Amorti sation provision**	**Valued carried**	**Purchases Capitalisa tions**	**Reclass.** + (-)	**Disposals./ Write-offs**	*Sv.(-)/Ripr.*	*Amm.ti*	***Valore a Bilancio***
B.I.1 Start up and improvement costs	33	32	**1**	2				(1)	**2**
B.I.3 Industrial patent and intellectual property rights (ex B.I.4)	2.348	2.183	**165**	59				(133)	**91**
B.I.6 Investments in progress and payments on account	964	-	**964**	502					**1.466**
B.I.7 Other fixed assets	27.064	20.383	**6.681**	248				(3.296)	**3.633**
Total intangible assets	**30.409**	**22.598**	**7.811**	**811**	**0**	**0**	**0**	**(3.430)**	**5.192**

The change shown in caption B.I.3 “Industrial patent and intellectual property rights”, net of amortisation for €13 thousand, relates to the installation of new software or the implementation of existing software by the holding company (€59 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 increased by €502 thousand compared to the prior year, mostly due to the purchase of new software not yet used as of year end, as described in detail in the Directors' Report section on investments.

The caption “Other assets” (B.I.7) includes mostly the costs incurred for improvements and additions to the aprons and for the intensive renovation of the runway; this particular "other assets" component has increased by €31 thousand and was amortised for €3,172 thousand, out of a total of €3,296 thousand amortisation for the entire caption. The company also incurred costs for the purchase of new Winter and Summer outfits for its technical and clerical staff, in the total amount of €213 thousand.

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 €54,940 thousand and have decreased on aggregate by €5,155 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.

	01/01/2014				Difference							31/12/2014			
	Historical cost	*Reval. as per Laws 72/1983 and 342/2000*	*(Depre-ciation provisions)*	*Balance*	*Purchases*	*Reclassifica-tions*	*(Divest-ments original cost)*	*Divest. Use of provision*	*(Revaluation difference)*	*(Deprecia-Tion)*	*Realignment of depreciation provision*	*Historical cost*	*Reval. as per Laws 72/1983 & 342/2000*	*(Depre-ciation provisions)*	***Valued carried***
B.II.1 Land	3.516			**3.516**								3.516			**3.516**
B.II.bis 1 e B.II.bis 1bis Buildings and related roads [1]	79.210	282	(42.833)	**36.659**	95	518				(2.174)		78.823	282	(45.007)	**35.098**
B.II.bis 2 Plant and machinery [1]	58.868	6.567	(53.414)	**12.021**	342	504				(4.027)		59.714	6.567	(57.441)	**8.840**
B.II.3 Operating and sales equipment	13.816	182	(12.257)	**1.741**	99					(444)		13.815	182	(12.701)	**1.396**
B.II.4 Other assets	32.251	1.958	(32.356)	**1.853**	261					(834)		32.512	1.958	(33.190)	**1.280**
B.II.5 Investments in progress and payments on account	4.305			**4.305**	1.527	(1.022)						4.810			**4.810**
Total tangible assets	**191.966**	**8.989**	**(140.860**	**60.095**	**2.324**	**0**	**0**	**0**	**0**	**(7.479**	**0-**	**194.290**	**8.989**	**(148.339)**	**54.940**

[1] Freely transferable assets

The caption “Buildings and pertaining roads” (B.II.bis 1 and 1 bis) has decreased on aggregate by €1,561 thousand. The variation, ascribable entirely to the Holding Company, was caused by the combined effect of purchases (€95 thousand), capitalisation of assets previously recorded as investments in progress (€518 thousand) and annual depreciation (€2,174 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 asset was disposed of during the year.
The caption “Plant and machinery” (B.II. bis 2) has decreased on aggregate by €3,181 thousand. The variation, ascribable entirely to the Holding Company, is due to purchases (€342 thousand), capitalisation of assets previously recorded as investments in progress (€504 thousand) and annual depreciation (€4,027 thousand). In particular, the increases relate to the capitalisation by the Holding Company of construction works at airport buildings for a total of €464 thousand.
No obsolete asset was disposed of during the year.
The caption “Operating and sales equipment” (B.II.3) has decreased on aggregate by €345 thousand, due to purchases (€99 thousand) and annual depreciation (€444 thousand). Among the most significant purchases made in the year there are 2 passenger security scanners.
No obsolete asset was disposed of during the year.
The caption “Other assets” (B.II.4) has decreased on aggregate by €573 thousand, due to depreciation (€834 thousand) and purchases (€261 thousand). The increase is due mostly to the purchase of airport monitors, as described in detail in the Directors' Report section on investments.
No obsolete asset was disposed of during the year.

The caption “Investments in progress and payments on account” (B.II.5) has increased by €505 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	1.906	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 €17,656 thousand, of which €15 thousand in associated companies and €17,641 thousand in other companies.
The investments in associated companies have decreased by €35,297 thousand in the year, due to the assignment of the entire share held by the subsidiary Aeroporti Holding in the company that runs the Florence Airport (hereinafter AdF) on 4 March 2014 (€35,293). The investment was composed of 3,017,764 shares.

The caption "Investments in associated companies" therefore includes only the share held in Air Cargo; the relevant details are summarised in the table below. Please note that the latest financial statements approved available for the year 2013 were used.

Denomination and location	Share capital	Net result as of 31/12/2013	Equity as of 31/12/2013	% held	Nominal share held as of 31/12/2013	Carrying value as of 31/12/2014	Share of result 2013
Air Cargo Torino Srl based in Caselle T.se – c/o Aeroporto	53	(12)	41	36,00%	19	15	(4)

The information on “Other equity investments” is shown below. Please note that the figures reported above refer to the financial statements as of 31.12.2013 and are shown in accordance with article 2427 bis of the Civil Code. The figures for the company Aeroporto G. Marconi di Bologna S.p.A. refer to the consolidated financial statements.

