

6. Notes to the Statement of Financial Position

6.1 Intangible assets

The table below reports the changes in the year 2016 in intangible assets:

Intangible Assets							
(In thousands of Euro)	At December 31, 2015	Increases in the year	Reclass. /Transfers	Destructions /Sales	Amortisation and Depreciation	Write-downs	At December 31, 2016
Gross Value							
Assets under concession	1,357,235	550	63,239	(1,514)			1,419,510
Assets under concession in progress & advances	54,327	40,301	(60,731)				33,897
Industrial patents and intellectual property rights	53,397		8,633				62,030
Assets in progress and advances	7,519	6,880	(8,633)				5,766
Gross Value	1,472,478	47,731	2,508	(1,514)	-	-	1,521,203
Accumulated amortisation							
Assets under concession	(441,392)			1,104	(37,301)		(477,589)
Assets under concession in progress & advances							
Industrial patents and intellectual property rights	(46,764)				(7,215)		(53,979)
Assets in progress and advances							
Accumulated amortisation	(488,156)	-	-	1,104	(44,516)	-	(531,568)
Net value							
Assets under concession	915,843	550	63,239	(410)	(37,301)	-	941,921
Assets under concession in progress & advances	54,327	40,301	(60,731)			-	33,897
Industrial patents and intellectual property rights	6,633		8,633		(7,215)	-	8,051
Assets in progress and advances	7,519	6,880	(8,633)			-	5,766
Net value	984,322	47,731	2,508	(410)	(44,516)	-	989,635

As per IFRIC 12, assets under concession amount to Euro 941,921 thousand at December 31, 2016 and Euro 915,843 thousand at December 31, 2015. These assets are amortised on a straight-line basis over the duration of the concession from the State.

The amortisation for the year 2016 amounts to Euro 37,301 thousand.

The increases result, for Euro 63,239 thousand, mainly from the entry into operation of the investments made in previous years and recognized under "Rights on assets under concession and advances".

For assets within the concession right, SEA has the obligation to record a restoration and replacement provision, in relation to which reference should be made to Note 6.16.

The account "Assets under concession in progress and

advances", amounting to Euro 33,897 thousand, refers to the work in progress on concession assets, not yet completed at 2016 reporting date. The increase, totalling Euro 40,301 thousand, is stated net of the government grant totalling Euro 5,307 thousand, collected in December 2016, to build the Malpensa Terminal 2 railway station.

The main projects completed during the year at Malpensa total Euro 32,700 thousand and primarily regard i) continuation of the *restyling* work on Terminal 1, with the creation of new retail areas, Schengen remote boarding areas, in the north area and renewal of the firefighting system; ii) in the Cargo area, completion of the new cargo building (for a Cargo airline) and creation of a second warehouse for use by Cargo operators and iii) completion of construction work for

new security filters, new check-in desks and upgrading of the baggage delivery area at Terminal 2, as well as the completion of construction work for the new railway station with relative railway connection. The work at Linate totals Euro 7,601 thousand and mainly refer to expansion of the west apron and restyling work for the Terminal, its design activity is currently in the completion phase. Lastly, in terms of flight infrastructures, plant upgrading work continued at both Malpensa and Linate aimed at setting up the *Advanced Surface Movement Guidance and Control System* systems which will allow a clearer and unequivocal indication of the routes to follow during aircraft taxiing as well as an improvement and more efficient management of the lights on taxiing runways. The reclassifications to assets under concession, principally relate to the gradual entry into service of the works on Terminal 1 and completion of the Malpensa cargo warehouse. The industrial patents and intellectual property rights and other intangible assets, amounting to Euro 8,051

thousand at December 31, 2016 (Euro 6,633 thousand at December 31, 2015), relate to the purchase of software components for the airport and operating IT systems. Specifically, the investments principally related to the development and implementation of the administrative and airport management systems in 2016, of which Euro 8,633 thousand mainly relating to previous years and recorded in the account "Fixed assets in progress and payments on account" which at December 31, 2016 record a total residual amount of Euro 5,766 thousand, relating to software developments in progress.

In consideration of the results reported and the business outlook, as well as the definition of the airport tariffs contained in the Regulatory Agreement, at December 31, 2016 the Company did not identify any impairment indicators.

The changes in intangible assets during 2015 were as follows:

Intangible Assets							
(In thousands of Euro)	At December 31, 2014	Increases in the year	Reclass. / Transfers	Destructions / Sales	Amortisation and Depreciation	Write-downs	At December 31, 2015
Gross Value							
Assets under concession	1,305,443		54,481	(598)		(2,091)	1,357,235
Assets under concession in progress & advances	46,529	62,279	(54,481)				54,327
Industrial patents and intellectual property rights	53,049		348				53,397
Assets in progress and advances	1,092	6,775	(348)				7,519
Gross Value	1,406,113	69,054	-	(598)	-	(2,091)	1,472,478
Accumulated amortisation							
Assets under concession	(406,471)			235	(35,156)		(441,392)
Assets under concession in progress & advances							
Industrial patents and intellectual property rights	(40,065)				(6,699)		(46,764)
Assets in progress and advances							
Accumulated amortisation	(446,536)	-	-	235	(41,855)	-	(488,156)
Net value							
Assets under concession	898,972	-	54,481	(363)	(35,156)	(2,091)	915,843
Assets under concession in progress & advances	46,529	62,279	(54,481)			-	54,327
Industrial patents and intellectual property rights	12,984		348		(6,699)	-	6,633
Assets in progress and advances	1,092	6,775	(348)			-	7,519
Net value	959,577	69,054	-	(363)	(41,855)	(2,091)	984,322

6.2 Tangible assets

The table below reports the changes in the year 2016 in Tangible assets:

Tangible assets						
(In thousands of Euro)	At December 31, 2015	Increases in the year	Reclass./ Transfers	Destructions / Sales	Amortisation and Depreciation	At December 31, 2016
Gross Value						
Land and Buildings	188,542		4,775	(152)		193,165
Plant and machinery	7,760	12		(3,263)		4,509
Industrial and commercial equipment	37,384	6,222		(5,095)		38,511
Other assets	105,170	1,760	2,379	(48,070)		61,239
Assets in progress and advances	7,916	6,936	(9,662)			5,190
Gross Value	346,772	14,930	(2,508)	(56,580)	-	302,614
Accumulated depreciation & write-downs						
Land and Buildings	(79,196)			127	(5,876)	(84,945)
Plant and machinery	(6,173)			3,027	(235)	(3,381)
Industrial and commercial equipment	(34,895)			5,095	(1,694)	(31,494)
Other assets	(89,174)			47,433	(5,732)	(47,473)
Assets in progress and advances						
Accumulated depreciation & write-down	(209,438)	-	-	55,682	(13,537)	(167,293)
Net value						
Land and Buildings	109,346		4,775	(25)	(5,876)	108,220
Plant and machinery	1,587	12		(236)	(235)	1,128
Industrial and commercial equipment	2,489	6,222			(1,694)	7,017
Other assets	15,996	1,760	2,379	(637)	(5,732)	13,766
Assets in progress and advances	7,916	6,936	(9,662)			5,190
Net value	137,334	14,930	(2,508)	(898)	(13,537)	135,321

