# ANNUAL REPORT 2009

**Aeroporti di Roma Società per Azioni**

Registered office in Fiumicino (Rome) - Via dell'Aeroporto di Fiumicino, 320

Fully paid-in share capital € 62,309,801

A Company managed and coordinated by Gemina S.p.A.

www.adr.it

# Aeroporti di Roma S.p.A.

## Board of Directors (2007-2009)

*(after the General Meetings of September 21, 2007, April 16, 2008 and April 15, 2009 and the Board of Directors Meetings of September 21, 2007, March 11, 2008, April 16, 2008, December 5, 2008 and March 11, 2009)*

| | |
|---|---|
| Chairman | Fabrizio Palenzona |
| Deputy Chairman | Massimo Pini |
| Managing Director | Guido Angiolini |
| Directors | Valerio Bellamoli *(from March 11, 2009)* |
| | Stefano Cao *(from March 11, 2009)* |
| | Giovanni Castellucci *(until March 11, 2009)* |
| | Alessandro Grimaldi *(until February 26, 2010)* |
| | Aldo Minucci |
| | Gianni Mion *(until March 11, 2009)* |
| | Andrea Mondello |
| | Piergiorgio Peluso |
| | Clemente Rebecchini |
| | Paolo Roverato |
| | Marco Troncone *(from March 11, 2009)* |
| Secretary | Antonio Abbate |

## Board of Statutory Auditors (2007-2009)

*(after the General Meeting of April 16, 2007)*

| | |
|---|---|
| Chairman | Giacinto Chimenti |
| Statutory Auditors | Giuseppe Cappella |
| | Alessandro Grange |
| | Mario Tonucci |
| | Luigi Tripodo |
| Alternate Auditors | Nicola Lorito |
| | Andrea Piermartini Rosi |

## General Manager

Franco Candido Giudice

## Independent Auditors

Deloitte & Touche S.p.A. *(2007-2012)*


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Notice is hereby given to Shareholders of the Ordinary General Meeting to be held at the Hilton Rome Airport hotel, Via Arturo Ferrarin no. 2, Fiumicino (Rome) at 10.30am on April 15, 2010, in first call, and, if necessary, in second call, on April 16, 2010, at the same time and place, to discuss the following:

**Agenda**

1. Annual Report 2009 and related and consequent resolutions.

2. Election of the Board of Directors for the period 2010-2012 and determination of total annual remuneration.

3. Election of the Board of Statutory Auditors for the period 2010-2012 and determination of total annual remuneration.

*Notice of call has been published in the Official Gazette of the Italian Republic, no. 32, Part II, of March 16, 2010.*


Imbarchi Gates

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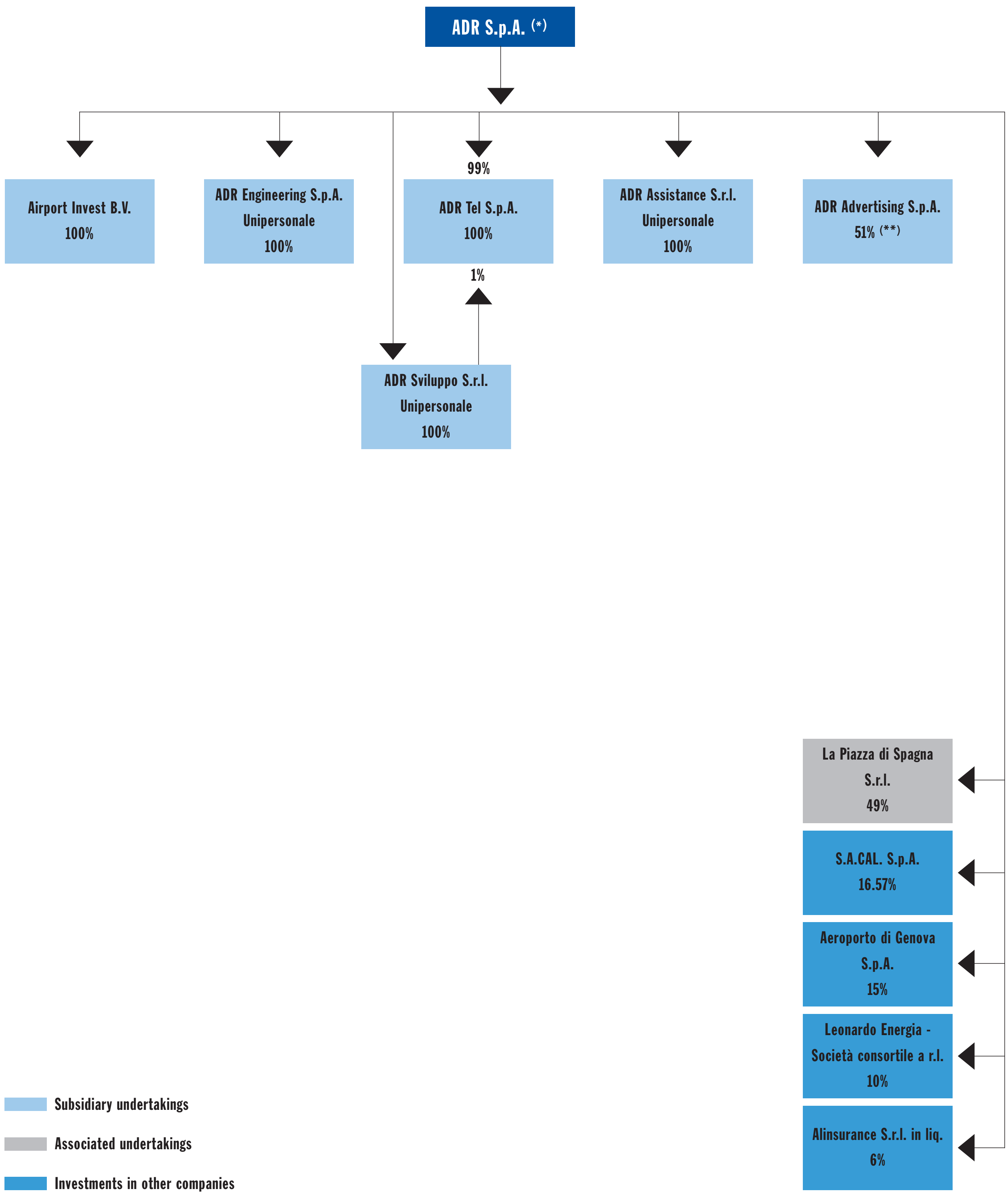
# MANAGEMENT REPORT ON OPERATIONS

# Contents


AEROPORTO LEONARDO DA VINCI

# The ADR Group.




*(*) ADR S.p.A. also a 25% holding in the Consorzio E.T.L. - European Transport Law.*

*(**) Of ordinary share capital.*

# Highlights.

The following table summarizes the main traffic data for 2009 for Rome's airport system, showing changes with respect to 2008.

## Traffic performance.

(*) *Fiumicino + Ciampino.*

| Traffic component | System (*) | Change % |
|---|---|---|
| Movements (no.) | 382,082 | (5.9%) |
| Aircraft tonnage (tons) | 29,987,001 | (2.9%) |
| Total passengers (no.) | 38,622,838 | (3.5%) |
| Total cargo (kg) | 143,966,346 | (8.3%) |

The following table shows the Aeroporti di Roma Group's (ADR Group) financial and operational highlights for 2009.

## ADR Group.

| Consolidated financial and operational highlights (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| Revenues | 561,814 | 570,132 |
| EBITDA | 254,397 | 249,555 |
| EBIT | 133,618 | 96,342 |
| Net income (loss): | | |
| – Minority interest | (731) | 605 |
| – Group share | 5,164 | (8,271) |
| Investments | 69,754 | 111,702 |

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Invested capital | 2,048,992 | 2,046,297 |
| Shareholders' equity (including minority interest) | 728,777 | 724,351 |
| Group shareholders' equity | 727,961 | 722,797 |
| Net debt | 1,320,215 | 1,321,946 |
| Headcount at year end (no.) | 2,541 | 2,568 |

| Ratios | 2009 | 2008 |
|---|---|---|
| EBITDA/Revenues | 45.3% | 43.8% |
| ROS (EBIT/Revenues) | 23.8% | 16.9% |
| ROI (EBIT/Average invested capital) | 6.5% | 4.7% |
| ROE (Net income/Average shareholder's equity) | 0.7% | (1.1%) |
| Net earnings per share (in euros) | 0.1 | (0.1) |
| | | |
| Group shareholders' equity per share (in euros) | 11.7 | 11.6 |
| Net debt/Equity | 1.8 | 1.8 |
| Net debt/EBITDA | 5.2 | 5.3 |
| Net financial expense/Revenues | 12.2% | 14.3% |
| Equity/Fixed assets | 34.0% | 33.0% |
| | | |
| Investments per passenger (in euros) | 2 | 3 |
| | | |
| Accounts receivable turnover (average turnover of accounts receivable/revenues x 365 days) | 117 | 99 |
| Accounts payable turnover (average turnover of accounts payable/costs and investments x 365 days) | 212 | 176 |
| | | |
| Average revenue per passenger (in euros) | 15 | 14 |
| Average revenue per employee ((in thousand of euros) | 239 | 245 |
| No. of passengers/average headcount | 16,415 | 17,196 |

The following table summarizes financial and operational highlights for 2009 for Aeroporti di Roma S.p.A. (ADR S.p.A.).

# ADR S.p.A.

| Financial and operational highlights (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| Revenues | 557,979 | 565,692 |
| EBITDA | 251,839 | 247,813 |
| EBIT | 131,886 | 95,419 |
| Net income | 5,094 | (7,048) |
| Investments | 69,644 | 109,918 |

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Invested capital | 2,087,470 | 2,088,940 |
| Shareholders' equity | 764,438 | 759,344 |
| Net debt | 1,323,032 | 1,329,596 |
| Headcount at year end (no.) | 2,229 | 2,236 |

| Ratios | 2009 | 2008 |
|---|---|---|
| EBITDA/Revenues | 45.1% | 43.8% |
| ROS (EBIT/Revenues) | 23.6% | 16.9% |
| ROI (EBIT/Average invested capital) | 6.3% | 4.6% |
| ROE (Net income/Average shareholder's equity) | 0.7% | (0.9%) |
| Net earnings per share (in euros) | 0.1 | (0.1) |
| | | |
| Shareholders' equity per share (in euros) | 12.3 | 12.2 |
| Net debt/Equity | 1.7 | 1.8 |
| Net debt/EBITDA | 5.3 | 5.4 |
| Net financial expense/Revenues | 12.3% | 14.3% |
| Equity/Fixed assets | 35.0% | 34.0% |
| | | |
| Investment per passenger (in euros) | 2 | 3 |
| | | |
| Accounts receivable turnover (average turnover of accounts receivable/revenues x 365 days) | 118 | 99 |
| Accounts payable turnover (average turnover of accounts payable/costs and investments x 365 days) | 211 | 182 |
| | | |
| Average revenue per passenger (in euros) | 14 | 14 |
| Average revenue per employee (in thousand of euros) | 272 | 264 |
| No. of passengers/average headcount | 18,832 | 18,666 |

# Group operating review.

*(Translation from the original issued in Italian)*

## Introduction.

| (in millions of euros) | 2009 | 2008 | Change % |
|---|---|---|---|
| Revenues | 561.8 | 570.1 | (1.5%) |
| EBITDA | 254.4 | 249.6 | 1.9% |
| EBIT | 133.6 | 96.3 | 38.7% |
| Group net income for the year | 5.2 | (8.3) | |
| | | | |
| Investments | 69.8 | 111.7 | (37.5%) |
| Net debt at the end of the year | 1,320.2 | 1,321.9 | |
| Airport traffic: | | | |
| – no. of passengers (thousand) | 38,623 | 40,018 | (3.5%) |
| – cargo (tons) | 143,970 | 157,062 | (8.3%) |

*Dear Shareholders,*

The highlights of 2009 include passenger traffic growth in late 2009 and early 2010; organization of the "new" Alitalia that also involved the signing of almost all service contracts with the Company, together with exclusive allocation of Terminal 1 to the SkyTeam alliance; approval of conversion of Law no. 102 of August 3, 2009, which enables the Civil Aviation Authority (ENAC) to sign planning agreements with the major airports in dispensation of current legislation; approval of the law that authorizes the Civil Aviation Authority to apply temporary fee increases aimed at financing investment, whilst signature of planning agreements is delayed; the opening of negotiations with the Civil Aviation Authority regarding the drawing up of a new Agreement; launch of a project to upgrade Fiumicino airport based on the Fiumicino north concept and its presentation to the Authorities in collaboration with Changi Airports International Pte Ltd; and achievement of electrical and thermal power self-sufficiency, with entry into service of the co-generation plant.

Whilst the operating and financial results show clear signs of recovery regarding both the activities of Italy's leading carrier and the deepest recession since the inter-war years, the above highlights portray 2009 as a year of transition, including many positive factors that are paving the way for the Group's synergetic development in 2010.

According to ACI (Airports Council International) global passenger traffic fell by 2.6% compared with the previous year. This trend was bucked in the Middle East and the Far East, where traffic grew by 7% and 3.2%, respectively, as well as in Latin America (up 2.5%).
The load factor was down on the previous year.
The amount of cargo transported fell more sharply by 10.1% according to IATA (International Air Transport Association).

In Italy, according to figures published by Assaeroporti, passenger traffic decreased by 2.3% whilst cargo was down 15.3%. The downturn primarily regarded the major airports used by traditional airlines, whilst the smaller airports, which feature a greater presence of low-cost carriers, experienced a more moderate reduction and, in some cases, actually increased their business volumes.

With 38.6 million passengers, the Roman airport system reported a reduction of 3.5%. The decrease entirely regarded Fiumicino, whilst Ciampino, where the low-cost carriers are based, registered similar volumes to 2008.

In the final part of the year signs of a recovery in traffic that had already appeared in the third quarter were confirmed, although the quarter-on-quarter rises are magnified by the Alitalia crisis at the end of 2008.

| No. of passengers (thousands) | 2009 | 2008 | Change % |
|---|---|---|---|
| First quarter | 7,763 | 8,207 | (5.4%) |
| Second quarter | 10,318 | 11,095 | (7.0%) |
| Third quarter | 11,331 | 11,962 | (5.3%) |
| Fourth quarter | 9,211 | 8,754 | 5.2% |
| Whole year | 38,623 | 40,018 | (3.5) |

Given this difficult climate and a significant reduction in Alitalia's fleet, ADR expanded the presence of new carriers, opened up routes and increased the frequencies of some flights in both the domestic and international segments via a targeted marketing campaign.

| | 2008 | December 2008 | 2009 |
|---|---|---|---|
| No. of destinations (*) | 176 | 148 | 168 |
| No. of flights (*) | 451 | 354 | 422 |
| No. of carriers | 125 | 100 | 112 |

*(*) Data regarding commercial operations with at least one flight per week: average figures for the period taken into account.*

The ADR Group's revenues totaled 561.8 million euros, down 1.5% on the previous year.

Thanks to a more favorable traffic mix, aviation revenues fell less than traffic volume before taking account of earnings deriving from assistance to passengers with reduced mobility which cover the entire year compared with only five months in 2008.

Several factors led to the 3.7% reduction in non-aviation revenues: a reduction in passenger spend, especially regarding low-cost carriers; a reduction in canteen services arising from a decrease in airport operators' staff; less use of car parks due to switching to alternative means of transport and competition from other operators; and a decrease in advertising expenditure.
Revenues from real estate management rose due to the rental of new spaces, primarily in the second office building.
In terms of operating costs, the year bore the expense of the staff restructuring plan, whilst significant cost-cutting was achieved regarding consultants' fees, promotional expenses and utilities.

The ADR Group's EBIT is 133.6 million euros, compared with 96.3 million euros for the previous year, which was affected by the losses incurred, totaling 42.4 million euros, as a result of amounts due from Alitalia Group companies under special administration.

The significant reduction in operating cash flow, compounded by the difficulties experienced by some carriers and customers, the occurrence of disputes that had repercussions on earnings, and the need to comply with loan covenants, led to a reduction in investments, which amount to 69.8 million euros, compared with the 111.7 million euros of 2008.

As of December 31, 2009 the ADR Group's net debt amounts to 1,320.2 million euros, down 1.7 million euros on the end of the previous year.

# Background.

## Analysis of economic trends.

During 2009 the world economy[1] saw a gradual easing of the recession that began in the final months of 2008. Indeed, global GDP registered third quarter growth of 3.1% in comparison to the preceding quarter. On an annual basis, the currently available GDP forecast points to an overall decline of 1.0%.

[1] *Source:* Confindustria, *Bank of Italy.*

The third quarter witnessed a rally in global GDP that was ahead of projections, and positive signs appeared in several economies regarding industrial output, retail sales, and household and business confidence. The financial markets also continued to improve on the back of greater investor confidence.

A slight recovery was reported in the third quarter in almost all industrialized Countries. US GDP rose 0.7% in the third quarter, of which two thirds derived from consumption. The euro area reported lower GDP growth (up 0.4%) during the same period. Countries geared towards export (Germany up 0.7% and Italy up 0.6%) performed better than the Countries more severely affected by problems in the financial and real estate sectors (United Kingdom down 0.3% and Spain down 0.3%).

Modest recovery is expected to continue throughout 2010, although uncertainty remains high due to the risk that, with the withdrawal of fiscal and monetary stimulus packages, private demand will stagnate once again, hampered by reduced availability of credit, the need for households to restore their budgets to health and high and expanding rates of unemployment.

The IMF has warned that rising unemployment represents a key challenge for many developed economies. In the third quarter, in confirmation of the IMF's fears, unemployment rose by 10.2% in the United States and by 9.7% in the euro area compared with the previous quarter. Moreover, estimates for the first few months of 2010 forecast similar increases in both the US and the euro area. Employment levels also fell in Italy in the second half of 2009, albeit at a lower rate than in the first half of the year. Unemployment levels are forecast to be in line with EU averages in 2010.

After sharp hikes in the early months of the year, the price of oil, which had been on the upturn since the beginning of the year, stood at around 60 to 70 dollars a barrel as of June. On the one hand, this trend reflected news of growing demand for oil, especially from China, and on the other, increased stocks in OECD Countries. As of last spring, the International Energy Agency continued to revise its projection for 2009 global oil demand upward, gradually raising it from 83.2 to 84.6 million barrels per day.

The Italian economy also saw slight recovery as of the second half of the year. In the third quarter GDP grew by 0.6% compared with the second quarter, although the annual figure was still down on 2008 (-4.6%). The same trend was reported for consumption and investment: in the third quarter both registered an improvement of 0.3% compared with the second quarter, but respective decreases of 0.9% and 13.8% on an annual basis.
Italy's industrial output declined sharply compared with 2008 (down 18.4%), but the November 2009 figure was up 0.2% on the month of October.
Despite a more favorable global demand climate, Italian exports failed to register a clear recovery trend during the

summer. A steep rise in July was followed by a more modest result in August, primarily due to a drop in exports to EU Countries, whilst the percentage of exports to countries outside the EU rose from 42.2% in 2008 to 43.7% in 2009. Imports also fell sharply during the same period: down 11.7% in the period from January to June.

## The air transport industry.

The economic recovery varied widely in different markets and Countries: industrial output and consumer expenditure grew strongly in emerging economies, but more slowly in developed economies. In the latter Countries, the excessive level of domestic debt reduced the propensity to spend and travel.

World trade[2] also rallied more slowly than in previous recoveries, and therefore business travel has not yet emerged from recession: whilst improving in recent months it nevertheless remained around 16% below the levels registered at the beginning of 2008.

*[2] Source: IATA.*

The same was true for cargo traffic, which despite rallying somewhat registered a drop of 15% compared with 2008.

Therefore, the global recession continued to exert an influence on the air transport sector in 2009, confirming the trend witnessed in the last part of 2008: at global level[3] the number of passengers transported fell by 2.6%, primarily driven by the international segment (down 4.0%). The best performances were undoubtedly posted by the Middle East (up 7.0%) and the Far East (up 3.2%), followed by Central and South America (up 2.5%), whilst the other regions all reported lower passenger volumes: Europe (down 5.6%), North America (down 5.2%) and Africa (down 3.5%).

*[3] Source: ACI Pax Flash Report, 2009.*

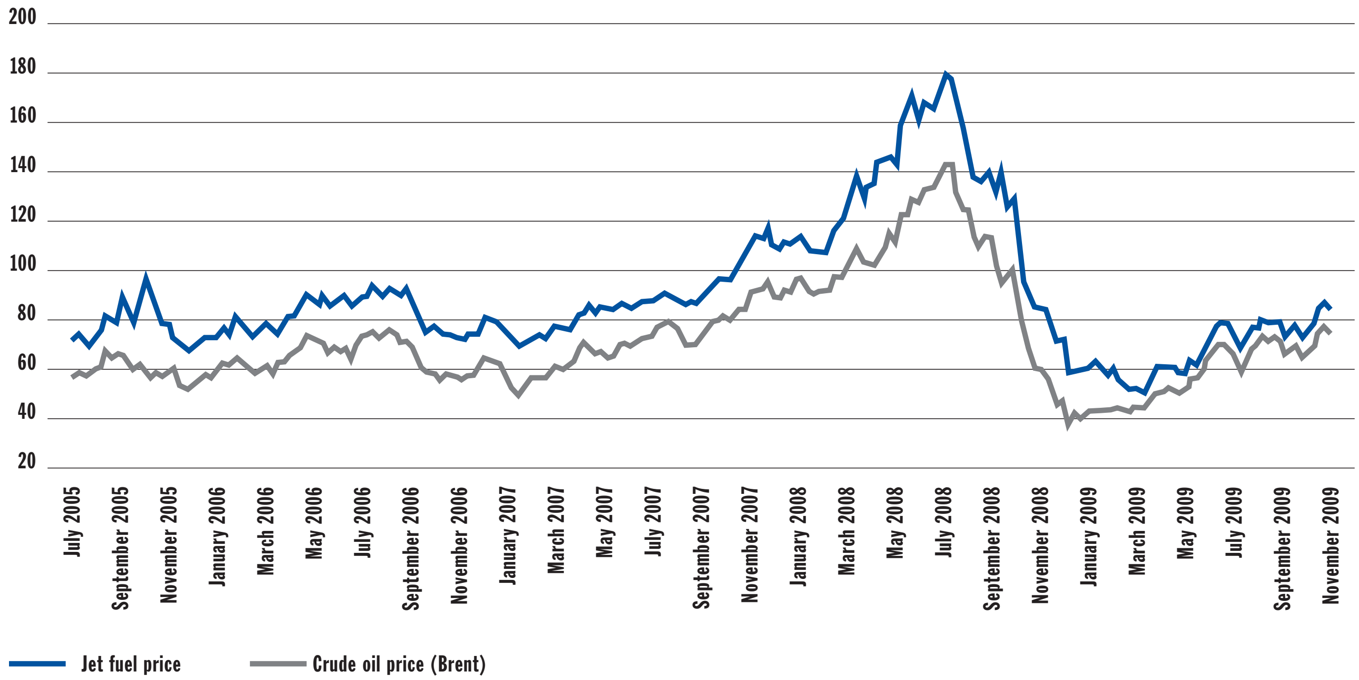
After the decline registered in the first half of the year, the air transport industry began to show signs of improvement during the third quarter or 2009. In emerging markets in particular, revenues saw slow recovery from the decrease reported in the first half, despite the price of jet fuel which continued its upward trend. The economic crisis had a strong influence on the policies of airlines, which delayed acquisition of new aircraft and reduced the average use of fleet aircraft. In terms of passenger volumes, this resulted in load factors remaining at pre-recession levels.
Overall, IATA forecast a total loss of 11 billion dollars for airlines in 2009.

Oil prices[4] practically doubled during 2009, although they were still around 50% lower than the record highs recorded in 2008 (140 dollars a barrel). In particular, the price of jet fuel rose to over 80 dollars a barrel and then returned to slightly lower levels in the last few months of the year. This increase led to a reduction in cash flows and a slowdown in revenues.

*[4] Source: IATA.*

(*) Source: Platts, RBS.

**Jet fuel and crude oil price (Dollars/barrel) (*)**




Despite signs of recovery, the severe economic downturn reported in 2009 necessitated acceleration of the business policies already implemented in 2007-2008 with a view to optimizing and rationalizing resources: mergers and acquisitions, and bids to improve efficiency via fleet modernization.

The most important of these transactions include the merger between British Airways and Iberia; the launch of the new Alitalia with a stake acquired by Air France; the acquisition of full control of BMI and Austrian Airlines by Lufthansa; the merger between China Eastern Airlines and Shanghai Airlines; the combination of Avianca and TACA under a joint holding company; and the launch of a merger procedure between Libyan Airlines and Afriqiyah Airways.

2009 also witnessed the bankruptcy of some carriers, mainly in the low-cost segment (including Sky Europe and the Italian airline My Air) and the granting of State aid to some key airlines, including Aerolineas Argentinas, Japan Airlines and Olympic Airlines.

Despite the series of delays in the supply chains of the two major aircraft manufacturers, 2009 saw the first test flight of the Boeing 787 Dreamliner on December 15, 2009 and entry into service of another Airbus 380 (at the end of the year 24 were in service in the fleets of Singapore Airlines, Qantas, Emirates and Air France). In Italy negotiations regarding the new Alitalia were successfully completed in 2009. Arising from the merger of Alitalia and Air One, the new airline started operations on January 13, 2009.

# Legal and regulatory context.

## "Thousand-Extensions Decree" and airport fees.

Law no. 14 of February 27, 2009, which converted Decree Law no. 207 of December 30, 2008, regarding "Extension of terms provided for under urgent legislative and financial measures" (the so-called "Thousand-Extensions Decree") was published in Official Gazette no. 49 of February 28, 2009.

Article 28, "Airport fees", regards an amendment to art. 21-*bis* of Decree Law no. 248/2007 (converted into Law no. 31 of February 28, 2008), which extends the term for issuing Interministerial Decrees relating to the determination of airport fees pursuant to art. 11-9, paragraph 1, of Law no. 248/2005) from December 31, 2008 to December 31, 2009.

## Tariffs - freezing and reduction.

Law no. 2 of January 28, 2009 (published in Official Gazette no. 22 of January 28, 2009), which converted Decree Law no. 185 of November 29, 2008, the so-called "Anti-crisis package", provides for suspension, until December 31, 2009, of the application of government regulations that authorize Government Authorities to issue directives regarding the revision of fees, subsidies or tariffs charged to physical or legal persons linked to the inflation rate or other automatic mechanisms, with the exception of measures aimed at merely recovering higher costs actually incurred, or regarding water supply, electricity and gas tariffs, without taking into account any reductions.

## EC Directive - airport fees.

Directive 2009/12/EC issued by the European Parliament and Council on March 11, 2009 regards airport fees (text with European Economic Area [EEA] relevance) was published in the Official Gazette of the European Union of March 14, 2009. This Directive establishes common standards for the collection of fees and applies to European Union airports with more than 5 million passenger traffic movements per annum.

The Directive does not apply to the determination of fees regarding handling or assistance to passengers with reduced mobility. The Directive opens up the possibility of negotiating fees with airport users in accordance with well-defined periodic procedures and provides for establishment of an independent supervisory body responsible for ensuring correct application of the measures adopted. Compliance with this Directive might entail amendment of the current legal framework established by Law no. 248/2005 (so-called "System requirements") and Interdepartmental Committee for Economic Planning (CIPE) Resolution no. 51/2008.

## Revised airport fees.

A Decree from the Ministry of Infrastructure and Transport of October 8, 2009 regarding "Revised airport fees for 2009" was published in Official Gazette no. 297 of December 22, 2009.

Airport fees were raised in line with the target inflation rate for 2009 which, in the Economic and Financial Planning Document, is projected at 1.5%.

The new amounts, which came into effect on January 21, 2010, are listed in Annex 1 of the Decree (for example, passenger boarding fees at Fiumicino have risen to 5.17 euros for EU flights and 7.57 euros for non-EU flights).

For 2010, paragraph 6, article 5 of Decree Law no. 194 of December 30, 2009, known as the "Thousand-Extensions" Decree, published in Official Gazette no. 302 of December 30, 2009, has extended the Ministry of Infrastructure and Transport's power to intervene in revising airport fees to bring them into line with the target inflation rate until December 31, 2010. Moreover, revision of fees will no longer be applied if the concessionaires fail to submit a complete application regarding the drawing up of a planning agreement by the same date of December 31, 2010.

At the same time, paragraph 7, article 5, of the same Decree Law no. 194 of December 30, 2009 excludes airport fees, for services offered on an exclusive basis, from application of the "tariff freeze" regulation contained in paragraph 1, article 3, of Decree Law no. 185 of November 29, 2008, the so-called "Anti-crisis package", which was converted into Law no. 2/2009. This Law suspends application of government regulations that authorize State Authorities to issue directives to revise fees or tariffs in line with the target inflation rate for 2009 (the same paragraph 7 also extended this period until the end of 2010).

## Anti-crisis package - planning agreement and air navigation services at Ciampino.

The Italian State's Official Gazette of August 4, 2009 contains the text of Law no. 102 of August 3, 2009, converting into Law the "Corrective measures in respect of the anti-crisis package introduced by Decree Law no. 78 of 2009". This authorizes the Civil Aviation Authority to execute planning agreements in exemption to existing regulations governing airports that handle over ten million passengers a year. These agreements can introduce long-term tariff systems that, taking account of European levels and standards, are based on the cost of infrastructures and services, efficiency targets and the need to provide an adequate return on investment and on capital, with tariff adjustment methods valid throughout the term of the agreement.

Art. 4-*ter* authorizes the Italian Air Navigation Services Company (ENAV) to spend 8.8 million euros in 2009 and 21.1 million euros for each of the years 2010, 2011 and 2012. The funds are to be invested in air navigation services at various airports, including Ciampino.

## Advanced payment of airport fees.

Paragraphs 200 and 201 of article 2 of Law no. 191 of December 23, 2009 (2010 Finance Act), published in Official Gazette no. 302 of December 30, 2009, provide for advance payment of passenger boarding fees, up to a maximum of 3 euros per outbound passenger, to airport operators as of 2010 whilst awaiting the drawing up of planning agreements. This advance payment is conditional on the execution of self-financing of urgent infrastructure investments subject to validation by the Civil Aviation Authority.

In order to benefit from these advance payments, airport operators must submit an appropriate application to the Civil Aviation Authority accompanied by a four-year development and modernization plan and a list of urgent, high-priority works (as provided for in the Civil Aviation Authority memorandum of December 21, 2009 no. 0090287/DIRGEN/DG). The advance payment of fees is also subject to technical validation of the above-mentioned development plan by the Civil Aviation Authority.

Entitlement to these advance payments will lapse if airport operators:

– fail to submit the necessary documentation for drawing up a planning agreement within six months of the date of technical validation of the four-year development plan by the Civil Aviation Authority;
– fail to draw up planning agreements within 18 months of said validation;
– and in any case of failure to launch the planned works in accordance with the terms and conditions laid down in the four-year plan.

On January 15, 2010, ADR submitted an application to the Civil Aviation Authority in order to benefit from the advanced fee payment procedure pursuant to paragraphs 200 and 201 of article 2 of the 2010 Finance Act.

### Legal developments regarding the regulation of fees - planning agreement.

The Decree of the Ministry of Infrastructure and Transport of December 10, 2008, in which the Guidelines prepared by the Civil Aviation Authority, in application of the Ministerial Ruling regarding the regulation of fees for airport services offered on an exclusive basis, are approved and the previous Interministerial Decree no. 41/T is revoked, was published in Official Gazette no. 42 of February 20, 2009.

### Criteria for allocating the commercial margin for the purposes of calculating airport fees.

The Official Gazette of August 25, 2009 contains the text of the Directive, dated July 31, 2009, issued by the Minister of Infrastructure and Transport, in agreement with the Minister of the Economy and Finance. The Directive concerns “identification of the criteria for allocating the commercial margin for the purposes of calculating the size of airport fees”.

The Civil Aviation Authority is authorized to use a new criterion to allocate the commercial margin if it finds excessive differences between the airport fees being charged and those previously in force. The Civil Aviation Authority will identify this criterion, which must receive prior approval from the Users’ Committee and the airport operator.

### Determination of the airport license fee.

The State Property Office Decree of December 23, 2009, published in Official Gazette no. 302 of December 30, 2009, extended application of the methodology used for quantifying the airport license fee due from operators, which was already provided for by a previous inter-managerial Decree of June 30, 2003, until the end of 2012.

## Modification of the use of the fire prevention fund.

Law no. 2 of January 28, 2009, which was published in Official Gazette no. 22 of January 28, 2009, converted Decree Law no. 185 of November 29, 2008, the so-called "Anti-crisis package".

With this conversion a new paragraph, 3-*bis*, was added to art. 4, which modifies the use of the fire prevention fund (established under art. 1, paragraph 1328, of the "2007 Finance Act"). The fund is contributed to by the airport operator in proportion to the amount of traffic generated. As of January 1, 2009, 40% of the fund will be used to implement public safety agreements, to be signed year on year between the Government and Fire Brigade' Unions in order to improve the quality of safety assistance provided by the Fire Brigade at national level, whilst 60% is aimed at promoting more effective provision of public safety services by Fire Brigade, including specific amounts earmarked for the setting up of a special fund to finance urgent technical assistance provided to external parties.

## Development Law - assessment of the liberalization of ground handling services at civil airports.

The Official Gazette of July 31, 2009 contains the text of Law no. 99 of July 23, 2009 setting out "Measures to promote the development and internationalization of enterprises, and with regard to energy". Art. 50 requires the Minister of Infrastructure and Transport to report to Parliament, every six months, on the degree of liberalization of ground handling services at civil airports, with particular regard to:

a) the ground handling market;

b) improvements to airline ticketing services in terms of availability, real-time information to users, cost reductions for consumers;

c) relations between airports, intermodal transports, transport infrastructures and local areas;

d) concrete measures and corrective actions adopted to ensure effective liberalization of the sector;

e) any further measures to be taken to ensure effective market competition.

## Penalties for infringement of the provisions of EC Regulation no. 1107/2006 concerning the rights of disabled persons and persons with reduced mobility (PRM) when traveling by air.

Legislative Decree no. 24 of February 24, 2009 (published in the Official Gazette of March 24, 2009) stipulates clearly specified fines (up to 120 thousand euros) for both carriers and airport operators. The infringements include denial of boarding to PRM passengers, failure to provide information, failure to designate reception areas at airports, failure to assist PRM passengers and failure to train staff.

## Cargo tender.

On February 17, 2009 ADR S.p.A. notified Flightcare Italia S.p.A. that the Company has been provisionally awarded a contract regarding the sub-concession of a portion of the cargo building.

The procedure was finally completed with the signing on October 22, 2009 of a sub-concession agreement between ADR S.p.A. and the contractor Flightcare Italia S.p.A.. On December 2, 2009, ADR S.p.A. delivered all the assets regarding the contract to the Company.

### Memorandum of understanding between the Civil Aviation Authority and Assaeroporti.

On September 26, 2009 the chairmen of the Civil Aviation Authority and Assaeroporti signed a Memorandum of understanding that commits the two bodies to speed up the execution of planning agreements between the Civil Aviation Authority and airport operators, as provided for in the legislation in force governing regulated airport revenues.

Based on the complex regulatory framework governing airport fees and, in view of the burdensome nature of the inquiry process that resulted in the drawing up of the planning agreements with SAT and Gesac, the parties above all gave commitments to carry out their respective responsibilities in accordance with pre-defined and more reasonable time-scales; in particular, Assaeroporti is committed within 60 days to solicit its members to submit the documentation needed to start the inquiry process to the Civil Aviation Authority, whilst the latter has, in turn, given a commitment to complete its inquiry within six months of formally initiating the process, in accordance with the priorities it has established.

The Memorandum also contains a number of provisions of a technical and financial nature regarding, for example, application of exemption from the regulations governing the margin on "commercial services", the calculation of the RAB and the definition of the WACC.

### Agreement between Alitalia CAI S.p.A. and ADR S.p.A.

In mid-July Alitalia S.p.A. and ADR S.p.A. signed an agreement that provides for a new layout of the terminals at Rome's Fiumicino airport, and a series of structural works aimed at improving airport operations.

The agreement envisages a series of organizational steps designed to improve service quality. One of the most important of these is the dedication of the existing Terminal 1 "to exclusive servicing of the requirements of Alitalia and its SkyTeam Alliance partners".

The dedicated terminal will enable ADR S.p.A. to reorganize and specialize existing terminals, as well as those under construction of boarding area F (formerly new Pier C) or in the design phase (new Terminal 1 in the eastern area of the airport). In the long term, efforts are aimed at servicing the Company's requirements with the first three piers and the related boarding infrastructures in the eastern area, and allocating the western area of the airport to the other carriers.

### Bilateral agreements.

Art. 19, paragraph 5-*bis*, of Law no. 2 of January 28, 2009 (published in Official Gazette no. 22 of January 28, 2009), which converted Decree Law no. 185 of November 29, 2008, the so-called "Anti-crisis package", commits the

Government to promoting "the drawing up of new bilateral agreements in the air transport sector, including the amendment of current agreements, in order to extend the number of carriers allowed to operate on domestic, international and intercontinental routes, as well as increasing the frequency and number of destinations that each party is allowed to operate".

## Data Protection Code - Security Planning Document.

On March 31, 2009 the Security Planning Document was updated pursuant to Legislative Decree no. 196/2003.

## Provision of redundancy payments to ADR S.p.A. and ADR Group Companies.

Ministerial Decree no. 46130 of May 27, 2009, which was published in Official Gazette no. 135 of June 13, 2009, authorizes the granting of income support to a maximum of 80 members of ADR S.p.A. staff from June 1, 2009 to November 30, 2009.

Decree no. 46132 of May 28, 2009, published in Official Gazette no. 146 of June 26, 2009, authorized the granting of redundancy payments to 222 members of ADR S.p.A. staff.

Regarding ADR Engineering S.p.A., Decree no. 46128 of May 27, 2009 (Official Gazette no. 136 of June 15, 2009) granted income support to a maximum of two members of staff from June 1, 2009 to November 30, 2009.

Also regarding ADR Engineering S.p.A., Decree no. 46135 of May 28, 2009 (Official Gazette no. 143 of June 23, 2009) granted redundancy payments to seven members of staff.

Regarding ADR Tel S.p.A., Decree no. 46136 of May 28, 2009 (Official Gazette no. 143 of June 23, 2009) granted redundancy payments to five members of staff.

## Public tenders.

Decree Law no. 162 of October 23, 2008 deals with the sudden rises in the prices of certain construction materials that occurred in 2008. This Decree waives the provisions of the Code for tenders and requires the Ministry of Infrastructure and Transport, via its own Decree, to report any annual increases or decreases of more than eight percent in the prices of the most important construction materials during 2008 by January 31, 2009.

In compliance with this legislation, the Ministry of Infrastructure and Transport published an amending Decree and related annexes in Official Gazette no. 106 of May 9, 2009, which will enable calculation of the compensation to be paid to contractors for the exceptional rises in the cost of certain construction materials in 2008 via three annexes.

## Amendments to article 38 of the public contracts code.

Decree Law no. 135 of September 25, 2009 added letter m-4) to art. 38 of Legislative Decree no. 163/2006, which excludes from participating in bids for concessions and works, supply and service tenders – and also from sub-contracting and signing related contracts – any party which exercises control over any other bidder in the same tender pursuant to art. 2359 of the Italian Civil Code or in any relationship, ongoing or otherwise, if the controlling interest or relationship results in bids being subject to a single decision-making authority. Moreover, paragraph 2 also obliges bidders to submit either: a) a declaration that the party does not exercise control over any other bidder in the tender pursuant to art. 2359 of the Italian Civil Code; or b) a declaration that the party, whilst exercising control pursuant to art. 2359 of the Italian Civil Code, has independently prepared the bid, including identification of the bidder over whom control is exercised.

This declaration should be accompanied by relevant documents proving that the controlling interest has not influenced the preparation of the bid, which are to be placed in a separate sealed envelope. Furthermore, the commissioning body will exclude any bidders whose bids it deems have been subject to a single decision-making authority, based on unambiguous pieces of evidence. Verification and possible exclusion will be implemented once the envelope containing the price proposal has been opened.

### Class actions - legislation regarding public service concessionaires.

Legislation came into force on January 1 which allows so-called class actions to be brought by consumers and users who are in a similar situation, or have the same rights, so that they may obtain compensation for damages or repayment of sums of money via a single legal action.

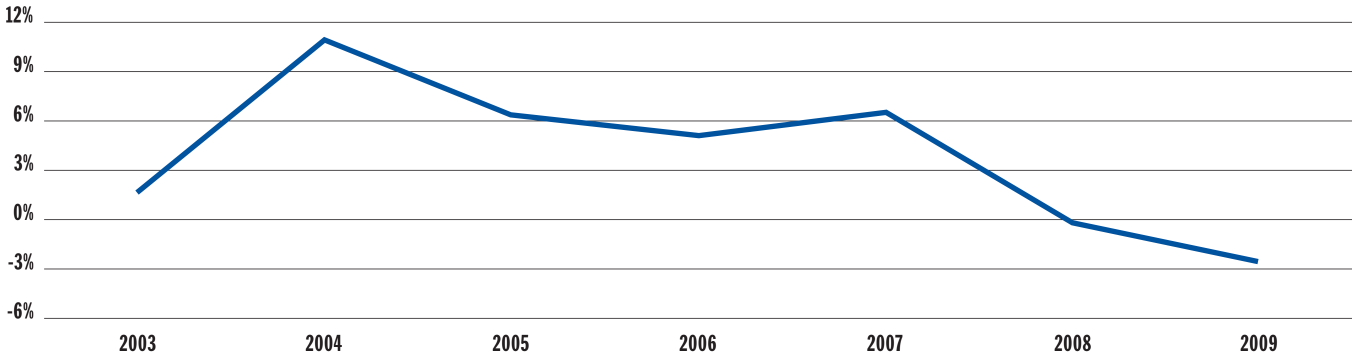
Legislative Decree no. 198 of December 20, 2009 (published in Official Gazette no. 303 of December 31, 2009), which implements art. 4 of Law no. 15 of March 4, 2009 (the so-called Brunetta Law), provides for less "severe" legislation, via a "non-compensatory" form of class action, for Public Authorities and public service concessionaires. This Decree limits the use of class actions against public service concessionaires in the case of non-compliance with obligations laid down in service charters, namely failure to meet qualitative and financial standards set by the Authorities responsible for the regulation and monitoring of each sector.