Denomination and location	Share capital	Net result as of 31/12/13	Equity as of 31/12/13	% held	Nominal share held as of 31/12/2013	Carrying value as of 31/12/2013	Difference between equity share held & carrying value
Aeroporto G.Marconi di Bologna S.p.A. - Bologna Borgo Panigale	74.000	2.345	121.113	7,21%	8.732	17.641	(8.909)

There are no factors that may lead to assume a permanent impairment in the carrying value of the other investments.
Noncurrent receivables for a total of €12 thousand are cash deposits and have increased by €2 thousand from the prior year.
Financial assets also include 74,178 treasury shares for a total value of €4,824 thousand, the same as in the prior year.

Inventory

The inventory, totalling €428 thousand, refers basically to raw and ancillary materials, consumables and maintenance materials. The balance has decreased by €1,039 thousand compared to the prior year due to the Holding Company's decision to stop running the Airport Retail Corners directly and subcontract instead their management to a leading specialist operator in the industry. As part of the relevant agreement, the operator in question accepted to take charge of almost all the stocks of goods existing as of the date of handover.
As of year end, the inventory did not include any element 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 €27,074 thousand, compared to €24,423 thousand in 2013. The total relates mostly to customers in Italy or in the European Union.
The caption “Accounts receivable from customers” has increased from €10,937 thousand as of 31/12/2013 to €13,292 thousand as of 31/12/2014 (+€2,355 thousand). The increase relates almost entirely to the increase in the receivables from one of the main national carriers, that has increased its exposure by some €2,595 thousand since the end of the past year, as a consequence the critical phase it is experiencing. It is worth noting that an addendum to the agreement for the full repayment of the exposure (signed in October 2014) was entered into with the legal representatives of the carrier in question in January 2015. According to the reformulated agreement, the carrier is expected to honour all its debts by September 2016.

This caption includes accounts receivable at a face value of €15,794 thousand (€13,744 thousand in 2013) net of the write-down (€2,514 thousand) allocated to the provision for bad debts and to the provision for bad debts on interest in arrears.
The receivables from customers include €0.9 million challenged by a number of airport users with respect to the congruity of certain fees applied by the holding company. In view of this, SAGAT has taken all the necessary measures to protect its rights. For details about pending controversies, please refer to the section in the Directors' Report for the holding company on controversies.

The provisions for bad debts were reduced during the year by a total amount of €541 thousand (of which €527 released and €14 used) and then reinstated with an allocation of €249 thousand. 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, €800 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 charges already in previous years.

Tax receivables were recorded for €3,677 thousand (€3,751 thousand as of 31/12/2013). 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	2014	2013
IRES receivables	1.098	1.151
IRES refund receivables	882	1.041
IRAP receivables	85	183
Creditor VAT	1.358	1.083
Other	254	293
Total	**3.677**	**3.751**

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. This caption decreased by €159 thousand, as the first portion of the refunds were collected during the year.

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 amounts payable as they result from each company's tax return.

This caption amounts to €3,052 thousand and is detailed in the table below:

Detail	
Balance as of 31/12/2013	**3.156**
Use of deferred tax assets 2014	-526
Use of deferred tax liabilities 2014	8
Allocation of deferred tax assets 2014	418
Allocation of deferred tax liabilities 2014	-4
Balance as of 31/12/2014	**3.052**

The caption “Other accounts receivable”, totalling €6,254 thousand, has increased by €476 thousand compared to the prior year. This variation is basically due to the increase in the accounts receivable by the Holding Company from carriers on Municipal taxes (€264 thousand) and to other minor changes.

Detail	31/12/2014	Of which due after 12 months	31/12/2013	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	656	11	421	11	235
Other accounts receivable	5.354	73	5.113	73	241
Total	**6.254**	**84**	**5.778**	**84**	**476**

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 €4,830 thousand in receivables on Municipal taxes owed to the Holding Company by the carriers working at the airport.

Current financial assets

There are no securities held as of 31/12/2014 as temporary liquidity.

Cash and 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 2014 in the treasuries of Group companies;
- as to cheques, the credit instruments received before year end and deposited with banks for collection in the opening days of the subsequent year.

Compared to the past year, the items are broken down as follows:

Detail	31/12/2014	Difference	31/12/2013
Cash in bank and post office current accounts	7.553	(4.572)	2.981
Cash and valuables in hand	48	39	87
Cheques	52	(44)	8
Total	**7.653**	**(4.577)**	**3.076**

Accrued income and prepayments

These total €776 thousand (€306 thousand as of 31/12/2013), as better detailed below:

	31/12/2014	31/12/2013
Accrued income		
Deferred interest income		
Total accrued income		
Prepayments		
Insurance	117	220
Other	215	86
Employee	444	
Total prepayments	**776**	**306**
Total	**776**	**306**

The caption "Insurance" includes the portions of insurance premiums paid in 2014 and accruing in the subsequent year.

Receivables, accrued income and prepayments broken down by maturity and type.

A breakdown of receivables, accrued income and prepayments by maturity and type is presented below:

	31/12/2014			
	Due within 12 months	**Due after 12 months**	**Due after 5 years**	**Total**
Receivables recorded under financial assets				
From others		12		12
Current receivables				
From customers net of credit notes to be issued and write-downs	13.292			13.292
From subsidiary companies	16	784		800
Tax receivables	3.608	69		3.677
Deferred tax assets	348	2.704		3.052
From others	6.170	84		6.254
Accrued income and prepayments	**508**	**268**	**0**	**776**

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:

F2i Aeroporti S.p.A.	54.46%
Equiter S.p.A	12.40%
FCT Holding S.r.l.	10.00%
Finpiemonte Partecipazioni S.p.A.	8.00%
Tecnoinfrastrutture S.r.l.	6.76%
Province of Turin	5.00%
Aviapartner S.p.A.	0.42%
Treasury stock	2.96%
Total	**100.00%**

The share premium reserve recorded amounts to €6,104,521. 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 (1) of the Civil Code.

The other reserves comprise:

1. Reserve for the purchase of treasury shares, €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 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 2014.