The investments related to the development of the Commercial Aviation sector (which, as already reported, in accordance with IFRIC 12 are classified as assets under concession and current airport concessions) as well as those related to the Non Aviation sector, totalling Euro 4,775 thousand at December 31, 2016 principally related to the redesign of Malpensa Terminal 1. The increases of "Tangible assets" also include the purchase of new de-icer equipment and snowploughs for Euro 3,793 thousand, as well as new video terminals for Euro 940 thousand.

In consideration of the results reported and the business outlook, as well as the definition of the airport tariffs contained in the Regulatory Agreement, at December 31, 2016 the Company did not identify any impairment indicators.

All fixed assets, including those falling within IFRIC 12 scope, are shown net of fixed assets financed by State and European Community grants. The latter amounted to Euro 503,601 thousand and Euro 5,517 thousand respectively at December 31, 2016.

The changes in tangible fixed assets during 2015 were as follows:

Tangible assets						
(In thousands of Euro)	At December 31, 2014	Increases in the year	Reclass./ Transfers	Destructions / Sales	Amortisation and Depreciation	At December 31, 2015
Gross Value						
Land and Buildings	182,320		6,293	(71)		188,542
Plant and machinery	7,486	368		(94)		7,760
Industrial and commercial equipment	35,314	2,165		(95)		37,384
Other assets	100,204	2,340	4,056	(1,430)		105,170
Assets in progress and advances	11,181	7,084	(10,349)			7,916
Gross Value	336,505	11,957	-	(1,690)	-	346,772
Accumulated depreciation & write-downs						
Land and Buildings	(73,242)			38	(5,992)	(79,196)
Plant and machinery	(6,019)			91	(245)	(6,173)
Industrial and commercial equipment	(33,366)			95	(1,624)	(34,895)
Other assets	(84,531)			1,396	(6,039)	(89,174)
Assets in progress and advances						
Accumulated depreciation & write-down	(197,158)	-	-	1,620	(13,900)	(209,438)
Net value						
Land and Buildings	109,078		6,293	(33)	(5,992)	109,346
Plant and machinery	1,467	368		(3)	(245)	1,587
Industrial and commercial equipment	1,948	2,165			(1,624)	2,489
Other assets	15,673	2,340	4,056	(34)	(6,039)	15,996
Assets in progress and advances	11,181	7,084	(10,349)			7,916
Net value	139,347	11,957	-	(70)	(13,900)	137,334

6.3 Investment property

The breakdown of investment property at December 31, 2016 and relative comparative figure are shown below:

Investment property		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Gross Value	4,125	4,148
Accumulated amortisation	(727)	(736)
Total net investment property	3,398	3,412

The changes in investment property accumulated depreciation in 2016 is shown below:

Movements in Accumulated Depreciation	
(In thousands of Euro)	At December 31, 2016
Initial value	(736)
Decreases	11
Amortisation and Depreciation	(2)
Closing value	(727)

The account includes buildings not utilised in the operated activities (apartments and garages).

Despite uncertainty related to the real estate market there was no loss in value of investment property at December 31, 2016.

6.4 Investments in subsidiaries and associates

The breakdown of the account "Investments in subsidiaries and associates" at December 31, 2016 and at December 31, 2015 are shown below:

Investments in subsidiaries and associates		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Sea Handling SpA in liquidation	8,226	8,474
SEA Energia SpA	7,026	7,026
SEA Prime SpA	25,200	25,200
Consorzio Malpensa Construction	22	22
Investments in subsidiaries	40,474	40,722
SACBO SpA	4,562	4,562
Dufrital SpA	3,822	3,822
Malpensa Logistica Europa SpA	1,674	1,674
Disma SpA	421	421
SEA Services Srl	300	300
Investments in associates	10,779	10,779
Investments in subsidiaries and associates	51,253	51,501

The change in the balance of investments in subsidiaries and associates is due to the write-down reported in 2016, for Euro 249 thousand, of the investment held in SEA Handling SpA in liquidation, in order to align the value to shareholders' equity, as the estimated value of assets that can be liquidated to SEA.

It should be noted that the Board of Directors meeting on February 22, 2017 voted to authorise the winding up and liquidation of the Malpensa Construction Consortium.

It should also be noted that in December 2016 the Shareholders' Meeting of SACBO approved the proposal to purchase the treasury shares held by the Province

of Bergamo, corresponding to 3% of the share capital, for a value equal to Euro 6,804,000. The transaction did not have impacts on the company's share capital or dilutive effects related to the stake held by SEA.

Risk related to the European Commission Decision of December 19, 2012 concerning presumed State Aid to SEA Handling and the Decision of July 9, 2014 for the set-up of a new procedure on the incorporation and capitalisation of Airport Handling

(a) Proceeding related to the European Commission decision of December 19, 2012

With decision of December 19, 2012, the European

Commission judged that the share capital increases carried out by SEA in favour of its subsidiary SEA Handling in the 2002-2010 period for approx. Euro 360 million, constituted State Aid incompatible with the internal market, and consequently imposed upon the Italian State the obligation to demand restitution of the presumed State Aid from SEA Handling.

As more extensively described in the 2015 Annual Report, for a formal 'alternative execution project' of the decision, undertook a series of actions including (i) liquidation of SEA Handling and its permanent departure from the market, (ii) establishment of Airport Handling in order to continue to offer ground assistance services in a context of complete competition conditions with the other handling companies and with complete economic discontinuation with SEA Handling, (iii) assignment of the entire investment in the share capital of Airport Handling in a trust called "Milan Airport Handling Trust", in order to exclude any form of SEA's control over Airport Handling and continuity between SEA Handling and the same Airport Handling, (iv) sale of 30% of the Airport Handling shares to a third party operator with the option, at certain conditions, of being able to purchase an additional 40% of the shares. In relation to the above-mentioned decision three independent appeals were made before the European Union Court, by the Italian State, by SEA Handling and by the Milan Municipality.