# Activities.

## Aviation activities.

### Air traffic.

During 2009, in continuation of the downturn that began in the last part of 2008, world air traffic reported a 2.6% decrease in passengers compared with the previous year. In particular, international traffic fell by 4.0%, whilst domestic traffic registered a more modest reduction (down 1.2%).

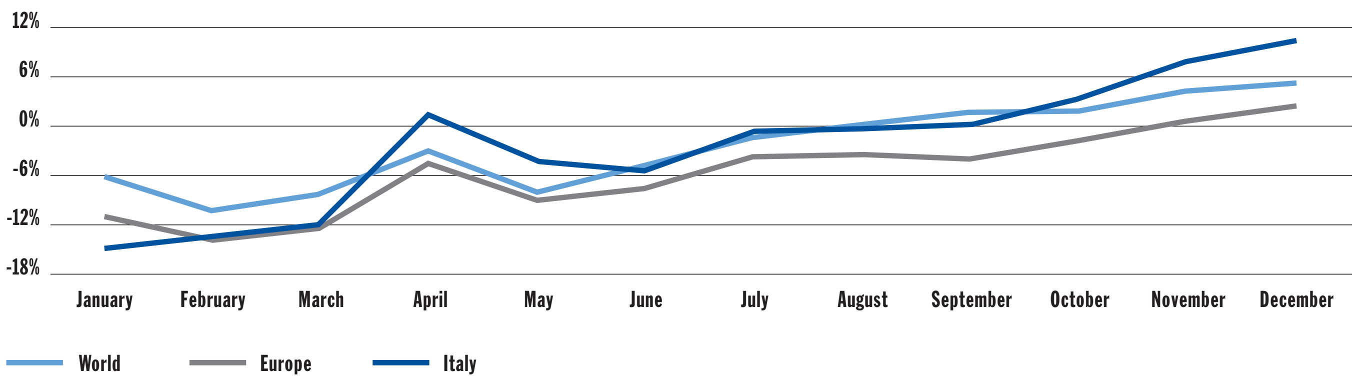



*Source:*
*2003-2008 ACI World Traffic Report.*
*2009 ACI Pax Flash Report.*

In 2009 Europe witnessed a substantial drop of 5.6% in passenger traffic compared with 2008, with the domestic segment down 5.1% and the international segment down 5.7%.

In Italy passenger traffic in 2009 fell by 2.3% compared with 2008, a decrease that was entirely due to the international segment (down 4.6%), whilst domestic traffic rose 1.0% compared with 2008.

**Passenger traffic - 2009 percentage increases compared with 2008**




| | 2009 vs. 2008 |
|---|---|
| World [(a)] | -2.6% |
| Europe [(a)] | -5.6% |
| Italy [(b)] | -2.3% |
| FCO + CIA [(*)] | -3.5% |

*Source:*
*[(a)] ACI Pax Flash Report (2009).*
*[(b)]* Assaeroporti *(2009).*
*[(*)] Roman Fiumicino and Ciampino Airport System (2009).*

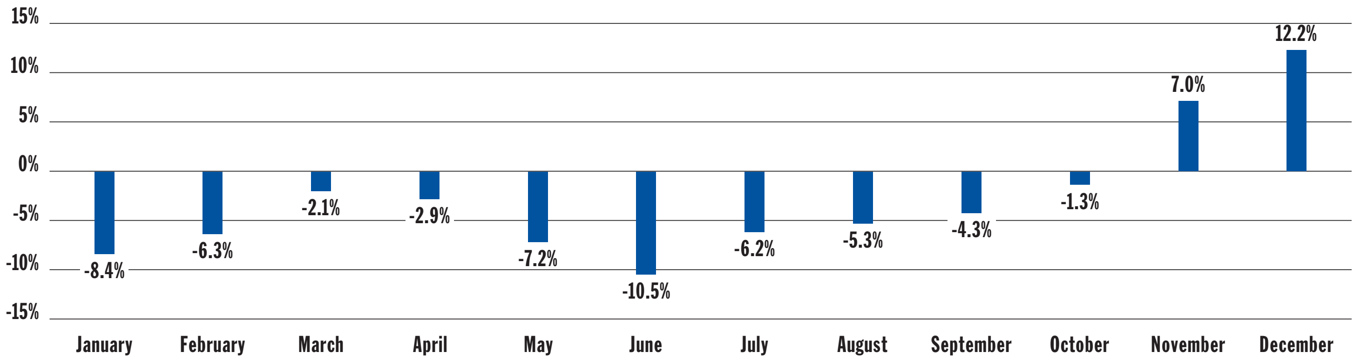
## The Roman airport system.

In 2009 the main European airports[(5)] achieved the following passenger traffic results: Zurich (down 0.8%), London (down 4.2%), Paris (down 4.7%), Frankfurt (down 4.7%), Madrid (down 5.1%), Munich (down 5.4%), Amsterdam (down 8.1%) and Milan [Linate and Malpensa] (down 9.3%).

*[(5)] Source: Airport Council International; Rapid Data Exchange Program.*

In 2009 the Roman airport system registered an overall decrease of 3.5%. This reduction derives from the monthly performances shown in the following graph:

THE ROMAN AIRPORT SYSTEM: Total passengers - Monthly percentage changes compared with 2008




Information regarding trends in traffic components is provided below.

| Data up to December 31, 2009 | Rome System | Fiumicino | Ciampino | Domestic | International |
|---|---|---|---|---|---|
| Movements | 382,082 | 324,497 | 57,585 | 165,867 | 216,215 |
| Δ% vs. PY | -5.9% | -6.4% | -3.0% | -6.7% | -5.3% |
| Mtow | 28,987,001 | 26,186,711 | 2,800,290 | 10,080,628 | 18,906,373 |
| Δ% vs. PY | -2.9% | -3.2% | -0.1% | -2.0% | -3.4% |
| Total Pax | 38,622,838 | 33,811,637 | 4,811,201 | 13,622,509 | 25,000,329 |
| Δ% vs. PY | -3.5% | -4.0% | +0.4% | -3.8% | -3.3% |
| Freight (Kg) | 143,966,346 | 126,983,426 | 16,982,920 | 5,943,899 | 138,022,447 |
| Δ% vs. PY | -8.3% | -7.6% | -13.5% | -32.0% | -6.9% |

International traffic breaks down into EU and non-EU traffic as follows.

| | International | International EU | International Extra EU |
|---|---|---|---|
| Movements | 216,215 | 146,478 | 69,737 |
| Δ% vs. PY | -5.3% | -8.0% | +1.1% |
| Mtow | 18,906,373 | 10,077,933 | 8,828,440 |
| Δ% vs. PY | -3.4% | -7.1% | +1.3% |
| Total Pax | 25,000,329 | 16,162,166 | 8,838,163 |
| Δ% vs. PY | -3.3% | -5.2% | +0.3% |
| Freight (Kg) | 138,022,447 | 29,905,631 | 108,116,816 |
| Δ% vs. PY | -6.9% | -19.6% | -2.7% |

At Fiumicino decreases in total movements (down 6.4%) and passenger levels (down 4.0%) were reported. The domestic component fell by 6.7% and the international component by 2.3%.

Breakdowns for the different areas are as follows:

**Domestic traffic**: this segment, representing 37.4% of total passenger traffic, reported the following:

– Alitalia (75.7% of passenger market share): the carrier reported reductions in passengers (down 15.4%) and capacity (movements down 19.7% and aircraft tonnage down 14.6%);

– other carriers (24.3% of passenger market share): other carriers reported strong growth in passengers (up 37.2%) and capacity (movements up 34.9% and aircraft tonnage up 41.9%).

**International European Union traffic**: this segment, representing 37.0% of total passenger traffic, reported the following:

– Alitalia (27.0% of passenger market share): the carrier reported a decrease in passengers (down 15.4%), together with a fall in capacity (movements down 18.2% and aircraft tonnage down 15.4%);

– other carriers (73.0% of passenger market share): other carriers registered a slight increase in passengers (up 0.8%) and a slight fall in capacity (movements down 2.4% and aircraft tonnage down 2.2%).

**International traffic outside the European Union**: this segment, representing 25.6% of total passenger traffic, reported the following:

– Alitalia (37.8% of passenger market share): the carrier registered an increase in passengers (up 2.1%), together with a rise in capacity (movements up 5.7% and aircraft tonnage up 7.8%);

– other carriers (62.2% of passenger market share): other carriers registered slight falls in passengers (down 0.6%) and capacity (movements down 1.5% and aircraft tonnage down 2.4%).

Key events during the year include the start-up of the “new” Alitalia, which began operating in its new form on January 13, 2009.

The new structure derived from amalgamation with Air One and entailed a reduced fleet of aircraft compared with the previous year (approximately 150 aircraft compared with a previous number of 230).

This led to a review and reduction of the Company’s overall network, including confirmation of Fiumicino as its operational hub.

At the beginning of the 2009 summer season, the Schengen area was enlarged to include Switzerland, thereby rising from a membership of 24 Countries (including Italy) to the current number of 25.

Despite the difficult economic climate facing the air transport industry, as well as frequencies being stepped up on some existing EU and non-EU flights, new flights were started up to and from some destinations and/or new routes were launched by new carriers. Specifically:

In the Domestic segment:
– easyJet started operating new daily flights to Venice and Lamezia Terme,
– Lufthansa Italia started operating new daily flights to Milan Malpensa,
– Alitalia started up new daily flights to Crotone,
– Blu-express started up new routes to Lamezia Terme, Genoa, Lampedusa and Brindisi,
– SkyBridge started up a new route to Foggia,
– Air Alps added an extra daily flight on its Parma route;

in the European Union segment:
– Alitalia restored its routes to Salonika and Valencia,
– easyJet stared up new flights to Athens, Amsterdam and Lisbon and stepped up its flights to London and Madrid,
– Blue Air started up a new flight to Cluj Napoca and Suceava - Baia Mare,
– Wizz Air started up new routes to Prague and Bratislava and stepped up its flights to Cluj Napoca,
– Norwegian opened new routes to Stockholm and Copenhagen and stepped up its flights to Oslo,
– Blu-express started up new summer routes to Ibiza, Mykonos, Lampedusa, Pantelleria and Palma de Mallorca and launched new flights to Istanbul,
– LOT started up a new route to Cracow,
– British Airways stepped up connections to London,
– SAS stepped up its connection to Copenhagen,
– Fly Niki stepped up flights to Vienna,
– Smart Wings stepped up its connection to Prague,
– Cimber Sterling started up a new route to Billund and Copenhagen;

In the non-European Union segment:
– Air Canada started up a new flight to Montreal and stepped up its flight to Toronto,
– Emirates stepped up the frequency of its flights to Dubai,
– Air China stepped up the frequency of its low-season flights to Beijing,
– Air Transat started up new routes to Toronto and Vancouver,
– On its Rome-Taipei route, China Airlines introduced a stopover in Delhi,
– Delta/Northwest started flying to Detroit,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di cervello centralizzato.

– Blue Panorama added a weekly flight on its Bangkok route,
– Armavia started up a new route to Yerevan.

EasyJet also transferred certain of its flights (Madrid, Geneva and Basel) from Ciampino to Fiumicino.

Ciampino, the Roman airport system's second airport, registered passenger traffic volumes substantially in line with the previous year (up 0.4%), which was also reflected by capacity (movements down 3.0% and seats up 1.5%).
This performance is due to the capacity restrictions laid down by the air transport authorities arising from the well-known issues relating to Ciampino airport.
The transfer of easyJet flights to Fiumicino was offset by the start-up of new Ryanair flights (Cagliari, Edinburgh, Oslo Sandefjord, Wroclaw, Bratislava and Billund).

## Airport fees.

In 2009 revenues from airport fees amounted to 163.2 million euros, representing a decrease of 1.3% with respect to 2008.

The two principal components of revenues, "landing, take-off and parking fees" and "passenger boarding fees", reported the following performances:

– landing, take-off and parking fees: the slight decrease of 0.1% is due to reductions in movements (down 5.9%) and aircraft tonnage (down 2.9%), which was largely offset by the small rise in fees as of November 2008, the different traffic mix, which registered a higher percentage of non-EU flights, the use of aircraft with higher average unit tonnage, and increased parking;

– passenger boarding fees: total revenues decreased by 1.9% on the back of a fall in the number of passengers boarded (down 3.5%). The lower percentage impact on revenues is due to the small rise in fees as of November 2008 and the concentration of the reduction in passengers on domestic and EU routes, which are subject to lower boarding fees.

It should also be borne in mind that compared with the previous year revenue breakdowns are affected by the transfer of Alitalia flights from Malpensa to Fiumicino in the second quarter of 2008.

## Management of centralized infrastructures.

The management of centralized infrastructures and terminal services, which is carried out directly by the Parent

Company, ADR S.p.A., reported revenues of 35.5 million euros, representing a decrease of 2.5% compared with 2008.

This performance was due essentially to two factors:

– a 5.1% decrease in loading bridge revenues, primarily due to a reduction in movements (down 5.9%) and a series of penalizations deriving from works and the closure of two bridges (622 and 623), partly offset by improved use of infrastructures. In 2009, 151,263 flights were served by loading bridges, down 4.9% on 2008, regarding a total of 18,082,332 passengers, a 3.1% decrease compared with 2008;

– a 0.7% increase in revenues from the baggage handling system on the back of a reduction in passenger traffic and the opening of Terminal 5 (infrastructure with a lower unit cost) in the second quarter of 2008, which was recovered and offset thanks to an increase in the amount of baggage handled in the second half of the year.

### Security.

During 2009 the security activities carried out by the Parent Company, ADR S.p.A., (security checks on passengers and carry-on baggage and checked luggage, explosive detection checks, other security services requested and surveillance of the airport system) generated revenues of 62.9 million euros, substantially in line (down 0.3%) with 2008. This performance derives primarily from the fall in passenger traffic and a reduction in revenues from cargo services due to a decrease in the amount of cargo handled at Fiumicino, largely offset by an increase in other on demand cargo services.

### Assistance to passengers with reduced mobility (PRM).

In compliance with EU legislation, from July 2008 ADR S.p.A. started assisting persons with reduced mobility (PRM) via the specifically incorporated subsidiary undertaking, ADR Assistance S.r.l..

In 2009 these assistance activities generated revenues of 13.5 million euros. This figure cannot be compared with the previous year's revenues (4.8 million euros) as the service began on July 16, 2008.

2009 revenues benefited from the higher fee that was applied as of August 1, 2009.
The Users' Committee was presented with an updated estimate on the costs attributable to the provision of PRM assistance, based on previous and projected data.
This led to an agreement on a new higher unit charge for the service at Fiumicino airport (1.05 euros instead of the previous 0.54 euros) to be applied from August 1 until December 31, 2009.

### Operational safety.

Within the Roman airport system operational safety was carried out according to procedure (ISO 9001/2000 certificate), responding to the increase in traffic and the rising number of infrastructures and construction sites to be checked.

In addition, the monitoring of compliance with the requirements of Civil Aviation Authority certification and the correct use of airside infrastructure by handlers continued, including notification of any infringements and actions aimed at helping to modify and improve procedures for runway use.

### Airport regulations.

The periodic updating of documents regarding Fiumicino and Ciampino continued, including:

– ongoing addition of new Directives issued by the respective airport managements;
– revision of the Fiumicino Airport Regulations to include the new terminal names;
– addition of specific sections to the Fiumicino Airport Regulations regarding the management of special infrastructure (ETV direct delivery, temporary storage areas for in-flight trash) and the management of flu pandemic procedures.

## Real estate management.

### Sub-concessions.

Revenues from retail and other sub-concessions, deriving from “fees” and “utilities” at Fiumicino and Ciampino airports, amount to 41.2 million euros, registering an increase of 1.4 million euros (3.4%) compared with 2008.

These revenues primarily derive from: i) the co-generation plant; ii) progressive occupation of spaces in Office Tower 2, which entered service in December 2008; iii) sub-concession of high rental units to Alitalia/CAI for VIP rooms and a rental increase for the Technical Area; iv) higher recoveries for air conditioning and electricity charges.

Revenues from other fees charged to third-parties at Fiumicino and Ciampino (hotels, jet fuel, catering, etc.) amount to 15.1 million euros, substantially in line with 2008 (up 0.5%).

## Non-aviation activities.

ADR Group revenues from direct sales and outlets managed by sub-concessionaires decreased by 4.7% in 2009, compared with a reduction of 3.5% in passengers boarded. The average passenger spend fell by 1.3%, primarily due a decrease of the average passenger spend on flights bound to the UK and Russia. In the last few months of the year this reduction also occurred on flights bound for the USA and Japan, and derives from the appreciation of the euro against sterling, the rouble, the dollar and the yuan.

The last quarter of the year saw a sharper decline in the average passenger spend, offset by an increase in outbound traffic (partly due to the discontinuity of Alitalia's operations in 2008), with an overall positive effect in terms of absolute revenues.

The lack of market growth and the downturn in the average passenger spend were partly offset by positive contractual effects regarding retail sub-concessions (guaranteed minimums and renegotiations).

### Direct sales.

Revenues from direct sales in 2009, amounting to 77.5 million euros, registered a decrease of 6.4% compared with 2008, against a 3.5% drop in outbound traffic. The average passenger spend is thus 3.1% down on 2008.

Fiumicino registered a decrease in revenues of 4.9% due to the fall in outbound traffic (down 3.9%), resulting in a slight contraction in the average passenger spend (1.0%). The best results were registered by the tobacco, confectionery and make-up segments.

Ciampino airport registered a 22.2% decrease in revenues compared with 2008, entirely due to the 22.3% decline in the average passenger spend. This performance partly reflects the decrease in the average passenger spend on UK flights due to the strengthening of the euro against sterling, as well as a change in the traffic mix entailing an increase in the domestic component (a rise from 12.7% to 20.4% of total outbound passengers), where there is less propensity to spend.

### Outlets managed by sub-concessionaires.

Revenues from outlets managed by sub-concessionaires totaled 46.9 million euros in 2009, down slightly on 2008 (1.7%). The average passenger spend grew by 1.8% ("specialist retail" down 5.8%, "food & beverage" up 17.3%, "other royalties" down 6.2%).

Fiumicino registered a 1.3% decrease in revenues compared with a 3.9% fall in outbound traffic, thus registering a 2.8% increase in average spend.

In detail, the "specialist retail" sector registered a reduction in royalties from the "accessories", "fine food" and "electronics" segments, offset by good performances from the "luxury" and "newsagent" segments. During the year, Dixons (Unieuro Group), a new operator of electronics retail outlets, took over from Capi the previous operator. New clothing (Aeronautica Militare, La Camiceria Italiana, Moncler and Pinko) and accessories (Braccialini and Coccinelle) brands, as well as a new jewelry sales outlet (Zoccai), were also introduced.

The “food & beverage” at Fiumicino airport registered a positive performance, primarily due to the greater profitability of the former Cisim refreshment outlets, deriving partly from improved contractual arrangements as well as from higher passenger sales connected with the restructuring of outlets and the introduction of new formats including Rustichelli and Culto (Airest), Sky Lounge (Autogrill) and McDonald’s (Cremonini).

The activities of retail sub-concessionaires at Ciampino airport registered a decrease of 15.1% (equivalent to -0.2 million euros), compared with outgoing traffic substantially in line with the previous year (up 0.1%) due to a 15.2% reduction in the average passenger spend. This primarily reflects the reduction in the average spend for passengers heading to the UK and the change in traffic mix.

### Management of car parks.

Management of parking systems registered revenues of 27.5 million euros, down 8.4% on the previous year. This reduction is greater than the decline in the potential market represented by outgoing passengers (down 1.7%), which was mainly affected by the contraction of the business segment.

Aggressive competition and an overall downturn in consumption (alternative means of transport are more economical and increasingly used) led to a drop of around 6.5% in the average spend, despite the steady increase in the use of online booking of parking (up 35%) and ongoing development of distribution channels.

### Advertising.

Revenues from advertising, amounting to 22.8 million euros, fell by 12.5% compared with 2008, due to a sharp reduction in revenues from the subsidiary undertaking, ADR Advertising S.p.A., as a result of the crisis that is affecting the entire advertising sector.
This was only partly offset by a rise in revenues from the sale of advertising in directly managed outlets, which amounted to 2.8 million euros in 2009, up 3.5% on the previous year.

## Information Technology.

During 2009 activities aimed at upgrading and ensuring the reliability of Company application systems and ICT infrastructures were completed, continued and launched.


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Shopping and Food
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In particular, works completed during 2009 include the following:

- FIDS (Flight Information Display System): information monitors that are obsolete, or to be phased out in accordance with the requirements of the Company's signage project, were replaced;
- setting up of infrastructure: the setting up of long-stay facilities for chauffeur-driven car hire and the long-stay P11 car park for flight crews was completed;
- IT data transmission regarding excise duties on liquor: implementation of liquor product management procedures to comply with Customs Office regulations regarding computerized transmission of all requested data was completed;
- development of the adr.it website: the new Timetable was launched, which facilitates consultation of the times of flights to and from Fiumicino and Ciampino and provides more detailed information;
- transfer of Data Processing Center: the transfer of the Data Processing Center to the new EPUA 2, including a technological update, was completed;
- fidelity cards: development of the management of fidelity cards was completed and the system was put into service;
- upgrade of check-in and transfer desk infrastructure: renovated peripheral equipment for check-in, boarding and transfer operations, in compliance with IATA regulations, is being rolled out;
- new PR8 car park: the new parking area for airport operators, known as PR8, has been delivered;
- upgrade of taxi system: traffic flows for the taxi rank serving the arrivals area at Terminal 3 have been modified, with cars now arriving in front of the exit used by passengers from international flights;
- integrated badge access control system: integration of the various existing systems with the new platform has been completed; the new system is now in operation for gates, access points, elevators and technical areas;
- automation of airport services billing processes: implementation of the systems designed to automate the billing processes for the various airport and security services provided by ADR S.p.A. has been completed.

Important activities that were launched and will be continued in 2010, include the following:

- review of ICT "operations": the program for transforming "operations", which has involved start-up of the incident management process, supported by the new outsourced front-end services, is in progress. Implementation will be gradually rolled out over the next few years;
- makeover of the intranet site: a makeover of the Group's intranet site has begun, based on new and modern corporate communication and cooperation tools;
- migration to RE-FX: migration of the SAP Real Estate Classic system to the new SAP RE-FX version is underway.
- re-engineering of GTI-CAD: the upgrade of the GTI-CAD system has been completed, and the follow-up will be concluded in the early months of 2010.

## Environmental protection.

In 2009 maintenance and development of the ISO 14001 Environmental Management System (EMS) at Fiumicino and Ciampino continued according to plan.

In December, Dasa - Rägister, the certification body, carried out the integrated checks required for renewal of ISO 14001 certification for the Environmental Management Systems (EMS) at Fiumicino and Ciampino and confirmed their compliance with the set standards.

Within the scope of training initiatives, scheduled courses were provided for the departments concerned by EMS. EMS monitoring, conducted by ADR's internal environmental auditors, was carried out in accordance with plans for the period, and contributed to highlighting areas where systems may be improved.

In May a program was launched at Fiumicino airport regarding development of the sorting of recyclable waste. Suitable collection areas were set up near terminals for this purpose.

The air quality monitoring campaign conducted in collaboration with the National Research Council (CNR), as well as electromagnetic monitoring, were completed at Fiumicino and Ciampino airports.
The "ADR Environmental Report" was updated with 2008 data.

## Quality.

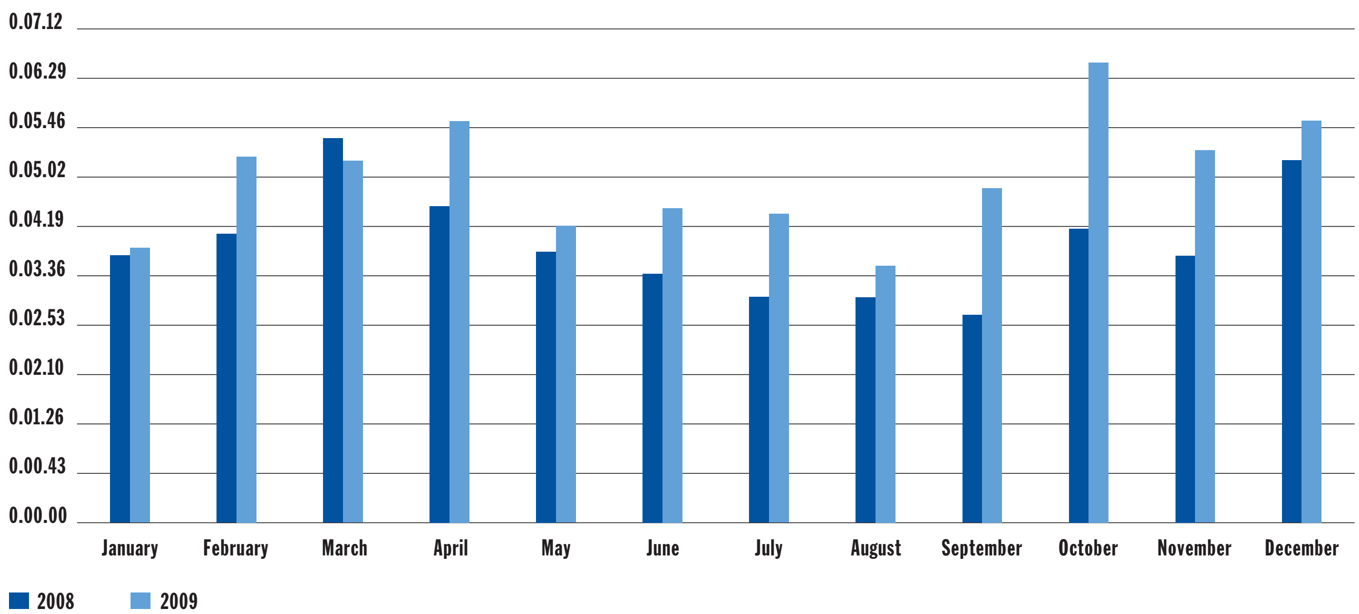
Monitoring of airport activities continued in 2009 via daily checks on the level of quality provided and perceived, with a total of more than 900,000 objective controls carried out and 18,000 questionnaires submitted to passengers. Analysis of Fiumicino's positioning in terms of quality continued, through participation in the "Airport Service Quality" international benchmarking program and via specific meetings with major European airport operators. A voluntary certification program was also developed as a tool to aid improvement.

### Monitoring of quality provided.

Fiumicino

In 2009, 91.8% of passengers underwent waiting times for carry-on baggage security checks of less than twelve minutes, two percentage points above the service standard published in the Service Charter.
The average annual waiting time stood at five minutes and nine seconds, compared with four minutes and five seconds in 2008.

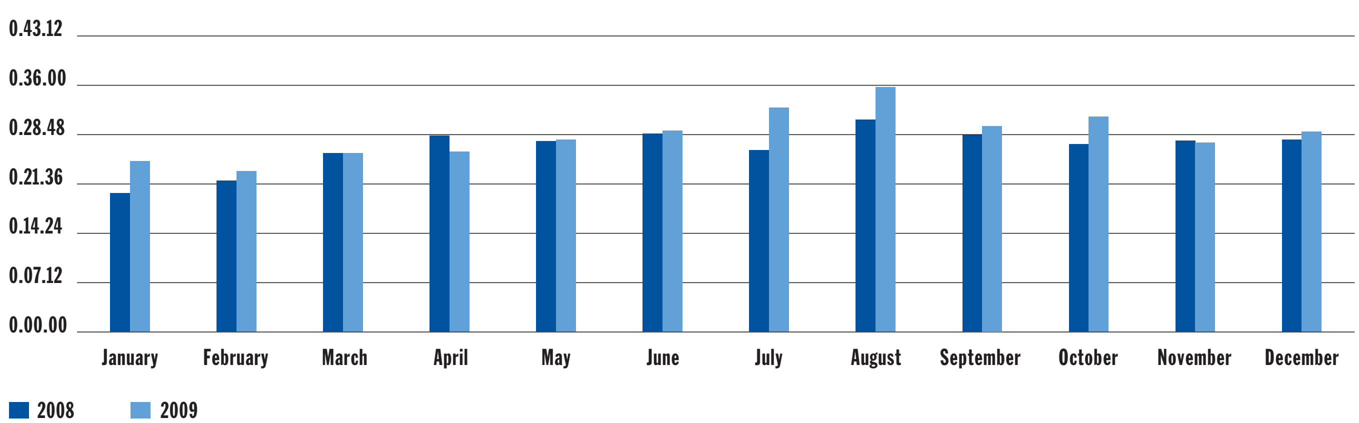
**Average waiting times for carry-on baggage security checks. Comparison between 2009 and 2008 (times expressed in hours, minutes and seconds).**




The percentage of flights with baggage reclaim times within the set standards was 79.9% for the first piece of luggage and 85.5% for the last.

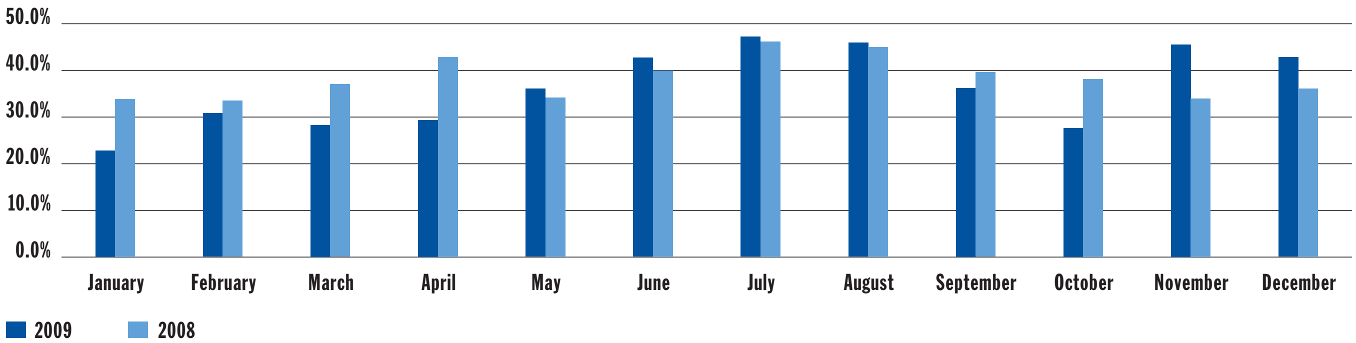
On average, an increase of one minute in baggage reclaim times was registered for the first bag and approximately two minutes for the last bag compared with the service provided in 2008.

**Average times for delivery of last bag. Comparison between 2009 and 2008 (times expressed in hours, minutes and seconds).**




The percentage of outgoing flights with delays of more than 15 minutes was 38.7%, compared with 36.6% in 2008, 13.7 percentage points above standard published in the Service Charter, whilst the percentage of incoming flights with delays of more than 15 minutes was 22.7% (26.4% in 2008). Consequently, the recovery of airport transit times (the difference between delays to incoming and outgoing flights with respect to scheduled times) was negative (-16.0%).

**Comparison between the percentage of delays of more than 15 minutes for outgoing flights. Comparison between 2009 and 2008.**

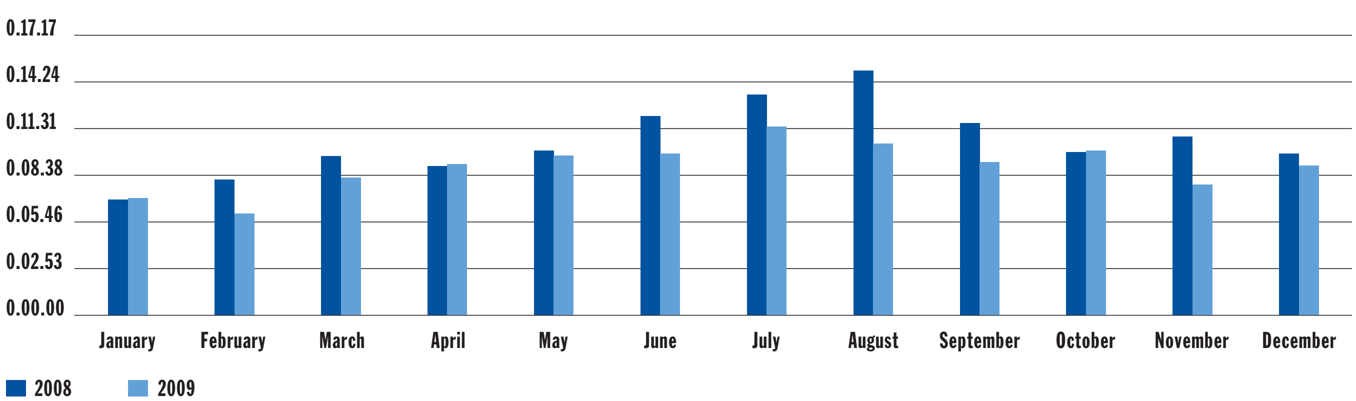



The percentage of passengers who completed check-in operations within the times set in the Service Charter was 85.9% for domestic flights and 89.4% for international flights.

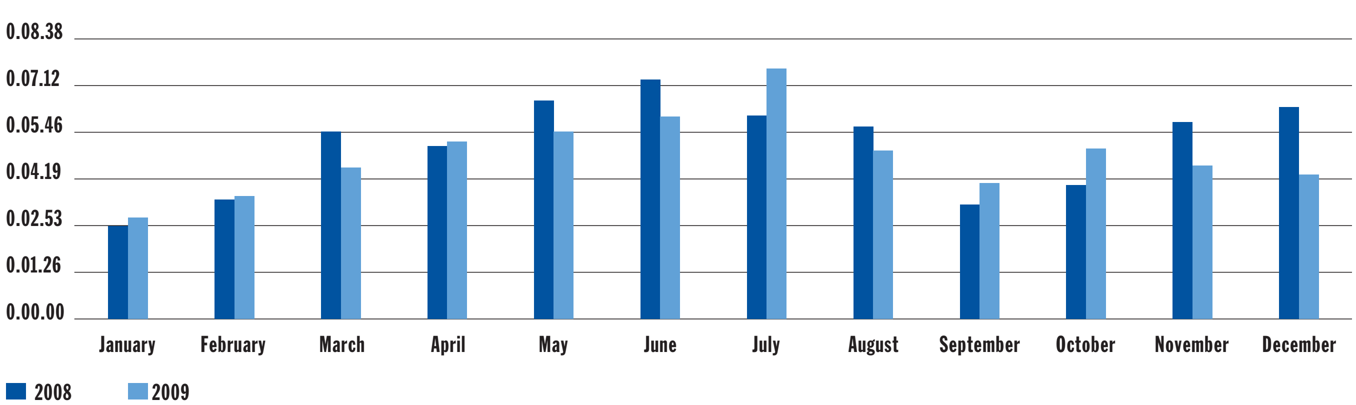
With respect to the previous year, the service improved by five percentage points for international flights and was down by one percentage point for domestic flights. Average check-in times for international flights fell by an average of one minute, whilst for domestic flights average times were substantially unchanged.

**Average waiting times in lines at check-in desks. Comparison between 2009 and 2008 (times expressed in hours, minutes and seconds).**

**International segment**




**Domestic segment**



Ciampino

Monitoring at Ciampino shows that the overall quality of services provided to passengers was substantially in line with 2008, except for the passenger check-in service which registered a decline.

The following results were registered in 2009:

- carry-on baggage security checks were completed within the set standard time of 15 minutes in 93.0% of all cases, three percentage points better than the standard set in the Service Charter;
- the percentage of outgoing flights with delays of more than 15 minutes was 19.7%, whilst the percentage of incoming flights with delays of more than 15 minutes was 16.0%. The airport did not respect either the standard regarding delays to outgoing flights (17.0%) or that regarding the recovery of airport transit time (1.0%);
- the percentage of flights with baggage reclaim times within the set Service Charter standards was 91.6% for the first piece of luggage and 92.6% for the last; the service deteriorated with respect to 2008, but in both cases was above the set standard (90%). Average baggage reclaim times stood at 13 minutes for the first piece of luggage and at 18 minutes for the last, a one percentage point improvement on 2008;
- passenger check-in operations were completed within 20 minutes in 61.1% of cases; the level of service provided was down eight percentage points on the set standard (90.0%) compared with 2008.

**Monitoring of perceived quality.**

Fiumicino

The results of the customer satisfaction surveys conducted at Fiumicino airport enabled the drawing up of a profile of passengers at the airport:

- 55.6% of passengers are between the ages of 26 and 45, whilst only 10.6% are over 55;
- 57.8% are highly or medium educated professionals (managers, freelance professionals, office workers, teachers);
- most passengers travel alone (46.0%) or accompanied by their partner (23.2%);
- the majority (56.6%) travel for pleasure, whilst 33.7% travel on business;
- 62% are Italian, whilst 37.9% are foreign nationals;
- 28.9% have flown at least seven times in the last year and 29.9% have been to Fiumicino at least four times in the same period;
- of those departing from Fiumicino, 26.9% arrived by taxi, 36.3% by private car (with or without an accompanying driver) and 26.3% by train.

Regarding customer satisfaction with the services provided at the airport, in 2009 Fiumicino received an average score of 4.30 from passengers (valuation scale 6= excellent 1= poor), registering a decrease with respect to 2008 (4.50).

Ciampino

The results of the customer satisfaction surveys conducted at Ciampino airport enabled the drawing up of a profile of passengers at the airport:

- 67.7% of passengers are between the ages of 26 and 45, whilst only 6.5% are over 55;
- 51.8% are highly or medium educated professionals (managers, freelance professionals, office workers, teachers);
- most passengers travel with friends/colleagues (30.0%) or accompanied by their partner (29.5%);
- the majority (67.2%) travel for pleasure, whilst 12.9% travel on business;
- 46.4% are Italian, whilst 53.6% are foreign nationals;
- 18.5% have flown at least seven times in the last year and 14.9% have been to Ciampino at least four times in the same period;
- of those departing from Ciampino, 34.3% arrived at the airport by bus or shuttle bus, 22.2% by private car and 38.7% by taxi.

Regarding customer satisfaction with the services provided at the airport, in 2009 Ciampino received an average score of 4.34 from passengers (valuation scale 6= excellent 1= poor), substantially in line with 2008 (4.35).

**Benchmarking.**

In terms of benchmarking, in October 2009 the European Airports Benchmarking Group on Service Quality (Amsterdam, Copenhagen, Frankfurt, Milan, Munich, Paris, Zurich), established and coordinated by ADR S.p.A., was joined by the airports of London-Heathrow, Madrid (Aeropuertos Españoles y Navegación Aerea) and Vienna.

ADR S.p.A. established the benchmarking group in 2007 in response to a need for systematic discussion of service quality, entailing the sharing of experiences and ideas with a view to achieving overall improvement.

Finally, the levels of satisfaction regarding Fiumicino expressed by passengers via the “Airport Service Quality” program, a survey conducted in collaboration with ACI (Airports Council International) at 130 airports around the world, confirmed Fiumicino’s middle ranking amongst leading European airports in 2009.

**Certification.**

During 2009 certifying bodies carried out audits of the quality systems already implemented by ADR S.p.A., with successful outcomes. Specifically:

- Bureau Veritas Italy certified the monitoring and control systems regarding the quality of services provided to passengers and carry-on and hold baggage checks (UNI EN ISO 9001:2000 standard);
- Dasa Rägister certified the environmental systems(UNI EN ISO 14001:2004 standard).

A wide-ranging auditing initiative was also carried out by specially trained Company staff, which enabled improvement boosts in the areas concerned.

In 2009 ADR created an Occupational Health and Safety Management System, certified by Bureau Veritas Italia in accordance with the OHSAS 18001:2007 standard, which is one of the first to be implemented in Europe.

## Group investment.

During 2009 the ADR Group carried out investment totaling 69,754 thousand euros (111,702 thousand euros in 2008), including:

| | (in millions of euros) |
|---|---|
| North Fiumicino: plan for long-term development | 0.6 |
| New airport (flights low-cost) | 0.7 |
| Boarding area F (formerly New Pier C) | 12.8 |
| Maintenance works and optimization of terminals | 3.2 |
| Ciampino: infrastructural works | 6.0 |
| HBS/BHS ex cargo Alitalia | 3.4 |
| Works on luggage plants and new machinery RX | 5.2 |
| Fiumicino - Maintenance works on civil works | 4.1 |
| Fiumicino - Maintenance works on electrical network and air conditioning | 3.2 |
| Fiumicino - Maintenance works on plant electromechanical | 4.0 |
| Fiumicino - Maintenance works on water supply and drainage | 1.3 |
| Works on airport road network | 2.6 |
| Works on commercial areas and parking | 1.8 |
| Maintenance works on building in subconcession | 1.3 |
| Interventions on runways and aprons | 6.2 |
| Others | 13.3 |
| Total investments 2009 | 69.8 |
| *including:* | |
| *autofinancing* | *64.1* |
| *State-funded* | *5.7* |

### Terminals.

Work on renovating the passenger information sign systems inside and outside terminal buildings has essentially been completed. Work on changing the designation of terminals from letters to numbers (Terminals 1, 2, 3 and 5) was carried out, with the new denominations becoming operational in October 2009.