2. The extraordinary reserve, €236 thousand, is entirely made up of annual profits and has decreased by €21,085 compared to the prior year. The difference was caused by: a) increase by €215 thousand after allocation of all 2013 profits; b) decrease by €21,300 thousand after distribution of extraordinary dividends from the reserve in question, as approved by the Shareholders on 17 April 2014. The distribution of the referred extraordinary dividend relates directly to the inflow of cash (€21,625 thousand) generated by the capital reduction implemented by the subsidiary Aeroporti Holding as a consequence of its disposal of the share held in the company that manages the Florence Airport.

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 2013.

5. The caption "Profit (loss) carried forward" (€1,251 thousand), has increased by €52 thousand compared to the prior year.

    - The equity pertaining to minority shareholders, €7,556,635, includes the capital and reserves of subsidiaries pertaining to minority shareholders and reflects a net negative variation by €15,792,655 in the year, due to the following: a) capital decrease (44.55% of €39,000,000) operated by the subsidiary Aeroporti Holding following its disposal of the share held in the company that runs the Florence Airport; b) €1,661,935 increase following the attribution to minority shareholders of their portion of 2014 profits; and c) €80,190 reduction following the attribution to minority shareholders of their portion of the dividend distributed by the 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	**39.721.978**	**795.344**
Difference between carrying value and equity of consolidated companies	5.264.380	1.972.289
Consolidation adjustments	817.617	589.090
Reversal of gain from transfer of assets, net of theoretical tax effects		
Reversal of gain from transfer of equity investments		
Reversal of intercompany dividends		
Equity and net result pertaining to the Group	**45.803.975**	**3.356.723**
Equity and net result pertaining to minority shareholders	**7.556.635**	**1.661.935**
Equity and net result pertaining to the Group and to minority shareholders	**53.360.610**	**5.018.658**

Provisions for liabilities and charges

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

	31/12/2013	Amount allocated	Amount used	31/12/2014
Provision for future liabilities	5.933	330	(318)	5.945
Provision for maintenance costs on assets held in concession	8.624		(142)	8.482
Total	**14.557**	**330**	**(460)**	**14.427**

The provision for future liabilities, €5,945 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 €12 thousand, as a consequence of the following:

- use of provisions made in past years to cover pending controversies for €220 thousand and release of provisions made in past years to counter certain controversies with the employees, for €98 thousand;

- allocation of a total of €330 thousand to cover new controversies started and potential liabilities arisen during the year.

The provision for leased asset maintenance expenses included the amount allocated by the holding company to cover the maintenance of the assets in concession that the company is required to provide under the obligation to return such assets in good state upon expiration of

the concession in 2035. In compliance with the accounting standards (OIC 31), the congruency of the provision for leasehold maintenance was verified in 2014 as well. In particular, this provision has progressively increased since its first creation, in 1996. After observing the actual frequency of the interventions made and their amounts, the Company has deemed it appropriate to perform a thorough review of the presuppositions and amount of this provision, considering that it was created to cope with actual prospective needs of maintenance interventions aimed at keeping in good order the property and facilities that the airport management company has received in concession.
Therefore, the company has not deemed to increase this provision further in 2014, pending completion of the above-referred review.
An amount of €142 thousand from this provision was used to cover part of routine maintenance costs and safety compliance costs incurred in 2014, that are of recurring nature and are intended to counter the ordinary wear and tear of the assets in question.

Provision for staff 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 2014, 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:

Balance as of 31/12/2013	**4.236**
Amount allocated in the year	915
Amount used for resignations, payments on account, transfers to INPS or pension funds	(1.459)
Balance as of 31/12/2014	**3.692**

Accounts payable

The accounts payable are recorded for €34,824 thousand (€34,546 thousand as of year-end 2013). 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.
The accounts payable to the shareholders, relating to non-interest-bearing loans granted to Aeroporti Holding by other shareholders than the Holding Company, were entirely brought to nil during the year (-€393 thousand compared to the prior year).
The accounts payable to banks, totalling €7,500 thousand (€9,125 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. They amount on aggregate to €9,904 thousand (€9,489 thousand in the prior year) and have increased by €415 thousand.

Tax payables are detailed in the table below:

	31/12/2014	31/12/2013
IRAP	12	
VAT payables		
Withholding tax payables	500	528
Surtaxes payable Fees	580	558
Other	3	3
Total	**1.095**	**1.089**

There are no payables due beyond 12 months.

Social security payables are all due within 12 months and shown in the table below:

	31/12/2014	31/12/2013
INPS/INAIL	779	717
Other	322	350
Total	**1.101**	**1.067**

The other payables, totalling €15,223 thousand, relate to:

	31/12/2014	31/12/2013
ENAC/Concession fee	263	187
Employees	1.329	1.421
Surtaxes on boarding fees	5.889	5.006
Other payables	7.742	6.769
Total	**15.223**	**13.383**

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 caption "Other payables" also includes, for a total of €5,800 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 by the Holding Company to the Tax Office on Municipal taxes has increased in the year by €883 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 31.12.2014 these amount on aggregate to €12,250 thousand (€14,527 thousand as of 31.12.2013) and are composed as better explained below:

	31/12/2014	31/12/2013	Difference
Accrued expenses			
Interest expense on loans	2	1	1
Total accrued expenses	**2**	**1**	**1**
Deferred income			
Regional construction grants for airport infrastructure improvements	11.115	12.438	-1.323
ENAC grants for BHS and hold baggage security systems	942	1.884	-942
Other	191	204	-13
Total deferred income	**12.248**	**14.526**	**-2.278**
Total	**12.250**	**14.527**	**-2.277**

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 2014 portion of these grants released to the income statement.

Payables, accruals and deferred income broken down by maturity and type

A breakdown of payables, accruals and deferred income by maturity and type is presented below:

As of 31/12/2014				
Accounts payable	**Within 12 months**	**After 12 months**	**of which after 5 years**	**Total**
Accounts payable				
Loans from shareholders				**-**
To banks	1.500	6.000		**7.500**
To vendors	9.904			**9.904**
To subsidiary companies	1			**1**
To Tax Office	1.095			**1.095**
To social security institutions	1.101			**1.101**
To others	15.044	179		**15.223**
Total account payable	**28.645**	**6.179**	**0**	**34.824**
Accrued expenses and deferred income	**2.453**	**9.797**	**4.510**	**12.250**

Commitments and nature of memorandum accounts

The companies included in the consolidation have not given collaterals as a guarantee for their own or third parties' obligations.