These appeals are in an advanced state of negotiation, as the written procedure phase has concluded some months ago; a ruling is expected from the Court in 2017. In the meantime a discussion phase was started - through the Italian Authorities - with the European Commission, in order to represent the incapacity of SEA Handling to completely face this restitution charge and, consequently, the impossibility of the Italian State to completely enforce the decision in its specific form.

With a letter sent to the Italian Authorities on July 20, 2016 and acknowledging the arguments put forth by SEA Handling, the European Commission asked for confirmation on the sale of the business, the progress of the liquidation and the procedures put in place to comply, within the limits of the sums from the liquidation, with the restitution obligations of SEA Handling.

In light of the above, in line with the criteria adopted in the previous annual report and interim financial reports to not recognise any accrual in the provision for risks and charges in the financial statements of SEA Handling SpA in liquidation and/or receivables from the company in the financial statements of SEA, with reference to the restitution obligations of SEA Handling to SEA of presumed State Aid and/or the re-

cording of a receivable for the restitution of State Aid by SEA. Indeed, apart from any assessment regarding whether the sums are due or not (including in relation to the outcome of pending appeals), if and to the extent that funds become available from liquidation of the SEA Handling assets, the consideration from this surplus must be in favour of SEA, the sole shareholder of the company in liquidation.

(b) Proceeding related to the in-depth investigation launched by the European

Commission of July 9, 2014

On July 9, 2014 the European Commission decided to launch - within the framework of the powers granted it related to State aid - a formal investigation in order to better examine some aspects related to the economic discontinuation between SEA Handling and Airport Handling and the possible existence of (further) alleged State aid in SEA's capital injection in the new company.

With its decision of July 5, 2016, transmitted to SEA by the Ministry of Transportation on July 19, 2016, the European Commission completed the investigation it had started in relation to the establishment and capitalisation of the Airport Handling SpA company finding: i) the absence of economic continuity between SEA Handling SpA and Airport Handling SpA, ii) the absence of transfer of the obligation to repay the incompatible State aid to Airport Handling SpA as well as iii) the lack of State aid in the establishment and capitalisation of the aforesaid company. In the meantime the disposal process of control of Airport Handling by SEA was finalised:

- in December 2014 SEA together with the Trustee of Milan Airport Handling Trust conferred the mandate to an independent financial advisor in order to identify potential investors for the acquisition of a shareholding in Airport Handling;
- in September 2015, the Trustee and dnata, a leading international company of the Emirates Group in the airport handling sector, signed a binding agreement for the sale of 30% of the Airport Handling shares and the same percentage of FIP held by SEA in Airport Handling, with assignment to dnata at closing of the majority of the members of the board of directors and therefore the Governance of Airport Handling;
- the agreement also includes an option for dnata to purchase, if certain conditions occur, an additional 40% of shares (call option) and a corresponding portion of FIPs. The positive decision of the European

Commission related to the July 2014 investigation resulted in dnata not being able to exercise a put option included in the event of an unfavourable decision;

- the closing of the transaction occurred on March 23, 2016, after the decision of the Anti-trust Authority which did not consider the transaction in question, pursuant to article 6, paragraph 1, of Law no. 287/90, to establish or reinforce a dominant position on the market able to eliminate or substantially reduce the competition in the long-term. Following this the portion of other financial assets held by SEA and part of the sale were reclassified as "current";
- following dnata investment in Airport Handling, the latter company is valued at Euro 25 million, such amount being in line with the carrying amount of the assets recognized in the accounts. The transaction involved the payment of Euro 7.5 million by dnata for the purchase of the first 30%, which will be subject to lien for a predefined period as guarantee by dnata and entails the payment of Euro 10 million for the additional 40% interest (amounts to be divided proportionally between stocks and FIPs respectively held by the Trustee and SEA).

Based on the above, with reference to the sums transferred by SEA to the share capital of Airport Handling and to the subscription of the Financial Instruments of Participation by SEA, it is considered that these may be recovered through the disposal of Airport Handling or in the participation in future profits of the same (for

the residual holding) and which are considered realisable. Consequently, no specific entry or correction is necessary or opportune.

Risk related to litigation for alleged abuse of dominant position in the acquisition of ATA Ali Trasporti Aerei - proceedings A474 brought by the Anti-trust Authority (AGCM)

The Anti-trust Authority started a proceeding on December 20, 2013 following a complaint by Cedikor Sociedad Anonima ("CEDICOR"), claiming SEA had abused its dominant position in violation of article 102 of the Treaty for the Functioning of the European Union ("TFUE") in the procedure for the tender called for the sale of SEA Prime SpA (previously ATA Ali Trasporti Aerei). The proceeding was closed on April 2, 2015 with the Anti-trust Authority upholding the claims against SEA and sentencing it to a fine of Euro 3,365 thousand. Despite paying the fine, SEA filed an appeal against this Provision at the Regional Administrative Court ("TAR"). The appeal challenged the legitimacy and correctness of the Provision. TAR's ruling was published in January 2017 partially granting SEA's appeal, referring the recalculation of the fine at a lower rate to the competent Authorities.

The key financial highlights at December 31, 2016 and for the previous year of the subsidiaries and associated companies prepared in accordance with Italian GAAP are shown below.

(In thousands of Euro)

As at December 31, 2016 and for the year ended December 31, 2016

	Assets	Liabilities	Revenue	Profit/(loss)	Net Equity	Pro-quota net equity	% holding
Subsidiaries							
SEA Handling in liquidation SpA	10,732	2,506	587	(125)	8,226	8,226	100.00%
SEA Energia SpA	79,295	61,234	46,267	627	18,061	18,061	100.00%
SEA Prime SpA	25,950	16,984	11,373	2,105	8,966	8,817	98.34%
Consorzio Malpensa Construction	415	227	1	-	188	96	51.00%
Associates							
Dufrital SpA	78,382	48,434	151,502	4,220	29,948	11,979	40.00%
SACBO SpA	228,329	104,015	125,167	13,343	124,314	38,511	30.979%
SEA Services Srl (*)	6,470	4,005	12,484	830	2,465	986	40.00%
Malpensa Logistica Europa SpA	21,684	10,299	37,360	2,028	11,385	2,846	25.00%
Disma SpA	12,144	5,998	6,072	601	6,146	1,152	18.75%

(*) Financial Statements for the year ended 30/09/2016.