Works on the construction of boarding area F (formerly Pier C) continued, with the creation of aircraft aprons and service tunnels. Excavation work for the pier's foundations also began.
Regarding the upgrade of reception facilities at Fiumicino airport for passengers with reduced mobility (PRM), in addition to the reception rooms at departure areas H, D and G, the reception room for Terminal 3 also entered service.
In the arrivals hall of Terminal 1, a new group of airline company offices was built, and the first phase of replacing carpeting with “wood effect” flooring was completed.
At Terminal 1, works on a new fast track lane were completed in September. This will facilitate the flow of passengers bound for Milan Linate by enabling them direct access to the sterile area at the same level as the departure lounges, without passing through level 11.00 of the terminal (the mezzanine). Alitalia subsequently completed personalization of Terminal 1 at the new check-in and ticketing counters.
Two fast lanes were built at Terminal 3 in order to speed up security checks for Business and First class passengers.
Works to renovate false ceilings in the transit galleries and upgrade the equipment they house will be continued and completed in 2010. Works will also be launched to upgrade and improve the functioning of infrastructure and equipment in common areas.

A new flight coordination and control room will be built at departure area D in 2010, and the works begun in 2007 to renovate terminal restrooms will continue.
A baggage handling system on free loan for use at Terminal 5 is up and running, including a line for handling transit baggage and six loading bays for outbound flights.
Upgrade works are in progress on the BHS system at Terminal 3, with completion expected by February 2010.
A series of improvements to the baggage handling facility at Terminal 2 was completed, ahead of its reopening.
In order to adapt apron 703 at departure area G to accommodate A380 aircraft (expected to begin using the airport in March 2010), contracts were awarded for supply of the loading bridge, pre-conditioning equipment and 400Hz converters, as well as the necessary upgrade works. Work is expected to begin in early February 2010.
The air conditioning system in the arrivals hall at Ciampino was upgraded.

### Infrastructures and buildings.

Installation of solar panels at the long-stay car park, carried out by Acea at the Company's own expense, is underway.
A second installation will also be carried out on the workshop roof by the end of 2010.
Work is in progress on a new control room for firefighters at Fiumicino.

## Runways and aprons.

At Fiumicino, work was completed on the upgrade of the “BA” connecting runway, utilized by aircraft taking off from runway 2, to strengthen the pavement. This runway is especially subject to heat and chemicals emitted by aircraft waiting to take off.

Works on runway 1 and the “Alfa” taxiway between the “AC” and “AF” connecting runways were completed, including structural upgrading of the runway paving and the “Alfa” taxiway between the “AB” and “BH” connecting runways and the related connecting runways; upgrading of the runway’s strip; construction of two new fast exits for aircraft landing from the south; implementation of the luminous sign system for operations carried out in conditions of low visibility for all runway infrastructure; and enlargement of the anti-dust sections of the taxiway and connecting runways to upgrade the whole of runway 1 to handle the new generation class “F” aircraft (A 380s). Works were also completed on runway 1 regarding the individual lamp monitoring system for operations in Cat. III low visibility conditions. The related certificate of compliance was issued by the Civil Aviation Authority.

Work was completed on repairing the pavement of the runway 07/25 underpass, whilst work on upgrading taxiway signs in line with Civil Aviation Authority Regulations is also nearing completion.

The road signs for aircraft aprons were upgraded in accordance with Civil Aviation Authority directives.

Structural upgrading of the “Hotel” taxiway where it meets the “NE” taxiway and of a part of the “Charlie-Foxtrot” taxiway has been carried out.

Localized upgrading of runway 2, the “Bravo” taxiway between the “BA” and “BB” connecting runways and part of the “Delta” taxiway has been completed.

Structural upgrading of the aircraft aprons in sector “300” and part of sector “400” began, including replacement of steel storm drain grates with spheroidal cast iron ones.

Works regarding the second phase of renovating aircraft apron pavements, which are expected to start in the second half of February 2010, were contracted out.

At Ciampino, extraordinary maintenance on the “Alfa” taxiway began, whilst a radical upgrade of the “SB” taxiway was contracted out, with works scheduled to start at the end of February 2010. Extraordinary maintenance on runway 15/33, and the upgrade of road signs for aircraft aprons in the area in front of the hangar, in accordance with Civil Aviation Authority directives, were completed.

## Airport Development Plan.

In December ADR S.p.A. submitted the Fiumicino Airport Development Plan to the Civil Aviation Authority, together with the latest traffic projections that take account of the international economic crisis. The plan breaks down into three sections:

– the first section contains strategic guidelines regarding completion of infrastructures on the current site, and additional development of capacity to the north of the site, via a model aimed at bringing demand and capacity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into line, based on the assumption of substantial traffic growth and the need to improve service quality;

– the second section deals more directly with the development of activities on the current site (Fiumicino south), via saturation of the available areas, by implementing flight infrastructures, aircraft aprons, terminals and landside activities. This section is accompanied by an environmental impact study regarding all the initiatives included in the plan and will enable execution of procedures relating to urban planning and environmental regulations;
– the third section deals with traffic expansion in the northern area, and focuses more directly on Fiumicino's positioning through 2044, when the concession comes to an end. This instrument is vital in ensuring urban planning protection for the areas earmarked for future development, and will enable discussions to begin immediately with Local Authorities.

The submitted documentation is being examined by the Civil Aviation Authority, which has almost completed its investigation.

# Research and development.

The ADR Group did not carry out any research and development activities during 2009.

# Group personnel.

## Group headcount at December 31, 2009.

The headcount as of December 31, 2009, compared with December 31, 2008, is broken down in the table below. The breakdown does not include staff covered by redundancy schemes, but does include suspended staff who benefit from the Special Income Support Fund (CIGS - Cassa Integrazione Guadagni Straordinaria).

*(*) Including CIGS: no. 87 for ADR S.p.A., one for ADR Engineering S.p.A..*

| Category | (*) 12.31.2009 | 12.31.2008 | Δ |
|---|---|---|---|
| Managers | 47 | 59 | (12) |
| Supervisors | 180 | 214 | (34) |
| White-collar | 1,716 | 1,659 | 57 |
| Blue-collar | 598 | 636 | (38) |
| Total Group | 2,541 | 2,568 | (27) |
| *including:* | | | |
| *on permanent contracts* | *1,891* | *1,899* | *(8)* |
| *on temporary contracts* | *650* | *669* | *(19)* |

Changes break down as follows by ADR Group Company:

| Company | 12.31.2009 (*) | | | 12.31.2008 | | | Δ | Δ | Δ |
|---|---|---|---|---|---|---|---|---|---|
| | Perm. contract | Temp. contract | Total | Perm. contract | Temp. contract | Total | Perm. contract | Temp. contract | Total |
| ADR S.p.A. | 1,658 | 571 | 2,229 | 1,668 | 568 | 2,236 | (10) | 3 | (7) |
| ADR Engineering S.p.A. | 33 | 1 | 34 | 44 | 3 | 47 | (11) | (2) | (13) |
| ADR Tel S.p.A. | 14 | 2 | 16 | 17 | 0 | 17 | (3) | 2 | (1) |
| ADR Advertising S.p.A. | 6 | 2 | 8 | 10 | 1 | 11 | (4) | 1 | (3) |
| ADR Assistance S.r.l. | 180 | 74 | 254 | 160 | 97 | 257 | 20 | (23) | (3) |
| Total Group | 1,891 | 650 | 2,541 | 1,899 | 669 | 2,568 | (8) | (19) | (27) |

(*) *Including* CIGS: *no. 87 for ADR S.p.A., one for ADR Engineering S.p.A..*

The Group's headcount fell by 27 compared with December 31, 2008, primarily due to:

– ADR S.p.A.: the Parent Company's headcount fell by seven, plus an additional 87 suspended staff who benefit from the Special Income Support Fund (CIGS). Consequently, the Company is operating with a workforce that is reduced by 94 compared with December 31, 2008;
– ADR Assistance S.r.l.: the increase of 20 in permanent staff derives from application of the second phase of the agreement of June 5, 2008, which provided for absorption of staff previously employed by handlers in the provision of PRM assistance. The reduction of 23 fixed-term staff is directly linked to the decline in passenger traffic.

## Average Group headcount from January 1 to December 31, 2009.

The following data, expressed as full-time equivalent (fte), compare the changes that occurred in 2009 and 2008.

The average headcount between January 1 and December 31, 2009 is 2,352.9 full-time equivalents, broken down by category and type of contract as follows:

| Category | 12.31.2009 | 12.31.2008 | Δ |
|---|---|---|---|
| Managers | 52.6 | 60.1 | (7.5) |
| Supervisors | 198.1 | 216.0 | (17.9) |
| White-collar | 1,532.9 | 1,531.2 | 1.7 |
| Blue-collar | 569.3 | 519.9 | 49.4 |
| Total Group | 2,352.9 | 2,327.2 | 25.7 |
| *including:* | | | |
| *on permanent contracts* | *1,835.4* | *1,716.7* | *118.7* |
| *on temporary contracts* | *517.5* | *610.5* | *(93.0)* |

And broken down by ADR Group Company as follows:

| Company | 12.31.2009 | | | 12.31.2008 | | | Δ | Δ | Δ |
|---|---|---|---|---|---|---|---|---|---|
| | Perm. contract | Temp. contract | Total | Perm. contract | Temp. contract | Total | Perm. contract | Temp. contract | Total |
| ADR S.p.A. | 1,599.7 | 451.2 | 2,050.9 | 1,578.0 | 565.9 | 2,143.9 | 21.7 | (114.7) | (93.0) |
| ADR Engineering S.p.A. | 39.8 | 1.4 | 41.2 | 43.3 | 3.6 | 46.9 | (3.5) | (2.2) | (5.7) |
| ADR Tel S.p.A. | 16.9 | 1.3 | 18.2 | 17.7 | 0 | 17.7 | (0.8) | 1.3 | 0.5 |
| ADR Advertising S.p.A. | 8.7 | 1.3 | 10.0 | 10.4 | 0.3 | 10.7 | (1.7) | 1.0 | (0.7) |
| ADR Assistance S.r.l. | 170.3 | 62.3 | 232.6 | 67.3 | 40.7 | 108.0 | 103.0 | 21.6 | 124.6 |
| Total Group | 1,835.4 | 517.5 | 2,352.9 | 1,716.7 | 610.5 | 2,327.2 | 118.7 | (93.0) | 25.7 |

For the ADR Group, the average headcount rose by 25.7 full-time equivalents.

This rise was significantly affected by the increase regarding ADR Assistance S.r.l. (up 124.6 full-time equivalents), which started operations on July 16, 2008 and thus registered growth in the workforce.

For ADR S.p.A., the reduction (down 93 full-time equivalents) derives from opposing factors: an increase in the permanent workforce, connected with the conversion of fixed-term into permanent contracts in application of the labor union agreements reached in 2008, terminations arising from the restructuring program and a reduction in the employment of fixed-term staff due to the decrease in passenger traffic.

## Organizational aspects.

In 2009 the “Infrastructures” unit was reorganized with the creation of a single “Operating and Maintenance” hub.

A new staff function, “Corporate communication”, reporting to the Chairman, was also set up with the aim of strengthening the Group’s corporate relations.

The position of General Manager at ADR Engineering was abolished.

Regarding certification, the roles and responsibilities of ADR S.p.A.’s Occupational Safety Management System (OHSAS 18001:2007) were established, and also aligned with the roles of the current organizational structure processes.

Regarding procedures, the documentation system that comprises corporate regulations was formalized, and the processes regarding company car and business trip management were optimized, including extension of their application to the whole Group.

## Industrial relations and the restructuring plan 2009-2014.

On February 2, 2009 ADR Group formally initiated a redundancy procedure pursuant to articles 4 and 24 of Law no. 223/1991 and subsequent amendments, and article 2, paragraph 37, of Law no. 308/2008 (special redundancy arrangements). Discussions with the Labor Unions, in accordance with the legal procedure, were initiated at the offices of the Industrial Union of the Province of Rome on February 5, 2009, and were concluded with the signing of a company agreement on March 3, 2009.

Subsequently, in accordance with the special redundancy arrangements, the agreement was examined at regional level (Lazio Regional Authority – the Department of Employment, Equal Opportunities and Policies for Young People) and signed on March 10, 2009. The procedure was completed on March 23, 2009 with ratification at central government level (the Ministry of Employment, Health and Social Policies) of the Regional Agreement.
The redundancy plan agreed with the Labor Unions, which also involves ADR Tel S.p.A. and ADR Engineering S.p.A., regards white-collar and blue-collar positions, which break down by company as follows: 280 positions at ADR S.p.A. and twelve split amongst the subsidiary undertakings. The agreements signed also provided for redundancy schemes regarding ADR S.p.A. and ADR Engineering S.p.A..
In May 2009, with a specific Decree, the Ministry of Employment, Health and Social Policies authorized the application of special redundancy arrangements until 2014 for 222 ADR S.p.A. staff. Similar authorizations were also granted for ADR Engineering S.p.A. and ADR Tel S.p.A., regarding seven and five staff, respectively.

At January 1, 2010, the program was in application at:
- ADR S.p.A.: 92 staff on Special Income Support Fund (87 at December 31, 2009 and five at January 1, 2010) and 121 people made redundant;
- ADR Engineering S.p.A.: two staff on Special Income Support Fund (one at December 31, 2009 and one at January 1, 2010) and five made redundant;
- ADR Tel S.p.A.: one person on Special Income Support Fund at January 1, 2010 and four people made redundant.

Redundancy schemes regarding 77 staff were also finalized, including 74 at ADR S.p.A. and three at ADR Engineering S.p.A..

As part of negotiations on the Restructuring Program, an agreement was reached that puts the duration of productive activity within the limits established by the current National Collective Labor Contract. Therefore, from June 1, 2009, via partial reinstatement of the contractual clause called Recovery of Working Hours, working hours were reduced from 40 to 37.5 hours per week for shift workers and to 38 hours per week for the other categories.
As part of initiatives linked to implementation of the new working hours, a new form of paid leave was introduced, consisting of six days of paid annual leave instead of the twelve-day reduction in working hours previously applied to these members of staff.
On July 17, 2009 the Parent Company's management, together with the Labor Unions, examined the results for 2008 in order to establish the performance-related bonus. Having ascertained that the performances on which payment of the bonus is based satisfied the related conditions, the bonus was paid together with monthly salaries for August.

On November 3, 2009, with the signature of a Memorandum of understanding between Assaeroporti, Assohandler, Assocatering and the Labor Unions, negotiations regarding renewal of the National Collective Labor Contract that expired on December 31, 2007 were resumed.

Negotiations with the Labor Unions, aimed at defining a contractual framework for the entire air transport sector as a whole, occurred at two levels:

– negotiations regarding regulatory aspects common to the three sectors, in the presence of the Employers' Associations;
– separate negotiations on specific sector regulations with each individual Association.

The negotiations regarding airport operating companies concluded on January 9, 2010 with the signing of a pre-agreement. On January 26, 2010, at Assaeroporti's headquarters, a document was signed with the Labor Unions to renew the National Collective Labor Contract.

This legislative framework includes and replaces all previous agreements, and thereby comprises a final version of the contract document (the last one dates back to 1988).

Consequently, the replacement of a multitude of overlapping agreements, which had been amended and added to over many years, means that the new National Collective Labor Contract provides more straightforward terms and conditions of employment, as well as greater interpretational clarity for the signatories.

The key features of the renewed contract are summarized below.

Regarding pay:

– an average base gross salary increase of 130 euros per month, comprising gross payments of 90 euros from January 1, 2010 and 40 euros from January 1, 2011;
– payment of two lump sums in February and July 2010 for the two-year period 2008-2009;
– reduction of extra payments regarding overtime, holiday and night working hours;
– a 10% reduction in payments for extra part-time work;
– inclusion of a gross attendance fee of 0.70 euros;
– elimination of a day of Recovery of Working Hours for shift workers as of January 1, 2010;
– additional payments by companies to bring the maternity benefit paid by INPS up to 100% of salaries.

Legal aspects:

– simplification of the entire legislative framework;
– establishment of a longer period for the use of fixed-term contracts before engagement on a permanent contract (currently 36 months);
– raising of the percentage of part-time compared with full-time posts from 35% to 45%;

– introduction of a minimum one month's notice for submitting parental leave requests, except for serious and exceptional situations as provided for by the law;
– introduction of a three-year grace period for absence due to sickness regarding conservation of employment and salary (except for absences arising from serious illnesses and/or hospitalization);
– introduction of uniform Labor Union representation (RSU - *Rappresentanza Sindacale Unitaria*) as the only form of labor union representation.

The financial effects of the agreement have already been included in the 2009 accounts.

## Training and refresher courses.

Training was provided to 493 staff via 42 behavioral, linguistic and refresher courses totaling 1,640 hours.

Key behavioral training events included the training program funded by Fondimpresa, which provided three certified training courses. Two courses began in 2008 and were completed in the early months of the year ("Customer Care" and the "Kaizen Method"), whilst the third, regarding "Teamwork", entailed two residential courses held in June. The third training course was exclusively dedicated to graduates, in line with Company policy, within the scope of teamwork issues. The course used an active methodology in which experience plays an important role via a well defined process of generating reflection that is useful in coming up with new ideas in our everyday working lives.

Another training course called "Managing Uncertainty" – also funded by Fondimpresa – which broke down into four sessions, was held for professionals and supervisors.

As part of the "Customer Care" project, a new series of funded training courses (2009-2010) was launched in October-November. Two of four scheduled training courses were given, with a total of six classroom training days.

Moreover, 15 staff from the contracts and tenders department took part in the funded "Galileo Project".

Regarding specialized refresher courses, the following events took place: refresher course and certification regarding the UNI EN ISO18001 standard and the master's degree in "Aviation Business Management".

Four legislative and operational refresher courses regarding Legislative Decree no. 231, aimed at managers and supervisors, were also given by internal and external experts.

In 2009 refresher courses were provided to 767 ADR S.p.A. staff, including 118 courses totaling 9,804 hours. The courses partly come within the training funded by Fondimpresa, and are partly connected to operating requirements, with specific courses on runway equipment.

Training primarily concerned operating departments, and specifically blue-collar, white-collar and supervisory staff.

Training regarding Group Companies (ADR Assistance S.r.l. and ADR Engineering S.p.A.) was provided to 327 staff, via 38 courses totaling 3,096 hours.

## Health and safety at the workplace, data protection and corporate social responsibility.

In accordance with Legislative Decree no. 81/2008, health and environmental risk assessments (chemical agents, carcinogenic agents, biological agents, computer screens, exposure to noise, physical handling of loads) were completed, as well as those relating to the level of exposure to vibrations affecting the whole body for personnel in the sectors concerned.

A document was drawn up regarding assessment of fire risks in new workplaces, and the plan regarding health and safety improvements (analysis of risks deriving from structural elements) for the sectors concerned was completed.

In compliance with legal provisions, assessment was completed of the technical and professional requirements regarding health and safety at Companies with whom contracts have been signed, regardless of their legal form.

Preparation of documents to assess interference risk regarding contracts with contractors, suppliers and external professionals continued, in accordance with current legislation.

The periodic meeting was held regarding risk prevention and protection, pursuant to art. 35 of Legislative Decree no. 81/2008 (Prevention and Protection Service Manager, Prevention and Protection Service Operators, the Company Doctor, the Workers' Safety Manager).

Inspections of all workplaces were scheduled and begun in order to check activities for the purposes of updating the risk assessment document.

The "work-related stress" risk assessment survey regarding all Group Companies was finally completed, including the related updating of the risk assessment documents.

Instructions for ensuring compliance with health and safety at the workplace legislation were prepared and implemented.

In the last quarter of the year activities to monitor and check all third parties operating in various capacities at Fiumicino and Ciampino were further implemented. Specific reference was made to the provisions of art. 26 of Legislative Decree no. 81/2008 regarding technical and professional compliance with workplace safety regulations.

Regarding emergency management, the new automated alert facility (aircraft accidents; bomb on board incidents; criminal acts; fires; collapsed buildings; other disasters) entered service, and weekly drills continued in collaboration with the National Police Force, the Fire Brigade, the Italian Air Navigation Services Company, the Civil Aviation Authority, First Aid staff and ADR's Emergency Operations Center.

Fire prevention drills were also carried out, including evacuation of workplaces, as well as in direct collaboration with other Bodies.

In 2009, with a view to further boosting the great care taken to eliminate and/or reduce security risks, a project – the first in Italy and one of the first in Europe – was launched to develop and implement an Occupational Health and Safety Management System, in accordance with the OHSAS 18001:2007 standard, regarding all the corporate processes carried out by ADR at Fiumicino and Ciampino.

The project was completed in December 2009, with certification of the system by the external body Bureau Veritas Italy.

As regards legislation to protect privacy, for which responsibility ceased on September 9, 2009, the necessary security


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planning documents were prepared for ADR S.p.A., ADR Tel S.p.A. and ADR Assistance S.r.l. within the deadline established by law (March 31, 2009). Moreover, constant contact was maintained with all corporate bodies and Group Companies to ensure that assignments are updated, based on changes to both operating processes and to the organizational structure.

Regarding corporate social responsibility, participation in the European Community's "Lifelong Learning Program Leonardo da Vinci" was promoted with a view to developing an equal opportunities culture within corporate procedures and processes, and a partnership was established with the European "Healthy and Safe workplaces" campaign in order to develop awareness of occupational health and safety.

Particular attention was paid to staff training regarding all the above matters (12,929 hours of training were provided to 3,201 staff, with an average of four hours per participant).

# ADR Group financial review.

*(6) Reference should be made to the section entitled "Reconciliation of the reclassified statements used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Consolidated Income Statement with the statutory Consolidated Income Statement.*

| Reclassified consolidated income statement (6) (in thousand of euros) | 2009 | | 2008 | | Change | Change % |
|---|---|---|---|---|---|---|
| A. - REVENUES | 561,814 | 100.0% | 570,132 | 101.5% | (8,318) | (1.5%) |
| Capitalized costs and expenses | 5,508 | | 8,678 | | (3,170) | (36.5%) |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 567,322 | | 578,810 | | (11,488) | (2.0%) |
| Cost of materials and external services | (191,024) | (34.0%) | (210,266) | (36.9%) | 19,242 | (9.2%) |
| C. - GROSS MARGIN | 376,298 | 67.0% | 368,544 | 64.6% | 7,754 | 2.1% |
| Payroll costs | (121,901) | (21.7%) | (118,989) | (20.9%) | (2,912) | 2.4% |
| D. - GROSS OPERATING INCOME | 254,397 | 45.3% | 249,555 | 43.8% | 4,842 | 1.9% |
| Amortization and depreciation | (107,858) | | (104,852) | | (3,006) | 2.9% |
| Other provisions | (5,935) | | (2,580) | | (3,355) | 130.0% |
| Provisions for risks and charges | (6,924) | | (582) | | (6,342) | 1,089.7% |
| Other income (expense), net | (62) | | (45,199) | | 45,137 | (99.9%) |
| E. - OPERATING INCOME | 133,618 | 23.8% | 96,342 | 24.2% | 37,276 | 38.7% |
| Financial income (expense), net | (68,660) | (12.2%) | (81,659) | (14.0%) | 12,999 | (15.9%) |
| Adjustments to financial assests | (43) | | 0 | | (43) | .. |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | 64,915 | | 14,683 | | 50,232 | 342.1% |
| Extraordinary income (expense), net | (31,841) | | (4,653) | | (27,188) | 584.3% |
| G. - INCOME BEFORE TAXES | 33,074 | | 10,030 | | 23,044 | 229.8% |
| Income taxes for the year | (32,826) | | (28,299) | | (4,527) | 16.0% |
| Deferred tax assets | 4,185 | | 10,604 | | (6,419) | (60.5%) |
| H. - NET INCOME FOR THE YEAR | 4,433 | | (7,665) | | 12,098 | (157.8%) |
| *including:* | | | | | | |
| *– Minority interest* | *(731)* | | *605* | | *(1,336)* | *(220.8%)* |
| *– Group interest* | *5,164* | | *(8,271)* | | *13,435* | *(162.4%)* |

2009 saw a worsening of the decline in traffic reported at the end of 2008, due to the ongoing economic downturn that has seriously affected the air transport sector. This deterioration was compounded by the reduction in flights operated by the new Alitalia - CAI, which started operations in January.

In addition to the decline in traffic, the ADR Group's 2009 results were also influenced by costs relating to the restructuring program launched at the beginning of the year as part of cost-cutting initiatives, with the initiation of a redundancy procedure pursuant to Law no. 223/1991.

Consolidated "revenues" in 2009 amounted to 561.8 million euros, an overall decrease of 1.5%, deriving from a 3.7% drop in non-aviation operations that was only partly mitigated by a 0.7% increase in aviation operations.

The positive performance of aviation operations compared with 2008 was exclusively due to the 8.6 million euros increase in income generated by assistance to passengers with reduced mobility. This source of income only had an impact for five months in the previous year, as these activities were launched in July 2008, via the subsidiary undertaking, ADR Assistance S.r.l..
However, the reduction in traffic was reflected across all other aviation segment components, registering an overall decrease of 2.3%. Airport fees decreased by 1.3%, albeit less than the fall in traffic, thanks to a favorable shift in the traffic mix towards the non-EU segment. Centralized infrastructure and security service revenues also fell by 2.5% and 0.3%, respectively.

The 3.7% reduction in non-aviation revenues reflects a 6.4% decrease in direct sales, which are directly linked to traffic performance, and an 8.4% fall in revenues from car parks due to increased competition and the general decline in consumer spending.
The downturn in revenues from the sale of advertising space (down 12.5%) continued, reflecting the ongoing crisis in the advertising sector, whilst canteen revenues fell by 21.3%, due to the reduction in the numbers of staff employed by airport operators at Fiumicino. The performance registered by revenues from sub-concessions and utilities is substantially in line with 2008 (down 0.6%). Revenues from contract work, however, performed well, posting an increase of 2.7 million euros, due to the re-billing of the portion of works regarding the State-funded boarding area F (formerly Pier C) to the Civil Aviation Authority.

"Capitalized costs and expenses" also decreased by 3.2 million euros compared with the previous year, due to the reduction in Group investment, and "revenues from ordinary activities" therefore fell by 2.0%.

"Cost of materials and external services" decreased by 9.2% thanks to cost-cutting measures, which primarily regarded consultants' fees, professional services and marketing, as well as a reduction in the cost of purchasing goods for resale, reflecting the fall in direct sales.

"Payroll costs" rose by 2.4%, reflecting an increase of 25.7 in the ADR Group's average workforce due to the subsidiary undertaking, ADR Assistance S.r.l. (+124.6 staff), which started operations in the second half of 2008, an effect that was partly mitigated by the reduction in the average workforce of the Parent Company, ADR S.p.A., deriving from the restructuring program underway.

Compared with cuts in operating costs totaling 5.0%, "EBITDA", amounting to 254.4 million euros, registered a 1.9% increase on 2008.

"Amortization and depreciation" rose by 3.0 million euros due to assets entering service in 2009, and "provisions for risks and charges" increased by 9.7 million euros, primarily to take account of the risk of non-collection of amounts due from customers. Despite these higher expenses, "EBIT" is 133.6 million euros, registering a sharp 38.7% increase compared with 2008. The prior year figure was negatively affected by recognition of losses of 42.4 million euros in the income statement, arising from amounts due from Alitalia Group Companies under special administration.

The substantial reduction in interest rates and, compared with 2008, the effects of the partial restructuring of debt implemented in March 2008 and completed in June, via re-financing under more favorable conditions, resulted in a reduction in "net financial expense" to 68.7 million euros. This marks a decrease of 15.9% compared with 2008.

"Income before taxes" was negatively impacted by provisions, recorded in extraordinary items, of 20.3 million euros for restructuring charges, and the estimated expense of 12.1 million euros regarding the current dispute with the Customs Office.
For further information see the section on "tax litigation" in the Notes.

Total estimated taxation for the year rose by 10.9 million euros compared with 2008, which included the positive effect of the reversal of deferred taxation deriving from accelerated depreciation, in connection with the decision to frank this item via payment of substitute tax.

The ADR Group reports net income of 5.2 million euros for 2009, compared with the net loss of 8.3 million euros registered in the previous year.

| Reclassified consolidated balance sheet [7] (in thousand of euros) | 12.31.2009 | 12.31.2008 | Change |
|---|---|---|---|
| **A. - NET FIXED ASSETS** | | | |
| Intangible fixed assets (*) | 1,948,422 | 1,991,210 | (42,788) |
| Tangible fixed assets | 168,907 | 170,528 | (1,621) |
| Non-current financial assets | 3,419 | 3,414 | 5 |
| | 2,120,748 | 2,165,152 | (44,404) |
| **B. - WORKING CAPITAL** | | | |
| Inventory | 21,464 | 21,922 | (458) |
| Trade receivables | 203,143 | 157,953 | 45,190 |
| Other assets | 48,179 | 37,154 | 11,025 |
| Trade payables | (140,437) | (162,221) | 21,784 |
| Allowances for risks and charges | (54,763) | (29,538) | (25,225) |
| Other liabilities | (120,819) | (106,733) | (14,086) |
| | (43,233) | (81,463) | 38,230 |
| **C. - INVESTED CAPITAL, minus short-term liabilities (A+B)** | 2,077,515 | 2,083,689 | (6,174) |
| **D. - EMPLOYEE SEVERANCE INDEMNITIES** | 28,523 | 37,392 | (8,869) |
| **E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D)** | 2,048,992 | 2,046,297 | 2,695 |
| financed by: | | | |
| **F. - SHAREHOLDERS' EQUITY** | | | |
| – Group interest | 727,961 | 722,797 | 5,164 |
| – Minority interest | 816 | 1,554 | (738) |
| | 728,777 | 724,351 | 4,426 |
| **G. - MEDIUM/LONG-TERM BORROWING** | 1,482,111 | 1,493,369 | (11,258) |
| **H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS)** | | | |
| – short-term borrowing | 25,458 | 16,873 | 8,585 |
| – cash and current receivables | (187,354) | (188,296) | 942 |
| | (161,896) | (171,423) | 9,527 |
| **(G+H)** | 1,320,215 | 1,321,946 | (1,731) |
| **I. - TOTAL AS IN "E" (F+G+H)** | 2,048,992 | 2,046,297 | 2,695 |
| *(*) including the value of the concession totaling* | *1,700,285* | *1,749,569* | *(49,284)* |

*[7] Reference should be made to the section entitled "Reconciliation of the reclassified statements used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Consolidated Balance Sheet with the statutory Consolidated Balance Sheet.*

As of December 31, 2009 the ADR Group's "invested capital" amounts to 2,049.0 million euros, representing a rise of 2.7 million euros compared with the end of the previous year, due to the combined effect of an increase in working capital and a reduction in employee severance indemnities, partially offset by a decrease in net fixed assets.

Implementation of the Parent Company's substantial infrastructure investment program has slowed since the end of 2008. As a result, depreciation for the year is higher than the value of investment, leading to a 44.4 million euros decline in "fixed assets".

The 38.2 million euros rise in “working capital” compared with December 31, 2008 is primarily due to the settlement of receivables.

“Trade receivables” rose by 45.2 million euros due to the failure to collect amounts due to the Group from Alitalia Group Companies under special administration, the longer time taken by some customers to settle their accounts, and a rise in amounts due for the municipal surtax arising from the 2 euros increase in the passenger surtax applied since November 2008.

“Trade payables” decreased by 21.8 million euros, essentially due to the decline in investment.

“Other assets” rose by 11.0 million euros, due to recognition of a credit of 8.9 million euros, recorded as a tax asset, corresponding to installments paid – in accordance with the payment schedule agreed to by the Collection Agent – of sums provisionally due as a result of the current dispute with the Customs Office.

The impact of these changes on working capital was partially mitigated by a 25.2 million euros increase in “provisions for risks and charges”, primarily regarding provisions for restructuring charges and the risk deriving from the dispute with the Customs Office (12.1 million euros), and a 14.1 million euros rise in “other liabilities”. This was largely due to a rise in the estimated annual cost of fees for the fire prevention and fire fighting service (8.7 million euros) and higher amounts due to the tax authorities for the municipal surtax on passenger boarding fees (11.0 million euros).

In terms of funding, the rise in invested capital is primarily reflected in a 4.4 million euros increase in “equity”, due to the net income reported for the year.

“Net debt”, amounting to 1,320.2 million euros, has registered a slight overall decrease (1.7 million euros) compared with December 31, 2008, albeit with a different composition of the long- and short-term components.

| Consolidated net debt (in thousand of euros) | 12.31.2009 | 12.31.2008 | Change |
|---|---|---|---|
| Titles - Bonds | (2,758) | 0 | (2,758) |
| Due to banks | 284,850 | 293,350 | (8,500) |
| Due to other financial institutions | 1,200,019 | 1,200,019 | 0 |
| A. - MEDIUM/LONG-TERM BORROWING | 1,482,111 | 1,493,369 | (11,258) |
| Due to banks | 11,541 | 2,966 | 8,575 |
| Due to other financial institutions | 13,917 | 13,907 | 10 |
| Short-term borrowing | 25,458 | 16,873 | 8,585 |
| Receivables due from others | (51,616) | (45,935) | (5,681) |
| Cash on hand and in banks | (135,738) | (142,361) | 6,623 |
| Cash and current receivables | (187,354) | (188,296) | 942 |
| B. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | (161,896) | (171,423) | 9,527 |
| NET DEBT (A+B) | 1,320,215 | 1,321,946 | (1,731) |

In detail, there has been an overall reduction of 11.3 million euros in the medium/long-term component due to:

– ADR's purchase in the market, on February 13, 2009, of a portion of the A4 bonds issued by the special purpose vehicle, Romulus Finance S.r.l.. The bonds, which had a face value of 4 million pounds sterling, were purchased at a price of 2.8 million euros (equal to 2.4 million pounds sterling);
– reclassification of the portion of 8.5 million euros of the "Banca OPI" loan falling due at the end of next year under short-term debt.

The short-term debt component rose by 9.5 million euros overall, due to an increase of 8.6 million euros in borrowings deriving from the above-mentioned reclassification of short-term portions of medium- and long-term loans and a reduction in "cash on hand and in banks", partly offset by an increase in "amounts due from others" due to the increased liquidity deposited in the "Debt Service Reserve Account".

| Statement of consolidated cash flows (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - NET CASH AND CASH EQUIVALENTS - OPENING BALANCE | 171,423 | 190,085 |
| B. - CASH FLOW FROM (FOR) OPERATING ACTIVITIES | | |
| Net income (loss) for the year | 4,433 | (7,665) |
| Amortization and depreciation | 107,858 | 104,852 |
| (Gains) losses on disposal of fixed assets | (23) | (85) |
| (Revaluations) write-downs of fixed assets | (3) | (4) |
| Net change in working capital | (38,230) | 13,853 |
| Net change in "employee severance indemnities" | (8,869) | (451) |
| | 65,166 | 110,500 |
| C. - CASH FLOW FROM (FOR) INVESTING ACTIVITIES | | |
| Investment in fixed assets: | | |
| – intangible | (45,534) | (64,790) |
| – tangible | (18,563) | (44,347) |
| – financial | (2,764) | (608) |
| Proceeds from disposal, or redemption value of fixed assets | 675 | 755 |
| | (66,186) | (108,990) |
| D. - CASH FLOW FROM (FOR) FINANCING ACTIVITIES | | |
| New loans | 0 | 80,000 |
| Repayments of loans | 0 | (99,150) |
| Loans falling due at the end of next year under "short-term" debt | (8,500) | 0 |
| | (8,500) | (19,150) |
| E. - DIVIDENDS PAID | (7) | (1,022) |
| F. - CASH FLOW FOR THE YEAR (B+C+D+E+F) | (9,527) | (18,662) |
| G. - NET CASH AND CASH EQUIVALENTS - CLOSING BALANCE (A+F) | 161,896 | 171,423 |

The Group's operating cash flow amounted to 65.2 million euros in 2009, after the servicing of debt falling due. Self-financing deriving from amortization and depreciation for the year enabled coverage of the requirements generated by working capital and the reduction in employee severance indemnities.
Internally generated resources enabled financing of almost all net investment in 2009, which was also substantially reduced in comparison with the previous year (66.2 million euros against the 109.0 million euros of 2008).

Primarily due to the effect of reclassification of portions of medium-term loans falling due within twelve months under short-term debt, the Group recorded a net cash outflow of 9.5 million euros in 2009, reducing net cash and cash equivalents to 161.9 million euros at December 31, 2009, compared with the 171.4 million euros registered at the beginning of the year.

| Analysis of consolidated net debt (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - NET FINANCIAL BORROWING - OPENING BALANCE | (1,321,946) | (1,322,434) |
| EBITDA | 254,397 | 249,555 |
| Net change in operating working capital | (72,451) | (42,081) |
| Net change in employee severance indemnities | (8,869) | (451) |
| Other income (expense), net [(a)] | (85) | (2,887) |
| Extraordinary income (expense), net [(b)] | (23,719) | (5,177) |
| Current taxes paid | (40,201) | (20,511) |
| Other assets/liabilities (included allowances for risks and charges) | 25,091 | 14,005 |
| B. - OPERATING CASH FLOW | 134,163 | 192,453 |
| Capex (tangibles, intangibles and financial) | (64,103) | (109,745) |
| Proceeds from disposal, or redemption value of fixed assets | 675 | 755 |
| C. - FREE CASH FLOW | 70,735 | 83,463 |
| Financial income (expense), net | (68,997) | (81,953) |
| Dividends paid | (7) | (1,022) |
| D. - NET CASH FLOW OF THE YEAR | 1,731 | 488 |
| Exchange rate effect on reserves | 0 | 0 |
| E. - NET FINANCIAL BORROWING - CLOSING BALANCE (A+D) | (1,320,215) | (1,321,946) |

*(a) Net of the losses on credits.*
*(b) Net, of provisions restructuring costs.*

## Reconciliation of the reclassified statements used in the Management Report on Operations and those used in the Financial Statements.

### Reclassified Consolidated Income Statement.

The Consolidated Income Statement was reclassified on a "value-added" basis, which shows the contribution of the various areas of operation: ordinary, financial and extraordinary.

Reclassified Consolidated Income Statement items may be directly deduced from the statutory statements, except for the items and their related sub-items shown below:

| Item reclassified Consolidated Income Statement | Item Consolidated Income Statement |
|---|---|
| REVENUES | Revenues from sales and services |
| | Changes in contract work in progress |
| | Other income and revenues: revenue grants |
| COSTS OF MATERIALS AND EXTERNAL SERVICES | Operating costs: raw, ancillary and consumable materials and goods for resale |
| | Operating costs: services |
| | Operating costs: leases |
| | Other income and revenues: other - expense recoveries (-) |
| | Changes in inventories of raw, ancillary and consumable materials and goods for resale |
| | Sundry operating costs: license fees |
| PAYROLL COSTS | Operating costs: payroll |
| | Other income and revenues: other - recoveries of personnel expenses |
| AMORTIZATION | Depreciation, amortization and write-downs: amortization of intangible fixed assets |
| | Depreciation, amortization and write-downs: depreciation of tangible fixed assets |
| OTHER PROVISIONS | Depreciation, amortization and write-downs: provisions for doubtful accounts |
| PROVISIONS FOR RISK AND CHARGES | Provisions for risks |
| | Other provisions |
| OTHER INCOME (EXPENSE), NET | Other income and revenues: profits on disposals |
| | Other income and revenues: others (except of expense recoveries and of recoveries of personnel expenses) |
| | Sundry operating costs: losses on disposals |
| | Sundry operating costs: other |

The reclassified Consolidated Income Statement is also used in the calculation of the profit ratios presented in the section "highlights" in this Management Report on Operations.

## Reclassified Consolidated Balance Sheet.

The Consolidated Balance Sheet was reclassified in accordance with "management criteria", which shows the division between invested capital and fixed capital ("fixed assets") and working capital ("working capital"), and also between the related sources of funding, represented by self-financing ("shareholders' equity") and borrowing ("medium/long-term borrowing" and "net short-term borrowing"). Reclassified Consolidated Balance Sheet items may be directly deduced from the statutory Financial Statements, except for the items and their related sub-items shown below:

| Item reclassified Consolidated Balance Sheet | Item Consolidated Balance Sheet |
|---|---|
| TRADE RECEIVABLES | Receivables: due from clients |
| | Receivables: due from associated undertakings |
| | Receivables: due from parent companies |
| OTHER ASSETS | Receivables due from associated undertakings - other relations |
| | Receivables due from parent companies - other relations |
| | Receivables due from tax authorities |
| | Receivables deferred tax assets |
| | Receivables due from others - other relations |
| | Accrued income and prepaid expenses |
| TRADE PAYABLES | Advances |
| | Due to suppliers |
| | Due to associated undertakings - trading relations |
| | Due to parent companies - trading relations |
| OTHER LIABILITIES | Due to associated undertakings - other relations |
| | Due to parent companies - other relations |
| | Taxes due |
| | Due to social security agencies |
| | Other payables - other relations |
| | Accrued expenses and deferred income |
| MEDIUM/LONG-TERM BORROWING | Payables due to banks - beyond 12 months |
| | Payables due to other financial institutions - beyond 12 months |
| SHORT TERM BORROWING | Payables due to banks - within 12 months |
| | Payables due to other financial institutions - within 12 months |
| CASH AND CURRENT RECEIVABLES | Receivables due from others - financial relations |
| | Cash on hand and in banks |

The reclassified Consolidated Balance Sheet is also used in the calculation of the ratios indicating profitability, balance sheet strength, solvency and liquidity presented under “highlights” in this Management Report on Operations.