Other memorandum accounts that are worth knowing in order to assess the Group's financial position and standing are also recorded (art. 2425 (2) of the Civil Code). Their breakdown and nature are shown below:

Nature	31/12/2014	31/12/2013
Third-party assets received in concession	59.654	59.654
Personal guarantees received from third parties	18.010	15.161
Total	**77.664**	**74.815**
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 explanatory document of the accounting standard issued by Italy's National Committee of Professional Accountants ("CNDC") no. 12 (concerning the classification in the income statement of income and costs according to current accounting standards) and with the explanatory document no. 1 of the accounting standard issued by the Italian Accounting Body 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 2014	Year 2013
Revenues from air traffic	13.818	12.572
Security	6.096	5.614
Handling and air traffic services	12.384	12.280
Car parking services	5.427	5.466
Subcontracted services	2.208	1.712
Subcontracted businesses and airport spaces	7.119	9.712
Centralised infrastructures	6.161	5.807
Assets in exclusive use	641	656
Assets used in common	127	272
Other revenues	42	53
Total	**54.023**	**54.144**

Other revenues and proceeds

The other proceeds are broken down as follows:

	Year 2014	Year 2013
Recovery of utilities in common and miscellaneous expenses	154	125
Miscellaneous contingent gains	1.017	427
Other income	664	1.001
Construction grants	2.274	2.461
Total	**4.109**	**4.014**

This item, totalling €4,109 thousand, is basically the same as in the prior year.
The caption "Miscellaneous contingent gains" includes an amount of €527 thousand released from a provision for bad debts created in previous years and deemed no longer necessary, in

the light of the appeal award in the action Holding Company vs. handling company Aviapartner. For more details please refer to the section in the Director's Report on controversies.
The caption “Construction grants” includes, according to the criteria described above, among others, the following grants, all related to the Holding Company:

- FIP grant for the implementation of the “Investments for safety services management” project (resolution of Regione Piemonte no. 339/02 [ex 829/01]), recorded according to the criteria described above in the amount of €0.2 thousand;

- FIP grant for the implementation of the “Investments for safety services management” project (resolution of Regione Piemonte no. 407/02 [ex 828/01]), recorded according to the criteria described above in the amount of €6 thousand;

- 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 and decreasing by €185 thousand compared to the prior year.

PRODUCTION COSTS

Purchase of raw and maintenance materials, consumables and goods

The relevant costs are broken down as follows:

	Year 2014	**Year 2013**
Maintenance materials	387	360
Miscellaneous materials	110	141
Materials for resale	508	1.708
Fuels and lubricants	650	853
De-icing	201	275
Stationery and prints	72	56
Total	**1.928**	**3.393**

The amount of "Materials intended for resale" has decreased by €1,200 thousand compared to the prior year due to the Holding Company's decision to stop running the Airport Retail Corners directly and subcontract instead their management to a leading specialist operator in the industry.

Services

The costs of services are composed of:

	Year 2014	Year 2013
Maintenance and repair of leased assets	615	-
Miscellaneous services	2.828	3.241
Assistance, storage and PRM Services	871	776
Electricity and other utilities	3.406	3.486
Technical, management, marketing advice	751	685
Watch services	2.339	2.080
Cleaning, waste collection and disposal	884	886
Maintenance / repair and misc. contractual costs	1.387	1.334
Business and general insurance	422	463
Misc. staff costs (cafeteria, training, T&E, etc.)	545	571
Services rendered by subsidiary companies		
Other	5.877	4.198
Total	**19.925**	**17.720**

Leasehold costs

Leasehold costs are composed of:

	Year 2014	Year 2013
Airport concession fee	483	432
Rent owed to Municipality of Turin	340	339
Rent owed to Municipality of San Maurizio	24	24
Other concession fees (radio)	87	75
Rent and leases	223	237
Total	**1.157**	**1.107**

Staff costs

Staff costs, inclusive of outsourced staff, amounted on aggregate to €19,161 thousand (€18,954 thousand in 2013), with an increase by about €207 thousand compared to the prior year.

The variation is due essentially to the following factors:

- more intensive resort to term employment contracts to cope with growing traffic volumes (+€150 thousand);
- effects of the new collective bargaining agreement entered into in October, effective from September, (+€125 thousand);

- o greater resort to outsourced work (+€100 thousand);
- o more extra hours worked (+€105 thousand);
- o difference arising from use of holiday leave (+€120 thousand);
- o review of Performance Bonus within the Holding Company (+€100 thousand).

These factors were partly counterbalanced by:

- o effects of the lay-off procedure started in July, that led 18 employees to leave the Group by December, with a total saving of €290 thousand;
- o reduction in certain components of the supplementary employment agreement of the subsidiary SAGAT Handling (-€90 thousand);
- o less gratuities paid (-€35 thousand).

The average number of employees has reduced, year on year (-2.83) and the headcount as of 31/12/2014 was 376, 10 less than at 31 December 2013.

The breakdown of total Group employees by category in 2013 and 2014 is shown below.

	Headcount 2014		**Headcount 2013**	
	Average	As of 31/12	Average	As of 31/12
Executives	4,16	5	4,33	4
Clerical staff	243,34	239	249,58	249
Blue-collar staff	135,25	132	131,67	133
Total	**382,75**	**376**	**385,58**	**386**

Amortisation, depreciation and write-downs

These are broken down as follows:

	Year 2014	**Year 2013**
Amortisation of intangible assets	3.430	3.501
Depreciation of tangible assets	7.480	7.727
Other write-downs of fixed assets		
Write-downs of accounts receivable	249	75
Total	**11.159**	**11.303**

The item "amortisation and depreciation" has decreased from the prior year by €318 thousand, basically due to ordinary life cycle and replacement of fixed assets in the various Group companies.