<i>(In thousands of Euro)</i>							
As at December 31, 2015 and for the year ended December 31, 2015							
	Assets	Liabilities	Revenue	Profit/(loss)	Net Equity	Pro-quota net equity	% holding
Subsidiaries							
SEA Handling in liquidation SpA	11,502	3,028	5,022	3,238	8,474	8,474	100.00%
SEA Energia SpA	69,385	51,951	49,336	635	17,434	17,434	100.00%
SEA Prime SpA	17,735	10,874	13,931	1,757	6,861	6,747	98.34%
Consorzio Malpensa Construction	414	226	299	3	188	96	51.00%
Associates							
Dufrital SpA	76,573	50,845	149,342	4,226	25,728	10,291	40.00%
SACBO SpA	225,760	102,174	119,181	12,387	123,586	38,286	30.979%
SEA Services Srl (*)	5,486	3,170	9,669	687	2,316	926	40.00%
Malpensa Logistica Europa SpA	19,969	9,919	34,097	1,459	10,050	2,513	25.00%
Disma SpA	14,146	7,101	6,392	884	7,045	1,321	18.75%

(*) Financial Statements for the year ended 30/09/2015.

6.5 AFS Investments

The breakdown of the "AFS investments" at December 31, 2016 and at December 31, 2015 is shown below:

Company	% Held	
	At December 31, 2016	At December 31, 2015
Aereopuertos Argentina 2000 SA	8.5%	8.5%
Consorzio Milano Sistema in liquidation	10%	10%
Romairport SpA	0.227%	0.227%
Sita Soc. Intern. De Telecom. Aeroneonautiques (Belgian company)	6 quote	12 quote

The following table reports the changes for the years 2016 and 2015 of the AFS investments:

<i>(In thousands of Euro)</i>		
Company		
	At December 31, 2016	At December 31, 2015
Aereopuertos Argentina 2000 SA	0	0
Consorzio Milano Sistema in liquidation	25	25
Romairport SpA	1	1
Sita Soc. Intern. De Telecom. Aeroneonautiques (Belgian company)	0	0
Total available-for-sale investments	26	26

AA2000

The investment of SEA in the share capital of Aeropuertos Argentina 2000 (hereafter AA2000) amounted to 8.5% following the conversion, by the Argentinian government, of the bonds issued in 2008 by AA2000 into shares.

On June 30, 2011, an agreement was signed with CEDICOR for the sale of the entire investment held by SEA in the share capital of AA2000, equal to 21,973,747 ordinary Class A shares with 1 vote for each share.

The consideration paid was Euro 14,000,000 entirely received in 2011.

The transfer of the shares will only be completed with authorisation by the ORSNA regulator (Organismo Regulador del Sistema Nacional de Aeropuertos).

As of the date of this document, ORSNA had not yet formalised the authorisation of the sale of the investment in favour of Cedikor and, therefore, still holds 8.5% of the share capital of AA2000; therefore the investment of 1 Euro was maintained in the 2016 financial statements.

6.6 Deferred tax assets

The changes in the net deferred tax assets for the year 2016 are shown below:

Net deferred tax assets				
<i>(In thousands of Euro)</i>				
	At December 31, 2015	Release / recognition to P&L	Release / recognition to equity	At December 31, 2016
Restoration provision as per IFRIC 12	34,540	(790)		33,750
Impairment test	14,333	(232)		14,101
Provision for risks & charges	11,351	(1,935)		9,416
Non-deductible doubtful debt provision	8,840	(559)		8,281
Other receivables provision	0	319		319
Obsolescence inventory provision	0	125		125
Fair value measurement of derivatives	2,587		(438)	2,149
Discounting Employee Leaving Indemnity (IAS 19)	2,522	(677)	(901)	944
Normal maintenance on assets under concession	2,921	3,320		6,241
Expected tax losses of SEA Handling in liquidation net of benefit	42	(42)		0
Others	132	0		132
Total deferred tax assets	77,268	(471)	(1,339)	75,458
Accelerated deprec. & lower deprec. from first time application of IFRS	31,396	(1,133)		30,263
Discounting Employee Leaving Indemnity (IAS 19)	1,554		(1,554)	0
Others	1	22		23
Total deferred tax liabilities	32,951	(1,111)	(1,554)	30,286
Total net deferred tax assets	44,317	640	215	45,172

It should be noted that the item "Discounting post-employment benefits (IAS19)" reported in deferred tax

liabilities for Euro 1,554 thousand was reclassified by nature in the corresponding item of deferred tax assets.

6.7 Other current and non-current financial assets

The breakdown of current and non-current financial assets at December 31, 2016 and at the end of the previous year is reported below:

Other financial assets				
(In thousands of Euro)	At December 31, 2016		At December 31, 2015	
	Current portion	Non-current portion	Current portion	Non-current portion
Other financial assets	7,190	16,776	7,190	16,776
Total other financial assets	7,190	16,776	7,190	16,776

The balance of current and non-current financial assets relates to the capital paid in favour of Airport Handling less write-downs made in 2013 and 2014 totalling Euro 1,034 thousand, against the losses generated before the disposal to the trust.

The company was incorporated on September 9, 2013 with a share capital of Euro 10 thousand, fully paid-in by the sole shareholder SEA on September 27, 2013. On October 30, 2013, the Extraordinary Shareholders' Meeting of Airport Handling approved the share capital increase up to a maximum of Euro 90 thousand, to be offered as options to the shareholder SEA - entirely subscribed with the payments in November 2013 and February 2014.

On April 3, 2014, the Ordinary Shareholders' Meeting of Airport Handling approved the share capital increase up to a maximum of Euro 2,500 thousand to be offered as options to the shareholder SEA. The first tranche of Euro 500 thousand was subscribed in the shareholders' meeting and paid-in simultaneously by the shareholder SEA. The two subsequent tranches were paid by SEA in June 2014 (Euro 710 thousand) and July 2014 (Euro 1,290 thousand) on the request of the Board of Directors of Airport Handling.

On June 30, 2014, the Board of Directors of SEA SpA approved the incorporation of the Trust "Milan Airport Handling Trust", registered in Jersey, Channel Islands, in order to adopt the best possible procedure to implement the discontinuation with the handling activity, previously undertaken by SEA Handling SpA, in accordance with the terms and conditions of the incorporation deed of the Milan Airport Handling Trust.

On August 27, 2014, the Shareholders' Meeting of Airport Handling Srl approved the share capital increase to Euro 5,000 thousand through the use of future share capital payments. On the same date, SEA, the sole shareholder of Airport Handling, with the signing of the Trust

Deed transferred to the "Milan Airport Handling Trust":

- (i) the entire nominal investment of Euro 5,000 thousand;
- (ii) all rights to this latter relating to the share capital increase of Airport Handling. This was undertaken without any consideration and in accordance with the Trust Deed.