# ADR S.p.A. operating review.

## Investment.

*In 2009 the Company continued infrastructure and plant development projects at Fiumicino and Ciampino airports, carrying out works amounting to 69,644 thousand euros (109,918 thousand euros in 2008). For a detailed analysis of the principal works carried out, reference should be made to the section that deals with "Group investment".*

## Research and development.

ADR S.p.A. did not carry out any research and development activities in 2009.

## Personnel.

The headcount as of December 31, 2009, including staff on temporary contracts, was 2,229 broken down as follows:

| Category | (*) 12.31.2009 | 12.31.2008 | Δ |
|---|---|---|---|
| Managers | 42 | 52 | (10) |
| Supervisors | 161 | 190 | (29) |
| White-collar | 1,634 | 1,579 | 55 |
| Blue-collar | 392 | 415 | (23) |
| Total ADR S.p.A. | 2,229 | 2,236 | (7) |
| *including:* | | | |
| *on permanent contracts* | *1,658* | *1,668* | *(10)* |
| *on temporary contracts* | *571* | *568* | *3* |

*(*) Including CIGS for ADR S.p.A. no. 87.*

The average headcount between January 1 and December 31, 2009 is 2,050.9 full-time equivalents, broken down by category and type of contract as follows:

| Category | 12.31.2009 | 12.31.2008 | Δ |
|---|---|---|---|
| Managers | 46.0 | 52.6 | (6.6) |
| Supervisors | 176.1 | 193.6 | (17.5) |
| White-collar | 1,445.2 | 1,471.4 | (26.2) |
| Blue-collar | 383.6 | 426.3 | (42.7) |
| Total ADR S.p.A. | 2,050.9 | 2,143.9 | (93.0) |
| *including:* | | | |
| *on permanent contracts* | *1,599.7* | *1,578.0* | *21.7* |
| *on temporary contracts* | *451.2* | *565.9* | *(114.7)* |

For further information reference should be made to the section on "Group personnel".

# ADR S.p.A. financial review.

(8) Reference should be made to the section "ADR Group financial review" in the paragraph entitled "Reconciliation of the reclassified statements used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Consolidated Income Statement with the statutory Consolidated Income Statement.

| ADR S.p.A.: Reclassified income statement (8) (in thousand of euros) | 2009 | | 2008 | | Change | Change % |
|---|---|---|---|---|---|---|
| Revenues from sales and services | 552,688 | | 562,702 | | (10,014) | (1.8%) |
| Contract work in progress | 5,291 | | 2,990 | | 2,301 | 77.0% |
| A. - REVENUES FROM ORDINARY ACTIVITIES | 557,979 | 100.0% | 565,692 | 100.0% | (7,713) | (1.4%) |
| Cost of materials and external services | (199,875) | (35.8%) | (209,926) | (37.1%) | 10,051 | (4.8%) |
| B. - GROSS MARGIN | 358,104 | 64.2% | 355,766 | 62.9% | 2,338 | 0.7% |
| Payroll costs | (106,265) | (19.0%) | (107,953) | (19.1%) | 1,688 | (1.6%) |
| C. - GROSS OPERATING INCOME | 251,839 | 45.1% | 247,813 | 43.8% | 4,026 | 1.6% |
| Amortization and depreciation | (107,618) | | (104,733) | | (2,885) | 2.8% |
| Other provisions | (5,068) | | (2,486) | | (2,582) | 103.9% |
| Provisions for risks and charges | (6,921) | | (390) | | (6,531) | 1,674.6% |
| Other income (expense), net | (346) | | (44,785) | | 44,439 | (99.2%) |
| D. - OPERATING INCOME | 131,886 | 23.6% | 95,419 | 16.9% | 36,467 | 38.2% |
| Financial income (expense), net | (68,616) | (12.3%) | (80,615) | (14.3%) | 11,999 | (14.9%) |
| Adjustments to financial assests | (43) | | 0 | | (43) | .. |
| E. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | 63,227 | | 14,804 | | 48,423 | 327.1% |
| Extraordinary income (expense), net | (30,491) | | (4,761) | | (25,730) | 540.4% |
| F. - INCOME BEFORE TAXES | 32,736 | | 10,043 | | 22,693 | 226.0% |
| Income taxes for the year: | | | | | | |
| – current taxes | (31,249) | | (26,676) | | (4,573) | 17.1% |
| – deferred tax assets (liabilities) | 3,607 | | 9,585 | | (5,978) | (62.4%) |
| | (27,642) | | (17,091) | | (10,551) | 61.7% |
| G. - NET INCOME (LOSS) FOR THE YEAR | 5,094 | | (7,048) | | 12,142 | (172.3%) |

The economic downturn and the relaunch of operations by the new Alitalia, with a consequent reduction in traffic, are also the key elements in analyzing the results of ADR S.p.A..

The Company's "revenues" in 2009 amounted to 558.0 million euros, an overall decrease of 1.4%, deriving from a 3.5% drop in non-aviation operations that was only partly mitigated by a 0.7% increase in aviation operations.

The positive performance of aviation operations compared with 2008 was exclusively due to the 8.6 million euros increase in income generated by assistance to passengers with reduced mobility. This source of income only had an impact for five months in the previous year, as these activities were launched in July 2008, via the subsidiary undertaking, ADR Assistance S.r.l..

However, the reduction in traffic was reflected across all other aviation segment components, registering an overall decrease of 2.3%. Airport fees decreased by 1.3%, albeit less than the fall in traffic, thanks to a favorable shift in the traffic mix towards the non-EU segment. Centralized infrastructure and security services revenues also fell by 2.5% and 0.5%, respectively.

The 3.5% reduction in non-aviation revenues reflects a 6.4% decrease in direct sales, which are directly linked to traffic performance, and an 8.2% fall in revenues from car parks due to increased competition and the general decline in consumer spending. Canteen revenues also fell by 20.4%, due to the reduction in the number of staff employed by airport operators at Fiumicino, whilst earnings from sub-concessions and utilities registered a slight drop of 1.9%. On the other hand, earnings from the sale of advertising in directly managed outlets rose by 3.5%, and revenues from contract work posted an increase of 2.3 million euros, due to the re-billing of the portion of works regarding the State-funded boarding area F (formerly Pier C) to the Civil Aviation Authority.

"Cost of materials and external services" decreased by 4.8% thanks to cost-cutting measures, which primarily regarded consultants' fees, professional services and marketing, as well as a reduction in the cost of purchasing goods for resale, reflecting the fall in direct sales.

"Payroll costs" fell by 1.6% due to the reduction in the Company's average workforce arising from the restructuring program underway.

Compared with cuts in operating costs totaling 3.7%, "EBITDA", amounting to 251.8 million euros, registered a 1.6% increase on 2008.

"Amortization and depreciation" rose by 2.9 million euros due to assets entering service in 2009, and "provisions for risks and charges" increased by 9.1 million euros, primarily to take account of the risk of non-collection of amounts due from customers. Despite these higher expenses, "EBIT" is 131.9 million euros, registering a sharp 38.2% increase compared with 2008, which was negatively affected by recognition of losses of 42.4 million euros in the income statement arising from amounts due from Alitalia Group Companies under special administration.

The substantial reduction in interest rates and, compared with 2008, the effects of the partial restructuring of debt implemented in March 2008 and completed in June, via re-financing under more favorable conditions, resulted in a reduction in "net financial expense" to 68.6 million euros. This marks a decrease of 14.9% compared with 2008.

"Income before taxes" was negatively impacted by provisions, recorded in extraordinary items, of 19.1 million euros for restructuring charges, and the estimated expense of 12.1 million euros regarding the current dispute with the Customs Office.
For further information see the section on "tax litigation" in the Notes.

Total estimated taxation for the year rose by 10.6 million euros compared with 2008, which included the positive effect of the reversal of deferred taxation deriving from accelerated depreciation, in connection with the decision to frank this item via payment of substitute tax.

ADR S.p.A. reports net income of 5.1 million euros in 2009, compared with the net loss of 7.0 million euros registered in the previous year.

| ADR S.p.A.: Reclassified balance sheet [9] (in thousand of euros) | 12.31.2009 | 12.31.2008 | Change |
|---|---|---|---|
| A. - NET FIXED ASSETS | | | |
| Intangible fixed assets (*) | 1,981,612 | 2,025,266 | (43,654) |
| Tangible fixed assets | 171,396 | 171,879 | (483) |
| Non-current financial assets | 13,697 | 13,688 | 9 |
| | 2,166,705 | 2,210,833 | (44,128) |
| B. - WORKING CAPITAL | | | |
| Inventory | 21,023 | 21,762 | (739) |
| Trade receivables | 201,580 | 160,213 | 41,367 |
| Other assets | 40,784 | 31,701 | 9,083 |
| Trade payables | (144,257) | (167,417) | 23,160 |
| Allowances for risks and charges | (54,380) | (29,337) | (25,043) |
| Other liabilities | (116,540) | (103,029) | (13,511) |
| | (51,790) | (86,107) | 34,317 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 2,114,915 | 2,124,726 | (9,811) |
| D. - EMPLOYEE SEVERANCE INDEMNITIES | 27,445 | 35,786 | (8,341) |
| E. - INVESTED CAPITAL, minus short-term liabilities and E.S.I. (C-D) | 2,087,470 | 2,088,940 | (1,470) |
| financed by: | | | |
| F. - SHAREHOLDERS' EQUITY | | | |
| Paid-up share capital | 62,310 | 62,310 | 0 |
| Reserves and retained earnings (accumulated losses) | 697,034 | 704,082 | (7,048) |
| Net income (loss) for the year | 5,094 | (7,048) | 12,142 |
| | 764,438 | 759,344 | 5,094 |
| G. - MEDIUM/LONG-TERM BORROWING | 1,482,111 | 1,493,369 | (11,258) |
| H. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | | |
| – short-term borrowing | 27,297 | 20,528 | 6,769 |
| – cash and current receivables | (186,376) | (184,301) | (2,075) |
| | (159,079) | (163,773) | 4,694 |
| (G+H) | 1,323,032 | 1,329,596 | (6,564) |
| I. - TOTAL AS IN "E" (F+G+H) | 2,087,470 | 2,088,940 | (1,470) |
| *(*) including the value of the concession totaling* | *1,728,301* | *1,778,397* | *(50,096)* |

*[9] Reference should be made to the section "ADR Group financial review" in the paragraph entitled "Reconciliation of the reclassified statements used in the Management Report on Operations and those used in the Financial Statements" regarding reconciliation of the reclassified Consolidated Balance Sheet with the Consolidated Balance Sheet. This schedule includes trade, sundry and financial receivables due from subsidiary undertakings, under the items "trade receivables", "other assets" and "cash and current receivables", respectively, whilst trade, sundry and financial payables due to subsidiary undertakings are included under the items "trade payables", "other liabilities" and "short-term debt", respectively.*

As of December 31, 2009, ADR S.p.A.'s "invested capital" amounts to 2,087.5 million euros, representing a slight fall of 1.5 million euros compared with the end of the previous year, due to the combined effect of a decrease in net fixed assets, which was almost entirely offset by an increase in working capital and a reduction in employee severance indemnities.

The decrease in "fixed assets" was influenced by amortization and depreciation for the year, which were greater than investment carried out, in contraction since the beginning of the previous year.

The 34.3 million euros rise in "working capital" compared with December 31, 2008 is primarily due to settlement of receivables.

"Trade receivables" rose by 41.4 million euros due to the failure to collect amounts due to the Company from Alitalia Group Companies under special administration, the longer time taken by some customers to settle their accounts, and a rise in amounts due for the municipal surtax arising from the 2 euros increase in the passenger surtax applied since November 2008.

"Trade payables" decreased by 23.2 million euros, essentially due to the decline in investment.

"Other assets" rose by 9.1 million euros, due to recognition of a credit of 8.9 million euros, recorded as a tax asset, corresponding to installments paid – in accordance with the payment schedule agreed to by the Collection Agent – of sums provisionally due as a result of the current dispute with the Customs Office.

The impact of these changes on working capital was partially mitigated by a 25.0 million euros increase in "provisions for risks and charges", primarily regarding provisions for restructuring charges and the risk deriving from the dispute with the Customs Office (12.1 million euros), and a 13.5 million euros rise in "other liabilities". This was largely due to a rise in the estimated annual cost of fees for the fire prevention and fire fighting service (8.7 million euros) and higher amounts due to the tax authorities for the municipal surtax on passenger boarding fees (11.0 million euros).

In terms of funding, a 6.6 million euros decrease was registered for net debt, which stood at 1,323.0 million euros, whilst "equity" rose by 5.1 million euros due to net income for the year.

| ADR S.p.A.: Net debt (in thousand of euros) | 12.31.2009 | 12.31.2008 | Change |
|---|---|---|---|
| Titles - Bonds | (2,758) | 0 | (2,758) |
| Due to banks | 284,850 | 293,350 | (8,500) |
| Due to other financial institutions | 1,200,019 | 1,200,019 | 0 |
| A. - MEDIUM/LONG-TERM BORROWING | 1,482,111 | 1,493,369 | (11,258) |
| Due to banks | 9,281 | 1,466 | 7,815 |
| Due to other financial institutions | 13,917 | 13,907 | 10 |
| Due to subsidiary undertakings | 4,099 | 5,155 | (1,056) |
| Short-term borrowing | 27,297 | 20,528 | 6,769 |
| Receivables due from subsidiary undertakings | (3,087) | (707) | (2,381) |
| Receivables due from others | (51,616) | (45,935) | (5,681) |
| Cash on hand and in banks | (131,673) | (137,659) | 5,986 |
| Cash and current receivables | (186,376) | (184,301) | (2,075) |
| B. - NET SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | (159,079) | (163,773) | 4,694 |
| NET DEBT (A+B) | 1,323,032 | 1,329,596 | (6,564) |

In detail, there has been an overall reduction of 11.3 million euros in the medium/long-term component due to:

– ADR's purchase in the market, on February 13, 2009, of a portion of the A4 bonds issued by the special purpose vehicle, Romulus Finance S.r.l.. The bonds, which had a face value of 4 million pounds sterling, were purchased at a price of 2.8 million euros (equal to 2.4 million pounds sterling);
– reclassification of the portion of 8.5 million euros of the "Banca OPI" loan falling due at the end of next year under "short-term debt".

The short-term debt component rose by 4.7 million euros overall, due to an increase of 6.7 million euros in borrowings deriving from the above-mentioned reclassification of short-term portions of medium- and long-term loans, partly offset by an increase in "amounts due from subsidiary undertakings" and "amounts due from others" due to the increased liquidity deposited in the "Debt Service Reserve Account".

| ADR S.p.A.: Statement of cash flows (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - NET CASH AND CASH EQUIVALENTS - OPENING BALANCE | 163,773 | 188,258 |
| B. - CASH FLOW FROM (FOR) OPERATING ACTIVITIES | | |
| Net income (loss) for the year | 5,094 | (7,048) |
| Ammortization and depreciation | 107,618 | 104,733 |
| (Gains) losses on disposal of fixed assets | (23) | (43) |
| (Revaluations) write-downs of fixed assets | 40 | (4) |
| Net change in working capital | (34,317) | 10,360 |
| Net change in "employee severance indemnities" | (8,341) | (591) |
| | 70,071 | 107,407 |
| C. - CASH FLOW FROM (FOR) INVESTING ACTIVITIES | | |
| Investment in fixed assets: | | |
| – intangible | (44,771) | (64,292) |
| – tangible | (19,216) | (43,061) |
| – financial | (2,807) | (6,607) |
| Proceeds from disposal, or redemption value of fixed assets | 529 | 1,218 |
| | (66,265) | (112,742) |
| D. - CASH FLOW FROM (FOR) FINANCING ACTIVITIES | | |
| New loans | 0 | 80,000 |
| Shareholders' contributions | 0 | 0 |
| Loans falling due at the end of next year under "short-term debt" | (8,500) | 0 |
| Repayments of loans | 0 | (99,150) |
| | (8,500) | (19,150) |
| E. - DIVIDENDS PAID | 0 | 0 |
| F. - CASH FLOW FOR THE YEAR (B+C+D+E) | (4,694) | (24,485) |
| G. - NET CASH AND CASH EQUIVALENTS - CLOSING BALANCE (A+F) | 159,079 | 163,773 |

The Company's operating cash flow amounted to 70.1 million euros in 2009, after the servicing of debt falling due. This enabled financing of almost all net investment in 2009, which was down sharply on the previous year (66.3 million euros compared with 112.7 million euros in 2008).

Due to the effect of reclassification of portions of medium-term loans falling due within twelve months under short-term debt, the Company recorded a net cash outflow of 4.7 million euros in 2009. Net cash and cash equivalents thus stood at 159.1 million euros at December 31, 2009 compared with the 163.8 million euros registered at the beginning of the year.

| ADR S.p.A.: Analysis of net debt (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - NET FINANCIAL BORROWING - OPENING BALANCE | (1,329,596) | (1,324,262) |
| EBITDA | 251,839 | 247,813 |
| Net change in operating working capital | (68,856) | (45,775) |
| Net change in employee severance indemnities | (8,341) | (591) |
| Other income (expense), net [a] | (369) | (2,568) |
| Extraordinary income (expense), net [b] | (22,720) | (5,238) |
| Current taxes paid | (38,728) | (19,613) |
| Other assets/liabilities (included allowances for risks and charges) | 25,101 | 14,000 |
| B. - OPERATING CASH FLOW | 137,926 | 188,028 |
| Capex (tangibles, intangibles and financial) | (64,036) | (113,960) |
| Proceeds from disposal, or redemption value of fixed assets | 529 | 1,218 |
| Dividends received | 1,098 | 1,387 |
| C. - FREE CASH FLOW | 75,517 | 76,673 |
| Financial income (expense), net | (68,953) | (82,007) |
| D. - NET CASH FLOW OF THE YEAR | 6,564 | (5,334) |
| E. - NET FINANCIAL BORROWING DEBT - CLOSING BALANCE (A+D) | (1,323,032) | (1,329,596) |

*[a] Net of the losses on credits.*
*[b] Net, of provisions restructuring costs.*

# Equity investments.

The characteristics and performance of Group Companies in 2009 are shown below.

## Investments in subsidiary undertakings.

### Airport Invest B.V.

Airport Invest B.V., a Dutch registered Company wholly owned by ADR S.p.A., was incorporated in 1999 in order to act as a holding company.

In 2005 Airport Invest B.V. disposed of the only asset it held, consisting of the shareholding in the South African Company, ADR IASA Ltd.

The Company reports a net loss of 43 thousand euros for 2009 (net income of 100 thousand euros in 2008), primarily due to management expenses, which were only partly offset by the interest accrued on the transfer account held with the Parent Company ADR. Shareholders equity amounted to 3,559 thousand euros at December 31, 2009.

The Company has no employees at December 31, 2009.

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements "Airport Invest B.V.: reclassified Balance Sheet and Income Statement".

### ADR Engineering S.p.A. - Unipersonale.

The Company operates in the field of airport engineering, i.e. design, works supervision and technical consultancy services, and is wholly owned by ADR S.p.A.. In 2009 it reported a net loss of 203 thousand euros, compared with net income of 538 thousand euros in the previous year.

Revenues from ordinary activities total 6,978 thousand euros, including 3,229 thousand euros from works supervision and 3,749 thousand euros from design, of which 92.8% was carried out for ADR S.p.A. and 7.2% for third parties. The 31.6% decrease compared with 2008 derives from the fall in the volume of business commissioned by the Parent Company due to the contraction in the latter's infrastructure investments.

The cost of materials and external services and payroll costs decreased by 47.5% and 9.3%, respectively.

Consequently, EBITDA stood at 685 thousand euros compared with the 1,184 thousand euros registered in 2008, down 42.1%. EBIT, amounting to 926 thousand euros, was down 7.4% thanks to an improvement in the balance of other income and expense.

The net loss was influenced by provisions for restructuring charges, posted under extraordinary items, of 944 thousand euros connected with the program launched by the Company.

At December 31, 2009 the headcount is 34 (47 in 2008).

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements "ADR Engineering S.p.A. - Unipersonale: reclassified Balance Sheet and Income Statement".

## ADR Assistance S.r.l. - Unipersonale.

This Company, which is wholly owned by ADR S.p.A., was incorporated on June 25, 2008 with the purpose of managing ground airport assistance services to the disabled and persons with reduced mobility within the Roman airport system.

ADR Assistance S.r.l. - Unipersonale started operating on July 16, 2008 and became responsible for providing assistance services to passengers with reduced mobility at Fiumicino and Ciampino airports, based on a service contract signed with the Parent Company, ADR, on July 15, 2008.

The Company reported net income of 326 thousand euros for 2009, compared with a net loss of 653 thousand euros for the previous year, represented by the period from July 16 to December 31, 2008.

Revenues, deriving exclusively from the Parent Company, ADR, amount to 13,284 thousand euros, against consumption of materials and external services of 2,288 thousand euros and payroll costs of 9,488 thousand euros.

EBITDA amounts to 1,508 thousand euros, whilst EBIT stood at 1,137 thousand euros, primarily due to amortization and depreciation for the year totaling 509 thousand euros.

Investment amounts to 1,165 thousand euros, and primarily regards infrastructure upgrading works.

At December 31, 2009 the headcount is 254 (257 at December 31, 2008).

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements "ADR Assistance S.r.l. - Unipersonale: reclassified Balance Sheet and Income Statement".

## ADR Tel S.p.A.

The purpose of the Company, which is 99% owned by ADR S.p.A. and 1% by ADR Sviluppo S.r.l., is to build, develop and install telecommunications and electronic communications networks and systems, as well as to provide telecommunications and electronic communications services.

The Company registered a positive operating performance in 2009, thus enabling achievement of net income of 492 thousand euros (net income of 687 thousand euros in 2008).

Despite operating in a market undergoing a phase of systemic weakness, the Company maintained its position in the market consisting of airport operators, airlines, Public Authorities and all the other companies operating within the Roman airport system, and generated revenues of 10,925 thousand euros, a drop of 601 thousand euros (down 5.2%) compared with 2008, entirely due to the decline in business commissioned by the Parent Company, ADR. In detail:

– earnings generated by standard services (retail and wholesale), amounting to 7,504 thousand euros, rose by 50 thousand euros (up 1%), with the most significant increases regarding internet and intranet access (wired and wireless), whilst telephony services registered a slight drop due to decreased consumption;

– revenues generated by specific services provided to ADR S.p.A., amounting to 3,421 thousand euros, fell by 651 thousand euros (down 16%) as the Parent Company's infrastructure development at Fiumicino and Ciampino airport witnessed a downturn in 2009, resulting in less demand for upgrading and development works regarding airport telecommunications infrastructure. This reduction was partly offset by the company's takeover of the management of public information terminals (DISAR system).

Operating costs of 8,244 thousand euros fell 491 thousand euros compared with 2008 (down 5.6%), including 7,020 thousand euros (down 532 thousand euros) regarding consumption of raw materials and external services and 1,224 thousand euros (up 41 thousand euros) regarding payroll costs. As a result of the above performance of revenues and operating costs, the Company reports EBITDA of 2,681 thousand euros, compared with 2,791 thousand euros at the end of 2008.

EBIT, amounting to 1,219 thousand euros, is up 29 thousand euros (+2.4%) on the previous year, following a rise in amortization and depreciation and provisions for risks and charges, offset by the positive balance of other operating income and costs.

Charges of 299 thousand euros, regarding the restructuring program launched by the Company that involves five members of staff, were posted under extraordinary items.

Investment of 1,486 thousand euros was primarily aimed at developing and modernizing the telecommunications infrastructure.

At December 31, 2009 the headcount is 16 (17 in 2008).

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements under "ADR Tel S.p.A.: reclassified Balance Sheet and Income Statement".

## ADR Advertising S.p.A.

ADR Advertising S.p.A. was incorporated on January 10, 2003. The Company has ordinary share capital of 500,000 euros, and is 51% owned by ADR S.p.A. and 49% owned by IGPDecaux S.p.A.. The preference shares, totaling 500,000 euros, were wholly subscribed by IGPDecaux S.p.A..

Under the terms of the agreement with ADR S.p.A. dated March 1, 2003, by which the Parent Company has leased its advertising division to the Company, ADR Advertising S.p.A. manages advertising space at the Roman airport system. This contract, which lasts until December 31, 2011, provides for monthly payments to ADR S.p.A. proportional to ADR Advertising S.p.A.'s revenues, subject to a guaranteed minimum.

The Company reports a net loss of 988 thousand euros compared with the net income of 777 thousand euros registered in 2008.

Revenues, totaling 20,479 thousand euros, fell by 17.6% due to the severe economic crisis affecting the advertising sector.

This sharp economic divergence from the original plan led ADR Advertising S.p.A. and the Parent Company to negotiate a review of the "guaranteed minimum" for 2009-2010 paid to ADR S.p.A. for lease of the advertising business unit (down from 21.6 million euros to 17.6 million euros for 2009 and from 22.5 million euros to 18.0 million euros for 2010).

EBITDA is 536 thousand euros, down 70.4% on 2008.

Negative EBIT, amounting to 821 thousand euros, is substantially down (2,093 thousand euros), due to the prudent write-down of a portion of receivables due to the Company from a key customer.

At December 31, 2009 the headcount is eight (eleven in 2008).

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements under "ADR Advertising S.p.A.: reclassified Balance Sheet and Income Statement".

### ADR Sviluppo S.r.l. - Unipersonale.

ADR Sviluppo S.r.l. - Unipersonale has share capital of 100 thousand euros and was incorporated on July 27, 2001. The Company is wholly owned by ADR S.p.A..

The Company's purpose is to promote and develop real estate initiatives for Fiumicino and Ciampino airports, to be carried out directly or via third parties. To this end, the Company may therefore carry out, or commission, real estate projects regarding the construction of hotels, parking lots, offices and other forms of property in general, where such projects have a role to play in the development of airport activities, and are designed to meet the demands of traffic growth at Fiumicino and Ciampino airports.

During 2009 ADR Sviluppo S.r.l. did not earn revenues, nor did it have employees, as it has yet to commence operations.

Net income for the year amounts to 4,171 euros (4,209 euros in 2008), thanks to dividends collected (6,180 euros) from the subsidiary ADR Tel S.p.A.. Shareholders' equity as of December 31, 2009 amounts to 109,603 euros.

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements under "ADR Sviluppo S.r.l. - Unipersonale: reclassified Balance Sheet and Income Statement".

# Investments in other companies.

## Investments in airports.

### Aeroporto di Genova S.p.A.

ADR S.p.A. holds a 15% interest in the Company that manages Genoa airport. For 2008 (to which the latest approved Financial Statements refer) passenger traffic grew by 6.5% with respect to 2007, primarily due to activation of new international routes.

Revenues amounted to 23,177 thousand euros, up 6.0% on the previous year, due to the positive performance of "aviation" (up 7.0%) and "non-aviation" (up 5.0%) earnings.

EBITDA is down 9.4% to 3,524 thousand euros, due to a sharp rise in costs (up 13.7%), including those for utilities, security personnel and the concession fee.

The previously noted events regarding Italy's flag carrier entailed recognition of losses on receivables in the income statement and provisions for doubtful accounts. The Company reports a net loss of 2,100 thousand euros, compared with net income of 307 thousand euros in 2007.

Shareholder's equity amounts to 6,442 thousand euros at December 31, 2008.

Currently available forecasts point towards a recovery in the Company's operating results as of 2010, thus confirming that the losses incurred are connected with contingent factors and do not constitute a permanent impairment of value.

### S.A.CAL. - Società Aeroportuale Calabrese S.p.A.

ADR S.p.A. owns a 16.57% stake in this Company. In 2008 (to which the latest approved Financial Statements refer) passenger traffic at Lamezia Terme, the airport managed by the Company, registered an increase of 3%, thereby exceeding the target of 1.5 million passengers, whilst the number of flights grew by 2.4%.

Revenues, amounting to 16,449 thousand euros, are up 6% on 2007, whilst EBITDA is a negative (down 374 thousand euros), compared with the positive (up 585 thousand euros) registered in the previous year. This is primarily due to losses incurred on receivables, amounting to 361 thousand euros. The Company is in balance (net income of 151 thousand euros in 2007). At December 31, 2008, shareholders' equity amounts to 11,174 thousand euros.

## Investments in other businesses.

ADR S.p.A. also has minority interests in other companies:

### La Piazza di Spagna S.r.l.

The Company was incorporated on December 17, 2003 with share capital of 100,000 euros, which was 49% subscribed by ADR S.p.A. and 51% by Airest S.r.l. (formerly Airport Elite S.r.l.), a subsidiary of Save S.p.A.. The Company, which is responsible for refreshment outlets and the sale of newspapers and items regulated by state monopoly legislation, is not yet operative.

During the year ended December 31, 2009, La Piazza di Spagna S.r.l. did not earn revenues, nor did it have employees, as it has yet to commence operations. The Financial Statements report a loss of 2,713 euros (a loss of 2,285 euros in 2008) and shareholders' equity of 15,952 euros as of December 31, 2009.

A summary of this Company's financial highlights for 2009 is provided in the Annexes to the Financial Statements under "La Piazza di Spagna S.r.l.: reclassified Balance Sheet and Income Statement".

### Consorzio E.T.L. - European Transport Law.

The Parent Company has a 25% stake in this Consortium, which promotes training courses and research programs regarding European transport integration issues. ADR S.p.A.'s stake rose 12.5% on its initial shareholding following the withdrawal of some consortium partners.

The Consortium reports a net loss of 171 thousand euros for 2009, whilst shareholders' equity at December 31, 2009 corresponds to a deficit of 104 thousand euros.

A summary of this Consortium's financial highlights for 2009 is provided in the Annexes to the Financial Statements under "Consorzio E.T.L.: reclassified Balance Sheet and Income Statement".

### Leonardo Energia - Società consortile a r.l.

This is a limited liability consortium, incorporated on March 26, 2008 with share capital of 10,000 euros, in which Fiumicino Energia S.r.l. holds an 90% stake and ADR S.p.A. a 10% stake. The aim is to jointly coordinate the business activities of the consortium partners regarding the production, transformation and transport of electrical and thermal power.

This objective is achieved via management of:

– the new co-generation plant built at Fiumicino by the consortium partner, Sistemi di Energia S.p.A., and then transferred following the partial spin-off of Sistemi di Energia S.p.A. to the newly incorporated company, Fiumicino Energia S.r.l.. This power plant was made available to the limited liability consortium via a business unit lease contract registered on December 15, 2008, with effect as of December 18, 2008;
– the existing power plant made available by ADR S.p.A. via a sub-concession agreement registered on December 15, 2008, with effect as of January 1, 2009.

The Company started operating on December 18, 2008, with the entry into service of the co-generation plant.

The Company reports net income of 1,000 euros for 2009, whilst shareholders' equity is 268 thousand euros at December 31, 2009.

### Ligabue Gate Gourmet Roma S.p.A. (insolvent).

The Court of Civitavecchia officially declared Ligabue Gate Gourmet Roma S.p.A. bankrupt on February 1, 2002.

A sentence of October 10, 2002 ordered submission of a first partial distribution plan whereby 29.6% of preferential claims would be paid. The Receiver pre-announced submission of the second distribution plan, totaling approximately 1.0 million euros, after which it will be possible to determine the sum to be allocated to ADR S.p.A..

**Alinsurance S.r.l. (in liquidation).**

ADR S.p.A. holds a 6% stake in this Company which operates as an insurance broker. The Company was placed in voluntary liquidation on July 12, 2005. Closure of the liquidation of the Company is awaited.
In 2008 (to which the latest approved Financial Statements refer) Alinsurance S.r.l. reported net income of 34 thousand euros, primarily deriving from financial income and positive adjustments relating to taxation in previous years; at December 31, 2008 shareholders' equity amounted to 1,073 thousand euros.

# Notice regarding management and coordination of the Company.

With reference to the company law reform introduced by article 2497 and subsequent articles of the Italian Civil Code, from August 2, 2007, ADR S.p.A. is subject to "management and coordination" by Gemina S.p.A., which wholly owned Leonardo S.r.l., subsequently merged into Gemina S.p.A..

In turn, ADR S.p.A. "manages and coordinates" its subsidiary undertakings, ADR Engineering S.p.A., ADR Tel S.p.A., ADR Sviluppo S.r.l. - Unipersonale and ADR Assistance S.r.l. - Unipersonale.

# Relations with Parent Companies and other related parties.

All the transactions with Parent Companies, subsidiary undertakings and other related parties described below were carried out on an arm's length basis.

**Relations with Parent Companies.**

ADR Group Companies' relations with the Parent Company, Gemina S.p.A., in 2009 primarily refer to participation in the consolidated taxation regime (in thousand of euros).

| Sundry relations between the ADR Group and Gemina S.p.A. | Balances at 12.31.2009 | | 2009 | | |
|---|---|---|---|---|---|
| | Receivables | Payables | Tax consolidation | | Interest expense |
| | | | Income | Expense | |
| ADR S.p.A. | 0 | 12,312 | 0 | 18,306 | 106 |
| | 0 | 12,312 | 0 | 18,306 | 106 |
| Subsidiary undertakings subject to management and coordination: | | | | | |
| – ADR Engineering S.p.A. - Unipersonale | 0 | 690 | 0 | 79 | 0 |
| – ADR Tel S.p.A. | 0 | 428 | 0 | 307 | 6 |
| | 0 | 1,118 | 0 | 386 | 6 |
| Unconsolidated subsidiary undertakings subject to management and coordination: | | | | | |
| – ADR Sviluppo S.r.l. - Unipersonale | 1 | 0 | 1 | 0 | 0 |
| | 1 | 0 | 1 | 0 | 0 |
| Total | 1 | 13,430 | 1 | 18,692 | 112 |

The effects on the balance sheet and income statement in 2007 deriving from participation in the domestic tax consolidation regime, governed by art. 117 *et seq.* of the Consolidated Income Tax Act, by ADR S.p.A. and the subsidiary undertakings, ADR Engineering S.p.A., ADR Tel S.p.A. and ADR Sviluppo S.r.l., as Consolidated Companies, and by the Parent Company, Gemina S.p.A., as the Consolidating Company, were classified under sundry relations for the three-year period 2007-2009.

On taxable income transferred to the Consolidating Company, Gemina S.p.A., by the Consolidated Companies, ADR S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A., consolidated taxation of 18,306 thousand euros, 79 thousand euros and 307 thousand euros was recorded, respectively, making a total of 18,692 thousand euros.
Regarding accounts receivable and accounts payable relating to the previous year and tax credits transferred by the Consolidated Companies, in addition to the above taxable income, an amount of 13,430 thousand euros due to Gemina S.p.A. was recorded.

Trading relations with the Parent Company, Gemina S.p.A., break down as follows:

| Trading relations between the ADR Group and Gemina S.p.A. | Balances at 12.31.2009 | | 2009 | |
|---|---|---|---|---|
| | Receivables | Payables | Revenues | Costs |
| ADR S.p.A. | 11 | 145 | 60 | 374 |
| ADR Tel S.p.A. | 6 | 0 | 7 | 0 |
| Total | 17 | 145 | 67 | 374 |

ADR S.p.A.'s revenues regard the recovery of costs for seconded personnel, whilst the costs incurred with regard to

Gemina S.p.A. include fees paid to ADR S.p.A. directors, debiting of payroll costs and rentals payable. ADR Tel S.p.A. provides Gemina S.p.A. with electronic mail services.

## Relations with subsidiary undertakings.

Transactions carried out by ADR S.p.A. with subsidiary undertakings in 2009 refer primarily to the supply of goods, commercial services and centralized cash management services.

Trading, financial and other relations between ADR S.p.A. and subsidiary undertakings subject to management and coordination, other subsidiary undertakings and associated undertakings are analyzed below (in thousand of euros).

| Trading relations between ADR S.p.A. and subsidiary and associated undertakings | Balances at 12.31.2009 | | | | 2009 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Receivables | Payables | Guarantees | Commit. | Revenues | | | Costs | | | |
| | | | | | Goods | Services | Other | Goods | Services | Other | Investments |
| **Subsidiary undertakings subject to management and coordination:** | | | | | | | | | | | |
| – ADR Engineering S.p.A. - Unipersonale | 185 | 7,739 | 250 | 10,104 | 7 | 320 | 21 | 0 | 629 | 0 | 6,001 |
| – ADR Tel S.p.A. | 274 | 1,301 | 257 | 291 | 0 | 614 | 246 | 0 | 5,176 | 0 | 1,394 |
| – ADR Assistance S.r.l. - Unipersonale | 1,776 | 3,677 | 0 | 0 | 147 | 1,550 | 1,263 | 0 | 13,334 | 0 | 0 |
| | 2,235 | 12,717 | 507 | 10,395 | 154 | 2,484 | 1,530 | 0 | 19,139 | 0 | 7,395 |
| **Other subsidiary undertakings:** | | | | | | | | | | | |
| – ADR Advertising S.p.A. | 9,018 | 31 | 0 | 0 | 0 | 18,047 | 78 | 0 | 244 | 0 | 0 |
| – Airport Invest B.V. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 9,018 | 31 | 0 | 0 | 0 | 18,047 | 78 | 0 | 244 | 0 | 0 |
| **Associated undertakings:** | | | | | | | | | | | |
| – Ligabue Gate Gourmet Roma S.p.A. (insolvent) | 0 | 968 | 0 | 0 | | | | | | | |
| | 0 | 968 | 0 | 0 | | | | | | | |

The subsidiary undertaking, ADR Engineering S.p.A., provides design and works supervision services for works included in the airport development plan, following its incorporation in 1997 for this reason. Revenues in 2009 for work commissioned by ADR S.p.A. amounted to 6,630 thousand euros (8,966 thousand euros in 2008). ADR S.p.A. charged the Company 348 thousand euros (702 thousand euros in 2008) relating to sub-concessionaire fees, utilities, administrative services, etc.

From April 2003 the subsidiary undertaking, ADR Tel S.p.A., has managed telecommunications at the airports of Fiumicino and Ciampino. In 2009 the Company posted revenues from telephony services provided to ADR S.p.A. of 5,176 thousand euros (4,696 thousand euros in 2008) and carried out upgrading works on the telephone network worth 1,394 thousand euros (2,630 thousand euros in 2008). ADR S.p.A. charged the Company an amount of 860 thousand euros (1,001 thousand euros in 2008) in royalties and rentals on the lease of telecommunications assets and premises, and for utilities and administrative services.

ADR Assistance S.r.l. started operating on July 16, 2008 and became responsible for providing assistance to passengers with reduced mobility at Fiumicino and Ciampino airports, based on a service contract signed with the Parent Company, ADR S.p.A., on July 15, 2008.

Revenues of 13,334 thousand euros were exclusively generated from relations with the Parent Company (5,335 thousand euros in 2008); ADR S.p.A. charged the Company 2,960 thousand euros (1,808 thousand euros in 2008) relating to sub-concessionaire fees, utilities, administrative services, recovery of costs for upgrading of airport infrastructure, sale of vehicles, etc.

From March 1, 2003, the subsidiary undertaking, ADR Advertising S.p.A., has managed advertising at Fiumicino airport on the basis of a contract entered into with ADR S.p.A. and expiring on December 31, 2011. This contract specifies that a monthly payment based on ADR Advertising S.p.A.'s revenues is to be made to ADR S.p.A., whilst ensuring a guaranteed minimum. The royalties paid to ADR S.p.A. in 2009 amount to 17,640 thousand euros (20,762 thousand euros 2008), following a review of the "guaranteed minimum" (for further information, see the section of the Management Report on Operations regarding "equity investments"). ADR S.p.A. received additional revenues from the Company, totaling 485 thousand euros (361 thousand euros in 2008), as lease rentals and as payment for utilities and various services, as well as incurring costs of 244 thousand euros (1,205 thousand euros in 2008) for a corporate advertising campaign.

| Financial relations between ADR S.p.A. and subsidiary undertakings | Balances at 12.31.2009 | | | 2009 | |
|---|---|---|---|---|---|
| | Receivables | Payables | Guarantees | Income | Expense |
| Subsidiary undertakings subject to management and coordination: | | | | | |
| – ADR Engineering S.p.A. - Unipersonale | 1,972 | 0 | 0 | 5 | 0 |
| – ADR Tel S.p.A. | 1,116 | 0 | 0 | 37 | 0 |
| – ADR Assistance S.r.l. - Unipersonale | 0 | 644 | 0 | 0 | 0 |
| | 3,088 | 644 | 0 | 42 | 0 |
| Other subsidiary undertakings: | | | | | |
| – Airport Invest B.V. | 0 | 3,456 | 0 | 0 | 28 |
| | 0 | 3,456 | 0 | 0 | 28 |

Financial relations with the subsidiary undertakings, ADR Engineering S.p.A., ADR Tel S.p.A., ADR Assistance S.r.l. and Airport Invest B.V., regard the centralized cash management system, which is conducted on an arm's length basis. The system has been put in place in order to optimize the management of financial resources and facilitate the settlement of intercompany trading relations.