The total balance of the provisions for bad debts of Group companies has decreased by €541 thousand, as €14 thousand were used and €527 thousand were released to the income statement during the year. At the closing of 2014, the provisions were reinstated with a total allocation of €249 thousand, against positions particularly at risk .

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 €1,039 thousand in the year ended 31/12/2014. For an analysis of this variation, please see the section on closing inventory in these Notes. The inventory refers basically to raw and ancillary materials, consumables and maintenance materials.

Provisions for liabilities and charges

An amount of €330 thousand was allocated in the year to the provision for liabilities and charges in order to cater for the losses or payables 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 dedicated to the provision for liabilities and charges and its variations in the Notes.

Other provisions

As already mentioned in the note on the provisions for liabilities and charges, the Holding Company has deemed it appropriate to perform a thorough review of the presuppositions and amount of this provision, considering that it was created to cope with actual prospective needs of maintenance interventions aimed at keeping in good order the property and facilities that the airport management company has received in concession.
Therefore, the decision was taken to not increase this provision further in 2014, pending completion of the above-referred review.

Miscellaneous operating costs

Miscellaneous operating costs relate to:

	Year 2014	**Year 2013**
Entertainment expenses	78	91
Contingent liabilities /Downward adjustment of income	110	69
Membership fees	133	131
Damages paid to third parties	2	8
Fire Department fees	710	717
Municipal property taxes	252	256
Other	450	488
Total	**1.735**	**1.760**

This caption has decreased slightly (€25 thousand) compared to the prior year.

Financial income and expense

Financial income is composed as follows:

	Year 2014	Year 2013
Income from equity investments		14
Interest income on securities		5
Other	350	41
Total	**350**	**60**

Financial income, €350 thousand on aggregate, are solely interest income, mostly for the subsidiary Aeroporti Holding and the Holding Company, on receivables from banks and post offices, the rest being interest income from other entities.

The reason for the marked increase in other financial income compared to the prior year (€309 thousand) lies entirely in the fact that the subsidiary Aeroporti Holding has kept in its current accounts the income collected from the sale of its equity share in AdF for the time strictly necessary until filing of the approval of its capital reduction.
Considering the size of the amount collected from the AdF transaction, the company could benefit from particularly favourable interest rates for maintaining such cash, even if for a short period.
Interest and other financial charges, totalling €332 thousand, are made up of interest charges on short and long-term bank loans granted to the Holding Company.
Exchange gains and losses, €1,351 on aggregate, relate to differences realised during the year. Gains amount to €108 and losses to €1,459.

Adjustments to the value of financial assets

This item shows a negative balance of €4 thousand, deriving mostly from the write down of the investment held by the Holding Company in the associated company Air Cargo.

Exceptional income and charges

The caption “Exceptional income”, €5,238 thousand on aggregate, represents contingent gains arising from disposal of equity investments (€5,205 thousand) and contingent gains relating to previous years (€33 thousand).
In particular, the amount of €5,205 thousand is broken down as follows:

- €4,084 thousand are the gain arising from the above-referred sale of the investment held by the subsidiary Aeroporti Holding in the company that runs the Florence airport (Adf), for the price of €40,498,392 against a book value of €36,413,946;

- €1,121 thousand arise from the reinstatement of the consolidation adjustments made in each of the previous years to the book value of the Adf investment, comprising the annual amortisation of goodwill and the pro-rata portion of the results obtained each year by the company, less the dividends collected in each reference year.

The caption "Exceptional charges", recorded in the aggregate amount of €986 thousand, includes the total of contingent liabilities relating to previous years, among which there is the €921 thousand contingent liability arising from the enforcement of Court decision no. 1992/14, registered on 8 October 2014, in the legal action started by Aviapartner. For more details please refer to the section in the Director's Report on pending controversies.

Income taxes

This item, totalling €972 thousand, is composed of the estimated amount of income taxes for the year, plus deferred tax assets and liabilities.

	Year 2014	**Year 2013**
IRES	129	
IRAP	738	800
Deferred tax assets (liabilities)	105	333
Total	**972**	**1.133**

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 2014, compared with the corresponding period in 2013.

	Year 2014	**Year 2013**
EBT	5.991.150	1.505.856
Theoretical IRES rate (%)	27,5%	27,5%
Theoretical income tax	1.647.566	414.110
Tax effects of IRES variations	-1.518.078	-414.194
Effects of deferred tax	104.526	332.997
IRAP	738.478	799.977
Income taxes carried (current and deferred)	**972.492**	**1.132.890**

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, €5,019 thousand, is composed by the net profit of the Group (€3,357 thousand) and the profit pertaining to minority shareholders (€1,662 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 2014
Directors	632
Statutory Auditors	96
Total	**728**

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.

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	**2014**		
	SAGAT	**SAGAT HANDLING**	**TOTAL SAGAT GROUP**
Audit of financial statements	12	8	20
Audit of consolidated financial statements	4		4
Accounting compliance audit	12		12
Other services	8	7	15
Total	**36**	**15**	**51**

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.

1. We have audited the consolidated financial statements of SAGAT S.p.A. and its subsidiaries ("SAGAT Group") as of 31 December 2014. The Directors of SAGAT S.p.A. are responsible for preparing the consolidated financial statements pursuant to the rules governing their preparation. We are responsible for our professional opinion on the financial statements, based on our audit.

2. We have carried out the audit according to the accounting principles issued by the National Committee of Tax Consultants and Professional Accountants and recommended by Consob. In accordance with said principles, our audit was planned and aimed at acquiring all the necessary elements to ascertain whether the consolidated financial statements are flawed by significant errors and appear to be reliable as a whole. The audit includes sample verifications of the elements proving the amounts recorded and information provided in the consolidated financial statements, as well as the adequacy and accuracy of the accounting standards adopted and of the estimates made by the Directors. We hold the results of the audit as capable of providing a reasonable basis for our professional opinion.