Subsequent to this transfer of ownership, on August 27, 2014, Airport Handling Srl was converted into a limited liability company, with the appointment of new corporate boards and the issue of 20,000 of Financial Instruments of Participation (FIP) of a value of Euro 1 thousand each, subscribed by SEA SpA, with the approval of the sole shareholder Milan Airport Handling Trust. These instruments are equity-based (therefore not subject to any repayment obligation of the amount contributed), without administrative rights but similar to shares in terms of equity rights; in particular these instruments provide profit-sharing and reserve rights and rights to other equity items, also on the winding up of the company. On August 28, 2014, SEA executed the payment of Euro 20,000 thousand. On March 23, 2016 the transfer transaction of 30% of the Airport Handling shares, and the same percentage of FIPs held by SEA in Airport Handling was completed, with assignment to dnata at the closing, of the majority of the members of the Board of Directors and thus the Governance of Airport Handling. Following the transfer the portion of other financial assets involved in the transfer were reclassified as "current".

Following dnata investment in Airport Handling, the latter company is valued at Euro 25 million, such amount being in line with the carrying amount of the assets recognized in the accounts. The transaction involved the payment of Euro 7.5 million by dnata for the purchase of the first 30%, which will be subject to lien for a predefined period as guarantee by dnata and entails the payment of Euro 10 million for the additional 40% interest (amounts to be divided proportionally between stocks and FIPs respectively held by the Trustee and SEA).

6.8 Other non-current receivables

The breakdown of the "Other non-current receivables" is shown below:

Other non-current receivables		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Receivables from the State for grants under Law 449/85	-	1,329
Other receivables	240	268
Total non-current receivables	240	1,597

The account "Other non-current receivables" amounts to Euro 240 thousand at December 31, 2016 (Euro 1,597 thousand at December 31, 2015) and is comprised of the accounts outlined below.

Receivables from the State for grants under Law 449/85, amounting to Euro 1,328 thousand (Euro 1,329 thousand at December 31, 2015), are entirely covered by the doubtful debt provision and concern receivables based on the "Regulatory Agreement" between ENAC and SEA in January 1995 and revised in

December 2004, which establishes the partial funding, pursuant to Law 449/85, of some infrastructure projects at Malpensa Airport.

The Other receivables do not show a significant change and principally refer to receivables from employees and guarantee deposits.

6.9 Inventories

The table below reports the breakdown of "Inventories":

Inventories		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Raw materials, consumables and supplies	4,574	5,100
Provision for inventory obsolescence	(444)	(300)
Total Inventories	4,130	4,800

The account includes consumable materials for airport activities; no goods held in inventories comprised guarantees on loans or concerning other commitments. Inventories at the end of the year were adjusted to their estimated realizable or replacement value via a

special obsolescence provision which at December 31, 2016 totalled Euro 444 thousand.

The following changes were reported for the obsolescence inventory provision during 2016:

Change in the provision for inventory obsolescence	
(In thousands of Euro)	At December 31, 2016
Initial value	(300)
Provision	(250)
Use	106
Final value of provision for inventory obsolescence	(444)

6.10 Trade receivables

The breakdown of "Trade receivables" at December 31, 2016 and for the previous year are shown below:

Trade receivables		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Customer receivables	72,706	72,245
Trade receivables from subsidiaries	3,227	2,447
Trade receivables from associated companies	7,032	10,781
Total trade receivables	82,965	85,473

Trade receivables, shown net of the doubtful debt provision, mainly include receivables from clients and provisions for invoices and credit notes to be issued. The criteria for the adjustment of receivables to their realisable value will take account of valuations regard-

ing the state of the dispute and are subject to estimates which are described in the previous paragraph 3, to which reference should be made.

The changes in the doubtful debt provision were as follows:

Doubtful debt provision		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Opening provision	81,891	88,051
Net Increases/(decreases)	2,581	(5,542)
Utilisation	(6,022)	(618)
Closing doubtful debt provision	78,450	81,891

The net increases of provisions in 2016 amounted to Euro 2,581 thousand (against net releases of Euro 5,542 thousand in 2015) and was calculated to take into account the risk in deterioration of the financial positions of the principle operators with which disputes exist and write-downs for receivables under administration.

The utilisations relating to the year 2016, amounting to Euro 6,022 thousand, refer to the closure during the year of disputes in which the provisions were accrued to cover such risks in previous years.

For details on the ageing of the receivables reference should be made to *Note 4.1*.

The reduction of trade receivables due from associated companies, instead, is basically due to the due dates and relative collection of invoices.

For receivables from subsidiaries and associated companies reference should be made to *Note 8*, relating to transactions with related parties.

6.11 Current financial receivables

The account "Current financial receivables" amounts

to Euro 43,532 thousand at December 31, 2016 (Euro 36,306 thousand at December 31, 2015) and relates entirely to financial receivables from subsidiaries. In particular the balance at December 31, 2016 is comprised of cash pooling receivables from SEA Energia. Reference should be made to *Note 8* relating to transactions with related parties.

6.12 Tax receivables

The account "Tax receivables" amounts to Euro 14,174 thousand at December 31, 2016 (Euro 11,666 thousand at December 31, 2015) and refers for Euro 10,384 thousand to reimbursement requests made in March 2013 for higher IRES paid against the non-deductibility of IRAP regional tax on personnel costs for the years 2007/2011 (Euro 10,384 thousand at December 31, 2015), for Euro 2,631 thousand the IRES credit deriving from the higher payments on account paid in June and November compared to the 2016 IRES payable and Euro 782 thousand to the VAT receivable deriving from the December payment on account.

6.13 Other current receivables

The breakdown of the "Other current receivables" is shown below:

Other current receivables		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Other receivables	5,490	6,145
Receivables for dividends to collect	1,901	
Insurance company receivables	232	406
Receivables for various payments	277	246
Receivables from employees and social security institutions	208	247
Receivables from the Ministry for Communications for radio bridge	3	3
Receivables from the State under SEA/ Min. Infr. & Transp. case	-	-
Total other current receivables	8,111	7,047

The account "Other current receivables" amounts to Euro 8,111 thousand at December 31, 2016 (Euro 7,047 thousand at December 31, 2015) and is comprised of the accounts outlined below.

Other receivables, amounting to Euro 5,490 thousand at December 31, 2016 (Euro 6,145 thousand at December 31, 2015) refer to miscellaneous receivables (reimbursements, advances to suppliers, arbitration with sub-contractors and other minor items). The change for the year, totalling Euro 655 thousand, is mainly due to the decrease in advances to suppliers for Euro 609 thousand.

Receivables for dividends to collect, totalling Euro 1,901 thousand, refers to reporting of dividends approved by the Shareholders' Meeting of Airport Handling SpA on May 6, 2016. SEA SpA is entitled to receive the dividends related to its share of the Financial Instruments of Participation. For further information, reference should be made to Note 6.7.