Sundry relations are summarized below:

| Sundry relations between ADR S.p.A. and subsidiary and associated undertakings | Balances at 12.31.2009 | | 2009 |
|---|---|---|---|
| | Receivables | Payables | Dividends |
| **Subsidiary undertakings subject to management and coordination:** | | | |
| – ADR Engineering S.p.A. - Unipersonale | 0 | 0 | 0 |
| – ADR Tel S.p.A. | 0 | 0 | 0 |
| – ADR Assistance S.r.l. - Unipersonale | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| **Other subsidiary undertakings:** | | | |
| – ADR Advertising S.p.A. | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| **Associated undertakings:** | | | |
| – Ligabue Gate Gourmet Roma S.p.A. (insolvent) | 530 | 0 | 0 |
| – La Piazza di Spagna S.r.l. | 0 | 34 | 0 |
| | 530 | 34 | 0 |

## Relations with other related parties.

Trading relations with other related parties break down as follows (in thousands of euros):

| Trading relations between the ADR Group and related parties | Balances at 12.31.2009 | | | 2009 | |
|---|---|---|---|---|---|
| | Receivables | Payables | Guarant. received | Revenues | Costs |
| Sistemi di Energia S.p.A. | 0 | 0 | 0 | 0 | 50 |
| Fiumicino Energia S.r.l. | 164 | 0 | 0 | 52 | 0 |
| Leonardo Energia S.c.a r.l. | 42 | 2,939 | 0 | 158 | 16,424 |
| Assicurazioni Generali S.p.A. | 0 | 0 | 0 | 0 | 3,380 |
| Key Managers of Gemina | 0 | 45 | 0 | 0 | 298 |
| Mediobanca S.p.A. | 0 | 0 | 0 | 0 | 150 |
| Unicredit Group | 63 | 10 | 0 | 1,238 | 67 |
| | 269 | 2,994 | 0 | 1,448 | 20,369 |

Regarding these relations, the following should be noted:

– Fiumicino Energia S.r.l., a Company 86.12% owned by Gemina S.p.A.: following the partial spin-off of Sistemi di Energia S.p.A., Fiumicino airport's new natural gas-fired, co-generation plant for the production of electricity was transferred to the newly incorporated Company, Fiumicino Energia S.r.l.. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR S.p.A. and Fiumicino Energia S.r.l., with respective interests of 10% and 90%. The relevant agreements also stipulate that the co-generation plant will be transferred free of charge to ADR S.p.A. in 2023. The limited liability consortium also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR S.p.A.. In 2009, the Parent Company, ADR S.p.A., purchased electrical and thermal energy from Leonardo Energia S.c.ar.l., amounting to 16,424 thousand euros.

– Assicurazioni Generali S.p.A. (a Company that holds a sufficient interest in Gemina S.p.A. to have a significant influence on the latter): the ADR Group has taken out its principal insurance policies with this insurance Group.

Certain members of the Board of Directors of Gemina S.p.A. (Guido Angiolini, Stefano Cao, Alessandro Grimaldi, Aldo Minucci and Clemente Rebecchini) are also members of the Board of Directors of ADR S.p.A..

Financial relations include those maintained with Mediobanca S.p.A. and the Unicredit Group (companies that hold a sufficient interest in Gemina S.p.A. to have a significant influence on the latter): costs relating to Mediobanca S.p.A. regard consultants' fees. Revenues relating to the Unicredit Group derive from retail sub-concessions, whilst costs primarily regard bank account charges.

Financial relations with Mediobanca S.p.A. and the Unicredit Group include the following:

| Financial relations between ADR Group and related parties | Balances at 12.31.2009 | | | 2009 | |
|---|---|---|---|---|---|
| | Cash and cash equivalents | Receivables | Payables | Financial income | Financial expense |
| Mediobanca S.p.A. | 67,698 | 51,022 | 0 | 2,738 | 3,888 |
| Unicredit Group | 20,545 | 0 | 0 | 94 | 2,777 |
| | 88,243 | 51,022 | 0 | 2,832 | 6,665 |

Several relations exist between ADR S.p.A. and Mediobanca S.p.A. in connection with the role played by the latter in current loan contracts:

– "Mandated Lead Arranger" of the long-term lines of credit made available under the "Term Loan Facility" (170,000 thousand euros) and "Revolving Facility" (100,000 euros) provided by a syndicate of lending banks(10);
– "Security Agent" representing all of ADR S.p.A.'s creditors;
– "Facility Agent" representing the banks within the "Bank Facility Agreement";
– "Administrative Agent" and holding bank for certain ADR current accounts, regulated by loan contracts, of which the following report movements: "Debt Service Account", "Interim Proceeds Account" and "Recoveries Account", of which the balances at December 31, 2009 are shown in the above table. Mediobanca S.p.A. is also the holder of a time deposit called the "Debt Service Reserve Account" for which ADR reports a financial receivable in its financial statements. The related interest due is reported in the item "financial income" in the above table;

*(10) The total amount due to the syndicate of banks is reported in the Financial Statements of ADR S.p.A.; the amounts contributed by each bank in the syndicate is not indicated.*

– the counterparty in two “Interest Rate Swap” contracts with notional values of 252,000 thousand euros and 165,000 thousand euros, falling due on October 2, 2009; gains and losses on swap spreads are included respectively in the items “financial income” and “financial expense” in the above table.

Several relations exist between the ADR Group and the Unicredit Group in connection with the role played by the latter in current loan contracts:

– “Mandated Lead Arranger” of the long-term lines of credit made available under the “Term Loan Facility” (170,000 thousand euros) and “Revolving Facility” (100,000 euros) provided by a syndicate of lending banks[11];
– the holding bank for certain ADR S.p.A. current accounts, regulated by loan contracts, and for certain ADR Group Companies;
– the counterparty in an “Interest Rate Swap” contract with a notional value of 180,000 thousand euros, falling due on October 2, 2009; gains and losses on swap spreads are included respectively in the items “financial income” and “financial expense” in the above table.

*(11) The total amount due to the syndicate of banks is reported in the Financial Statements of ADR S.p.A.; the amounts contributed by each bank in the syndicate is not indicated.*

For a description of the guarantees granted by ADR S.p.A., reference should be made to the section on “payables” in the Notes.

# Treasury shares or Parent Company’s shares in the portfolio.

The Group did not hold, directly, or indirectly, any of its own shares or any shares in the Parent Company, either at the end of 2009 or at the end of 2008. In addition, no purchase or sale of its own shares or shares in the Parent Company took place, either directly or indirectly, during 2009.

# Financial risk management.

## Risks specific to the Company’s business.

ADR S.p.A. manages the two airports in the Roman airport system, Fiumicino and Ciampino, under Service Concession Agreement no. 2820 of June 26, 1974 signed with the Ministry of Transport. This agreement will expire on June 30, 2044.

The foregoing agreement lays down the obligations for the operator and the reasons for termination or cancellation of the concession, primarily because of breach.

The ADR Group operates in a sector that is highly regulated at domestic, EU and international level.

A long period of uncertainty related to the complexity of the procedure to establish satisfactory regulatory and tariff systems is a significant risk factor that may affect the Group's financial and operating outlook.

The ADR Group's operating performance is also strongly affected by air traffic using the airports of Fiumicino and Ciampino, which in turn is affected by:

– economic conditions;
– the plans of the individual airlines, which are affected in turn by these companies' own financial and operating circumstances;
– airline alliances;
– competition, on certain routes, from alternative transport (e.g. high-speed train between Rome and Milan);
– wars, acts of terrorism and airplane crashes, which undermine the public's propensity to travel, for business or pleasure.

The ADR Group is involved in a large number of civil, administrative, labor and tax disputes, both as a plaintiff and as a defendant. Given the risks related to such proceedings, provisions have been made and in-depth information is available in a specific section of the Notes.

## Credit risk.

Credit risk is the risk that a customer or the counterparty in a financial instrument fails to meet its obligations, thereby causing a loss.

The ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the consolidated Financial Statements, as well as the nominal value of the guarantees provided for third parties' debt or commitments.

At December 31, 2009 total credit risk exposure was as follows:

| (in thousand of euros) | Carrying amount | |
|---|---|---|
| | 12.31.2009 | 12.31.2008 |
| Financial assets: | | |
| – due from clients | 203,125 | 157,905 |
| – due from associated undertakings | 530 | 530 |
| – due from parent companies | 18 | 48 |
| – due from others | 55,075 | 49,967 |
| – cash - bank and post office deposits | 135,166 | 141,476 |
| Total | 393,914 | 349,926 |

Most of the ADR Group's credit risk is related to the receivables arising from its transactions with customers.
The risk of customers' default is dealt with by making provisions in a specific allowance for bad debt, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves the making of provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, the progress in the receivable management and collection process.

The Group's commercial policies set out the procedure illustrated below for the creation of trade receivables:

– cash payment is required in transactions with consumers (sales in directly operated stores, multilevel and long-term parking lots, first aid, etc.) and with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
– cash payment or prepayment is required from occasional airlines without a satisfactory credit profile or collateral;
– credit terms are extended to loyal customers considered reliable (airlines with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, collateral is required.

The table below is a receivable aging schedule:

| (in thousand of euros) | Receivables not yet due | Past due receivables not written down | | | | Total receivables |
|---|---|---|---|---|---|---|
| | | Less than 60 days | 61 to 120 days | 121 to 180 days | Over 181 days | |
| As of 12.31.2009: | | | | | | |
| Due from clients | 78,796 | 48,248 | 16,877 | 5,489 | 53,715 | 203,125 |
| Due from associated undertakings | 0 | 0 | 0 | 0 | 530 | 530 |
| Due from parent companies | 18 | 0 | 0 | 0 | 0 | 18 |
| Due from others | 54,135 | 0 | 0 | 0 | 940 | 55,075 |
| Total | 132,949 | 48,248 | 16,877 | 5,489 | 55,185 | 258,748 |
| As of 12.31.2008: | | | | | | |
| Due from clients | 46,589 | 49,389 | 24,627 | 12,277 | 25,022 | 157,905 |
| Due from associated undertakings | 0 | 0 | 0 | 0 | 530 | 530 |
| Due from parent companies | 48 | 0 | 0 | 0 | 0 | 48 |
| Due from others | 49,967 | 0 | 0 | 0 | 0 | 49,967 |
| Total | 96,604 | 49,389 | 24,627 | 12,277 | 25,552 | 208,450 |

Receivables for which no provisions have been made and that are over 181 days past due primarily consist of amounts due from Public Bodies and Alitalia Group companies under special administration.
The ADR Group's credit risk features a high degree of concentration, as ten customers account for around 57% of all receivables (50% in 2008) for which no provisions have been made.

## Liquidity risk.

Liquidity risk may arise with the inability to raise, on adequate terms, the cash necessary to fund the Group's operations.

The ADR Group's cash is mainly used for or generated by investing and operating activities.
The table below shows the Group's payables by maturity.

| (in thousand of euros) | Payables falling due | | | Total payables |
|---|---|---|---|---|
| | Within 12 months | In 1 to 5 years | After 5 years | |
| As of 12.31.2009: | | | | |
| Due to banks | 11,541 | 204,000 | 80,850 | 296,391 |
| Due to other financial institutions | 13,917 | 500,000 | 700,019 | 1,213,936 |
| Advances | 5,000 | 4,612 | 0 | 9,612 |
| Due to suppliers | 126,978 | 2,734 | 0 | 129,712 |
| Due to associated undertakings | 1,003 | 0 | 0 | 1,003 |
| Due to parent companies | 13,575 | 0 | 0 | 13,575 |
| Other | 48,886 | 2,303 | 0 | 51,189 |
| Total | 220,900 | 713,649 | 780,869 | 1,715,418 |
| As of 12.31.2008: | | | | |
| Due to banks | 2,966 | 204,000 | 89,350 | 296,316 |
| Due to other financial institutions | 13,907 | 500,000 | 700,019 | 1,213,926 |
| Advances | 8,841 | 4,770 | 0 | 13,611 |
| Due to suppliers | 143,004 | 4,637 | 0 | 147,641 |
| Due to associated undertakings | 1,003 | 0 | 0 | 1,003 |
| Due to parent companies | 21,241 | 0 | 0 | 21,241 |
| Other | 40,293 | 1,227 | 0 | 41,520 |
| Total | 231,255 | 714,634 | 789,369 | 1,735,258 |

The Group's financial structure is characterized by significant leverage, as financial debt is equal to over five times EBITDA. Consequently, a substantial portion of the cash generated from operating activities is used to pay loan interest and, in future, principal (the first instalment of which falls due in 2012).

As indicated more specifically in the specific section of the Notes to the consolidated Financial Statements, in addition to the requirement to have Moody's and Standard & Poor's issue a rating, the medium/long-term loan agreements in place provide for a number of measures to ensure that the cash generated is used first of all to service debt. Such measures become stricter if, as is currently the case, the ratings or certain financial ratios fail to exceed certain agreed-upon minimum thresholds.

This complex contractual structure mitigates liquidity risk. However, the Parent Company's current rating prevents it from borrowing without specific authorization from its lenders. Consequently, any financing requirements associated with working capital management or investing activities are met with the substantial cash on hand available and a 100 million euros revolving line of credit (which is currently unused) obtained for these purposes.

The "Revolving Facility" is to date available to drawn down, given that the conditions set out in the "Revolving and Term Loan Facility Agreement" have been complied with. The restrictions in the agreement include the trigger event, which has, however, not been applied following the waiver obtained on September 16, 2009.

It is clear that the need to use the cash generated to service debt, and the above restrictions on the use of cash, limit the Group's operating and investment flexibility in situations of financial pressure.

The centralized cash management system, managed at arm's length by the Parent Company and including the subsidiaries ADR Engineering S.p.A, ADR Tel S.p.A., ADR Assistance S.r.l. and Airport Invest B.V., makes it possible to optimize cash flows and to facilitate the settlement of intercompany transactions.

## Interest rate risk.

The ADR Group borrows funds from third parties. Changes in interest rates affect the cost of the funds borrowed, with their effects on the amount of interest expense.

To cope with these risks the Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates on its operating performance.
Specifically, the Group uses "Interest Rate Swaps", "Interest Rate Caps" and "Interest Rate Collars" to manage its exposure to unfavourable fluctuations of interest rates.
Hedging is provided for by all loan agreements entered into by the Parent Company, ADR S.p.A., and Group policies in this area require that at least 51% of all debt be hedged against fluctuations in interest rates.
As of December 31, 2009 55.2% of ADR S.p.A.'s borrowings are fixed rate.

On October 2, 2009 the following hedges expired:

– "Interest Rate Swaps" entered into in 2001 with Mediobanca, Barclays, UBM, Royal Bank of Scotland and Deutsche Bank, involving notional capital of 864 million euros. These contracts were renegotiated in December 2006, based on payment of an average fixed rate of 5.075%;
– "Interest Rate Swaps" with notional capital of 468 million euros until March 2008 and 495 million euros until October 2, 2009, entered into in 2004 with Mediobanca, Barclays and Royal Bank of Scotland. Under these

contracts, ADR received a fixed rate of 3.3% and paid a floating of 3-month euribor rate with a cap of 6.0%.

Two "Interest Rate Collar Forward Start" contracts entered into on May 16, 2006 with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, become active on October 2, 2009. Under these contracts, ADR S.p.A. receives a floating 3-month euribor rate and pays a floating 3-month euribor rate with a cap of 5% and a floor of 3.64% from October 2, 2009 until February 20, 2012.
The above contracts have extended the Company's protection from exposure to interest rate risk by a further three years on a total notional amount of 240 million euros.
As a result of the "Interest Rate Collars", the Company's interest rate hedges now extend to 71.3% of its total borrowings.
In particular, given the sensitivity of the Group's performance to changes in interest rates, an interest rate sensitivity analysis was conducted with respect to a range of +/- 50 basis points.

Given the change in the floating and fixed rates on the A4 borrowing granted by Romulus Finance S.r.l. on December 20, 2009, as provided for in the related agreement, and the expiry and activation of certain hedges on October 2, 2009, the sensitivity analysis was based on the terms and conditions of the borrowings and hedges outstanding as of December 31, 2009.

An increase of 50 basis points in interest rates would determine a rise of 2.2 million euros in interest expense, before tax.
A decrease of 50 basis points in interest rates would determine a reduction of 2.2 million euros in interest expense, before tax.

## Exchange rate risk.

The ADR Group has a negligible exposure to exchange rate risks as non-euro transactions are related to limited purchases of goods and services.

## Risks related to outstanding loan agreements.

– *Risk related to ADR's rating.*

ADR S.p.A. is assessed by the rating agencies Standard & Poor's and Moody's.
The cost of debt and insurance guarantees provided by the monoline insurance company, AMBAC, are linked to the ratings assigned to ADR S.p.A. by the two agencies. Moreover, should the Company's ratings fall below contractually defined minimums, the lenders are authorized to exercise stricter control over its cash flow, thereby constraining further the Company's operational flexibility (a so-called "trigger event").

ADR S.p.A.'s ratings were as follows in 2009:

- Standard & Poor's.

  On April 10, 2009 Standard & Poor's downgraded ADR S.p.A. from BB+ on "CreditWatch with negative implications" to BB with a stable outlook. This change in rating is the result of a negative view of the air transport sector and the inevitable impact this will have on the Company's still weak financial structure, in the absence of any increase in airport fees. The rating also reflects the agency's opinion that ADR S.p.A. has become more dependent on Alitalia, which in many respects continues to be fragile.

  On October 1, 2009 Standard & Poor's placed ADR S.p.A. on "CreditWatch with negative implications" due to the risks linked to the failure to replace AMBAC Financial Services – no longer capable of meeting the minimum rating requirements – as the counterparty in the swap entered into by Romulus Finance S.r.l.. The obligation for making such a replacement lies with AMBAC itself whilst, as things stand, Romulus Finance S.r.l. only has the option of terminating the swap and paying the counterparty the market value of the contract. In view of the extremely high market value, the potential impact on the Company's liquidity of voluntary or automatic termination is viewed by the two agencies, and in particular by Standard & Poor's, as a further element of potential financial risk.

- Moody's.

  On September 22, 2009 the agency confirmed ADR S.p.A.'s "investment grade" Baa3 rating, whilst downgrading the outlook from "stable" to "negative". This change in outlook, in the terms expressed by the agency, reflects the increased financial risk deriving from the reduction in traffic and the risks linked to the structure of ADR's debt.

As a result of the ratings assigned, ADR S.p.A. continues to be subject to the trigger event and cash sweep restrictions already activated following Standard & Poor's lowering of its rating on November 30, 2007 (from BBB stable to BBB- stable).

As described more extensively in the Notes on "payables", the has activated stricter requirements for the Company in its cash flow management activities, including, among others, a) the obligation, as debt service dates approach, to allocate the residual cash available to the repayment/collateralization of repayable/non-repayable debt; and b) an embargo on the payment of dividends.

Moreover, creditors are given the power to: i) obtain any information deemed necessary in relation to the event; ii) take part in devising a recovery plan and the related implementation schedule; iii) to appoint an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating.

The above-mentioned downgrading of the rating by Standard & Poor's has had limited effects on the cost of borrowing. As a result of this event, however, it has been necessary to ask the creditors to renew their previous waiver of the more penalizing effects of the trigger event for the Company's operations.

At the application date in September 2009, AMBAC again decided to waive, in line with the other creditors, application of the tand cash sweep mechanisms until the application date of March 2010. For this reason, the only impact on available cash resulted from AMBAC's decision not to allow the transfer of a portion of unavailable cash held in the DSRA (Debt Service Reserve Account), totaling 14.7 million euros, to the Company's unrestricted bank accounts, as would have cyclically occurred at the September application date.

The AMBAC Group remained the centre of attention in 2009, as the monoline insurer's gradually worsening situation led to cuts in its rating, which is now lower than the rating assigned to the debtor (Romulus Finance S.r.l./ADR S.p.A.) it is meant to guarantee.

As a result of this downgrading to below the required minimum, the subsidiary, AMBAC Financial Services, the counterparty in the swap contract with the special purpose vehicle, Romulus Finance S.r.l., hedging the bond issue denominated in sterling (A4), has an obligation to find another suitable counterparty to take its place. Market conditions have not helped in rapidly resolving the situation, and it was only towards the end of the year that the parties took steps that lead us to reasonably expert that the situation will be resolved early in 2010.

– Risks related to loan covenants.

The agreements in place reflect not only the significant amount of credit provided but also the particular legal and financial structure of the original loans extended to ADR S.p.A..
In fact, it is a composite structure, whereby ADR S.p.A. owes 1.2 billion euros to a vehicle – Romulus Finance S.r.l. – which was established pursuant to Law no. 130/1999 and is held by two Dutch-based foundations. This vehicle acquired in turn, following a securitization transaction, a pre-existing bank loan through a Luxembourg bond issue subscribed by institutional investors and guaranteed by a monoline insurance company. Moreover, ADR S.p.A. owes the remaining amount of 293.4 million euros received from banks in term loans carrying the same covenants as those contained in the agreement between ADR S.p.A. and Romulus Finance S.r.l..

The monoline insurance company's guarantee and the *pari passu* rank for all ADR's creditors involve a number of covenants intended to:

– ensure that adequate rating levels are maintained;
– prevent that the rights attributed to each creditor are determined in a manner other than in accordance with pre-established rules.

Some of the main covenants, set against this backdrop, are as follows:

– financial assets may only be acquired with the permission of creditors or via a "non-recourse vehicle", and in any case only using authorized borrowing or liquidity;
– income from the sale of financial assets may be used for investment or, if not used within twelve months of collection, must be used to repay borrowings;
– dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
– further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;
– if a maturing line of credit is not repaid at least twelve months before the maturity date, any surplus cash flow generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime. Under certain conditions this period may be extended to 24 months;
– if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by ADR S.p.A..

The foregoing financial ratios (defined on the basis of final and forecast data) include: (i) Debt Service Coverage Ratio (DSCR), measuring the ratio between available cash flow and debt servicing; (ii) Concession Life Coverage Ratio (CLCR), measuring the ratio between discounted future cash flows and net debt; and (iii) Leverage Ratio, that is the ratio between net debt and gross operating income.

These ratios are checked twice per year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the relative data at December 31 and June 30.

If the above ratios are exceeded, dividends can be distributed (if any surplus cash is available) and if the ratios are exceeded by higher margins, further borrowing may be undertaken. On the other hand, if the ratios fall below specific thresholds, a trigger event or an event of default may occur.

With reference to the most sensitive ratio to short-term changes, represented by the DSCR, the table below summarizes the different DSCR levels and the related consequences laid down in the agreement.

| Level | Condition |
|---|---|
| >=1.7 | Additional debt |
| >=1.5 | Dividend distribution |
| <1.25 | Trigger event |
| <1.1 | Default |

In September 2009 ADR S.p.A. prepared financial ratios based on the results for the first half of 2009.
These ratios were above the minimum levels required to maintain the Company's ordinary operating conditions, except for the possibility to increase gross borrowing, which in any case was already prohibited by the above trigger event.

As to the ratios calculated on the basis of the data for the year ended December 31, 2009, the DSCR was 1.48, the Leverage Ratio was 5.72, and the CLCR will be formally calculated 2.88.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans with similar characteristics.

# Subsequent events.

Compared with the same period of 2009, traffic using the Roman airport system during the period January-February 2010 registered the following performance, broken down into segments for Fiumicino and Ciampino, and domestic and international traffic:

### Data as of February 28, 2010[12] and changes with respect to the same period of 2009.

*[12] Provisional data.*

| | Rome System | Fiumicino | Ciampino | Domestic | International |
|---|---|---|---|---|---|
| Movements | 56,026 | 47,821 | 8,205 | 24,287 | 31,739 |
| Δ% vs. PY | -1.1% | -1.4% | +0.4% | -6.6% | +3.5% |
| Mtow | 4,325,125 | 3,905,286 | 419,839 | 1,525,411 | 2,799,714 |
| Δ% vs. PY | +2.2% | +2.3% | +0.6% | -3.8% | +5.7% |
| Total Pax | 5,149,196 | 4,486,382 | 662,814 | 1,864,588 | 3,284,608 |
| Δ% vs. PY | +8.9% | +10.2% | +1.1% | +4.4% | +11.7% |
| Freight (Kg) | 23,963,682 | 21,268,085 | 2,695,597 | 838,501 | 23,125,181 |
| Δ% vs. PY | +37.6% | +43.6% | +3.7% | -0.6% | +39.6% |

International traffic breaks down into EU and non-EU traffic as follows.

| | International | International UE | International Extra UE |
|---|---|---|---|
| Movements | 31,739 | 21,347 | 10,392 |
| Δ% vs. PY | +3.5% | +2.1% | +6.6% |
| Mtow | 2,799,714 | 1,486,133 | 1,313,581 |
| Δ% vs. PY | +5.7% | +3.6% | +8.2% |
| Total Pax | 3,284,608 | 2,062,200 | 1,222,408 |
| Δ% vs. PY | +11.7% | +7.3% | +20.0% |
| Freight (Kg) | 23,125,181 | 4,564,062 | 18,561,119 |
| Δ% vs. PY | +39.6% | +3.3% | +52.8% |

Overall, in the first two months of 2010 the airport system registered traffic growth of 8.9%, with a particularly sharp rise of 20.0% in non-EU international segment, compared with increases of 7.3% in the EU international segment and 4.4% in domestic traffic.

The steeper rise in passengers with respect to capacity led an overall increase in the load factor of 4.1 percentage points (59.7% compared with the 55.6% registered in the same period of 2009).

During the first two months of 2010 Fiumicino airport registered an increase of 10.2% in passengers, whilst capacity reported a reduction of 1.4% in total movements and a rise of 2.3% in aircraft tonnage.

Traffic at Ciampino airport in the first two months of 2010 registered a rise of 1.1% in passengers, together with a slight increase in capacity in terms of movements (up 0.4%) and aircraft tonnage (up 0.6%).

On January 15, 2010, ADR submitted an application to the Civil Aviation Authority in order to benefit from the advanced fee payment procedure pursuant to paragraphs 200 and 201 of article 2 of the 2010 Finance Act. Following formal ratification of the urgent and high-priority works at Fiumicino airport, on March 5, 2010 the Civil Aviation Authority submitted the advanced fee payment proposal to the Ministry of Infrastructure and Transport.

In application of contractual obligations to lenders, a Ten Year Plan for 2010-2019, which limits investment to the Fiumicino south area and reflects current CIPE regulations regarding fees, was presented to the banks. This is based on the expectation that the new planning agreement, by applying the exemptions from CIPE regulations, will enable the Fiumicino north project to be launched.

On January 26, 2010 the document renewing the National Collective Labor Contract, was signed with the Labor Unions at the headquarters of Assaeroporti. The contract, which had expired on December 31, 2007, is valid until December 31, 2011. This legislative framework includes and replaces all previous agreements, and thereby comprises a final version of the contract document (the last one dates back to 1988).

The financial effects of the agreement have already been included in the 2009 accounts, and are referred to in the section on “Group personnel”.
Official Gazette of February 3 and 4, 2010 included publication of the Ministerial Decrees of February, 12, 2010 relating to redundancy schemes, applicable from December 1, 2009 until May 31, 2010, regarding two staff from ADR Tel S.p.A., 99 from ADR S.p.A. and two from ADR Engineering S.p.A..

At a meeting on February 17, 2010, the Regional Tax Commission for Rome examined ADR S.p.A.’s appeal against the tax assessment by the Customs Office that is being collected in installments through May 3, 2012, and totals 25 million euros.
At the date of approval of these Financial Statements by the Board of Directors of ADR S.p.A., the decisions taken by the Regional Tax Commission for Rome are unknown. Whilst still firmly maintaining its belief that the allegation has no grounds, in case a total or partial negative outcome were to occur, the Company has deemed it prudent to allocate a charge in the Income Statement equivalent to approximately 50% of the sum due to the Tax Office. These provisions take account of two positive but uncertain elements. The first is that a positive outcome is at least likely for the Company regarding the part of the tax assessment based on statistical deductions, whilst the second is based on the indemnities previously issued by Gemina, Falck and Impregilo in respect of a portion totaling 51% of the fine, which may be activated if the final stage of the legal process is reached.

On February 17, 2010, ADR lodged an appeal with the Lazio Regional Administrative Court against the Decree of the Ministry of Infrastructure and Transport regarding “Revised airport fees for 2009” published on December 22, 2009. This Decree raised airport fees in line with the target inflation rate for 2009 which, in the Economic and Financial Planning Document, is projected at 1.5%. This appeal to the Lazio Regional Administrative Court is similar, in terms of reasons and arguments, to the one in which ADR appealed against the previous decree that raised airport fees for 2008 in line with inflation.
On February 19, 2010, ADR S.p.A., as nominal opponent, was notified of an appeal lodged before Lazio Regional Administrative Court by Codacons and the Air, Sea and Rail Transport Users’ Association aimed at obtaining cancellation, with prior suspension, of the Ministerial Decree of December 8, 2009 regarding “Revised airport fees for 2009” and other previous acts. The main ground for the appeal is lack of sufficient investigation of the measure, whereby the Ministry of Infrastructure and Transport raised fees regarding public services provided by concession holders without envisaging any plan for recovering costs nor guaranteeing such recovery in an effective manner, in breach of the right to fair, transparent and equitable contractual relations regarding goods and services and relations with Public Authorities. So far, no hearing has been arranged regarding the request for an injunction.

On February, 22, 2010, ADR S.p.A., as nominal opponent, was notified of an appeal lodged before the Lazio

Regional Administrative Court by IBAR, Assaero and other carriers aimed at obtaining cancellation or amendment, with prior suspension, of the Ministerial Decree of December 8, 2009 regarding "Revised airport fees for 2009".
The main grounds for the appeal are: lack of sufficient investigation of the measure, in which the Ministry of Infrastructure and Transport failed to take account of the requirements/right of carriers to pass on costs to passengers who have already purchased air tickets; automatically raised fees without considering the situation of each individual airport in terms of the ratio between costs and revenues; and infringed EU legislation which prohibits the imposition of unfair purchase prices, in terms of services that are not provided and/or lead to excessive profits disproportionate to actual costs. So far, no hearing has been arranged regarding the request for an injunction.

Official Gazette no. 48 of February 27, 2010 included publication of Law no. 25 of February 26, 2010 regarding "Conversion into law, with amendments, of Decree Law no. 194 of December 30, 2009, relating to extension of terms provided for under legal measures" (the so-called "Thousand-Extensions"). The articles of interest to ADR S.p.A. regarding revision of airport fees were not amended during conversion (for more information, see the section on the "legal and regulatory context").

On February 24, 2010, ADR S.p.A. submitted a waiver request, which may be summarized as follows:

a) non-application of the cash sweep at the application dates of March 2010 and September 2010;
b) ADR S.p.A. is authorized to refinance the "Bank Loan" of 170 million euros until the application date of September 2011;
c) until the application date of September 2010, none of the restrictions arising from the trigger event will apply, except for the following: payment of dividends, independent auditing and financial reporting obligations;
d) given the granting of the above points, at the application date of September 2010, ADR S.p.A. will make available whichever is the higher sum – 45 million euros or 80% of surplus cash available on the date of repayment of the "Bank Loan" (25%) – and collateralize the Romulus tranche A1 (75%).

It should be borne in mind that since December 2009, given the growing – although not actual – risk of AMBAC's default, ADR S.p.A., with the support of Mediobanca S.p.A. and Royal Bank of Scotland, has initiated a procedure to identify a financial institution that could replace AMBAC Financial Services (AFS) as a counterparty for Romulus in the "Cross Currency Swap" hedging tranche A4 of the bonds denominated in sterling.
At the end of the second phase of the process, which was completed on February 8, 2010, Unicredit MCC had made the most suitable offer. On February 12, 2010, AFS formally notified ADR S.p.A. of its acceptance of the financial proposal made by Unicredit MCC for the replacement.
The replacement of AFS by Unicredit MCC, with the currently proposed contractual structure, would have no impact on the liquidity and income statement of Romulus Finance S.r.l. and consequently on those of ADR S.p.A..

On March 9, 2010, ADR S.p.A. requested a formal meeting with the Civil Aviation Authority in order to launch the procedure to sign the planning agreement in dispensation of art. 17, paragraph 34-*bis*, of Decree Law no. 78 of July 1, 2009, converted, with amendments, into Law no. 102/2009.

# Outlook for 2010.

The rally in world air traffic will gain momentum during the year, accompanied by an overall economic recovery. Nevertheless, traffic volumes are forecast to remain lower than those registered in 2008.

# Proposals to the Shareholders' Meeting.

*Dear Shareholders,*

The Financial Statements for the year ended December 31, 2009, consisting of the Balance Sheet, Income Statement and Notes, and accompanied by the Management Report on Operations, report net income of 5,093,594.27 euros, which we propose to take to retained earnings. We invite you to vote on this proposal.

*Dear Shareholders,*

With approval of the Financial Statements for the year ended December 31, 2009, the term of office of the Board of Directors expires. Therefore, we invite you to elect a new Board of Directors for the three-year period 2010-2012 and determine the related annual remuneration.

*Dear Shareholders,*

With approval of the Financial Statements for the year ended December 31, 2009, the term of office of the Board of Statutory Auditors also expires. Therefore, we invite you to elect a new Board of Statutory Auditors for the three-year period 2010-2012 and determine the related annual remuneration.

The Board of Directors

# CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

ADR Aeroporti di Roma

# Contents

# CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

as of December 31, 2009 (compared with December 31, 2008) - (Translation from the original issued in Italian)

| ASSETS (in thousand of euros) | | 12.31.2009 | | | 12.31.2008 | |
|---|---|---|---|---|---|---|
| **UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS** | | | 0 | | | 0 |
| **FIXED ASSETS** | | | | | | |
| **Intangible fixed assets:** | | | | | | |
| – Incorporation and development costs | | 10 | | | 13 | |
| – Industrial patents and intellectual property rights | | 1,641 | | | 2,412 | |
| – Concessions, licenses, trademarks and similar rights | | 1,703,807 | | | 1,753,866 | |
| – Leasehold improvements in process and advances | | 28,607 | | | 17,923 | |
| – Others | | 214,357 | | | 216,996 | |
| | | | 1,948,422 | | | 1,991,210 |
| **Tangible fixed assets:** | | | | | | |
| – Land and buildings | | 2,797 | | | 3,014 | |
| – Plant and machinery | | 43,746 | | | 46,497 | |
| – Industrial and commercial equipment | | 1,159 | | | 1,255 | |
| – Fixed assets to be relinquished | | 92,801 | | | 97,340 | |
| – Other assets | | 3,830 | | | 4,516 | |
| – Work in progress and advances | | 24,573 | | | 17,906 | |
| | | | 168,906 | | | 170,528 |
| **Non-current financial assets:** | | | | | | |
| – Equity investments in: | | | | | | |
| - unconsolidated subsidiary undertakings | 100 | | | 100 | | |
| - associated undertakings | 59 | | | 49 | | |
| - other companies | 2,709 | | | 2,719 | | |
| | | 2,868 | | | 2,868 | |
| – Receivables due from others: | | | | | | |
| · within 12 months | 3 | | | 3 | | |
| · beyond 12 months | 548 | | | 543 | | |
| | | 551 | | | 546 | |
| – Other securities: | | | | | | |
| - bonds | 2,758 | | | 0 | | |
| | | 2,758 | | | 0 | |
| | | | 6,177 | | | 3,414 |
| **Total fixed assets** | | | 2,123,505 | | | 2,165,152 |
| **CURRENT ASSETS** | | | | | | |
| **Inventory:** | | | | | | |
| – Raw, ancillary and consumable materials | | 2,919 | | | 2,913 | |
| – Contract work in progress | | 11,299 | | | 10,667 | |
| – Finished goods and goods for resale: | | | | | | |
| - goods for resale | 7,245 | | | 8,342 | | |
| | | 7,245 | | | 8,342 | |
| | | | 21,463 | | | 21,922 |
| **Receivables:** | | | | | | |
| – Due from clients | | 203,125 | | | 157,905 | |
| – Due from associated undertakings | | 530 | | | 530 | |
| – Due from parent companies | | 18 | | | 48 | |
| – Due from tax authorities: | | | | | | |
| · within 12 months | 1,575 | | | 3,531 | | |
| · beyond 12 months | 8,934 | | | 0 | | |
| | | 10,509 | | | 3,531 | |
| – Deferred tax assets | | 29,197 | | | 25,012 | |
| – Due from others: | | | | | | |
| - various: | | | | | | |
| · within 12 months | 54,968 | | | 49,220 | | |
| - advances to suppliers for services to be rendered | 106 | | | 747 | | |
| | | 55,074 | | | 49,967 | |
| | | | 298,453 | | | 236,993 |
| **Marketable securities** | | | 0 | | | 0 |
| **Cash on hand and in banks:** | | | | | | |
| – Bank and post office deposits | | 135,166 | | | 141,476 | |
| – Cash and notes in hand | | 572 | | | 885 | |
| | | | 135,738 | | | 142,361 |
| **Total current assets** | | | 455,654 | | | 401,276 |
| **ACCRUED INCOME AND PREPAID EXPENSES** | | | | | | |
| Accrued income and other prepaid expenses | | | 4,486 | | | 4,049 |
| **TOTAL ASSETS** | | | 2,583,645 | | | 2,570,477 |

## CONSOLIDATED BALANCE SHEET - ADR GROUP

as of December 31, 2009 (compared with December 31, 2008) - (Translation from the original issued in Italian)

| LIABILITIES AND SHAREHOLDERS' EQUITY (in thousand of euros) | 12.31.2009 | | | 12.31.2008 | | |
|---|---|---|---|---|---|---|
| **SHAREHOLDERS' EQUITY** | | | | | | |
| Share capital: | | | | | | |
| – Ordinary shares | | 62,310 | | | 62,310 | |
| Share premium reserve | | 667,389 | | | 667,389 | |
| Revaluation reserves | | 0 | | | 0 | |
| Legal reserve | | 12,462 | | | 12,462 | |
| Statutory reserves | | 0 | | | 0 | |
| Reserve for own shares | | 0 | | | 0 | |
| Other reserves | | 0 | | | 0 | |
| Retained earnings (accumulated losses) | | (19,364) | | | (11,093) | |
| Group net income (loss) for the year | | 5,164 | | | (8,271) | |
| | | | 727,961 | | | 722,797 |
| **MINORITY INTEREST** | | | | | | |
| Share capital, reserves and net income (loss) for the year | | 816 | | | 1,554 | |
| | | | 816 | | | 1,554 |
| Group and minority interest in consolidated shareholders' equity | | | 728,777 | | | 724,351 |
| **ALLOWANCES FOR RISKS AND CHARGES** | | | | | | |
| For taxes, deferred taxes | | 12,118 | | | 0 | |
| Other | | 42,645 | | | 29,538 | |
| Total allowances for risks and charges | | | 54,763 | | | 29,538 |
| **EMPLOYEE SEVERANCE INDEMNITIES** | | | 28,523 | | | 37,392 |
| **PAYABLES** | | | | | | |
| Due to banks: | | | | | | |
| · within 12 months | 11,541 | | | 2,966 | | |
| · beyond 12 months | 284,850 | | | 293,350 | | |
| | | 296,391 | | | 296,316 | |
| Due to other financial institutions: | | | | | | |
| · within 12 months | 13,917 | | | 13,907 | | |
| · beyond 12 months | 1,200,019 | | | 1,200,019 | | |
| | | 1,213,936 | | | 1,213,926 | |
| Advances: | | | | | | |
| – From clients: | | | | | | |
| - from the Ministry of Transport: | | | | | | |
| · within 12 months | 0 | | | 278 | | |
| · beyond 12 months | 4,612 | | | 4,770 | | |
| - other | 5,000 | | | 8,563 | | |
| | | 9,612 | | | 13,611 | |
| Due to suppliers: | | | | | | |
| · within 12 months | 126,978 | | | 143,004 | | |
| · beyond 12 months | 2,734 | | | 4,637 | | |
| | | 129,712 | | | 147,641 | |
| Due to associated undertakings: | | | | | | |
| · within 12 months | 1,003 | | | 1,003 | | |
| | | 1,003 | | | 1,003 | |
| Due to parent companies: | | | | | | |
| · within 12 months | 13,575 | | | 21,241 | | |
| | | 13,575 | | | 21,241 | |
| Taxes due: | | | | | | |
| · within 12 months | 43,846 | | | 33,030 | | |
| | | 43,846 | | | 33,030 | |
| Due to social security agencies | | 7,924 | | | 6,273 | |
| Other payables: various creditors: | | | | | | |
| · within 12 months | 48,886 | | | 40,293 | | |
| · beyond 12 months | 2,303 | | | 1,227 | | |
| | | 51,189 | | | 41,520 | |
| Total payables | | | 1,767,188 | | | 1,774,561 |
| **ACCRUED EXPENSES AND DEFERRED INCOME** | | | | | | |
| Accrued expenses and other deferred income | | | 4,394 | | | 4,635 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | | 2,583,645 | | | 2,570,477 |

as of December 31, 2009 (compared with December 31, 2008) - (Translation from the original issued in Italian)

| CONSOLIDATED MEMORANDUM ACCOUNTS (in thousand of euros) | 12.31.2009 | | 12.31.2008 | |
|---|---|---|---|---|
| GENERAL GUARANTEES | | | | |
| Sureties | 111 | | 111 | |
| Other | 58 | | 213 | |
| | | 169 | | 324 |
| COLLATERAL GUARANTEES | | 0 | | 0 |
| COMMITMENTS ON PURCHASES AND SALES | | 97,872 | | 102,730 |
| OTHER | | 980,515 | | 943,489 |
| TOTAL CONSOLIDATED MEMORANDUM ACCOUNTS | | 1,078,556 | | 1,046,543 |

## CONSOLIDATED INCOME STATEMENT - ADR GROUP

for the year ended December 31, 2009 (compared with the year ended December 31, 2008) - (Translation from the original issued in Italian)

| CONSOLIDATED INCOME STATEMENT (in thousand of euros) | | Year 2009 | | | Year 2008 | |
|---|---|---|---|---|---|---|
| **TOTAL REVENUES** | | | | | | |
| Revenues from sales and services: | | | | | | |
| – Revenues from sales | 80,154 | | | 87,040 | | |
| – Revenues from services | 475,620 | | | 480,160 | | |
| – Revenues from contract work | 4,938 | | | 0 | | |
| | | 560,712 | | | 567,200 | |
| Changes in contract work in progress | | 632 | | | 2,837 | |
| Capitalized costs and expenses | | 5,508 | | | 8,678 | |
| Other income and revenues: | | | | | | |
| – Revenue grants | 470 | | | 95 | | |
| – Profits on disposals | 23 | | | 85 | | |
| – Other | 10,313 | | | 6,079 | | |
| | | 10,806 | | | 6,259 | |
| | | | 577,658 | | | 584,974 |
| **OPERATING COSTS** | | | | | | |
| Raw, ancillary and consumable materials and goods for resale | | 69,054 | | | 81,415 | |
| Services | | 108,715 | | | 116,940 | |
| Leases | | 13,361 | | | 13,107 | |
| Payroll: | | | | | | |
| – Wages and salaries | 88,762 | | | 87,724 | | |
| – Social security | 25,733 | | | 23,549 | | |
| – Employee severance indemnities | 6,336 | | | 6,635 | | |
| – Other | 1,201 | | | 1,275 | | |
| | | 122,032 | | | 119,183 | |
| Depreciation, amortization and write-downs: | | | | | | |
| – Amortization of intangible fixed assets | 87,971 | | | 86,510 | | |
| – Depreciation of tangible fixed assets | 19,887 | | | 18,342 | | |
| – Provisions for doubtful accounts | 5,935 | | | 2,580 | | |
| | | 113,793 | | | 107,432 | |
| Changes in inventories of raw, ancillary and consumable materials and goods for resale | | 1,091 | | | (140) | |
| Provisions for risks | | 6,423 | | | 192 | |
| Other provisions | | 501 | | | 390 | |
| Sundry operating costs: | | | | | | |
| – License fees | 12 | | | 15 | | |
| – Other | 9,058 | | | 50,099 | | |
| | | 9,070 | | | 50,114 | |
| | | | (444,040) | | | (488,633) |
| Operating income | | | 133,618 | | | 96,341 |
| **FINANCIAL INCOME AND EXPENSE** | | | | | | |
| Other financial income: | | | | | | |
| – From long-term receivables: | | | | | | |
| - other | 3 | | | 4 | | |
| – Securities included in fixed assets which are not equity investments | 327 | | | 0 | | |
| – Other: | | | | | | |
| - interest and commissions from others and sundry revenues | 6,905 | | | 16,458 | | |
| | | 7,235 | | | 16,462 | |
| Interest expense and other financial charges: | | | | | | |
| – Interest and commissions to parent companies | 106 | | | 0 | | |
| – Interest and commissions to others and sundry charges | 75,825 | | | 98,171 | | |
| | | (75,931) | | | (98,171) | |
| Profits and losses on exchange: | | | | | | |
| – Profits | 49 | | | 57 | | |
| – Losses | 13 | | | 7 | | |
| | | 36 | | | 50 | |
| Total financial income (expense), net | | | (68,660) | | | (81,659) |

| CONSOLIDATED INCOME STATEMENT (in thousand of euros) | Year 2009 | | | Year 2008 | | |
|---|---|---|---|---|---|---|
| ADJUSTMENTS TO FINANCIAL ASSETS | | | | | | |
| Depreciation: | | | | | | |
| – Non-current financial assets | | (43) | | | 0 | |
| | | | (43) | | | 0 |
| EXTRAORDINARY INCOME AND EXPENSE | | | | | | |
| Income: | | | | | | |
| – Other | 1,825 | | | 661 | | |
| | | 1,825 | | | 661 | |
| Expense: | | | | | | |
| – Taxes relating to previous years | 12,118 | | | 4 | | |
| – Other | 21,548 | | | 5,310 | | |
| | | (33,666) | | | (5,314) | |
| Total extraordinary income (expense), net | | | (31,841) | | | (4,653) |
| Income before taxes | | | 33,074 | | | 10,029 |
| Income taxes of the year, current, deferred assets (liabilities): | | | | | | |
| – Current | | (32,826) | | | (28,299) | |
| – Deferred tax assets (liabilities) | | 4,185 | | | 10,604 | |
| Total taxes | | | (28,641) | | | (17,695) |
| Net income (loss) for the year | | | 4,433 | | | (7,666) |
| *of which:* | | | | | | |
| *– Minority interest* | | | *(731)* | | | *605* |
| *– Parent Company's share* | | | *5,164* | | | *(8,271)* |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# General principles.