   For an opinion about the financial statements for the previous year, the figures of which are presented for comparison purposes pursuant to the law, please refer to the report issued on 28 March 2014.

3. In our judgement, the consolidated financial statements of SAGAT Group as of 31 December 2014 are compliant with the rules governing their preparation, and therefore provide a clear, true and accurate picture of the financial position and performance of the Group.

4. The Directors of SAGAT S.p.A. are responsible for preparing the Directors' Report pursuant to the law. We are responsible for expressing an opinion about the consistency of the Directors' Report with the financial statements in accordance with the law. To this end, we have followed the procedures indicated in Audit Standard no. 001 issued by the National Committee of Tax Consultants and Professional Accountants and recommended by Consob. In our opinion, the Directors' Report is consistent with the consolidated financial statements of SAGAT Group as of 31 December 2014.

DELOITTE & TOUCHE S.p.A.

Eugenio Puddu
Partner

Turin, 7 April 2015

5. Annexes

SAGAT HANDLING S.P.A.
FINANCIAL STATEMENTS AS OF 31/12/2014

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
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	65.915	8.906
Total	**65.915**	**8.906**
II. Tangible assets		
3) Operating and sales equipment	53.752	133.141
4) Other assets	246.462	401.110
5) Investments in progress and payments on account	9.500	0
Total	**309.714**	**534.251**
III. Financial assets		
1) Investments in:		
d) Other compagnie	0	0
Total	*0*	*0*
TOTAL FIXED ASSETS (B)	**375.629**	**543.157**

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
C) CURRENT ASSETS		
I. Inventory		
1) Raw and maintenance materials, consumables	55.812	60.073
Total	**55.812**	**60.073**
II. Accounts receivable		
1) From customers:		
due within 12 months	2.687.957	2.073.858
4) From parent companies:		
due within 12 months	1.034.432	1.358.366
4bis) Tax receivables:		
due within 12 months	1.040.948	1.057.257
due beyond 12 months		172.346
4ter) Deferred tax assets		
due within 12 months	348.204	363.175
due beyond 12 months		
5) Other accounts receivable:		
due within 12 months	92.210	64.498
due beyond 12 months		28.409
Total accounts receivable:		
due within 12 months	5.203.751	4.917.154
due beyond 12 months		200.755
Total	**5.203.751**	**5.117.909**
III. Current financial assets		
5) Other securities	0	0
Total	**0**	**0**
IV. Cash and cash equivalents		
1) Cash in bank	1.619.444	1.649.410
3) Cash and valuables in hand	2.076	3.305
Total	**1.621.520**	**1.652.715**
TOTAL CURRENT ASSETS (C)	**6.881.083**	**6.830.697**
D) ACCRUED INCOME AND PREPAYMENTS - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued income	696	412
Prepayments	91.909	46.294
TOTAL ACCRUED INCOME AND PREPAYMENTS (D)	**92.605**	**46.706**
TOTAL ASSETS	**7.349.317**	**7.420.560**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
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		
VIII. Loss carried forward	-1.398.566	-729.542
IX. Profit (loss) of the year	-104.291	-669.024
TOTAL SHAREHOLDERS' EQUITY (A)	**2.739.307**	**2.843.598**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
2) Provision for deferred taxes		7.816
3) Other	457.970	449.470
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**457.970**	**457.286**
C) PROVISION FOR STAFF SEVERANCE PAY	**1.180.748**	**1.342.586**
D) ACCOUNTS PAYABLE		
7) Trade payables:		
due within 12 months	736.687	655.125
11) Payables to parent companies:		
due within 12 months	1.303.292	970.747
12) Taxes payable:		
due within 12 months	133.392	157.680
13) Payables to social security institutions:		
due within 12 months	292.289	338.403
14) Other payables:		
due within 12 months	503.132	655.135
TOTAL:		
due within 12 months	2.968.792	2.777.090
due beyond 12 months	0	0
TOTAL ACCOUNTS PAYABLE (D)	**2.968.792**	**2.777.090**
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY		
Accrued expenses	2.500	0
TOTAL LIABILITIES	**7.349.317**	**7.420.560**

MEMORANDUM ACCOUNTS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
Guarantees received from third parties	70.000	228.194
Guarantees given to third parties	-77.631	-77.631
Guarantees payable	77.631	77.631
Guarantees receivable	-70.000	-228.194
Total	**0**	**0**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) PRODUCTION VALUE		
1) Revenues from sales and services	9.608.744	10.132.324
5) Other income and proceeds - operating grants shown separately	2.149.057	1.844.720
TOTAL PRODUCTION VALUE (A)	**11.757.801**	**11.977.044**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	448.671	623.140
7) Cost of services	2.781.568	2.899.378
8) Rent, lease and similar costs	1.678.308	1.693.864
9) Staff costs:		
a) salaries and wages	4.622.859	4.818.977
b) social security	1.324.849	1.382.158
c) severance pay	283.978	319.143
d) pension and similar benefits		0
e) other costs	102.655	113.643
Total staff costs	**6.334.341**	**6.633.921**
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	44.292	49.952
b) depreciation of fixed assets	246.486	271.856
d) write-down of current receivables and of cash and equivalents	18.220	15.291
Total amortisation, depreciation and write-downs	**308.998**	**337.099**
11) Variations in the inventory of raw and maintenance materials, consumables and goods	4.260	24.487
12) Provisions for liabilities and charges	98.500	114.220
14) Miscellaneous operating costs	121.000	109.605
Total production costs (B)	**11.775.646**	**12.435.714**
OPERATING PROFIT – PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**-17.845**	**-458.670**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments		
c) other companies	0	5.635
16) Other financial income:		
d) other income	13.600	28.515
Total	**13.600**	**34.150**
17) Interest and other financial charges		0
17bis) Exchange gains (losses)	49	-14
TOTAL FINANCIAL INCOME AND CHARGES (C)	**13.649**	**34.136**
D) VALUE ADJUSTMENTS ON FINANCIAL ASSETS	**0**	**0**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income		
- Other exceptional income	11.703	69.636
21) Exceptional charges		
- Other exceptional charges	-4.921	-307.380
TOTAL EXTRAORDINARY INCOME AND CHARGES (C)	**6.782**	**-237.744**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**2.586**	**-662.278**
22) Income taxes for the year		
a) Current taxes	-99.722	147.595
b) Deferred tax assets (liabilities)	-7.155	-154.341
23) PROFIT(LOSS) OF THE YEAR	**-104.291**	**-669.024**