The receivables due from insurance companies, totalling Euro 232 thousand at December 31, 2016 (Euro 406 thousand at December 31, 2015) represent the portion of charges for insurance policies paid in advance during the year but accruing in the following year.

The receivables for various collections, totalling Euro 277 thousand at December 31, 2016 (Euro 246 thou-

sand at December 31, 2015) are mainly related to receivables resulting from collections paid by credit card, POS and telepass not yet credited to the current account.

Employee and social security receivables, amounting to Euro 208 thousand at December 31, 2016 (Euro 247 thousand at December 31, 2015), mainly refer to the receivable from INPS and the "Solidarity Contract Aviation Fund" (expired in 2014) paid to employees on behalf of those institutions.

The receivable from the Ministry for Communications amounting to Euro 3 thousand at December 31, 2016 (Euro 3 thousand at December 31, 2015) relates to higher provisional payments made in previous years for fees related to the radio bridges, offset by fees paid in January 2017.

Receivables from the State under SEA/Ministry for Infrastructure and Transport case, which totalled Euro 3,889 thousand, reported following the judgement of the Court of Cassation, which recognized to the Company the non-adjustment of handling tariffs for the period 1974-1981, in addition to interest and expenses incurred by the Company, are entirely covered by the doubtful debt provision and relate to the residual amount not yet received from the Ministry for Infrastructure and Transport, in addition to interest accrued up to December 31, 2014.

6.14 Cash and cash equivalents

The breakdown of the account "Cash and cash equivalents" is shown in the table below:

Cash and cash equivalents		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Bank and postal deposits	46,954	55,197
Cash in hand and at bank	44	74
Total	46,998	55,271

The available liquidity at December 31, 2016 is comprised of the following assets: bank and postal deposits on demand for Euro 45,438 thousand (Euro 53,173 thousand at December 31, 2015), restricted bank deposits, to cover the quota of European Investment Bank loans due in the coming 12 months, for Euro 1,516 thousand (Euro 2,024 thousand at December 31, 2015) and cash amounts for Euro 44 thousand (Euro 74 thousand at December 31, 2015). For further information on changes in cash and cash equivalents, please refer to the Cash Flow Statement. It should be noted that liquidity at December 31, 2016 does not include the escrow account; Euro 6,000 thousand are deposited to this account which result from collection of the price from the sale of 30% of the Financial Instruments of Participation held by SEA in Airport Handling.

6.15 Shareholders' Equity

Share capital

At December 31, 2016, the share capital of SEA is comprised of 250,000,000 shares of a value of Euro 0.11 each, with a total value of Euro 27,500 thousand.

Legal and extraordinary reserve

At December 31, 2016 the legal reserve of SEA amounts to Euro 5,500 thousand while the extraordinary reserve amounts to Euro 138,792 thousand (Euro 119,164 thousand at December 31, 2015), with the increase of Euro 19,628 thousand following the allocation of the profit for the year 2015 for Euro 15,703 thousand and reclassification of part of the First time application of IFRS reserve for Euro 3,925 thousand.

AFS reserve (Available for sale)

The AFS reserve at December 31, 2016, equal to Euro 1, represents the investment held by SEA in AA2000

based on the agreement with CEDICOR as described in Note 6.5.

Cash flow hedge reserve

The balance of the reserve at December 31, 2016, amounting to Euro -6,804 thousand (Euro -7,791 at December 31, 2015), relates to the change in the fair value of the effective part of the derivative hedge contracts listed at Note 4.2.

Actuarial profit/loss reserve

The balance of the reserve at December 31, 2016 equal to Euro -1,257 thousand (Euro -5,045 thousand at December 31, 2015), represents the actuarial losses matured at the balance sheet date on the Post-Employment Benefits provision. It should be noted that in 2016 the amount of Euro 4,947 thousand, representing the application of the IAS 19 international accounting standard for transition to the IFRS, was reclassified from the first application of IFRS reserve.

Other reserve

The other reserves, amounting to Euro 60,288 thousand at December 31, 2016, refer entirely to the reserves recorded in accordance with the revaluation laws 576/75, 72/83 and 413/91.

Distribution of dividends

On May 4, 2016, the Shareholders' Meeting approved the distribution of dividends of Euro 62,850 thousand and the carrying forward to reserves of Euro 15,703 thousand, relating to the allocation of the 2015 net profit, amounting to Euro 78,553 thousand.

For the details on the changes in shareholders' equity in the past two years, see the "Statement of changes in Shareholders' Equity".

Available reserves

In accordance with Article 2427, No. 7-bis of the Civil

Code, the equity accounts and their availability and possibility for distribution are reported below.

(In thousands of Euro)

Nature/Description	Amount at 12/31/2016	Possibility for utilisation (*)	Portion available	Utilisations in last three years
Share capital	27,500			
Legal reserve	5,500	B		
Extraordinary reserve	138,792	A, B, C	138,792	
First time application of IFRS reserve	14,814			
AFS reserve	0			
Cash flow hedge reserve	(6,804)			
Actuarial profit/loss reserve	(1,257)			
Other reserves ⁽¹⁾ :				
- Revaluation under Law 576/76	3,649	A, B, C	3,649	
- Revaluation under Law 72/83	13,557	A, B, C	13,557	
- Revaluation under Law 413/91	43,082	A, B, C	43,082	
Total	238,833		199,080	-
Total non-distributable portion		39,753		

(*) A: for share capital increase B: to cover losses C: for distribution to shareholders.

(1) Reserves for suspension of taxes.

6.16 Provision for risks & charges

The changes in the "Provisions for risks and charges" in the year are reported below:

Provision for risks & charges

(In thousands of Euro)

	At December 31, 2015	Provisions / increases	Uses / Decreases	Releases	At December 31, 2016
Provision for restoration & replacement	136,068	17,100	(16,386)		136,782
Provision for future charges	39,177	3,527	(6,799)	(2,514)	33,391
Total provision for risks & charges	175,245	20,627	(23,185)	(2,514)	170,173

The restoration and replacement provision on assets under concession, created in accordance with IFRIC 12, amounting to Euro 136,782 thousand at December 31, 2016 (Euro 136,068 thousand at December 31, 2015), refers to the estimate of the amount matured relating to the maintenance on assets under conces-

sion from the State which will be undertaken in future years. The provision for the year takes into account the long-term updating of the scheduled replacement and maintenance plan of such assets, while the uses for the period refer to restoration interventions covered by provisions of previous years.