*(Translation from the original issued in Italian)*

*The Consolidated Financial Statements for the year ended December 31, 2009, prepared in accordance with the Accounting Standards issued by the Italian* Accounting Profession and the Italian Accounting Standards Setter (collectively referred to as Italian GAAP), comprise the Consolidated Balance Sheet and Income Statement and the following Notes.

The reporting date for the Consolidated Financial Statements is that of the Financial Statements of the Parent Company, ADR S.p.A.. The reporting date used in the Financial Statements of subsidiary undertakings used for consolidation purposes is December 31, 2009.

The accounting policies adopted are those required by the relevant legislation, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession, and are those applied throughout the Group.

The reconciliation of shareholders' equity and net income as of and for the year ended December 31, 2009, as reported in the Financial Statements of ADR S.p.A., and the related consolidated amounts for the same period is shown in the Note to consolidated shareholders' equity.

Amounts shown in the Consolidated Financial Statements are expressed in thousands of euros.

The Balance Sheet data as of December 31, 2009 and the Income Statement for the year then ended are compared with the data for 2008. The Income Statement and Balance Sheet items, preceded by Arabic numerals, showing zero balances across the periods used for comparison are not shown.

# Basis of consolidation.

The Consolidated Financial Statements for the year ended December 31, 2009 include the Financial Statements for the same period, consolidated on a line-by-line basis, of the Parent Company, ADR S.p.A., and the Italian and overseas subsidiary undertakings in which the Parent Company holds, either directly or indirectly, the majority of the voting shares. As of December 31, 2009, the basis of consolidation includes the following Companies:

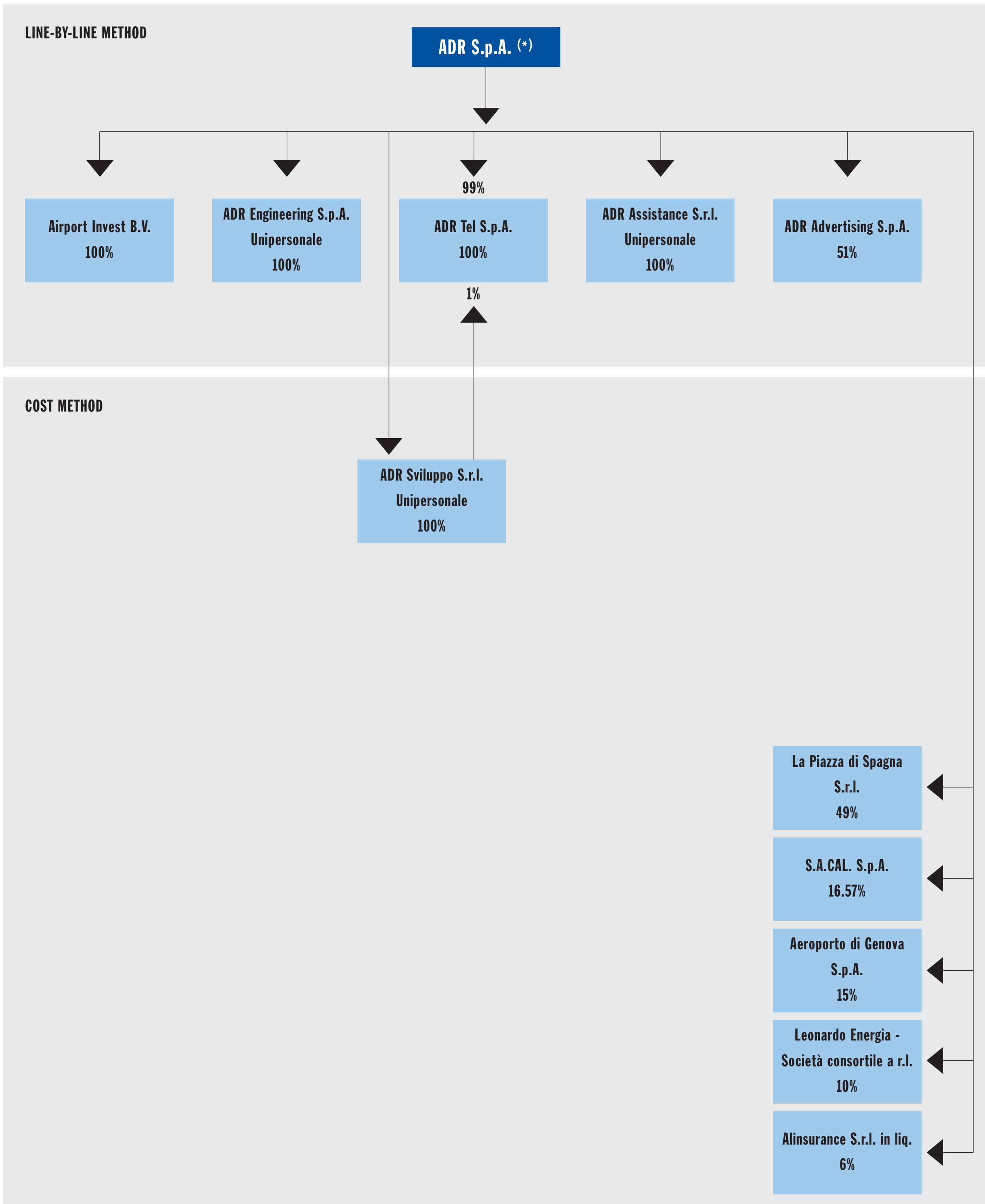
| Companies consolidated on a line-by-line basis | Registered office | Currency | Share capital | Group's interest | Via: Company | % |
|---|---|---|---|---|---|---|
| ADR S.p.A. | Fiumicino (Rome) | EUR | 62,309,801.00 | | Parent Company | |
| Airport Invest B.V. | Amsterdam (Holland) | EUR | 101,039.90 | 100.0% | ADR | 100.0% |
| ADR Engineering S.p.A. - Unipersonale | Fiumicino (Rome) | EUR | 774,690.00 | 100.0% | ADR | 100.0% |
| ADR Assistance S.r.l. - Unipersonale | Fiumicino (Rome) | EUR | 6,000,000.00 | 100.0% | ADR | 100.0% |
| ADR Tel S.p.A. | Fiumicino (Rome) | EUR | 600,000.00 | 99.0% | ADR | (a) 99.0% |
| ADR Advertising S.p.A. | Fiumicino (Rome) | EUR | 1,000,000.00 | (b) 25.5% | ADR | 25.5% |

*(a) The remaining 1% stake is held by ADR Sviluppo S.r.l. - Unipersonale, which is not included in the basis of consolidation.*

*(b) Equity investment in the Company's total share capital of 1,000,000 euros (including preference shares). The interest in the ordinary stock amounts to 500,000 euros (51%).*

## Basis of consolidation as of December 31, 2009.

*(*) ADR S.p.A. holds a 25% quote (evaluated at cost) in Consorzio E.T.L. - European Transport Law.*



With respect to December 31, 2008, there have been no changes to the basis of consolidation.

The following equity investments are valued at cost:

| Companies valued at cost | Registered office | Currency | Share capital | Group's interest | Via: | |
|---|---|---|---|---|---|---|
| | | | | | Company | % |
| ADR Sviluppo S.r.l. - Unipersonale | Fiumicino (Rome) | EUR | 100,000.00 | 100.00% | ADR | 100.00% |
| La Piazza di Spagna S.r.l. | Fiumicino (Rome) | EUR | 100,000.00 | 49.00% | ADR | 49.00% |
| Ligabue Gate Gourmet Roma S.p.A. (insolvent) | Tessera (Venice) | EUR | 103,200.00 | 20.00% | ADR | 20.00% |
| S.A.CAL. S.p.A. | Lamezia Terme (Catanzaro) | EUR | 7,755,000.00 | 16.57% | ADR | 16.57% |
| Aeroporto di Genova S.p.A. | Genoa Sestri | EUR | 7,746,900.00 | 15.00% | ADR | 15.00% |
| Leonardo Energia - Società consortile a r.l. | Milan | EUR | 10,000.00 | 10.00% | ADR | 10.00% |
| Consorzio E.T.L. - European Transport Law | Rome | EUR | 82,633.11 | 25.00% | ADR | 25.00% |
| Alinsurance S.r.l. (in liquidation) | Rome | EUR | 104,000.00 | 6.00% | ADR | 6.00% |

The holding in the subsidiary undertaking, ADR Sviluppo S.r.l. - Unipersonale, has not been consolidated as the Company, which was incorporated on July 27, 2001, is not yet operational.

The holdings in the following associated undertakings have been valued at cost and not according to the equity method given that:

- La Piazza di Spagna S.r.l., which was incorporated on December 17, 2003, is not yet operational;
- Ligabue Gate Gourmet Roma S.p.A. is insolvent;
- Consorzio E.T.L. - European Transport Law is a non-profit Consortium dedicated to research, and therefore valuation according to the equity method would have no significant effects on the Consolidated Financial Statements.

# Consolidation principles.

The main consolidation principles are described below:

- the carrying amount of consolidated equity items has been eliminated against the corresponding entry of individual asset and liability items, in accordance with the line-by-line method. Any positive differences arising are included among fixed assets under the item "goodwill arising from consolidation", which is amortized on a straight-line basis in relation to the estimated possibility of recovery. Any negative differences are posted to the "reserve for consolidation adjustments" under shareholders' equity, or to the "consolidation allowance for risks and charges" should such negative goodwill be due to forecast losses;
- the minority interest in net income and shareholders' equity are reported separately as appropriate items in the Income Statement and under shareholders' equity;

- inter-company profits and losses still to be realized, as well as significant sums relating to payables and receivables and costs and revenues relating to consolidated Companies have been eliminated;
- adjustments made to eliminate items of a purely fiscal nature, as well as other consolidation adjustments, take account, where applicable, of the related deferred taxation. Furthermore, the statements show deferred tax assets relating to items which will be recoverable in future years;
- dividends received by subsidiary undertakings during the period and recorded in the Parent Company's Income Statement as income from equity investments are eliminated against the item retained earnings. Dividends paid by subsidiary undertakings, posted on an accruals basis in the Parent Company's accounts, are eliminated;
- the Financial Statements denominated in foreign currency have been translated into euros using current exchange rates. Balance sheet items, with the exception of those forming shareholders' equity, have been translated using closing exchange rates, whilst average exchange rates for the period were applied to income statement items. Any exchange rate differences arising have been recorded among consolidated shareholders' equity;
- in the event of the disposal of a controlling interest to third parties, the gain or loss on the transaction recognized in the Consolidated Financial Statements represents the difference between the sale price and the subsidiary's shareholders' equity at the transaction date (thus including net income or loss reported for the months prior to the disposal), plus any residual carrying amount of "goodwill arising from consolidation".

# Explanation added for translation into English.

The Consolidated Financial Statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law related to financial statements, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession. Certain accounting practices applied by the Group that conform to generally accepted Accounting Principles in Italy do not conform with the generally accepted accounting principles in other Countries.

# Accounting policies.

The accounting policies adopted in the preparation of the Consolidated Financial Statements for the year ended December 31, 2009 are those required by the relevant legislation, interpreted and integrated by the Accounting Principles established by the Italian Accounting Standards Setter, and are those applied throughout the Group.
The most relevant accounting policies are summarized below. A more detailed explanation of certain policies can be found in the Notes to the single classes of items.

## Fixed assets.

These are recorded at purchase cost and are revalued, where necessary, for single items in accordance with the laws applying to monetary revaluation. Directly connected incidental costs are included in the purchase cost. Should there be a permanent impairment of value of such fixed assets, the relevant fixed asset is written down accordingly. The appropriate value of such fixed assets, adjusted solely to take account of accumulated amortization or depreciation, is reinstated if the reasons for any write-downs subsequently cease to apply.

### Intangible fixed assets.

Intangible fixed assets have limited useful lives and their cost is amortized on a straight-line basis during each financial year in relation to their residual useful lives. In particular:

– *Incorporation and development costs.*

These are reported under assets at purchase cost, with the consent of the Board of Statutory Auditors, and amortized over a period of five years.

– *Industrial patents and intellectual property rights.*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, over what is usually established by tax legislation as being three years.

– *Concessions, licenses, trademarks and similar rights.*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks. The value of the airport management concession, paid by the Parent Company, Leonardo S.p.A. (now ADR S.p.A.), on acquiring its holding in ADR, is amortized on the basis of the residual concession term, which will expire on June 30, 2044.

– *Other.*

This item essentially includes:

- *leasehold improvements*: improvements (modernization, upgrades), having a service life of several years, carried out on assets belonging to third parties (held under concession or constructed on behalf of the State). These costs are amortized in relation to their residual service lives, usually less than the period of the concession;
- *ancillary charges on loans*: the charges incurred to obtain medium- and long-term loans (such as investigative charges, legal fees, etc.) are capitalized and amortized on the basis of the duration of the loan, in accordance with the financial method.

### Tangible fixed assets.

Tangible fixed assets have limited useful lives and their cost is depreciated on a straight-line basis during each financial year according to their residual useful lives. Rates of depreciation are applied that reflect the estimated useful lives of the assets. The rates used are summarized below:

| | |
|---|---|
| Land and buildings | 10% |
| Plant and machinery | from 10% to 25% |
| Industrial and commercial equipment | from 10% to 25% |
| Fixed assets to be relinquished | 4%, 10% |
| Other assets | from 10% to 25% |

– *Land and buildings.*

These are recorded at purchase cost adjusted in accordance with art. 3 of Law no. 72/1983.

– *Fixed assets to be relinquished.*

Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/1983, including any ancillary charges and subsequent development costs. Such assets are depreciated in relation to their residual useful lives. In addition, provisions are made for transfer costs relating to the "fixed assets to be relinquished", with the aim of covering the estimated costs to be borne at the end of the concession term (in 2044), when the assets are to be handed over to the Concession Provider in good working condition.

### Non-current financial assets.

The investment in the unconsolidated subsidiary undertaking, ADR Sviluppo S.r.l., has been valued at cost; this method of valuation, given that the Company is a start-up, is in any event representative of the Group's interest in shareholders' equity.

Equity in associated undertakings is valued in accordance with the equity method. When they have no significant effects on the Group's results of operations and financial position, associated undertakings are recorded at purchase cost, adjusted to reflect any loss in value. The investments in the associated undertakings, La Piazza di Spagna S.r.l., Ligabue Gate Gourmet Roma S.p.A. (insolvent) and Consorzio E.T.L. - European Transport Law, are valued at cost for the reasons given in the section "basis of consolidation".

Other investments are recorded at purchase cost, adjusted to reflect any long-term loss in value.

Should the Group decide to dispose of an equity investment previously accounted for in non-current financial assets, the investment is reclassified to "current financial assets".

Non-current receivables are recorded at their nominal value. Securities held as held-to-maturity investments are recorded under non-current financial assets. These securities are recorded at purchase cost, including any transaction costs.

The premium, representing the difference between the purchase price of the security and the final redemption value, should be recorded in the results for each reporting period throughout ownership of the security. This income represents an additional constant rate of return on the capital invested, compared with the return generated by explicit interest.

Should there be an impairment in value, which may derive from a reduction in the market price or a negative exchange rate difference – or a combination of both factors – the value of the investment is written down.

## Current assets.

### Inventories.

– *Inventories of raw, ancillary and consumable materials, finished goods and goods for resale.*

These are recorded at the lower of the weighted average purchase cost and the estimated realizable value taking into account market price trends.

– *Contract work in progress.*

These assets are recorded on the basis of the percentage-of-completion method (determined on the basis of the ratio of costs sustained to the total cost of the project). The value of the works so far completed and for which repayment is considered definite is recorded among revenues. Any additional costs borne by the Group in relation to changes in the original project, as requested by the Concession Provider, constitute, depending on the nature of the changes, either a write-down of the agreed value (in the case of assets which may not be operated autonomously) or, alternatively, intangible fixed assets (where such variations are considered improvements to and/or conversions of third-party assets).

### Receivables.

These are recorded at their estimated realizable value.

### Current financial assets.

These assets are recorded at the lower of cost and realizable value.

### Cash on hand and in banks.

These are recorded at their nominal value assuming the clearance of bank checks and the availability of bank deposits.

## Accrued income and prepaid expenses.

Accruals and deferrals are valued in accordance with the matching concept, by means of dividing costs and revenues relating to two or more financial periods over the period to which they relate.

## Allowances for risks and charges.

These are made up of provisions aimed at covering sundry losses of a determinate nature and of certain or probable occurrence. The evaluation of risks and charges also takes into account liabilities which have become known between the closure of the accounting period under consideration and the date of the preparation of these Financial Statements. Such allowances are held to be adequate to cover related losses and charges.

## Employee severance indemnities.

Employee severance indemnities were calculated for all employees and in accordance with governing legislation. This amount was calculated for indemnities accrued up to December 31, 2009 and is shown net of any advance payments and amounts paid in the form of supplementary pension benefits or to the "Treasury Fund" set up at the Italian Social Security Institute (INPS).
Following the entry into force of the reform of supplementary pensions on January 1, 2007, the personnel of private Companies with more 50 employees may choose to have their employee severance indemnities allocated to a form of supplementary pension fund or leave them with their Company. In the latter case, the Company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated "Allowance for employee severance indemnities" or "Treasury Fund". Consequently, amounts for employee severance indemnities maturing as of January 1, 2007 are classified on a monthly basis under "due to social security agencies". The following month the indemnities are paid to the supplementary pension fund or the Treasury Fund.

## Payables.

Payables are recorded at their nominal value.

## Receivables and payables recorded in foreign currency.

Items expressed in foreign currency are posted at the historical exchange rate on the day a transaction is carried out. Any exchange rate differences, incurred on collection of receivables or on settlement of payables denominated in foreign currency, are recorded in the Income Statement under "foreign exchange gains and losses".
If the translation of receivables and payables denominated in foreign currency, at closing rates, results in a net gain or loss, such an amount is recorded in the Income Statement under "foreign exchange gains and losses".

## Memorandum accounts.

### General/secured guarantees given.

These are valued in accordance with the period-end residual value of the debt or securities guaranteed.

### Commitments on purchases and sales.

This item reports the value of contracts to be fulfilled and which imply a commitment, on the part of the Group, to third parties. Non-quantifiable commitments are not recorded, but are described in a relevant note if of significant value.

### Other.

– *Secured/general guarantees received.*

These are recorded at an amount approximately equal to the residual value due at period end. These primarily consist of sureties granted by major banks and insurance companies.

– *Third parties' assets lodged with the Company (principally assets received under the concession).*

These are recorded at values based on the latest estimate made by UTE (Tax Technical Office) in 1979 or, in the case of works financed by the State and then subsequently received under the concession, at the value of the work completed and invoiced to the Ministry of Infrastructure and Transport, in accordance with agreements.

– *Company-owned assets lodged with third parties.*

These are recorded at their net book value.

## Revenues.

Revenues are reported net of returns, discounts, reductions and premiums as follows:

– revenues from sales: upon delivery;

– revenues from services: upon supply of the service.

## Income taxes.

"Current taxes" are calculated on the basis of taxable income. The related payable is posted to "taxes due".

Regarding participation in the domestic tax consolidation regime by ADR S.p.A. and the subsidiary undertakings, ADR Tel S.p.A., ADR Engineering S.p.A. and ADR Sviluppo S.r.l. as consolidated companies, and the Parent Company, Gemina S.p.A., as the consolidating company, taxable income and tax losses transferred to the Consolidating Company are recorded under current tax "expense" and "income from tax consolidation", respectively, with contra-entries for amounts due to and from the parent companies.

The Consolidated Companies also transfer withholding taxes, tax credits and rebates from previous tax returns to the Consolidating Company. These may be offset against IRES calculated on consolidated income.

"Deferred tax assets" and "liabilities" represent the temporary difference between taxable income and net income reported in the Income Statement for the period, applying the tax liability method. Deferred tax assets are recorded only when there is reasonable certainty of their recoverability. The balance of deferred tax assets and liabilities are reported under the "allowance for deferred taxes" in the case of a liability and under "deferred tax assets" in the case of an asset.

### Derivative instruments.

The positive and negative interest rate differentials, deriving from "Interest Rate Swaps", accrued at the end of the period are recorded on an accruals basis in the Income Statement among financial income and expense.
The Group's hedging policy, in accordance with obligations laid down in loan agreements, stipulates that at least 51% of borrowings should be fixed rate.

# Notes to the Consolidated Balance Sheet.

## Fixed assets.

### Intangible fixed assets.

An analysis of the most important changes during the period reveals the following:

– "concessions, licenses, trademarks and similar rights" include the value of the airport concession, amounting to

| Intangible fixed assets | 12.31.2008 | | |
|---|---|---|---|
| | Cost | Amortization | Book value |
| Incorporation and development costs | 1,892 | (1,879) | 13 |
| Industrial patents and intellectual property rights | 7,446 | (5,034) | 2,412 |
| Concessions, licenses, trademarks and similar rights | 2,188,136 | (434,270) | 1,753,866 |
| Leasehold improvements in process and advances: | | | |
| – Leasehold improvements in process | 17,842 | 0 | 17,842 |
| – Advances to suppliers | 81 | 0 | 81 |
| | 17,923 | 0 | 17,923 |
| Others: | | | |
| – Leasehold improvements | 522,438 | (327,979) | 194,459 |
| – Ancillary charges for loans | 53,809 | (31,272) | 22,537 |
| | 576,247 | (359,251) | 216,996 |
| Total | 2,791,644 | (800,434) | 1,991,210 |

1,700,286 thousand euros as of December 31, 2009. The decrease of 50,059 thousand euros is primarily due to amortization for the period, amounting to 51,795 thousand euros;

– "leasehold improvements in process and advances" increased by 10,684 thousand euros due to the combined effect of the following:
  - an increase of 18,991 thousand euros for new investments,
  - a decrease of 8,307 thousand euros deriving from improvements entering service during the period and reclassified under "industrial patent and intellectual property rights", "concessions, licenses, trademarks and similar rights" and "leasehold improvements", as well as adjustments;

– "other" intangible fixed assets decreased by 2,639 thousand euros. "Leasehold improvements" rose by 581 thousand euros due to purchases during the period (25,079 thousand euros), and transfers from work in process and reclassifications (up 7,304 thousand euros), partly offset by amortization for the period (31,802 thousand euros).

  "Ancillary charges for loans" fell by 3,220 thousand euros primarily due to the effect of amortization for the period.

The principal leasehold improvements in process (equal to 18,991 thousand euros) include:

– civil engineering works in the former Alitalia cargo warehouse (3,088 thousand euros);
– extraordinary maintenance in the customs area at Ciampino (985 thousand euros);
– implementation of HBS lines and BHS upgrades at Terminal 3 (1,750 thousand euros);
– works on external road network (1,074 thousand euros);

| Changes during the year | | | 12.31.2009 | | |
|---|---|---|---|---|---|
| Purchases/ Capitalization | Reclassifications | Amortization | Cost | Amortization | Book value |
| 0 | 0 | (3) | 1,892 | (1,882) | 10 |
| 295 | 72 | (1,138) | 7,813 | (6,172) | 1,641 |
| 1,169 | 567 | (51,795) | 2,189,872 | (486,065) | 1,703,807 |
| | | | | | |
| 18,991 | (8,289) | 0 | 28,544 | 0 | 28,544 |
| 0 | (18) | 0 | 63 | 0 | 63 |
| 18,991 | (8,307) | 0 | 28,607 | 0 | 28,607 |
| | | | | | |
| 25,079 | 7,304 | (31,802) | 554,821 | (359,781) | 195,040 |
| 0 | 13 | (3,233) | 53,822 | (34,505) | 19,317 |
| 25,079 | 7,317 | (35,035) | 608,643 | (394,286) | 214,357 |
| 45,534 | (351) | (87,971) | 2,836,827 | (888,405) | 1,948,422 |

– upgrading works on aircraft runways and aprons (546 thousand euros);
– upgrading of paving at Terminals (667 thousand euros);
– the third airport for the Lazio region (724 thousand euros);
– new shopping arcade at boarding area H (formerly West Pier) (564 thousand euros);
– repair of sector 300 aprons (2,947 thousand euros).

The main leasehold improvements completed during 2009 (equal to 25,079 thousand euros) include:
– doubling up of the 20 kv line between the sub-station and the technology facility (999 thousand euros);
– extraordinary maintenance on runway 2 and taxiways (807 thousand euros);
– new passenger signage system in terminals (1,532 thousand euros);
– upgrade of technology facilities and serving of air treatment plant at Fiumicino and Ciampino (951 thousand euros);
– extraordinary runway maintenance at Ciampino (685 thousand euros);
– BHS implementation and maintenance at boarding area D (formerly Europe Pier) (628 thousand euros);
– repair of runway 2 underpass structures (749 thousand euros).

Once again in 2009, investment in airport infrastructure development was funded from increased boarding fees received during the year (in accordance with paragraphs 9 and 10 of art. 10, Law no. 537/1993).

## Tangible fixed assets.

“Net tangible fixed assets” fell by 1,622 thousand euros, primarily due to depreciation for the period, amounting to

| Tangible fixed assets | 12.31.2008 | | | |
|---|---|---|---|---|
| | Cost | Reval. Law no. 72/1983 | Allowances for depreciation | Book value |
| Land and buildings | 21,048 | 465 | (18,499) | 3,014 |
| Plant and machinery | 119,822 | 0 | (73,325) | 46,497 |
| Industrial and commercial equipment | 8,383 | 0 | (7,128) | 1,255 |
| Fixed assets to be relinquished | 191,377 | 1,908 | (95,945) | 97,340 |
| Other assets | 39,892 | 0 | (35,376) | 4,516 |
| Work in progress and advances | 17,906 | 0 | 0 | 17,906 |
| Total | 398,428 | 2,373 | (230,273) | 170,528 |

19,887 thousand euros, partly offset by investment totaling 18,563 thousand euros.

The most significant capitalizations during the period include:

- within the category “plant and machinery” (5,526 thousand euros): air conditioning and water treatment equipment (759 thousand euros), electrical equipment (1,112 thousand euros), security and special airport equipment (963 thousand euros), transport vehicles (476 thousand euros), baggage inspection equipment (528 thousand euros) and advertising equipment for ADR Advertising S.p.A. (324 thousand euros);

- within the category “assets to be relinquished” (2,476 thousand euros): civil engineering works and buildings (1,283 thousand euros) and equipment (1,141 thousand euros);

- within the category “tangible fixed assets in progress and advances” (8,653 thousand euros); boarding area F (formerly Pier C – the portion financed by ADR) (for 5,353 thousand euros), work on new high-capacity baggage carousels (for 180 thousand euros) and purchase of new boarding card printers/readers (for 360 thousand euros).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI) – described in detail in the notes to “payables” – has been granted a lien (in the form of a mortgage ranking *pari passu* with other claims) on the plant, machinery and capital goods recorded at any time in the book of depreciable assets and ADR S.p.A.’s inventory.
Such a guarantee is valid until the above loans have been fully repaid.

| Changes during the year | | | | 12.31.2009 | | | |
|---|---|---|---|---|---|---|---|
| Purchases/ Capitalization | Reclassification | Disposals/ Retirements | Amortization | Cost | Reval. Law no. 72/1983 | Allowances for depreciation | Book value |
| 247 | 18 | 0 | (482) | 21,310 | 465 | (18,978) | 2,797 |
| 5,526 | 1,020 | (9) | (9,288) | 123,989 | 0 | (80,243) | 43,746 |
| 382 | 0 | 0 | (478) | 8,731 | 0 | (7,572) | 1,159 |
| 2,476 | 577 | 0 | (7,592) | 194,404 | 1,908 | (103,511) | 92,801 |
| 1,279 | 82 | 0 | (2,047) | 40,453 | 0 | (36,623) | 3,830 |
| 8,653 | (1,986) | 0 | 0 | 24,573 | 0 | 0 | 24,573 |
| 18,563 | (289) | (9) | (19,887) | 413,460 | 2,373 | (246,927) | 168,906 |

## Equity investments held as non-current financial fixed assets.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Equity investments in:** | | | |
| **– Unconsolidated subsidiary undertakings:** | | | |
| · ADR Sviluppo S.r.l. - Unipersonale | 100 | 0 | 100 |
| | 100 | 0 | 100 |
| **– Associated undertakings:** | | | |
| · La Piazza di Spagna S.r.l. | 49 | 0 | 49 |
| · Consorzio E.T.L. - European Transport Law | 0 | 10 | 10 |
| · Ligabue Gate Gourmet Roma S.p.A. (insolvent) | 0 | 0 | 0 |
| | 49 | 10 | 59 |
| **– Other companies:** | | | |
| · Alinsurance S.r.l. (in liquidation) | 6 | 0 | 6 |
| · Aeroporto di Genova S.p.A. | 1,395 | 0 | 1,395 |
| · S.A.CAL. S.p.A. | 1,307 | 0 | 1,307 |
| · Leonardo Energia - Società consortile a r.l. | 1 | 0 | 1 |
| · Consorzio E.T.L. - European Transport Law | 10 | (10) | 0 |
| | 2,719 | (10) | 2,709 |
| **Total** | 2,868 | 0 | 2,868 |

The investment in Consorzio E.T.L. - European Transport Law was reclassified from “other companies” to “associated undertakings” as the Parent Company’s stake rose from 12.5% to 25,0%, following the withdrawal of a number of consortium partners.

For further information regarding such equity investments during 2009, reference should be made to the section “equity investments” in the Parent Company’s Management Report on Operations.

As security for the loans taken out via contracts entered into with Romulus Finance S.r.l., and a syndicate of banks, EIB and BIIS (formerly Banca OPI), the Parent Company, ADR S.p.A., has granted the lenders a lien on the Company’s shareholdings in the subsidiary undertakings, ADR Tel S.p.A., ADR Advertising S.p.A. and ADR Assistance S.r.l.. Such guarantees are valid until the above loans have been fully repaid.

### Receivables due and other items under non-current financial assets.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Receivables: | | | |
| – Due from others: | | | |
| · public bodies for licenses | 23 | 0 | 23 |
| · other | 523 | 5 | 528 |
| Total | 546 | 5 | 551 |

There are no receivables falling due beyond five years.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Other securities: | | | |
| – Bonds | 0 | 2,758 | 2,758 |
| Total | 0 | 2,758 | 2,758 |

The increase during the period derives from the Parent Company's purchase in the market, on February 13, 2009, of a portion of the A4 bonds issued by the special purpose vehicle, Romulus Finance S.r.l.. The bonds, which had a face value of 4 million pounds sterling, were purchased at a price of 2.8 million euros (equal to 2.4 million pounds sterling). The A4 bonds, maturing in February 2023, earn six-monthly interest at a fixed rate of 5.441%.

## Current assets.

### Inventories.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Raw, ancillary and consumable materials | 2,913 | 6 | 2,919 |
| Finished goods and goods for resale: goods for resale | 8,342 | (1,097) | 7,245 |
| Contract work in progress | 10,667 | 632 | 11,299 |
| Total | 21,922 | (459) | 21,463 |

"Inventories" registered an overall decrease of 459 thousand euros compared with December 31, 2008, primarily due to:

– a 1,097 thousand euros reduction in "goods" for resale (directly managed duty-free and duty-paid shops) partly deriving from a fall in sales, as well as from improved stock management;

– a 632 thousand euros increase in “contract work in progress”, primarily relating to the State-financed portion of construction works in boarding area F (formerly Pier C).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly) Banca OPI, the Parent Company, ADR S.p.A., has granted the lenders a lien (in the form of a mortgage ranking *pari passu* with other claims) on the raw materials, work in progress, stocks, finished goods, goods for resale and other goods forming part of ADR S.p.A.’s inventory. Such a guarantee is valid until the above loans have been fully repaid.

## Current receivables.

| | 12.31.2008 | Changes during the year | | 12.31.2009 |
|---|---|---|---|---|
| | | Increases (+)/ Repayments (-) | Provisions (-)/ Value recoveries (+) | |
| **Due from clients:** | 195,792 | 49,310 | 0 | 245,102 |
| **less allowance for doubtful accounts** | (29,793) | 1,829 | (5,935) | (33,899) |
| **less allowance for overdue interest** | (8,094) | 42 | (26) | (8,078) |
| | 157,905 | 51,181 | (5,961) | 203,125 |
| **Due from associated undertakings** | 530 | 0 | 0 | 530 |
| **Due from parent companies** | 48 | (30) | 0 | 18 |
| **Due from tax authorities** | 3,531 | 6,978 | 0 | 10,509 |
| **Deferred tax assets** | 25,012 | 4,185 | 0 | 29,197 |
| **Due from others:** | | | | |
| **– Sundry** | 49,220 | 5,748 | 0 | 54,968 |
| **– Advances to suppliers for services to be rendered** | 747 | (641) | 0 | 106 |
| | 49,967 | 5,107 | 0 | 55,074 |
| **Total** | 236,993 | 67,421 | (5,961) | 298,453 |

“Current receivables”, net of allowances for doubtful accounts, amount to 298,453 thousand euros, representing a net increase of 61,460 thousand euros compared with December 31, 2008.

The principal changes are analyzed below.

“Due from clients”, net of allowances for doubtful accounts, amounts to 203,125 thousand euros and includes trade receivables due from clients and amounts due from Public Bodies deriving from financed works and the supply of utilities and services.

The increase of 45.2 million euros compared with December 31, 2008 derives from the failure to collect amounts due to the Group from Alitalia Group Companies under special administration, totaling 27.0 million euros at December 31, 2009, the longer time taken by some customers to settle their accounts, and a rise in amounts due for the municipal surtax arising from the 2 euros increase in the passenger surtax applied since November 2008.

As of December 31, 2009 receivables sold without recourse totaled 3.4 million euros (also 3.4 million euros as of December 31, 2008).

“Due from associated undertakings”, amounting to 530 thousand euros, includes amounts due to Parent Company, ADR S.p.A. from the insolvent Ligabue Gate Gourmet Roma S.p.A., classified among preferential liabilities. No movements in such receivables were reported during the period.

“Due from tax authorities”, amounting to 10,509 thousand euros, includes 8.9 million euros corresponding to installments paid – in accordance with the payment schedule agreed to by the Collection Agent – of sums provisionally due as a result of the current dispute with the Customs Office. This sum constitutes an advance payment, as it has been provisionally recognized given that ADR has lodged an appeal against the levy of this tax.

”Deferred tax assets”, amounting to 29,197 thousand euros, registered an increase of 4,185 thousand euros with respect to December 31, 2008, essentially due to provisions for risks and charges, especially regarding the restructuring fund.

The composition of deferred tax assets and changes during the period are shown in the following table.

| | Balance at 12.31.2008 (A) | | Increase (B) | | Decrease (C) | | Change rate previous year (D) | Balance at 12.31.2009 (A+B-C+D) | |
|---|---|---|---|---|---|---|---|---|---|
| | Tax base | Tax | Tax base | Tax | Tax base | Tax | | Tax base | Tax |
| **Deffered tax assets:** | | | | | | | | | |
| – Allowances for risks and charges | 20,395 | 6,310 | 15,240 | 4,450 | 2,778 | 811 | 0 | 32,857 | 9,949 |
| – Accumulated inventory write-downs | 446 | 146 | 314 | 101 | 287 | 93 | (23) | 473 | 131 |
| – Allowance for doubtful accounts | 28,700 | 7,895 | 3,924 | 1,079 | 879 | 242 | 0 | 31,745 | 8,732 |
| – Provision for personnel | 2,579 | 710 | 10,415 | 2,864 | 2,376 | 653 | 0 | 10,618 | 2,921 |
| – Accelerated depreciation | 1,141 | 371 | 0 | 0 | 145 | 47 | (48) | 996 | 276 |
| – Financial income and expense | 13,180 | 3,625 | 1,114 | 306 | 11,454 | 3,150 | 0 | 2,840 | 781 |
| – Consolidated adjustment | 16,306 | 5,269 | 2,854 | 923 | 1,600 | 517 | 0 | 17,560 | 5,675 |
| – Tax losses | 178 | 49 | 0 | 0 | 178 | 49 | 0 | 0 | 0 |
| – Other | 2,190 | 676 | 908 | 281 | 392 | 116 | (96) | 2,706 | 745 |
| **Total defferred tax assets** | 85,115 | 25,051 | 34,769 | 10,004 | 20,089 | 5,678 | (167) | 99,795 | 29,210 |
| **Defferred tax liabilities:** | | | | | | | | | |
| – Dividends | (55) | (15) | 0 | 0 | (55) | (15) | 0 | 0 | 0 |
| – Gains | (71) | (24) | 0 | 0 | (33) | (11) | 0 | (38) | (13) |
| **Total deffered tax liabilities** | (126) | (39) | 0 | 0 | (88) | (26) | 0 | (38) | (13) |
| **Total** | 84,989 | 25,012 | 34,769 | 10,004 | 20,001 | 5,652 | (167) | 99,757 | 29,197 |
| **For the year posted to Income Statement** | | | | 4,185 | | | | | |

"Amounts due from others: sundry" rose by 5,748 thousand euros, mainly due to the increased liquidity deposited in the term current account denominated the "Debt Service Reserve Account" (5,599 thousand euros) in accordance with obligations set out in current loan agreements.