SAGAT ENGINEERING S.R.L.
FINANCIAL STATEMENTS AS OF 31/12/2014

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
B) FIXED ASSETS		
II. Tangible assets		
3) Operating and sales equipment	**0**	0
III. Financial assets		
2) Accounts receivable:		
d) Other accounts receivable		
- due beyond 12 months	**0**	0
TOTAL FIXED ASSETS (B)	**0**	**0**
C) CURRENT ASSETS		
II. Accounts receivable		
1) From customers		
- due within 12 months	**0**	0
4) From parent companies		
- due within 12 months	**1.986.578**	2.309.755
4bis) Tax receivables		
- due within 12 months	**71.897**	48.766
4ter) Deferred tax assets		
- due beyond 12 months	**2.310**	6.533
5) Other accounts receivable		
- due within 12 months	**1.953**	2.626
Total accounts receivable		
- due within 12 months	**2.060.428**	2.361.147
- due beyond 12 months	**2.310**	6.533
Total accounts receivable	**2.062738**	**2.367.680**
IV. Cash and cash equivalents		
1) Cash in bank and post office current accounts	**32.668**	105.505
3) Cash and valuables in hand	**231**	381
Total cash and cash equivalents	**32.899**	**105.886**
TOTAL CURRENT ASSETS (C)	**2.095.637**	**2.473.566**
D) ACCRUED INCOME AND PREPAYMENTS – DISCOUNTS ON LOANS SHOWN SEPARATELY		
1) Accrued income	**669**	972
2) Prepayments	**4.279**	15.776
TOTAL ASSETS	**2.100.585**	**2.490.314**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) SHAREHOLDERS' EQUITY		
I. Share capital	11.000	11.000
IV. Legal reserve	9.091	9.091
VII. Other reserves	2.042.401	2.042.401
IX. Profit (loss) of the year	11.170	126.077
TOTAL SHAREHOLDERS' EQUITY (A)	**2.073.662**	**2.188.569**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
2) Provision for deferred taxes	3.006	3.006
3) Future liabilities fund	0	8.536
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**3.006**	**11.542**
C) PROVISION FOR STAFF SEVERANCE PAY		108.855
TOTAL (C)		**108.855**
D) ACCOUNTS PAYABLE		
7) Trade payables		
- due within 12 months	19.599	25.651
11) Payables to parent companies		
- due within 12 months	227	82.590
- due beyond 12 months		
12) Taxes payable		
- due within 12 months	2.505	9.953
13) Payables to social security institutions		
- due within 12 months	1.320	20.365
14) Other payables		
- due within 12 months	266	42.165
TOTAL ACCOUNTS PAYABLE (D)	**23.917**	**180.724**
E) ACCRUED EXPENSES AND DEFERRED INCOME - DISCOUNT ON LOANS SHOWN SEPARATELY		
1) Accrued expenses	0	624
TOTAL LIABILITIES AND EQUITY	**2.100.585**	**2.490.314**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) PRODUCTION VALUE		
1) Revenues from sales and services	303.900	861.142
5) Other income and proceeds – operating grants shown separately	25.278	3.616
TOTAL PRODUCTION VALUE (A)	**329.178**	**864.758**
B) PRODUCTION COSTS		
6) Purchase of raw and maintenance materials, consumables and goods	1.006	2.616
7) Cost of services	120.635	176.257
8) Rent, lease and similar costs	16.220	45.428
9) Staff costs:		
a) salaries and wages	142.314	322.275
b) social security	43.961	104.978
c) severance pay	10.443	23.485
e) other costs	1.490	2.458
Total staff costs	**198.208**	**453.196**
10) Amortisation, depreciation and write-downs:		
b) depreciation	0	0
d) write-down of current receivables and of cash equivalents	0	0
Total amortisation, depreciation and write-downs	**0**	**0**
12) Provisions for liabilities and charges	0	4.896
14) Miscellaneous operating costs	5.982	7.287
TOTAL PRODUCTION COSTS (B)	**342.051**	**689.680**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**(12.873)**	**175.078**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
C) FINANCIAL INCOME AND CHARGES		
16) Other financial income		
d) other income than the above	31.955	35.265
17) Interest and other financial charges	0	0
TOTAL FINANCIAL INCOME AND CHARGES (C)	**31.955**	**35.265**

E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income	1.246	3.033
21) Exceptional charges	(239)	(8.937)
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**1.007**	**(5.904)**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**20.089**	**204.439**
22) Income taxes for the year		
a) current taxes	(4.696)	(78.325)
b) deferred tax assets (liabilities)	(4.223	(37)
Total income taxes for the year	**(8.919)**	**(78.362)**
23) PROFIT (LOSS) OF THE YEAR	**11.170**	**126.077**