The breakdown of the provision for future charges is shown in the table below:

Provision for future charges					
<i>(In thousands of Euro)</i>					
	At December 31, 2015	Provisions / increases	Uses / Decreases	Releases	At December 31, 2016
Employment provisions	8,032		(1,445)	(3)	6,584
Disputes with contractors	550		(550)		-
Tax risks	4,571		(1,954)	(1,617)	1,000
Other provisions	26,024	3,527	(2,850)	(894)	25,807
Total provisions for future charges	39,177	3,527	(6,799)	(2,514)	33,391

The employee provisions relate to the expected streamlining actions to be undertaken on operations. Uses for the year are connected to incentivised departures for which a specific provision was created in the 2015 financial statements.

The "Tax risks" provision totalling Euro 1,000 thousand is related to coverage of litigation of a tax nature for which the Company is being audited by the competent authorities. It should be noted that in 2016, SEA settled litigation started in 2015 by the Customs Agency for the Malpensa and Linate airports, for the electricity business, related to regularity of compliance with excise related requirements pursuant to Legislative Decree no. 504/1995 (Consolidated Excise Act). The established amounts were fully covered by the provision allocated in 2015.

The account "other provisions" for Euro 25,807 thousand at December 31, 2016 (Euro 26,024 thousand at December 31, 2015) is mainly composed of the following items:

- Euro 9,893 thousand for legal disputes related to the operational management of the Milan Airports;

- Euro 4,033 thousand referred to litigation of an insurance nature for claims for damages;
- Euro 8,000 thousand relating to charges from the acoustic zoning of the peripheral areas to the Milan Airports (Law No. 447/95 and subsequent Ministerial Decrees). It is reported that the Airport Commission of Malpensa has not yet given the final approval, unlike the Airport Commission of Linate;
- Euro 881 thousand for disputes with ENAV;
- Euro 3,000 thousand for litigation of a different nature.

On the basis of the progress of disputes at the preparation date of these separate financial statements, and also based on the opinion of the consultants representing the Company in the disputes, the Directors believe that the provisions are sufficient to cover potential liabilities.

6.17 Employee provisions

The changes in the employee provisions in 2016 are shown below:

Employee provisions	
<i>(In thousands of Euro)</i>	
	At December 31, 2016
Opening provision	46,788
Financial (income) / charges	645
Utilisation	(1,151)
Actuarial (Gains) / Losses directly recognized in equity	1,813
Total Employee Provisions	48,095

The actuarial calculation of the employee leaving indemnity takes into account the effects of the reform of Law No. 296 of December 27, 2006 and subsequent decrees and regulations.

The principal actuarial assumptions, utilised for the determination of the pension obligations, are reported below:

Financial assumption

	At December 31, 2016
Annual discount rate	1.31%
Annual inflation rate	1.50%
Annual post-employment benefit increase	2.63%

The annual discount rate, utilised for the establishment of the present value of the bond, was based on the Iboxx Eurozone Corporate A index.

The sensitivity analysis for each of the significant as-

sumptions at December 31, 2016 is shown below, indicating the effects that would arise on the post-employment benefit provision.

Change in assumption

(In thousands of Euro)	At December 31, 2016
+ 1 % on turnover	47,816
- 1 % on di turnover	48,407
+ 1/4 % on the annual inflation rate	48,855
- 1/4 % on the annual inflation rate	47,351
+ 1/4 % on the annual discount rate	46,902
- 1/4 % on the annual discount rate	49,334

The average duration of the financial obligation and scheduled payments of the benefits are reported in the

following tables:

Average financial duration of the obligation

(In years)	At December 31, 2016
Duration of the plan	10.8

Scheduled disbursements

(In thousands of Euro)	At December 31, 2016
Year 1	2,100
Year 2	2,116
Year 3	1,892
Year 4	2,550
Year 5	2,837

6.18 Current and non-current financial liabilities

The breakdown of current and non-current financial liabilities at December 31, 2016 and at the end of the previous year is reported below:

(In thousands of Euro)	At December 31, 2016		At December 31, 2015	
	Current portion	Non-current portion	Current portion	Non-current portion
Bank payables	20,829	250,929	16,821	272,110
Payables to other lenders	11,248	298,140	11,110	297,665
Total financial liabilities	32,077	549,069	27,931	569,775

The breakdown of the accounts is shown below:

(In thousands of Euro)	At December 31, 2016		At December 31, 2015	
	Current portion	Non-current portion	Current portion	Non-current portion
Long-term loans	19,689	241,208	15,456	260,853
Loan charges payables	1,140		1,365	
Fair value derivatives		9,721		11,257
Bank payables	20,829	250,929	16,821	272,110
Bond payables		298,008		297,580
Bond charge payables	6,627		6,609	
Subsidised loans	44	132		85
Financial payables to subsidiaries	4,577		4,012	
Leasing payables			489	
Payables to other lenders	11,248	298,140	11,110	297,665
Total current and non-current liabilities	32,077	549,069	27,931	569,775

As illustrated in the table above, the Company debt primary consists of medium/long term bank loans and the bond issued on April 17, 2014, the "SEA 3 1/8 2014-2021".

The principal features of the bond are as follows:

- Type of bond: Senior, unsecured, non-convertible, in minimum denominations of Euro 100 thousand and exclusively targeting qualified and institutional investors;
- Issue price: at par;
- Value: Euro 300 million;
- Interest rate: fixed annual coupon of 3.125%;
- Duration: 7 years, with single repayment on maturity, except for advanced repayment possibilities established under the Loan regulation and in line with market practices;

- Listing: Regulated market managed by the Irish Stock Exchange;
- Covenant: typical international practice for the issue of such bonds, such as the Limitation of Indebtedness or rather to maintain a Net Financial Position/EBITDA maximum of 3.8. The covenant has been complied with to date.

It should be noted that the finance lease existing at December 31, 2015 was terminated on April 30, 2016. For further information on bank loans and derivative contracts underwritten reference should be made to Note 4.

For further information on loans received in 2016, the principal features of these loans and Company repay-

ment schedules reference should be made to *Note 4*. The breakdown of the Company net financial debt at December 31, 2015 and December 31, 2016, in ac-

cordance with CONSOB Communication of July 28, 2006 and ESMA/2011/81 recommendations are reported below:

(In thousands of Euro)	At December 31, 2016	At December 31, 2015
A. Cash	(46,998)	(55,271)
B. Other Liquidity	-	-
C. Held-for-trading securities	-	-
D. Liquidity (A)+(B)+ (C)	(46,998)	(55,271)
E. Financial receivables	(43,532)	(36,306)
F. Current financial payables	4,577	4,012
G. Current portion of medium/long-term bank loans	19,689	15,456
H. Other current financial payables	7,811	8,463
I. Payables and other current financial liabilities (F) + (G) + (H)	32,077	27,931
J. Net current financial debt (D) + (E) + (I)	(58,453)	(63,646)
K. Non-current portion of medium/long-term bank loans	241,208	260,853
L. Bonds issued	298,008	297,580
M. Other non-current financial payables	9,853	11,342
N. Payables & other non-current financial liabilities (K) + (L) + (M)	549,069	569,775
O. Net Debt (J) + (N)	490,616	506,129

At the end of December 2016, the net financial position amounted to Euro 490,616 thousand, improving by Euro 15,513 thousand compared to the end of 2015 (Euro 506,129 thousand).