The balance of the term current account in the name of the "Security Agent" for Parent Company ADR S.p.A.'s loans, denominated the "Debt Service Reserve Account", amounted to 51,016 thousand euros as of December 31, 2009. In accordance with the procedures established in the relevant agreement, the Parent Company, ADR S.p.A., has deposited a sum in this account to guarantee repayment of the loans.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, BEI and BIIS (formerly Banca OPI), the Parent Company, ADR S.p.A., has granted the lenders the following liens. Such guarantees are valid until the above loans have been fully repaid:

– a lien (in the form of a mortgage ranking *pari passu* with other claims) on all receivables deriving from the sale of plant, machinery and capital goods and rights constituting ADR S.p.A.'s inventory, as well as other goods and rights subject to liens;
– a lien on all receivables and contracts with clients regarding ADR Tel S.p.A., ADR Advertising S.p.A. and ADR Assistance S.r.l. and insurance policies.

"Amounts" due as of December 31, 2009 (298,453 thousand euros) comprise trade receivables (203,143 thousand euros), financial receivables (51,617 thousand euros) and sundry receivables (43,693 thousand euros). There are no promissory notes or similar bills.

The following table shows a geographical breakdown of the Group's trade receivables:

| | Italy | Other EU Countries | Rest of Europe | Africa | America | Asia | Total |
|---|---|---|---|---|---|---|---|
| Clients | 191,530 | 10,304 | 796 | 229 | 75 | 191 | 203,125 |
| Parent Companies | 18 | 0 | 0 | 0 | 0 | 0 | 18 |
| Total | 191,548 | 10,304 | 796 | 229 | 75 | 191 | 203,143 |

There are no receivables falling due beyond five years or receivables subject to exchange rate risk.

## Cash on hand and in banks.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Bank and post office deposits | 141,476 | (6,310) | 135,166 |
| Cash and notes in hand | 885 | (313) | 572 |
| Total | 142,361 | (6,623) | 135,738 |

The Group's "cash on hand and in banks" amounted to 135,738 thousand euros at December 31, 2009, down 6,623 thousand euros with respect to the end of the previous year.

Bank deposits include the balance of the account provided for under ADR S.p.A.'s loan agreements, denominated "Recoveries Account". Any liquidity deriving from extraordinary transactions must be deposited in this account. Consequently, in 2006 the amount collected from the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) was deposited in this account, net of related expenses; this liquidity had been allocated to financing ADR's investments. As of December 31, 2009, the balance in the account amounted to 11.1 million euros (also 11.1 million euros as of December 31, 2008).
As security for the loans governed by agreements with Romulus Finance S.r.l., the Parent Company, ADR S.p.A., has granted a syndicate of banks, the EIB and BIIS (formerly Banca OPI), a lien on all the Company's current accounts governed by a specific agreement "Account Bank Agreement". Such a guarantee is valid until the above loans have been fully repaid.

As of December 31, 2009, 46.2 million euros was held in an ADR S.p.A. current account that is not subject to a lien (even in the event of a cash sweep). This amount derives from "free" cash flow generated in previous years and may, therefore, be used for the payment of dividends under ordinary circumstances.

# Accrued income and prepaid expenses.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Prepaid expenses:** | | | |
| – Service costs | 533 | 229 | 762 |
| – Leased assets | 1 | 0 | 1 |
| – Payroll costs | 30 | (18) | 12 |
| – Other operating costs | 113 | (108) | 5 |
| – Financial charges | 3,372 | 334 | 3,706 |
| **Total** | 4,049 | 437 | 4,486 |

One of the most significant items is represented by "financial charges" consisting of prepayments, not accruing in the period, of the following premiums:

- 3,584 thousand euros for the monoline insurance paid to AMBAC Assurance UK, which has guaranteed the bonds issued by Romulus Finance S.r.l. that correspond to Facility A;
- 121 thousand euros paid to BIIS, the bank that has guaranteed the loan granted to ADR S.p.A. by the EIB.

# Shareholders' equity.

| | Share capital | Share premium reserve | Legal reserve | Retained earnings | Net income for the year | Consolidated shareholders' equity | Minority interest | Group and minority interest in consolidated shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| **Balance as of 12.31.2007** | 62,310 | 667,389 | 12,462 | (28,984) | 17,891 | 731,068 | 1,971 | 733,039 |
| Allocation of net income 2007 | | | | 17,891 | (17,891) | 0 | (1,022) | (1,022) |
| Distribution of reserve | | | | | | 0 | 0 | 0 |
| Net income for the year | | | | | (8,271) | (8,271) | 605 | (7,666) |
| **Balance as of 12.31.2008** | 62,310 | 667,389 | 12,462 | (11,093) | (8,271) | 722,797 | 1,554 | 724,351 |
| Allocation of net income 2008 | | | | (8,271) | 8,271 | 0 | (7) | (7) |
| Net (loss) income for the year | | | | | 5,164 | 5,164 | (731) | 4,433 |
| **Balance as of 12.31.2009** | 62,310 | 667,389 | 12,462 | (19,364) | 5,164 | 727,961 | 816 | 728,777 |

The Parent Company's "share capital" amounts to 62,309,801 euros, represented by 62,309,801 shares with a par value of 1 euro each.

On May 7, 2004, pursuant to article 5 of the Parent Company's By-laws, the Board of Directors approved a capital increase in the form of a scrip issue, raising the share capital from 62,224,743 to 62,309,801 euros. Such increase was carried out via the issue of 85,058 ordinary shares with a par value of 1 euro each, and the transfer to share capital of a corresponding sum of 85,058 euros from the "reserve for share issues pursuant to art. 2349 of the Italian Civil Code". The shares corresponding to this increase in share capital have yet to be issued and allocated.

"Group shareholders' equity" increased by 5,164 thousand euros compared with December 31, 2008 due to the net income reported for the period, whilst the "minority interest in shareholders' equity" decreased by 738 thousand euros as a result of the net loss of 731 thousand euros reported in 2009, and the payment of dividends to minority shareholders, amounting to 7 thousand euros.

The reconciliation of shareholders' equity and net income for the year, as reported in the accounts of the Parent Company, and the related consolidated amounts, is shown in the following table:

| Reconciliation of net income for the year and shareholders' equity | 2009 | 2008 | 12.31.2009 | 12.31.2008 |
|---|---|---|---|---|
| | Net income (loss) for the year | | Shareholders' equity | |
| **Balances in ADR S.p.A.'s accounts** | 5,094 | (7,048) | 764,438 | 759,344 |
| Effect of consolidation of subsidiary undertakings | 314 | (254) | 3,437 | 3,123 |
| Gain (elimination) of inter-company profits and other adjustments | (1,461) | (2,583) | (17,573) | (16,112) |
| Effect of deferred tax assets | 405 | 802 | 5,675 | 5,270 |
| Merger effect [a] | 812 | 812 | (28,016) | (28,828) |
| **Balances in consolidated accounts** | 5,164 | (8,271) | 727,961 | 722,797 |

*[a] Merger data different from first consolidation.*

# Allowances for risks and charges.

| | 12.31.2008 | Changes during the year | | 12.31.2009 |
|---|---|---|---|---|
| | | Provisions | Releases | |
| Taxation, including deferred taxes | 0 | 12,118 | 0 | 12,118 |
| Other: | | | | |
| – Current and potential disputes | 23,238 | 6,587 | (2,925) | 26,900 |
| – Insurance deductibles | 1,099 | 388 | (46) | 1,441 |
| – Restructuring | 0 | 8,559 | 0 | 8,559 |
| – Allowance to cover losses of Group companies | 0 | 43 | 0 | 43 |
| – Fixed assets to be relinquished | 5,201 | 500 | 0 | 5,701 |
| – Allowance for customer loyalty programs | 0 | 1 | 0 | 1 |
| | 29,538 | 16,078 | (2,971) | 42,645 |
| Total | 29,538 | 28,196 | (2,971) | 54,763 |

"Allowances for risks and charges", totaling 54,763 thousand euros, increased 25,225 thousand euros compared with December 31, 2008. The most important changes are analyzed below.

The "allowance for taxation, including deferred taxes" includes an estimated charge relating to the current dispute with the Customs Office, regarding a tax assessment amounting to 25 million euros. The procedure is underway to collect the sum due, which the Parent Company, ADR S.p.A., is paying in 36 installments following the application submitted to the Collection Agent, after paying an advance of 4 million euros. The installments already paid, totaling 8.9 million euros, have been recognized as tax credits. At December 31, 2009, 28 installments amounting to 17.2 million euros, including interest, were outstanding. The outcome of the appeal submitted by ADR S.p.A. to the Regional Tax Commission for Rome, which the Parent Company believes will be fully or partially accepted, is expected shortly. Based on this assumption, the liability recorded in the Financial Statements is in line with the prudent evaluation of the risk of a negative outcome.

It should be borne in mind that in the interim report for the six months ended June 30, 2009, the unpaid amounts due were recorded under "payables", whilst the total amount of the tax assessment was recorded under "receivables".

The "allowance for current and potential disputes" reports a net increase of 3,662 thousand euros, due to the combined effect of provisions of 6,587 thousand euros made in order to provide cover for likely potential liabilities, and releases of 2,925 thousand euros made to settle disputes with customers, contractors and personnel.

Provisions of 8,559 thousand euros were made to the "allowance for restructuring" to cover the restructuring program launched by the ADR Group, which will enable implementation of redundancy schemes regarding around 280 ADR S.p.A. staff and twelve staff from subsidiary undertakings.

# Employee severance indemnities.

| | |
|---|---|
| Balance as of 12.31.2008 | 37,392 |
| Changes during the year: | |
| – Provisions charged to the Income Statement | 6,414 |
| – Releases to pay indemnities | (9,828) |
| – Releases to pay advances | (900) |
| – Transfers of personnel | (4) |
| – Other | 100 |
| – Amounts allocated to pension funds or to the Treasury Fund | (4,651) |
| Balance as of 12.31.2009 | 28,523 |

"Employee severance indemnities" report a net decrease of 8,869 thousand euros for the period, compared with provisions of 6,414 thousand euros (including 78 thousand euros for restructuring costs, posted under extraordinary items). This decrease primarily reflects releases for indemnities paid, amounting to 9,828 thousand euros, regarding staff redundancy schemes.

# Payables.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Due to banks | 296,316 | 75 | 296,391 |
| Due to other financial institutions | 1,213,926 | 10 | 1,213,936 |
| Advances: | | | |
| – From clients: | | | |
| · from the Ministry of Transport | 5,048 | (436) | 4,612 |
| · other | 8,563 | (3,563) | 5,000 |
| | 13,611 | (3,999) | 9,612 |
| Due to suppliers | 147,641 | (17,929) | 129,712 |
| Due to associated undertakings | 1,003 | 0 | 1,003 |
| Due to parent companies | 21,241 | (7,666) | 13,575 |
| Taxes due | 33,030 | 10,816 | 43,846 |
| Due to social security agencies | 6,273 | 1,651 | 7,924 |
| Other payables: sundry creditors | 41,520 | 9,669 | 51,189 |
| Total | 1,774,561 | (7,373) | 1,767,188 |

The Group's "payables" fell by 7,373 thousand euros during the period. The principal reasons for such a change are analyzed below.

"Amounts due to banks", totaling 296,391 thousand euros, include:

– 293,350 thousand euros representing the principal on long-term lines of credit granted to Parent Company, ADR S.p.A., denominated "Term Loan Facility" (170,000 thousand euros), "BOPI Facility" (43,350 thousand euros) and "EIB Term Loan" (80,000 thousand euros);
– 781 thousand euros of amounts due from ADR S.p.A. for interest, commissions and swap differentials accrued during the period but not yet settled;
– 2,260 thousand euros for the short-term (30-day) line of credit granted to the subsidiary undertaking, ADR Advertising S.p.A., including 2,000 thousand euros by Banca Popolare Commercio e Industria and 260 thousand euros by Unicredit Banca of Rome to meet temporary liquidity requirements.

The increase of 75 thousand euros compared with December 31, 2008 derives from the combined effect of the following changes:

– an increase of 760 thousand euros in the lines of credit granted to ADR Advertising S.p.A.;
– a reduction of 685 thousand euros in the amounts due for interest, commissions and swap differentials accrued during the period but not yet settled.

The characteristics of these loans are listed in the following table:

| Lender | Facility Loan | Amount (millions of euros) | | Interest rate | Repayment | Life | Maturity date |
|---|---|---|---|---|---|---|---|
| | | Granted | Used | | | | |
| Syndicate of banks | Term Loan Facility | 170.00 | 170.00 | floating rate linked EURIBOR + margin | bullet | 6 years | February 2012 |
| | Revolving Facility | 100.00 | 0.00 | floating rate linked EURIBOR + margin | revolving | 6 years | February 2012 |
| | | 270.00 | 170.00 | | | | |
| Banca BIIS | BOPI Facility | 43.35 | 43.35 | floating rate linked EURIBOR + margin | from 2010 to 2015 in six-monthly installments | 12 years | March 2015 |
| BEI | EIB Term Loan | 80.00 | 80.00 | floating rate linked EURIBOR + margin | bullet | 10 years | February 2018 |
| Total | | 393.35 | 293.35 | | | | |

The long-term line of credit denominated the "Term Loan Facility" and the "Revolving Facility" were granted on September 20, 2005 by a syndicate of banks with the mandated lead arrangers comprising Barclays Capital, Calyon

S.A., (Crédit Agricole Corporate and Investment Bank since February 6, 2010), Mediobanca - Banca di Credito Finanziario S.p.A., Unicredit Banca Mobiliare S.p.A. and WestLB AG.

98,600 thousand euros of the "Term Loan Facility", initially worth 290,000 thousand euros, was repaid on September 20, 2006, with a further 21,400 thousand euros repaid on March 20, 2008, thereby reducing the loan to 170,000 thousand euros.

On November 21, 2007, at the request of the Parent Company, ADR S.p.A., the line of credit denominated the "Revolving Facility" was reduced from the initial 200,000 thousand euros to 100,000 thousand euros, in line with projected cash flows, resulting in a reduction in the cost of borrowing.

The line of credit denominated the "BOPI Facility" was granted on February 19, 2003 by BIIS (formerly Banca OPI) (as of January 1, 2008 the bank's name was changed to BIIS – Banca Infrastrutture Innovazione e Sviluppo) and guaranteed by CDC IXIS Financial Guaranty Europe. This line of credit, which was initially granted for an amount of 85,000 thousand euros, was reduced to 43,350 thousand euros following early repayment of an amount of 28,900 thousand euros on September 20, 2006, and of an amount of 12,750 thousand euros on March 20, 2008, corresponding to the installments falling due in September 2008, and in March and September 2009.

The interest rates applied to the "Term Loan Facility", the "Revolving Facility" and the "BOPI Facility" vary in terms of the level of ADR's rating, whilst the loan granted by the EIB is not affected by the level of the rating.

"Amounts due to other financial institutions" total 1,213,936 thousand euros. The item includes the principal of 1,200,019 thousand euros due from the Parent Company, ADR S.p.A., to Romulus Finance S.r.l. ("Romulus Finance") and 13,916 thousand euros consisting of interest accrued on the above-mentioned loan and not yet paid.

The increase of 10 thousand euros compared with December 31, 2008 is entirely due to the interest component.

It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance S.r.l. of the amount due to ADR S.p.A.'s original lenders for loans taken out in August 2001. Romulus Finance, a vehicle established pursuant to Law no. 130/1999 on securitization and controlled by two Dutch foundations, financed acquisition of the pre-existing bank loan to ADR S.p.A. via the issue of asset-backed bonds amounting to 1,265 million euros, to be listed on the Luxembourg Stock Exchange and subscribed by institutional investors.

After early repayment of "Loan B", amounting to 65,000 thousand euros, in March 2008, the loan from Romulus Finance breaks down into four lines of credit, summarized in the table below. The conditions reflect those of the bonds issued by Romulus Finance to finance the purchase of amounts due to ADR's creditor banks:

| Lender | Facility Loan | Amount (millions of euros) | Interest rate | Repayment | Life | Maturity date |
|---|---|---|---|---|---|---|
| Romulus Finance S.r.l. | A1 | 500 | fixed | bullet | 10 years | February 2013 |
| | A2 | 200 | floating rate linked EURIBOR + margin | bullet | 12 years | February 2015 |
| | A3 | 175 | floating rate linked EURIBOR + margin | bullet | 12 years | February 2015 |
| | A4 | 325 | floating rate linked EURIBOR + margin up to 12.20.2009 and after fixed rate | bullet | 20 years | February 2023 |
| Total | | 1,200 | | | | |

The bonds issued by Romulus Finance regarding Classes A1, A2, A3 and A4 are secured by the monoline insurance Company, AMBAC Assurance UK Limited, which at December 31, 2009 had a lower rating (Caa2 from Moody's and CC from Standard & Poor's) than ADR S.p.A..

The level of ADR's rating affects the amount of the premium paid to AMBAC for guaranteeing the bonds, but not the interest rate applied to each class of bond.

## Hedging policy.

The hedging policy established within the framework of loan agreements with the banks and with Romulus Finance S.r.l. requires that at least 51% of the Parent Company's borrowings are fixed rate.

As of December 31, 2009, 55.2% of ADR S.p.A.'s borrowings are fixed rate.

On October 2, 2009 the following hedges expired:

– "Interest Rate Swaps" entered into in 2001 with Mediobanca, Barclays, UBM, Royal Bank of Scotland and Deutsche Bank, involving notional capital of 864 million euros. These contracts were renegotiated in December 2006, based on payment of an average fixed rate of 5.075%;
– "Interest Rate Swaps" with notional capital of 468 million euros until March 2008 and 495 million euros until October 2, 2009, entered into in 2004 with Mediobanca, Barclays and Royal Bank of Scotland. Under these contracts, ADR received a fixed rate of 3.3% and paid a floating of 3-month euribor rate with a cap of 6.0%.

Two "Interest Rate Collar Forward Start" contracts entered into on May 16, 2006 with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, become active on October 2, 2009. Under these contracts, ADR S.p.A. receives a floating 3-month euribor rate and pays a floating 3-month euribor rate with a cap of 5% and a floor of 3.64% from October 2, 2009 until February 20, 2012.

The above contracts have extended the Company's protection from exposure to interest rate risk by a further three years on a total notional amount of 240 million euros.

As a result of the "Interest Rate Collars", the Company's interest rate hedges now extend to 71.3% of its total borrowings.

As of December 31, 2009, the fair value of the swap agreements entered into is a negative 10.4 million euros. Details of outstanding swaps are shown below:

| | Notional | Fair value derivates as at 12.31.2009 | Purpose of the derivates | Financial risk | Financial debt hedged |
|---|---|---|---|---|---|
| COLLAR FWD START of 2006 (CASH-FLOW HEDGE) | 240,000 | (10,401) | Hedging | Interest rate | 240,000 |
| Total | | (10,401) | | | |

The financial liability hedged refers to a portion of "amounts due to other financial institutions".

The effects of the "Interest Rate Swap" agreements on the Income Statement for the period are shown in the Notes to "financial income and expense".

## Guarantees.

The bank loans and the loan from Romulus Finance S.r.l. are guaranteed, as described in detail in the individual balance sheet items, by:

– a lien (in the form of a mortgage) on the plant, machinery, capital goods and goods constituting ADR's inventory, as well as any receivables deriving from the sale of such assets;
– a lien on all receivables, and more generally on any right deriving from contracts with clients and insurance policies;
– a lien on all of ADR S.p.A.'s bank current accounts;
– a lien on ADR S.p.A.'s shareholdings in ADR Tel S.p.A., ADR Advertising S.p.A. and ADR Assistance S.r.l.;
– "ADR Deed of Charge" (a lien under British law on loans, hedging agreements and insurance policies governed by British law).

## Commitments and covenants.

A large number of contractual regulations govern the management of ADR's borrowings, partly due to their size, and also because of AMBAC's requirement to protect the risk of non-compliance and insolvency on the part of ADR, thereby seeking to minimize the actual difference between the maximum rating insured and the rating of the issuer/debtor. Such regulations include:

– financial assets may only be acquired with the permission of creditors or via a "non-recourse vehicle", and in any case only using authorized borrowing or liquidity;

– income from the sale of financial assets may be used for investment or, if not used within twelve months of collection, must be used to repay borrowings;
– dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
– further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;
– if a maturing line of credit is not repaid at least twelve months before the maturity date, any surplus cash flow generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime. However, if determined financial ratios are not met 24 months ahead of maturity, a 24-month retention regime may come into force;
– if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by Parent Company, ADR S.p.A..

The principal covenants included in the current loan agreements consist of ratios, defined on the basis of final and forecast data, which measure: (i) the ratio between available cash flow and debt servicing, (ii) the ratio between discounted future cash flows and net debt, and (iii) the ratio between net debt and gross operating income.
These ratios are checked twice per year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the relative data at December 31 and June 30.

If these ratios are above specific levels, dividends may be paid and further borrowing undertaken; if on the other hand, the ratios fall below specific thresholds, a trigger event or an event of default may occur.

A trigger event results in a series of operating restrictions for ADR, especially the following:
a) a cash sweep with an obligation to use all available cash flow on the application dates (March 20 and September 20) (i) to pay interest rate installments; (ii) to repay all ADR’s creditors on a *pari passu* basis; and (iii) the Romulus bonds that may not be repaid in advance should be secured via the establishment of specific cash reserves held in specific current accounts serving as a lien for AMBAC (so-called cash collateralization);
b) an embargo on the payment of dividends and prohibition of the use such funds to carry out authorized investments;
c) the right of creditors, via the “Security Agent”, to obtain any information deemed necessary and to take part in devising a recovery plan and the related implementation time frames by hiring an independent expert to take part

in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating. Failure to implement the recovery plan could give AMBAC the right to increase the premium on the guarantee issued on the Romulus bonds;

d) prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings;

e) the transfer of all cash amounts due to ADR S.p.A. as guarantees to the creditors, with consequent notification of the debtors transferred.

**Trigger event.**

The recent downgrading of ADR's rating by Standard & Poor's on April 10, 2009 (from BB+ to BB with a stable outlook) has only had limited effects on the cost of borrowing. However, it did lead to termination of the waiver of the consequences of the trigger event, and especially the cash sweep, previously granted by the lenders at the Parent Company's request, thus requiring activation of a new authorization procedure to maintain the validity of all the previously granted waivers.

Therefore, on April 27, 2009 ADR S.p.A. formally submitted a new waiver request regarding all the consequences of the trigger event and the cash sweep (excluding the prohibition of payment of dividends and the requirement to share information regarding the measures taken to improve the rating) which, with the exception of AMBAC, the lenders quickly authorized.

AMBAC, however, reserved the right to decide whether or not to oblige ADR S.p.A. to apply the cash sweep mechanism ahead of the next date on which it would have been applied (the September application date). On September 15 the waiver of the consequences of the trigger event and the cash sweep was formally granted until the application date of March 2010, except by AMBAC.

"Amounts due to suppliers" decreased by 17,929 thousand euros due to the contraction in the volume of investment carried out compared with 2008.

"Amounts due to parent companies" include trade payables amounting to 145 thousand euros and amounts due to Gemina S.p.A. for tax consolidation, totaling 13,430 thousand euros. The reduction of 7,666 thousand euros with respect to December 31, 2008 derives from the combined effect of:

– settlement by ADR S.p.A. and ADR Tel S.p.A. of amounts due for tax consolidation regarding 2007 and 2008, totaling 20.1 million euros;
– advanced payment of taxes, amounting to 6.3 million euros;
– estimated IRES for the period, totaling 18.7 million euros.

For more information, reference should be made to the section “relations with Parent Companies and other related parties” in the Management Report on Operations.

“Taxes due”, amounting to 43,846 thousand euros, were up 10,816 thousand euros on December 31, 2008. The principal changes include greater amounts due for the municipal surtax on passenger fees, amounting to 11.0 million euros. In this regard, it should be remembered that ADR S.p.A. began charging carriers this surtax from June 1, 2004 at the rate of 1 euro, which was subsequently increased to 2 euros from April 2005, pursuant to Law no. 43 of March 31, 2005. This rate was increased by an additional 50 cents from January 1, 2007, in compliance with the provisions of Law no. 296 of December 27, 2006 (the Finance Act for 2007), and by an additional 2 euros from November 2008, pursuant to Decree Law no. 134/2008, making a total of 4.50 euros. The surtax of 1 euro provided for by Law no. 43/2005 and the increase of 2 euros pursuant to Decree Law no. 134/2008 are allocated to a special fund, managed by INPS, in support of the income, employment, reorganization and retraining of air transport sector personnel.

The amount due to the Tax Authorities as municipal surtax on passenger fees totaled 38,285 thousand euros as of December 31, 2009.

“Other payables: sundry creditors” rose by a total of 9,669 thousand euros primarily due to the effect of:
– the greater amount due for the contribution towards the cost of the fire prevention and fire fighting service (8.7 million euros). The amounts due recorded in the financial statements regarding the years from 2007 to 2009 total 25.7 million euros; these amounts due have yet to be settled awaiting the outcome of pending judgments relating to appeals lodged by some of the major airport operators;
– a 6.3 million euros increase in amounts due to personnel which, in addition to recognition of the lump sum payable to staff on renewal of the National Collective Labor Contract, regards the activation – following their interruption in 2008 – of performance-related bonuses;
– a 2.1 million euros increase in amounts due to former employees for outstanding employee severance indemnities;
– a reduction of 5.1 million euros in amounts due to the Civil Aviation Authority for the concession fee, primarily due to settlement of the increase in the concession fee established by Law no. 296/2006 regarding the years from 2007 to 2009.

Briefly, as of December 31, 2009 total “payables” of 1,767,188 thousand euros include 1,510,327 thousand euros of a financial nature, 140,437 thousand euros of trade payables and 116,424 thousand euros of sundry items.
A breakdown of the Group’s trade payables by geographical area is not provided as it is not significant, given the limited amount due to overseas creditors.

Payables secured by collateral on the Group's assets amount to 1,508,067 thousand euros (as described in the paragraph regarding "amounts due to banks and other financial institutions").

Payables falling due beyond five years amount to 780,869 thousand euros and regard "amounts due to banks" totaling 80,850 thousand euros (the loan from Banca BIIS of 850 thousand euros and the EIB loan of 80,000 thousand euros) and "amounts due to other financial institutions", totaling 700,019 thousand euros.

Payables in currency exposed to exchange rate risks total 19 thousand euros and refer to services supplied.

## Accrued expenses and deferred income.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Accrued expenses:** | | | |
| – Sub-concessions and license fees | 691 | 89 | 780 |
| – Other | 3,944 | (330) | 3,614 |
| **Total** | 4,635 | (241) | 4,394 |

# Notes to the Consolidated Memorandum Accounts.

## General guarantees.

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| **Sureties:** | | |
| – In the interest of third parties | 111 | 111 |
| **Other:** | | |
| – In favor of clients | 58 | 213 |
| **Total** | 169 | 324 |

## Commitments on purchases and sales.

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| **Commitments on purchases:** | | |
| – Investments: | | |
| · information systems, other | 0 | 196 |
| · electronic equipment | 479 | 173 |
| · maintenance and services | 2,649 | 1,954 |
| · self-financed works | 94,744 | 100,407 |
| **Total** | 97,872 | 102,730 |

Regarding "commitments on purchases", on February 28, 2003 the Parent Company, ADR S.p.A., granted IGPDecaux S.p.A. a put option on its holding in ordinary and preference shares in ADR Advertising S.p.A.. Such option is exercisable from the date of approval of the Financial Statements of ADR Advertising S.p.A. as of December 31, 2004 until December 31, 2011, on the occurrence of specific conditions. Partly due to agreements entered into between ADR S.p.A. and ADR Advertising S.p.A. regarding revision of the guaranteed minimum, the shareholder, IGPDecaux S.p.A., stated that it would not exercise the put option in 2009 and 2010.

Commitments on purchases also include ADR S.p.A.'s commitment, as an operator of airport infrastructures, to draw up and implement noise reduction and abatement plans, as required by noise pollution legislation (Law no. 477/1995) and the Ministerial Decree of November 29, 2000.

To this end ADR S.p.A. is currently assessing whether or not the relevant limits have been exceeded, and if so will proceed with preparation of the necessary noise reduction and abatement plans.

Such commitments are difficult to quantify and are, by necessity, determined on the basis of interpretations, given that there are no specific indications of the activities to be considered as "maintenance " and "extension" of infrastructures, which form the basis for calculation pursuant to Law no. 447/1995 (the framework law on noise pollution).

In view of the above, ADR S.p.A., based on available estimates at the balance sheet date, judges its overall commitment to be no more than approximately 30 million euros. This sum is thus conditional on subsequent events and on the effective program of works to be carried out. The Company believes that future works will qualify as capital expenditure.

The agreements on the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.), entered into on November 3, 2006, provide for a price adjustment of up to 12.5 million euros. Of this, the amount deemed most probable to arise was charged to the income statement in the years 2006-2009 under extraordinary items with a contra-entry in allowances for risks and charges, totaling around 4.0 million euros as of December 31, 2009. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

Finally, a series of "Interest Rate Swap" contracts aimed at hedging interest rate risk on outstanding loans have been entered into. For further information reference should be made to the Notes to "payables".

## Other memorandum accounts.

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| **General guarantees received:** | | |
| – Sureties: | | |
| · received from suppliers | 67,967 | 63,600 |
| · received from clients | 90,433 | 62,676 |
| | 158,400 | 126,276 |
| **Third party assets in free loan, deposited in custody, leased or similar:** | | |
| – Leased assets | 11 | 48 |
| – CAA - plant and equipment at Fiumicino | 119,812 | 119,812 |
| – CAA - plant and equipment at Ciampino | 29,293 | 29,293 |
| – Works carried out on behalf of the State | 672,999 | 668,060 |
| | 822,115 | 817,213 |
| **Total** | 980,515 | 943,489 |

"Third party assets in free loan, deposited in custody, leased or similar" include the value of assets received under concession at Fiumicino and Ciampino airports and the value of the work financed, completed and invoiced to the Civil Aviation Authority.

# Notes to the Consolidated Income Statement.

## Total revenues.

### Revenues.

| | 2009 | 2008 | Change |
|---|---|---|---|
| REVENUES FROM SALES | | | |
| "Non-aviation" activities: | | | |
| – Duty free and Duty paid | 77,501 | 82,842 | (5,341) |
| – Other | 2,653 | 4,198 | (1,545) |
| | 80,154 | 87,040 | (6,886) |
| REVENUES FROM SERVICES | | | |
| "Aviation" activities: | | | |
| – Fees | 163,182 | 165,313 | (2,131) |
| – Handling | 0 | 0 | 0 |
| – Centralized infrastructures | 35,522 | 36,450 | (928) |
| – Security | 62,918 | 63,081 | (163) |
| – Other | 29,851 | 24,575 | 5,276 |
| | 291,473 | 289,419 | 2,054 |
| "Non-aviation" activities: | | | |
| – Sub-concessions and utilities | 103,221 | 102,600 | 621 |
| – Car parks | 27,494 | 30,009 | (2,515) |
| – Advertising | 22,787 | 26,048 | (3,261) |
| – Refreshments | 6,746 | 8,572 | (1,826) |
| – Other | 23,899 | 23,512 | 387 |
| | 184,147 | 190,741 | (6,594) |
| | 475,620 | 480,160 | (4,540) |
| REVENUES FROM CONTRACT WORK | 4,938 | 0 | 4,938 |
| Total revenues from sales and services | 560,712 | 567,200 | (6,488) |
| CHANGES IN CONTRACT WORK IN PROGRESS | 632 | 2,837 | (2,205) |
| CONTRIBUTIONS AND GRANTS | 470 | 95 | 375 |
| Total revenues | 561,814 | 570,132 | (8,318) |

"Revenues" total 561,814 thousand euros. Of these, 51.9% derived from "aviation activities" carried out by the Group (50.8% in 2008) and 48.1% were generated by "non-aviation activities" (49.2% in 2008).

“Revenues from sales” amounted to 80,154 thousand euros, down 7.9% on 2008. This change was due to the reduced turnover of directly managed shops, linked to the downturn in traffic.

“Revenues from services” totaled 475,620 thousand euros, down 0.9% on 2008.

“Revenues from contract work”, amounting to 4,938 thousand euros, primarily regard revenues deriving from the re-billing of the portion of works regarding the State-funded boarding area F (formerly Pier C) to the Civil Aviation Authority.

“Contributions and grants for the period” include contributions of 318 thousand euros relating to management training programs, mainly funded by Fondimpresa, and grants of 152 thousand euros from the European Union regarding the feasibility study for the Integrated Multimodal Transport System.

## Other information.

It is important to note that the type of activity carried out by the Group does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The “traffic” element currently affects all the Group’s activities.

However, it is possible to identify segments on the basis of the type of product or service offered and the production process involved. Information regarding the resulting segments has been extracted directly from the Group’s accounts.

The following provides information relating to the principal areas of activity identified:
– Airport fees: paid in return for use of airport infrastructure;
– Centralized infrastructures;
– Non-aviation activities, consisting of:
  - sub-concessions: including fees paid by sub-concessionaires operating on airport grounds, in addition to utilities;
  - direct sales: including revenues from directly operated duty free and/or duty paid outlets.

Finally, the category, “other activities”, includes the sale of advertising space, the management of car parks and refreshment facilities, design, security, left luggage, assistance to passengers with reduced mobility, contract work on behalf of the State, etc..

The following table shows a breakdown of revenues from the segments described. It should be noted, moreover, that the revenues earned by each segment relate entirely to third parties and do not include inter-segment transactions.

| Revenues | Fees | Centralized infrastructures | Non-aviation activities | | Other assets | Total |
|---|---|---|---|---|---|---|
| | | | Sub-concessions | Direct sales | | |
| 2009 | 163,182 | 35,522 | 103,221 | 80,154 | 179,735 | 561,814 |
| 2008 | 165,313 | 36,450 | 102,600 | 87,040 | 178,729 | 570,132 |
| Change | (2,131) | (928) | 621 | (6,886) | 1,006 | (8,318) |
| % change | (1.3%) | (2.5%) | 0.6% | (7.9%) | 0.6% | (1.5%) |

Total revenues can be broken down into two macro-areas:

– “aviation” (including fees, management of centralized infrastructure, security services, left luggage, assistance to passengers with reduced mobility, etc.) amounting to 291,473 thousand euros, compared with 289,419 thousand euros in 2008 (up 0.7%);
– “non-aviation” (including sub-concessions, direct sales, the management of advertising space and car parks, refreshments, design and contract work on behalf of the State) amounting to 270,341 thousand euros, compared with 280,713 thousand euros in 2008 (down 3.7%).

A geographical breakdown of revenues would not be significant given that both airports managed by the Group are located within the same country.

## Other income and revenues.

| | 2009 | 2008 |
|---|---|---|
| Revenue grants | 470 | 95 |
| Gains on disposals | 23 | 85 |
| Other: | | |
| – Releases: | | |
| · release from allowance for overdue interest | 26 | 62 |
| · release from other allowances | 0 | 284 |
| – Expense recoveries | 1,055 | 909 |
| – Recoveries of personnel expenses | 153 | 162 |
| – Other revenues | 9,079 | 4,662 |
| | 10,313 | 6,079 |
| Total | 10,806 | 6,259 |

“Other revenues”, amounting to 9,079 thousand euros, primarily includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

# Operating costs.

## Amortization, depreciation and write-downs.

“Amortization and depreciation” in 2009 amounted to 107,858 thousand euros (104,852 thousand euros in 2008), including amortization of intangible fixed assets of 87,971 thousand euros (86,510 thousand euros in 2008) and depreciation of tangible fixed assets of 19,887 thousand euros (18,342 thousand euros in 2008).
Amortization of intangible fixed assets includes the charge for amortization of the concession, amounting to 49,284 thousand euros.
Further details are provided in the Note to “fixed assets”.

“Provisions for doubtful accounts” totaled 5,935 thousand euros (2,580 thousand euros in 2008) and reflect an updated assessment of the recoverability of the Group’s receivables.

## Provisions for risks and other charges.

The item “provisions for risks” breaks down as follows:

| | 2009 | 2008 |
|---|---|---|
| **Current and potential disputes** | 6,035 | 192 |
| **Insurance deductibles** | 388 | 0 |
| **Total** | 6,423 | 192 |

“Other provisions”, totaling 501 thousand euros, regard provisions for fixed assets to be relinquished and the allowance for option dealings.

Further information is provided in the Note to “allowances for risks and charges”.

It should be noted that provisions in the Income Statement are made following determination of potential liabilities not absorbed by any surplus provisions deriving from updated assessments of the risks to which the Group is exposed.

## Other operating costs.

| | 2009 | 2008 |
|---|---|---|
| **Concession fees** | **12** | **15** |
| **Other** | **9,058** | **50,099** |
| **Total** | **9,070** | **50,114** |

The item "Other", amounting to 9,058 thousand euros, primarily comprises:

– 1,092 thousand euros for membership fees (1,029 thousand euros in 2008);

– 3,444 thousand euros for indirect taxes and duties (3,111 thousand euros in 2008), including 1,926 thousand euros for local property taxes (ICI);

– 2,448 thousand euros for updated valuations of costs and revenues recognized in the 2008 Financial Statements (1,991 thousand euros in 2008).

In 2008 the item "other" included losses totaling 42,397 thousand euros on amounts due to the ADR Group from Alitalia Group Companies, incurred before they went into special administration, less the amounts due for the passenger surtax (which is offset by corresponding taxes due) and receivables relating to fees covered by specific guarantees issued in favor of ADR S.p.A., net of provisions made for doubtful accounts in previous years.

# Financial income and expense.

## Other financial income.

| | 2009 | 2008 |
|---|---|---|
| **Interest and commissions on long-term receivables:** | | |
| **– Other** | **3** | **4** |
| **Financial income on securities recorded in non-current financial assets that do not qualify as equity investments** | **327** | **0** |
| **Other:** | | |
| **– Interest on overdue current receivables:** | | |
| **· clients** | **33** | **137** |
| **– Interest and commissions received from other companies:** | | |
| **· interest from banks** | **1,699** | **7,827** |
| **· interest from clients** | **1** | **65** |
| **· other** | **5,172** | **8,429** |
| | **6,905** | **16,458** |
| **Total** | **7,235** | **16,462** |

“Financial income on securities recorded in non-current financial assets that do not qualify as equity investments” includes financial income accrued during the period on the portion – with a face value of 4 million pounds sterling – of the A4 bonds issued by the special purpose vehicle, Romulus Finance S.r.l., which ADR S.p.A. purchased on February 13, 2009.

“Interest from banks”, totaling 1,699 thousand euros, fell by 6,128 thousand euros compared with 2008 due to the reduction in interest rates as of the end of the previous year.

The item “other” essentially derives (5,147 thousand euros) from the positive differential paid to ADR S.p.A. by counterparties with whom the Company has entered into floating rate hedges. This differential is down on 2008 (8,385 thousand euros), in line with the above-mentioned reduction in interest rates and the effect of the expiry of “Interest Rate Swaps” on October 2, 2009.

## Interest expense and other financial charges.

| | 2009 | 2008 |
|---|---|---|
| **Interest and commissions due to parent companies** | **106** | **0** |
| **Interest and commissions due to others and sundry charges:** | | |
| **– Interest and commissions paid to banks** | **8,383** | **15,486** |
| **– Interest and commissions paid to other financial institutions** | **52,037** | **74,178** |
| **– Provisions for overdue interest on doubtful accounts** | **26** | **95** |
| **– Other** | **15,379** | **8,412** |
| | **75,825** | **98,171** |
| **Total** | **75,931** | **98,171** |

“Interest and commissions due to parent companies” includes interest paid to the Parent Company, Gemina S.p.A., in accordance with the tax consolidation agreement, following postponement until September 2009 of payment of the balance for 2007, totaling 13,848 thousand euros, and of the balance for 2008, amounting to 5,889 thousand euros, which fell due in June 2009.

“Interest and commissions paid to banks” and “interest and commissions paid to other financial institutions” fell sharply by 7,103 thousand euros and 22,141 thousand euros, respectively.
This is primarily due to the reduction in interest rates, but also to the reduced exposure deriving from partial repayments of loans amounting to 99.2 million euros in March 2008. These loans were refinanced by an amount of 80 million euros in June 2008.

The item “other” primarily comprises (15,122 thousand euros) the negative differential paid by ADR S.p.A. to counterparties with whom the Company has entered into hedges, including:

– 13,331 thousand euros regarding fixed rate (3.891%) “Interest Rate Swaps” expiring on October 2, 2009;

– 1,791 thousand euros regarding “Interest Rate Collars” in force as of October 2, 2009.

This differential is up 7,004 thousand euros on 2008, due to the above-mentioned lowering of interest rates.

### Foreign exchange gains/(losses).

| | 2009 | 2008 |
|---|---|---|
| Foreign exchange gains | 49 | 57 |
| Foreign exchange losses | 13 | 7 |
| Total | 36 | 50 |

## Adjustments to financial assets.

### Write-downs of equity investments.

This item, amounting to 43 thousand euros in 2009, includes provisions to the allowance to cover Group Companies' losses, regarding the losses incurred by the subsidiary undertaking, Consorzio E.T.L., during the period.