AEROPORTI HOLDING S.R.L.
FINANCIAL STATEMENTS AS OF 31/12/2014

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
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	36.413.947
d) other companies	17.640.883	17.640.883
Total financial assets	**17.640.883**	**54.054.830**
TOTAL FIXED ASSETS (B)	**17.640.883**	**54.054.830**
C) CURRENT ASSETS		
II. Accounts receivable		
4) From parent companies		
- due within 12 months	18.108	18.108
- due beyond 12 months	0	0
4ter) Deferred tax assets		
- due within 12 months	0	3.201
- due beyond 12 months	0	0
5) Other accounts receivable		
- due within 12 months	0	534
- due beyond 12 months	0	0
Total accounts receivable		
- due within 12 months	18.108	21.843
- due beyond 12 months	0	0
Total accounts receivable	**18.808**	**21.843**
IV. Cash and cash equivalents		
1) Cash in bank and post office current accounts	724.399	376.025
Total cash and cash equivalents	**724.399**	**376.025**
TOTAL CURRENT ASSETS (C)	**742.507**	**397.868**
D) ACCRUED INCOME AND PREPAYMENTS		
Prepayments	0	0
TOTAL ASSETS	**18.383.390**	**54.452.698**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) SHAREHOLDERS' EQUITY		
I. Share capital	11.000.000	50.000.000
II. Share premium reserve	1.544.963	1.544.963
IV. Legal reserve	108.467	98.905
VII. Other reserves	59.203	59.203
VIII. Profit (loss) carried forward	1.640.147	1.638.467
IX. Profit (loss) of the year	3.730.493	191.242
TOTAL SHAREHOLDERS' EQUITY (A)	**18.083.273**	**53.532.780**
B) PROVISIONS FOR LIABILITIES AND CHARGES		
2) Fund for tax disputes, including deferred taxes		0
TOTAL PROVISIONS FOR LIABILITIES AND CHARGES (B)	**0**	**0**
D) ACCOUNTS PAYABLE		
3) Loans from shareholders		
- due beyond 12 months	0	392.340
7) Trade payables		
- due within 12 months	214.537	20.289
11) Payables to parent companies		
- due within 12 months	61.649	19
- due beyond 12 months	0	490.660
12) Taxes payable		
- due within 12 months	15.963	1.095
13) Payables to social security institutions		
- due within 12 months	2.222	1.703
14) Other payables		
- due within 12 months	5.746	13.812
TOTAL ACCOUNTS PAYABLE (D)	**300.717**	**919.918**
E) ACCRUED EXPENSES AND DEFERRED INCOME		
Accrued expenses	0	0
TOTAL LIABILITIES AND EQUITY	**18.383.390**	**54.452.698**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) PRODUCTION VALUE		
TOTAL PRODUCTION VALUE (A)	**20.515**	**22**
B) PRODUCTION COSTS		
7) Cost of services	553.188	58.003
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	0	0
14) Miscellaneous operating costs	1.021	11.689
TOTAL PRODUCTION COSTS (B)	**554.209**	**69.692**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**(533.694)**	**(69.670)**
C) FINANCIAL INCOME AND CHARGES		
15) Income from equity investments	0	241.421
16) Other financial income		
d) other income than the above	306.982	621
17) Interest and other financial charges	0	0
TOTAL FINANCIAL INCOME AND CHARGES (C)	**306.982**	**242.042**
E) EXTRAORDINARY INCOME AND CHARGES		
20) Exceptional income		
- contingent gains	4.084.446	0
21) Exceptional charges		
- contingent liabilities	0	0
TOTAL EXTRAORDINARY INCOME AND CHARGES (E)	**4.084.446**	**0**
PROFIT (LOSS) BEFORE TAXES (A-B+/-C+/-D+/-E)	**3.857.734**	**172.372**
22) Income taxes for the year		
a) current taxes	(124.040)	15.669
b) deferred tax assets (liabilities)	(3.201)	3.201
TOTAL INCOME TAXES FOR THE YEAR	**(127.241)**	**18.870**
23) PROFIT (LOSS) OF THE YEAR	**3.730.493**	**191.242**

SISTEMA S.R.L.
FINANCIAL STATEMENTS AS OF 31/12/2014

BALANCE SHEET: ASSETS	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
B) FIXED ASSETS		
1) Start up and improvement costs	4.684	2.430
- amortisation and depreciation	(2.880)	(1.944)
Total intangible assets	**1.804**	**486**
TOTAL FIXED ASSETS (B)	**1.804**	**486**
C) CURRENT ASSETS		
II. Accounts receivable		
4) From parent compagnie		
- due within 12 months	0	0
4bis) Tax receivables		
- due within 12 months	253	210
Total accounts receivable	**253**	**210**
IV. Cash and cash equivalents		
1) Cash in bank and post office current accounts	24.555	20.483
Total cash and cash equivalents	**24.555**	**20.483**
TOTAL CURRENT ASSETS (C)	**24.808**	**20.693**
TOTAL ASSETS	**26.612**	**21.179**

BALANCE SHEET: LIABILITIES	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) SHAREHOLDERS' EQUITY		
I. Share capital	15.000	20.000
VII. Other reserves		
VIII. Loss carried forward	0	(6.535)
IX. Profit (loss) of the year	(3.148)	(3.816)
TOTAL SHAREHOLDERS' EQUITY (A)	**11.852**	**9.649**
D) ACCOUNTS PAYABLE		
7) Trade payables		
- due within 12 months	2.255	0
11) Payables to parent companies		
- due within 12 months	12.417	11.358
12) Taxes payable		
- due within 12 months	63	147
14) Other payables		
- due within 12 months	25	25
TOTAL ACCOUNTS PAYABLE (D)	**14.760**	**11.530**
TOTAL LIABILITIES AND EQUITY	**26.612**	**21.179**

INCOME STATEMENT	FINANCIAL STATEMENTS AS OF 31/12/2014	FINANCIAL STATEMENTS AS OF 31/12/2013
A) PRODUCTION VALUE (A)	**0**	**0**
B) PRODUCTION COSTS		
7) Cost of services	1.164	1.232
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	937	486
14) Miscellaneous operating costs	966	2.078
TOTAL PRODUCTION COSTS (B)	**3.067**	**3.796**
OPERATING PROFIT - PRODUCTION VALUE LESS PRODUCTION COSTS (A-B)	**(3.067)**	**(3.796)**
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)	**(3.065)**	**(3.794)**
22) Income taxes for the year		
a) current taxes	(83)	(22)
b) deferred tax assets (liabilities)		
TOTAL INCOME TAXES FOR THE YEAR	**(83)**	**(22)**
23) PROFIT (LOSS) OF THE YEAR	**(3.148)**	**(3.816)**