As illustrated in the cash flow statement, the level of net financial debt was impacted by the fact that the cash flow generated from the operating activity of Euro 149,384 thousand was sufficient to offset the cash flow absorbed by investing activity (Euro 55,264 thousand) and that absorbed by financing activity for the payment of dividends and interest and commis-

sions (respectively of Euro 62,817 thousand and Euro 17,872 thousand); the following events affected financing activities: i) the reduction of cash and cash equivalents for Euro 8,273 thousand (Euro 46,998 thousand at the end of 2016 versus Euro 55,271 in 2015); ii) the continuation of the repayment of loans in place amounted to Euro 15,456 thousand.

6.19 Trade payables

The breakdown of the "Trade payables" is shown below:

Trade payables		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Supplier payables	135,537	141,686
Advances	7,419	7,344
Payables to subsidiaries	15,381	8,233
Payables to associated companies	3,434	2,945
Total trade payables	161,771	160,208

Trade payables of Euro 161,771 thousand at December 31, 2016 refer to the purchase of goods and services relating to the operating activity and invest-

ments. In order to optimise operations with suppliers, trade payables at December 31, 2016 include sums ceded by suppliers under indirect factoring contracts

for Euro 12,279 thousand (Euro 12,975 thousand at December 31, 2015).

Payables for advances at December 31, 2016, totalling Euro 7,419 thousand, have a balance basically in line with the values of the previous year.

In terms of the collection received in 2014 and, classified in payables for advances, following the Judgement no. 12778/2013 of the Court of Milan (upheld by the Milan Court of Appeals with judgement no. 3553/2015) with which the Customs Agency was sentenced to pay a total of Euro 5,631 thousand for litigation related to the occupation of spaces in the Linate and Malpensa airports, in December 2016 the Customs Agency challenged this judgement before the Supreme Cassation Court, disputing the amount due established by the appeals judge. It should be noted that as not all jurisdictional degrees have been exhausted, no income was recognized in these separate financial statements.

The remainder of payables on account mainly relate to payments on account by clients.

For payables from subsidiaries and associated companies reference should be made to *Note 8*, relating to transactions with related parties.

6.20 Income tax payables

Tax payables, totalling Euro 6,046 thousand at December 31, 2016 (Euro 24,025 thousand at December 31, 2015) are mainly composed of the payable related to the higher IRES paid by the Subsidiaries (who were

part of the fiscal consolidation) and requested as a refund with specific applications in March 2013 by the consolidating company, against the failure to deduct IRAP from IRES on the cost of personnel related to the years 2007/2011, for Euro 1,069 thousand (Euro 1,069 thousand at December 31, 2015), withholding taxes on employees and self-employed staff for Euro 4,972 thousand (Euro 4,611 thousand at December 31, 2015) and miscellaneous tax payables for Euro 5 thousand (Euro 2 thousand at December 31, 2015). It should be noted that the balance at December 31, 2015 also included the payable for direct taxes for a total of Euro 16,663 thousand, payables for the fiscal consolidation for Euro 848 thousand and VAT payable for Euro 832 thousand.

For a better presentation of the financial statements, the payable for surtaxes on landing rights was restated in this item to the "Other payables" item with consequent reclassification of the previous year values, for the purposes of comparison.

Lastly it should be noted that in 2016 SEA did not renew participation in the national fiscal consolidation programme, which expired with the year closed at December 31, 2015, with the subsidiary SEA Handling SpA in liquidation.

6.21 Other payables

The breakdown of the account "Other payables" at 2016 and 2015 reporting dates is shown below:

Other payables		
(In thousands of Euro)	At December 31, 2016	At December 31, 2015
Payable to social security institutions	11,760	12,198
Payables due to employees for amounts accrued	13,522	11,148
Payables due to employees for holidays not taken	2,749	3,146
Payable to the State for firefighting services at the airports	53,088	46,714
Payables due to the State for concession charges	12,198	11,504
Payables due to the State for security concession services	81	70
Payables for surtaxes on landing rights charges	46,011	38,233
Payables due to third parties for ticket collection	414	925
Third party guarantee deposits	1,110	1,303
Payables to Directors and Statutory Auditors	187	187
Payables to shareholders for dividends	88	57
Payables due to others for employee withholdings	265	267
Others	13,530	15,461
Total other payables	155,003	141,213

For a better presentation of the financial statements, the payable for surtaxes on landing rights was restated from "Income tax payables" to this item with consequent reclassification of the previous year values, for the purposes of comparison.

The balance of current "Other payables" shows an increase of Euro 13,790 thousand, from Euro 141,213 thousand at December 31, 2015 to Euro 155,003 thousand at December 31, 2016.

This increase is related to the contrasting effect of the following items: i) higher charges of Euro 6,374 thousand for the contribution of the Company to the airport fire protection service under Law No. 296 of December 27, 2006; ii) increase of payables for Euro 7,778 thousand related to the surtax on landing rights established by Laws no. 166/2008, no. 350/2003, no. 43/2005, no. 296/2006 and no. 92/2012; iii) higher employee payables for services matured, for Euro 2,374 thousand, mainly due to the leaving incentive agreement signed; iv) decrease in the account "Others" for Euro 1,931 thousand. The account "others", amounting to Euro 13,530 thousand at December 31,

2016 (Euro 15,461 thousand at December 31, 2015), mainly relates to deferred income from clients for future periods and other minor payables. The change, totalling Euro 1,931 thousand, is basically attributable to the timing of the establishment of tariffs connected to the regulatory agreement and signing of trade agreements which affect billing time frames.

In relation to the payables to the State for airport fire protection services the lawsuit before the Rome Civil Court against the payment of this contribution is still pending.

At December 31, 2016, as in the previous year, the Company had no other non-current payables.

6.22 Payables and receivables beyond five years

There are no receivables over five years.

Payables of a financial nature beyond five years total Euro 153,571 thousand, related to the repayment of the principal of medium/long-term loans as of December 31, 2016.