## Extraordinary income and expense.

### Income.

| | 2009 | 2008 |
|---|---|---|
| Other: | | |
| – Income and recovery of expenses relating to previous years deriving from: | | |
| · total revenues | 0 | 60 |
| · operating costs | 0 | 71 |
| · taxes relating to previous years | 439 | 528 |
| · reversal of liabilities | 1,386 | 2 |
| Total | 1,825 | 661 |

The item “reversal of liabilities” includes 1,204 thousand euros regarding the contingent assets deriving from the favorable Council of State ruling, which rejected the appeal lodged by the Antitrust Authority requesting payment of the above amount by the Parent Company, ADR S.p.A.. The original fine of 926 thousand euros was imposed on ADR in 1993, after an investigation of ground handling services. The Antitrust Authority then increased the fine by six-monthly installments, 13 of which, in the Authority’s view, were outstanding after ADR S.p.A., in 2003, had “only” paid five of the six-monthly installments due, in addition to the original fine, rather than the total of 18 six-monthly installments requested by the Authority.

## Expense.

| | 2009 | 2008 |
|---|---|---|
| **Taxes relating to previous years** | 12,118 | 4 |
| **Other:** | | |
| **– Extraordinary expense derived from:** | | |
| · total revenues | 129 | 0 |
| · operating costs | 235 | 745 |
| · payroll costs | 0 | 19 |
| · restructuring costs | 20,348 | 0 |
| · exceptional asset write-downs | 90 | 67 |
| | 20,802 | 831 |
| **– Other extraordinary expense:** | | |
| · payments due for lost cargo | 71 | 54 |
| · fines | 110 | 117 |
| · antitrust penalties | 0 | 1,878 |
| · damages and compensation paid to third parties | 13 | 6 |
| · costs relating to extraordinary operations | 552 | 2,424 |
| | 746 | 4,479 |
| | 21,548 | 5,310 |
| **Total** | 33,666 | 5,314 |

The item “taxes relating to previous years” comprises the estimated expense of the current dispute with the Customs Office.

The item “restructuring costs” includes the estimated total cost of the restructuring program launched by the ADR Group during the period, which will enable implementation of redundancy schemes regarding around 280 ADR S.p.A. staff and twelve staff from subsidiary undertakings. Of the total cost of 20.3 million euros, an amount of 8.6 million euros was covered by the “allowance for restructuring” recorded under “provisions for risks and charges”.

# Income taxes.

| | 2009 | 2008 |
|---|---|---|
| **Current taxes:** | | |
| – IRES | 370 | 338 |
| – Tax consolidation expense | 18,693 | 11,020 |
| – IRAP | 13,763 | 13,556 |
| – Substitute tax | 0 | 3,385 |
| | 32,826 | 28,299 |
| **Deferred tax (assets) liabilities:** | | |
| – Deferred tax assets | 4,159 | (3,119) |
| – Deferred tax liabilities | 26 | (7,485) |
| | (4,185) | (10,604) |
| **Total** | 28,641 | 17,695 |

It should be remembered that, due to the existence of the related prerequisites, ADR S.p.A. and the other Group Companies (ADR Engineering S.p.A., ADR TEL S.p.A. and ADR Sviluppo S.r.l.) along with the Consolidating Company, Gemina S.p.A., opted to take part in the tax consolidation regime introduced by the Tremonti Reform for the three-year period 2007-2009.

As regards deferred taxation, it was decided to continue posting the assets and allowances that generated temporary differences in the individual Companies' Financial Statements.

On taxable income transferred to the Consolidating Company, Gemina S.p.A., by the Consolidated Companies, ADR S.p.A., ADR Engineering S.p.A. and ADR Tel S.p.A., consolidated taxation of 18,306 thousand euros, 79 thousand euros and 307 thousand euros was recorded respectively, amounting to a total of 18.693 thousand euros.

The item "current taxes - IRES" refers exclusively to the subsidiary undertakings, ADR Advertising S.p.A. and ADR Assistance S.r.l., which do not take part in the consolidated tax regime.

Taxation for 2008 included a "substitute tax" for direct taxes (IRES and IRAP), amounting to 3,385 thousand euros, aimed at aligning the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation by ADR S.p.A. and ADR Tel S.p.A.. Consequently, deferred tax assets amounting to 7,468 thousand euros allocated during previous years were reversed.

In particular, IRES, accounting for 57.6%[1] of pre-tax income, is higher than the statutory rate of 27.5%. Reconciliation of the statutory and effective rates is provided in the table below.

*[1] The tax rate for IRES on pre-tax income was calculated with reference to the items "IRES" and "expense deriving from tax consolidation".*

| | 2009 | 2008 |
|---|---|---|
| Pre-tax income | 33,074 | 10,029 |
| Statutory rate (IRES) | 27.5% | 27.5% |
| Taxation at statutory rate | 9,095 | 2,758 |
| Effect of increases (decreases) in the ordinary rate: | | |
| – Tax-exempt income (gains on disposals) | 0 | (14) |
| – Income from overseas companies | 12 | (27) |
| – Non-deductible costs | 6,557 | 6,282 |
| – Other permanent differences | (813) | (120) |
| – Temporary differences (increases) | 9,680 | 6,341 |
| – Temporary differences (decreases) | (5,468) | (3,862) |
| Consolidated taxation + IRES | 19,063 | 11,358 |
| Effective rate | 57.6% | 113.3% |

For further information on the calculation of deferred tax assets see the item "deferred tax assets" in the section on "receivables". Finally, it should be noted that, given the uncertainty surrounding the availability of government funds to pay tax rebates, contingent assets of 1,610 thousand euros (including 1,565 thousand euros regarding ADR S.p.A., 22 thousand euros regarding ADR Tel S.p.A. and 23 thousand euros regarding ADR Engineering S.p.A.) have prudently not been recognized in the Income Statement. This sum relates to an IRES rebate deriving from the 10% deduction of IRAP for the years from 2004 to 2007.

The rebate was applied for by ADR S.p.A., for the years from 2004 to 2006, and by the Consolidating Company, Gemina S.p.A., for 2007, on February 1, 2010 and February 24, 2010, respectively.

# Other information.

## Headcount.

The following table shows the average number of employees of Companies consolidated on a line-by-line basis by category:

| Category | 2009 | 2008 | Change |
|---|---|---|---|
| Management | 52.6 | 60.1 | (7.5) |
| Administrative staff | 198.1 | 216.0 | (17.9) |
| White-collar | 1,532.9 | 1,531.2 | 1.7 |
| Blue-collar | 569.3 | 519.9 | 49.4 |
| Total | 2,352.9 | 2,327.2 | 25.7 |

The following table also shows the average number of employees by Company:

| Company | 2009 | 2008 | Change |
|---|---|---|---|
| ADR S.p.A. | 2,050.9 | 2,143.9 | (93.0) |
| ADR Engineering S.p.A. - Unipersonale | 41.2 | 46.9 | (5.7) |
| ADR Tel S.p.A. | 18.2 | 17.7 | 0.5 |
| ADR Advertising S.p.A. | 10.0 | 10.7 | (0.7) |
| ADR Assistance S.r.l. - Unipersonale | 232.6 | 108.0 | 124.6 |
| Total | 2,352.9 | 2,327.2 | 25.7 |

It should be pointed out that the Group's average headcount in 2008 took account of the subsidiary undertaking, ADR Assistance S.r.l. - Unipersonale, which started operating in July.

## Remuneration of Directors and Statutory Auditors.

The following table shows the remuneration paid to Directors and Statutory Auditors (cumulatively for each category):

| Category | Remuneration (in thousand of euros) |
|---|---|
| Directors | 468 |
| Directors with positions created in compliance with Legislative Decree no. 231/2001 | 85 |
| Statutory Auditors | 228 |
| Total | 781 |

## Litigation.

Administrative, civil and labor litigation is followed by the Group through its internal legal department which has provided, for the preparation of the accounts as of and for the period ended December 31, 2009, a complete and exhaustive breakdown of the different civil, administrative and arbitration proceedings outstanding as of that date.

As regards litigation as a whole, the Group carried out a valuation of the risk of negative outcomes leading to the creation of a specific allowance under "allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions in accordance with the principles and procedures governing the preparation of Financial Statements. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

## Tax litigation.

– In 1987 a general tax audit of the Parent Company's accounts from January 1, 1985 to February 18, 1987 was carried out, focusing in addition on certain aspects relating to previous years.
  Despite the fact that the auditors found no evidence of irregular accounting practices or violations of statutory regulations, including misdemeanors punishable by fine in compliance with Law no. 516 of August 7, 1982, ADR S.p.A. was notified of certain irregularities regarding both direct and sales tax (IVA) for the years between 1982 and 1987. ADR S.p.A. appealed the Tax Authorities' interpretation before the competent Tax Commissions.
  During 2002, the Revenue Office appealed the sentence issued by the Regional Tax Commission for Rome – section no. 43 – before the Supreme Court. Such sentence had turned down the appeal against the sentence of the Tax Commission for the Province of Rome, dated April 9, 1999, which had accepted the grounds for ADR's appeal against the allegations of income tax violations regarding the years 1985 and 1986.
  On July 10, 2002 the Tax Authorities appealed to the Supreme Court, and the Parent Company responded by depositing its counter-evidence with the Court. At a hearing to discuss the matter on November 7, 2007, the Supreme Court accepted the appeal and referred the case to a different department of the Regional Tax Commission.
  Thus far the outcomes of the hearings conducted by the various tax commissions have been in ADR S.p.A.'s favor, confirming the legal interpretation adopted and a positive outcome for the Company.

– On November 3, 2006 the Tax Office of Rome (UTF) initiated an audit of the ADR S.p.A.'s accounts regarding taxation of the consumption of electricity.
  In its Report dated February 23, 2007, the Tax Office (UTF) informed the Company that it "intended to recover the amounts relating to the consumption tax and related local surtaxes on electricity sold to third parties for the years between 2002 and 2005, in that, in the Office's opinion, the said amounts were not duly paid". In this regard, the Office specifies that "it is necessary to know, for each of the above years, the electricity suppliers that in the role of withholding agents applied the exemptions in question, as well as the list of sub-concessionaires that were supplied electricity with exemption and the related amounts invoiced, even if for the purposes of reimbursement".
  The Tax Office (UTF) formalized the request for data and information regarding the supply of electricity for the above period. ADR replied in a letter dated June 1, 2007, reiterating that, on the basis of the legal framework governing the Company's activities, the electricity obligatorily supplied to airport premises and infrastructures

utilized by other entities cannot be considered as energy "acquired by the Company and sold, subject to reimbursement of expenses, to third parties".

Between July 3 and 13, 2007, the Tax Office carried out additional audits aimed at "carrying out technical checks on the equipment and on the means of distribution and consumption of electricity on the part of ADR, in order to identify and separate the consumption subject to the tax exemption in accordance with art. 52 of Consolidated Act no. 504/1995 for the tax period January 1, 2002 - May 31, 2007".

Following the audits, the Tax Office issued 15 demands for payment of a total of 4.4 million euros, regarding failure to pay the tax on electricity consumption and the related surtax for the period 2002-2006. This amount includes interest expense, penalties for late payment and notification expenses.

Generally speaking, the disputes relate to the alleged sale to third parties of the electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act (TULD) to entities qualifying for inclusion in the category "industrial operators".

Along with the demands for payment, there were nine notifications of administrative irregularities, amounting to a total of 1.5 million euros for 2002, concerning the sanctions imposed in relation to the failed payment of the above taxes.

Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed the demands in question before Rome's Provincial Tax Commission.

At hearings in 2008 and 2009, Rome's Provincial Tax Commission granted all the appeals regarding payment of taxation and the imposition of sanctions.

The Customs Office then lodged an appeal against the sentences issued by Rome's Provincial Tax Commission.

On October 21, 2009, Lazio's Regional Tax Commission issued and filed thirteen sentences confirming the decision of the Provincial Tax Commission and rejecting the appeal lodged by the Customs Office. Regarding eight other appeals lodged by the Customs Office, allocated to the same section of the Regional Tax Commission that issued the thirteen rulings in the Company's favor, announcement of the related hearings is awaited.

– On December 27, 2006 the Municipality of Fiumicino notified ADR S.p.A. of its failure to declare and pay local property tax (ICI) for 2001 regarding Rome Airport's Hilton Hotel.

  On December 28, 2007 the Municipality of Fiumicino notified ADR S.p.A. of a tax assessment for 2002 regarding the same building previously assessed for 2001.

  The Company, considering that there are valid arguments in favor of its non-liability to pay this tax, has appealed against these tax assessments to the Provincial Tax Commission of Rome.

– On August 16, 2007, the Rome II District Customs Office notified ADR S.p.A. of reported irregularities in the sales carried out at its duty free shops from January 1, 1993 to January 31, 1998. The findings essentially regard

sales made to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value.
On December 18, 2007, the same District Customs Office ordered payment of sums regarding VAT, excise duties and tobacco duties, as a result of the findings set out in the assessment report. The total amount of taxes and interest charged adds up to around 22.3 million euros.
Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed this demand for payment before the Provincial Tax Commission.
On April 6, 2009 the Provincial Tax Commission of Rome filed Sentence no. 149/39/00, which rejected the appeal lodged by the Company. Following the judgment, the Customs Office activated the procedure to collect the sum due, which the Company is paying in 36 installments subsequent to acceptance of the application submitted to the Collection Agent, after paying an advance of 4 million euros via an irrevocable payment order on April 27, 2009.
Moreover, on 24 April 2009 the Company filed an application with the Customs Office for administrative suspension, until the Lazio Regional Tax Commission files its sentence, of collection of the sum due. On May 19, 2009 the Customs Office notified that it did not accept the request for suspension.
The Company, backed up by its tax experts who have confirmed that there are no grounds for the imposition of such taxation, remains convinced of the substantial and formal legitimacy of its behavior.
On July 14, 2009 ADR S.p.A. therefore lodged an appeal against the sentence handed down by the Provincial Tax Commission of Rome.
On November 3, 2009 Rome's Regional Tax Commission informed ADR S.p.A. that a hearing to deal with the appeal lodged by the Company had been scheduled for February 17, 2010. For the latest information, see the section on "subsequent events" in the Management Report on Operations; regarding the accounting treatment, see the section on "allowances for risks and charges" in the Notes.

- On January 22, 2008 the Tax Authorities began carrying out a general tax audit of the subsidiary, ADR Tel S.p.A., in order to check compliance with tax regulations regarding IRES, IRAP and VAT for 2005.
  On February 18, 2008, the tax inspectors formally notified the Company that certain declared costs, totaling 394 thousand euros, were non-deductible.
  On July 25, 2008 the Company submitted a statement to the relevant Tax Office containing its comments and a request that the findings of the audit be dismissed.
  On April 29, 2009 the Tax Office notified imposition of a fine of 516 euros regarding infringements relating to VAT. The fine was paid in reduced form, in accordance with the law, on May 15, 2009.

- Within the scope of annual checking procedures pursuant to art. 42 of Law no. 388/2000, on June 4, 2009 the Lazio Regional Tax Office initiated a general tax audit of ADR S.p.A. regarding IRAP and VAT for 2007.
  At the end of the audit, on October 29, 2009 the Company was notified of certain irregularities regarding direct

taxation, IRES and IRAP, entailing higher taxation of 1,195 thousand euros, and higher VAT of 2,416 thousand euros. In acknowledging the notice, the Company has reserved its right to defend itself before the competent authorities.

– In August 2009 the Dutch tax authorities formally requested information from Airport Invest B.V. in relation to their audit of income tax declarations for the 2005 and 2006 tax years.
  On October 3 and 10, 2009 the Dutch tax authorities formally notified the Company that its audit of the declarations had resulted in a favorable outcome.

## Administrative, civil and labor litigation.

Significant disputes are summarized below:

– On May 26, 1999, ADR S.p.A. appealed Ministry of Finance Decree no. 86, dated March 5, 1999, before the Lazio Regional Administrative Court. The Decree establishes the license fees to be paid by airport operators for the years prior to 1997. Judgment is still pending.
  A similar action brought by ADR S.p.A. before the Civil Court of Rome, with the aim of ascertaining that the Company is not required to pay any back-dated fees to the Ministry of Transport for the years prior to 1997, ended with the issue of sentence no. 5283/2004. This sentence, which upheld ADR's position, declared that the Company has no obligation to pay the government license fees for the years prior to 1997 in application of the convention of June 26, 1974.

– In a resolution of September 20, 2000, the Antitrust Authority closed the investigation of ADR S.p.A., launched in 1999, finding that the Company had not abused its dominant position either with respect to the fees charged for ground handling services, or with regard to self-handling. The Authority did, however, find anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was inflicted. The Company has appealed the latter finding before the Lazio Regional Administrative Court, but the date for the hearing has yet to be set.

– Alitalia and Alitalia Airport have appealed to the Lazio Regional Administrative Court against the Italian Civil Aviation Authority (ENAC) and the Director of Fiumicino Airport and against ADR S.p.A. and ADR Handling S.p.A. as interested parties. The appellants have requested the cancellation, subject to suspension, of both the Civil Aviation Authority's provisions of September 26, 2000, by which the Authority defined the centralized infrastructure at Fiumicino Airport, including the cargo storage plant, and the act of March 29, 2001, by which the Director of Rome Fiumicino Airport ordered the appellants to "cease, with immediate effect, all activities regarding cargo handling, in relation to both services subject to limits and those for which it might have been necessary to use Alitalia's cargo plant". An announcement of the date of the relevant hearing is awaited, given that the appellants have withdrawn their request for a suspension.

– The Ministerial Decree of November 29, 2000 requires the operators of public transport services and relative infrastructure to draw up action plans for the reduction and abatement of noise, and to make provisions in line with forecast penalties if such limits should be exceeded. The legislation has been independently appealed by all airport operators to the Council of State, with the aim of obtaining an annulment of Lazio Regional Administrative Court's sentence no. 3382/2002. Sentence no. 5822/2004 of September 7, 2004 partially rejected the appeals brought by the airport operators.

  The Council of State has decided that airport operators have an obligation to reduce noise pollution and thus prepare noise abatement action plans under two conditions:

  - identification of the boundaries of the areas covered by the Ministerial Decree of October 31, 1997;
  - verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations, as established by the Prime Ministerial Decree of November 9, 1997, with reference to be made to the limits established in municipal zoning bylaws or, in their absence, by art. 6, paragraph 1, of the Prime Ministerial Decree of March 1, 1991.

  Within the areas covered by the regulations, on the other hand, emission limits (as defined by art. 3, paragraph 3 of the Prime Ministerial Decree of November 14, 1997) are only applicable "for all noise sources other than airport infrastructures". The limits established by the Ministerial Decree of October 31, 1997 remain in force. These limits "provide for three areas (zones A, B and C) with various levels of LVA (the indicator used to measure airport noise emissions and different from the "Noise Equivalent level" used to establish the levels applied in the Prime Ministerial Decree of November 14, 1997).

  The obligation to make financial provisions to cover the cost of adopting noise reduction and abatement measures, regardless of whether or not the above limits have been exceeded, derives from Framework Law no. 447/1995 (art. 10, paragraph 5) and not the Ministerial Decree to which the appeal judge's sentence refers, as the latter is merely a repetition of the legal provisions referred to.

  The Ministry of the Environment "assumes that the obligation to make provisions is valid regardless of whether or not the noise emission limits have been exceeded" (thus as of the entry into force of Law no. 447/1995); at the same time "all issues regarding the reasonableness of such obligation, even where limits have not been exceeded, are beyond the scope of this action, by which the appellants have appealed a regulation that merely requires communication of the provisions made". The above sentence, moreover, does not exclude the possibility that the issue of "the reasonableness" (or otherwise) of the above regulation establishing the obligation to make provisions may be appealed by airport operators before the relevant courts. A description of the relevant accounting treatment is provided in the Notes to the "memorandum accounts".

– In 2003 ADR S.p.A. lodged an appeal with the Lazio Regional Administrative Court in which it contested the request by the Antitrust Authority of May 12, 2003 to pay a sum of 1.2 million euros, equivalent to thirteen six-monthly installments added to the fine of 0.9 million euros imposed on ADR S.p.A. in 1993, following an investigation of ground handling services.

  The appealed letter follows payment by ADR S.p.A. of an amount corresponding to only five six-monthly installments (0.5 million euros, in addition to the original fine), rather than the total of eighteen six-monthly installments requested by the Authority.

  With sentence no. 198/2004, handed down on May 6, 2004, the Lazio Regional Administrative Court accepted ADR S.p.A.'s appeal. In October 2004 the Antitrust Authority appealed the Lazio Regional Administrative Court sentence before the Council of State. In a sentence, which was notified in May 2009, the Council of State rejected the appeal lodged by the Authority.

– In September 2003 ADR S.p.A. issued notice of appeal to Lazio Regional Administrative Court against Ministerial Decree no. 14/T of March 14, 2003 (published in the Official Gazette of June 3, 2003) containing provisions regarding the payment of fees for the 100% screening of hold baggage, as interpreted, in relation to the date from which such fees are to be applicable, in Civil Aviation Authority letters dated June 3, 2003 and June 11, 2003. The main reasons for the appeal are: (a) the contradictory nature of the two letters from the Civil Aviation Authority; (b) the lack of any provision regarding collection of the fees prior to the implementation of the Ministerial Decree. The appeal aims, among other things, to recover the fees due for the period between the date the Decree became valid (June 3, 2003) and the date authorized by the Civil Aviation Authority in a separate letter (June 26, 2003). At a hearing regarding the case held on November 26, 2009 judgment was withheld.

– In 2003 ADR S.p.A. lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (Definition of airport license fees for 2003) published in the Official Gazette on July 7, 2003, as amended in the notice published in the Official Gazette on September 6, 2003. This Decree established methods different from those previously applied for calculating annual fees due from global airport operators pursuant to special laws. Such methods of calculation are deemed to be illegitimate as they introduce an element of "adjustment" to the resulting figures regarding the "earnings" that passengers produce in relation to the airport.

  In a parallel judgment in Civil Court, on July 12, 2007 ADR S.p.A. was notified of the purview of sentence no. 12189 of June 13, 2007 with which the Court of Rome, accepting ADR's request, "following misapplication of the executive Decree issued by the director of the State property office on June 30, 2003", declared "ADR S.p.A. did not owe the Italian Civil Aviation Authority any amounts greater than the license fees due for the years 2003, 2004 and 2005 calculated in conformity with Law no. 662/1996, in application of the calculation criteria set forth in the Ministerial Decree dated December 12, 1998".

On June 16, 2008 the State property office lodged an appeal against this sentence. A hearing to pronounce final judgment has been scheduled on October 12, 2011.

– With regard to the preparatory phase for the Planning Agreement 2005-2009, in November 2005 ADR S.p.A. appealed to Lazio Regional Administrative Court for an annulment of the decisions and considerations contained in the document issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy on September 22, 2005, in which the Company is substantially denied the right to include any component of the purchase cost of the airport management concession for Fiumicino and Ciampino in the regulatory asset base, to be used in determining the airport fees it will charge. The appeal also includes a claim for damages from the ministries concerned, in view of the unwarranted delay the above document has caused in finalizing the Planning Agreement provided for in point five of the regulatory framework annexed to CIPE (Interdepartmental Committee for Economic Planning) Resolution 86/2000 and art. 4 of the Ministerial Decree of November 14, 2000. The Agreement governs the determination of airport fees and the other regulated revenues earned by ADR. A date for the hearing on the merits is awaited.

– On October 28, 2005, ADR S.p.A. submitted a complaint to the European Commission asking it to examine the provisions of Decree Law no. 211/2005 regarding so-called "System requirements", which was subsequently included in Decree Law no. 203/2005, converted into Law no. 248/2005. ADR's complaint aims to bring to the Commission's attention the fact that the above legislation violates EU law, with particular regard to the rules governing State aid.
This complaint was followed on February 20, 2006 by a further communication to the European Commission from ADR, reinforcing and expanding on the previous complaint, in response to the guidelines issued by the Ministry of Infrastructure and Transport.

– Actions brought by ADR, including those contesting certain provisions regarding the implementation of regulations introduced by Law no. 248/2005 (so-called "System requirements"), include the proceedings held before the Civil Court in February 2006 against the Ministry of Infrastructure and Transport. This regards a claim for damages, estimated at 27.6 million euros, caused to ADR S.p.A. as a result of the failure to bring airport fees into line with the target inflation rate until December 2005, in compliance with article 2, paragraph 190 of Law no. 662/1996, which was repealed by Law no. 248/2005. A hearing was held on January 19, 2010 to finalize the conclusions. Issue of the sentence is awaited.

– A further action relating to "System requirements" regards the appeal filed by ADR S.p.A. at the Lazio Regional Administrative Court in February 2006, with a view to revoking the guidelines issued by the Ministry of

Infrastructure and Transport on December 30, 2005, regarding the entry into effect of Law no. 248/2005. Specifically, this regards a request for annulment of both the regulations concerning the reduction of airport fees and the Civil Aviation Authority's memorandum of January 20, 2006, fixing the level of temporary airport fees. With sentence no. 2289/2007 lodged on June 5, 2007 the Lazio Regional Administrative Court rejected the appeal. In November 2007 ADR appealed this sentence before the Council of State. An announcement of the date of a hearing to discuss the matter is awaited.

– Moreover, in March 2006 ADR S.p.A. appealed to the Lazio Regional Administrative Court, without a request for suspensive relief, against the Civil Aviation Authority's memorandum of February 3, 2006 and subsequent memoranda in which the Authority deemed it appropriate to suspend payment of royalties on the sub-concession of airport fuel supply to third parties. The suspension is to remain in force until the submission by airport operators of data regarding the costs incurred in relation to the service provided by oil companies and until the completion of checks to be carried out on these companies by the Civil Aviation Authority. An announcement of the date of a hearing to discuss the matter is awaited.

– Assaero (the National Association of Airline Carriers and Air Transport Operators) and Blu Panorama lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600), with which the Civil Aviation Authority communicated the results of its investigation of the companies involved in managing all aspects of airport activities "in order to analyze the correlation between the costs incurred and the amount airport operators charge oil companies on a lump sum basis". With sentence no. 11154/2007 the Regional Administrative Court rejected the appeal. The carriers lodged an appeal on January 2, 2008.
Council of State sentence no. 1416/2009 upheld the appeal. Whilst confirming that airport operators can legitimately request payment of so-called "fuel royalties", insofar as the royalties are effectively linked to the costs incurred by operators, and acknowledging the Civil Aviation Authority's role in regulating the application of the royalties by operators, the Council of State ruled that the Authority must exercise this power via prior examination of concrete and reliable data, with immediate reference to the cost structure of the activities subject to regulation. In compliance with the Council of State's sentence, after further investigation, on April 24, 2009 the Civil Aviation Authority issued a ruling in which it withdrew all the previously issued rulings as a self-protective measure. Amongst other things, it reiterated that "oil companies are obliged to directly pay amounts due to airport operators for the provision of necessary assets and equipment regarding the refueling of aircraft within the limits of established costs".

– IBAR (Italian Board Airlines Representatives) and six carriers (Iberia, Tap, American Airlines, Delta Airlines, Ethiopian Airlines and Cyprus Airlines) lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600) (in addition to other fire prevention measures), with which the Civil Aviation Authority communicated the results of the controls carried out airports' total operations "in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis". On February 27, 2008, Esso Italiana proposed taking measures to oppose the judgment. Subsequently, IBAR put forward additional grounds and requested the Regional Administrative Court to acknowledge the illegitimacy of the most recent rulings issued by the Civil Aviation Authority regarding the matter. An announcement of the date of a hearing to discuss the matter is awaited.

– IBAR, together with 13 carriers, on the one hand, and Assaero and Volare, on the other hand, in separate requests, appealed to the Lazio Regional Administrative Court, with concomitant request for suspensive relief, for the cancellation of Civil Aviation Authority rulings no. A0035898 and no. 0035899 of June 5, 2007, regarding the setting of fees for the catering carried out at Rome and Milan airports, respectively. The plaintiffs have withdrawn their request for suspension. Subsequently, IBAR put forward additional grounds and requested the Regional Administrative Court to acknowledge the illegitimacy of the most recent rulings issued by the Civil Aviation Authority regarding the matter. An announcement of the date of a hearing to discuss the matter is awaited.

– Ryanair appealed to the Lazio Regional Administrative Court requesting cancellation – with prior suspension – of Ordinance no. 14/2007 of July 9, 2007 issued by the management of Ciampino airport, stipulating that no more than 100 commercial movements by the holders of slots could be effected in any one day, with slots to be allocated between 6am and 11.30pm during the winter of 2007-2008. At the hearing held on October 11, 2007 to discuss suspensive relief, the Regional Administrative Court rejected Ryanair's appeal, thereby maintaining the restricted number of slots for the "winter of 2007-2008". With Ordinance no. 5752/2007 the Council of State upheld Ryanair's appeal (and therefore the original application for suspensive relief submitted by the airline). On March 25, 2008 Ryanair notified ADR of an appeal on additional grounds to the Lazio Regional Administrative Court, following the denial by Assoclearance of two slots that did not exceed the current daily of limit of 138 slots, and which the airline had not made use of during the "summer 2007". This denial was based on a contradictory interpretation by the Civil Aviation Authority, according to which the effects of the contested Civil Aviation Authority Ordinance remained in force, even after the ruling by the Council of State, if Ryanair were to request slots different from those allocated to it in the "summer 2007", as only the loss of these slots would constitute the serious and irreparable harm that the ordinance intended to avoid. At a hearing held to discuss the matter on April 24, 2008, Ryanair requested that the case be adjourned until a hearing on the merits, a date for which is awaited. At the same time, regarding the carrier's request to execute Council of State Ruling no. 5752/2007, the same judge, with Ruling no. 2046/08, rejected Ryanair's demands on the following grounds: "for the purposes of executing

Ruling no. 5752 of November 6, 2007 the position taken by the appellant with regard to the present dispute, appears to be correct and satisfactory regarding maintenance of the same number of "summer 2007" slots previously allocated to Ryanair by the Civil Aviation Authority and Assoclearance, including the "summer 2008" season, given that the damages claimed by Ryanair should be measured only on the basis of the number of slots allocated to the airline at the time when the number of total slots allocated to Ciampino airport were reduced from 138 to 100".

– ENI has brought a claim before the Rome Civil Court against its own client airline carriers (Air One, Alitalia, Eurofly, Livingston, Meridiana and Neos) in order to ascertain the obligation to pay oil companies the amounts regarding the license fee that the Company owes to airport operators, and, consequently, that the carriers are ordered to pay ENI the amounts accrued to this effect since October 2005 (with Decree Law no. 211/2005 regarding "System requisites" came into effect).
  In the same claim, ENI has also brought a secondary claim against airport operators, including ADR S.p.A. (and the Civil Aviation Authority for the airports managed by the State) in order to ascertain that ENI does not owe the airport operators payments for the license fee calculated on the basis of the amount of fuel supplied to airline companies. Moreover, as specifically regards ADR, on the one hand, ENI requests that it is ordered to pay an amount corresponding to the sum paid since October 2005, totaling 276 thousand euros, and, on the other, that it be determined that ENI does not owe ADR the amount of 1.1 million euros (determined up to May 31, 2006), as yet unpaid. At a hearing on November 19, 2008 Alitalia's attorney submitted a copy of sentence no. 287/2008 of the Bankruptcy Division of the Court of Rome, declaring that the Company was insolvent. The judge therefore suspended the trial. At a hearing held on February 3, 2010, the case was adjourned until June 10, 2010.

– Air One has taken out legal proceedings at the Civil Court of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators (SAB - Aeroporto di Bologna, ADR, SEA and SAVE), claiming the illegality of the payments requested by the managements of oil companies for the use of airport infrastructures, which these companies subsequently "pass on" to carriers. Consequently, Air One also requests that Tamoil – together with the above airport operators, each according to their portion of responsibility – be ordered to repay the sum paid by Air One since 2003, amounting to 2.9 million euros. A hearing has been scheduled for December 21, 2011 for final judgment.

– A series of sentences passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia - Linee Aeree Italiane S.p.A. in a.s., Volare S.p.A. in a.s., Alitalia Express S.p.A. in a.s., Alitalia Servizi S.p.A. in a.s., Alitalia Airport S.p.A. in a.s. ADR has filed claims against the above companies. Regarding the proceedings relating to Alitalia - Linee Aeree Italiane S.p.A., ADR's claim was dealt with at a hearing on December

16, 2009. Given that ADR was the only operator deemed to have adequately prepared the application and the supporting documentation, with regard to claims dating back to prior to commencement of the proceedings, and in view of the fact that certain invoices were still being checked to ensure that the service had been duly provided and the related payments made, the hearing was adjourned until another hearing on April 28, 2010. With regard to claims arising subsequent to commencement of the proceedings, the matter was adjourned until a hearing to be held on October 19, 2010. Other developments include: AZ Servizi S.p.A. in a.s.: at a hearing on October 29, 2009, examination of ADR S.p.A.'s claims was adjourned until March 30, 2010; AZ Airport S.p.A. in a.s.: at a hearing on October 15, 2009, examination of ADR S.p.A.'s claims was adjourned until March 16, 2010; Volare S.p.A. in a.s.: at a hearing on December 9, 2009, examination of ADR S.p.A.'s claims was adjourned until March 30, 2010 regarding claims dating back to prior to commencement of the proceedings, and until May 26, 2010 for claims arising subsequent to commencement of the proceedings; Alitalia Express in a.s.: at a hearing on November 25, 2009, examination of ADR S.p.A.'s claims was adjourned until March 17, 2010 regarding claims dating back to prior to commencement of the proceedings, and until May 19, 2010 for claims arising subsequent to commencement of the proceedings.

Moreover, several legal initiatives have been undertaken at the Court of Civitavecchia, in support of ADR's claims for amounts due from Alitalia for navigation fees, secured by a lien on aircraft, also in respect of their related owners, who are jointly liable under the law.

– On November 21, 2007, ADR lodged an appeal with the Lazio Regional Administrative Court (without a request for suspension) to obtain cancellation of CIPE Resolution no. 38/2007 and the attached "Directive regarding tariff regulation of airport services offered on an exclusive basis". Subsequently, ADR appealed (also without request for suspension) against the Guidelines issued by the Civil Aviation Authority in implementation of this Directive.

  The principal grounds for the appeal regard the remuneration of invested capital and, more generally speaking, the allocation of concessionary charges, application of the single till criterion (the contribution of a percentage of commercial margins towards the determination of airport fees) and regulated tariff trends. A date for the hearing on the merits is awaited.

  On March 25, 2009, ADR S.p.A. presented additional arguments supporting its appeal before Lazio Regional Administrative Court against the Ministerial Decree of December 10, 2008, published in Official Gazette no. 42 of February 20, 2009, which approves the Civil Aviation Authority's Guidelines and abolishes the previous Ministerial Decree, which was never published in the Official Gazette and was appealed by ADR S.p.A.. A date for the hearing on the merits is awaited.

– With regard to proceedings relating to certain airport fees, details of the Lazio Regional Administrative Court's sentence issued in response to the appeals lodged by ADR S.p.A. and Air One were published on September 25,

2009. The appeals regarded the Antitrust Authority's ruling of October 23, 2008 relating to ADR S.p.A.'s alleged abuse, pursuant to art. 82 of the EC Treaty, in respect of airport fees.

The Lazio Regional Administrative Court partially upheld ADR S.p.A.'s appeal, based on a series of complex reasons (e.g. the Civil Aviation Authority's failure to implement tariff regulations), and, as a result, reduced each component of the fine by 30%. This means that the total amount payable has been lowered from 1,668 thousand euros to 1,168 thousand euros.

Again based on a series of complex reasons, the Regional Administrative Court also partially upheld the part of Air One's appeal claiming that the Antitrust Authority's investigation had omitted to examine ADR's dominant position regarding the availability of centralized infrastructures. The Lazio Regional Administrative Court accepted Air One's argument that the Antitrust Authority, in ignoring this abuse, had only focused on the deficit arising between the costs and revenues attributable to ADR deriving from its management of centralized infrastructures.

On January 12, 2010 ADR S.p.A. appealed to the Council of State against both the sentences handed down by the Lazio Regional Administrative Court.

– In November 2009 ADR S.p.A. lodged an appeal before the Lazio Regional Administrative Court, without a request for suspensive relief, against the Civil Aviation Authority directive of July 31, 2009, protocol no. 0050644/DIRGEN/CEC, which included a table indicating the amounts of the contributions due from each operator for the fire prevention fund.

  In February 2010 additional grounds were provided against the subsequent Civil Aviation Authority directive of December 11, 2009, protocol 0087809/DIRGEN/DG which, referring to a table that had already been superseded by the previous directive of July 31, 2009, reiterated the request to airport operators to make the related payments as soon as possible in order to "rectify non-compliance with the provisions of Law no. 296 of December 27, 2006".

  The principal grounds for the appeals include lack of clarity regarding the charge levied on airport operators (tax or fee for provision of service), and therefore the impossibility of identifying the competent jurisdiction.

  A date for the hearing on the merits is awaited.

– In October 2009 Volare Airlines S.p.A., a Company under special administration entered into civil proceedings before the Court of Busto Arsizio in order to obtain cancellation of payments made to ADR S.p.A. during the year prior to the carrier's entry into the insolvency procedure that was decreed on November 30, 2004, and the consequent ordering of the Company to pay back a sum of 6.7 million euros.

  The plaintiff's request is essentially based on the premise that ADR S.p.A. was aware of the insolvency of the carrier and the entire Group of which it formed part, together with Air Europe and the Volare Group, at least since 2002.

  A preliminary hearing was set for March 31, 2010.

- In October 2009 Air Europe S.p.A., a Company under special administration entered into civil proceedings before the Court of Busto Arsizio in order to obtain cancellation of payments made to ADR S.p.A. during the year prior to the carrier's entry into the insolvency procedure that was decreed on November 30, 2004, and the consequent ordering of the Company to pay back a sum of 1.8 million euros. The plaintiff's request is essentially based on the premise that ADR S.p.A. was aware of the insolvency of the carrier and the entire Group of which it formed part, together with Volare Airlines and the Volare Group, at least since 2002. A preliminary hearing was set for March 31, 2010.

- A judgment is pending before the Lazio Regional Administrative Court in a case brought by ADR against the Ministry of Labor and Social Policies regarding obligatory employment. The case derives from a request submitted by ADR to the Ministry of Labor, regarding the possibility of excluding ADR employees who carry out security, property surveillance and safety duties (472 staff at the time of the request) from calculation of the quota of jobs to be allocated to disabled workers, as such personnel are involved in activities that are included in or similar to those excluded under the relevant legislation (Law no. 68/1999). As the Ministry refused to grant this request, ADR appealed to the Regional Administrative Court with a request for preventive suspension. In a ruling on May 4, 2006, handed down with regard to the preventive suspension, the Regional Administrative Court accepted ADR's claim and consequently suspended the Ministry's refusal with immediate effect.

- A case is pending before the Court of Civitavecchia brought by a former employee who was dismissed on disciplinary grounds in 2004. Specifically, the plaintiff was dismissed regarding events that occurred during working hours, for which he was subsequently acquitted in a criminal court. Even though the dismissal was not contested in accordance with the law, the plaintiff has claimed damages amounting to around 0.8 million euros for unfair dismissal. Full acceptance of these claims is deemed highly unlikely, whilst it is considered that, in the remote possibility of any claims being accepted, only an insignificant sum would be entailed. A further hearing has been fixed for May 19, 2011.

- A group of 16 parties summonsed ADR S.p.A. and the bankrupt Ligabue Gourmet, thereby challenging the validity of ADR's sale of the West catering business unit to Ligabue, with a claim of around 9.8 million euros for damages incurred through to the end of 2006, including future damages and staff termination benefits. Despite the lack of previous decisions regarding such a case, acceptance of these claims is deemed highly unlikely. At a hearing to discuss the case on January 28, 2010, the judge ordered that counter-arguments must be submitted by April 18, 2010.

- With notification of a sentence of July 13, 2009, the appeal was concluded in the case brought by a group of 34 plaintiffs, all of whom are former ADR employees transferred to Ligabue after the sale of the West catering business unit by ADR to the latter Company, which subsequently went bankrupt. Via this notification, the Appeal Court of Rome declared the case to be closed regarding five plaintiffs, with whom a settlement was reached, and ordered ADR to pay a sum of 60 thousand euros to each of the remaining 29 plaintiffs, amounting to 1.7 million euros in compensation pursuant to art. 1381 (promise of obligation or act of third person). The claim specifically regards a ruling that dealt with the issue of employment following the bankruptcy of Ligabue signed at the Ministry of Labor and Social Policies on August 2, 2002, and endorsed by ADR and other interested companies, and the relevant national and Regional Authorities and Labor Organizations. After the grounds for the sentence were filed on January 8, 2010, a lawyer was charged with preparing an appeal to be lodged before the Supreme Court.

The following claims with regard to contract work, services and supplies are pending before civil law courts:

– ATI Alpine Bau, which was awarded the contract for works relating to the structural and operational upgrading of runway 3 at Fiumicino airport, appealed sentence no. 1347/2006 by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim, totaling 0.2 million euros. The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim) and a request was made to combine the three proceedings. In addition, a further appeal is pending against the partial judgment in first instance (at the hearing for final judgment held on October 20, 2009 the case was adjourned until May 25, 2010).

  At the hearing on January 10, 2007 ATI Alpine's legal counsel made a request to combine the present proceeding with the preceding underway for which a partial judgment has been made (cited above). ADR's legal experts opposed the combination of the proceedings and the judge, in accepting this opposition, rejected the request, but at the same time ordered that, merely for the purposes of reducing the number of court appearances, the present proceeding and that for which a partial judgment has been made be handled during the same hearing set for January 19, 2010. At this hearing the Court adjourned the proceedings until a hearing on May 25, 2010 to deal with the cases jointly.

– In 2002 a lawsuit was taken out by ATI Elsag S.p.A. - CML Handling Technology S.p.A. regarding payment of sums posted to accounts relating to the contract to construct the new baggage handling system at Fiumicino airport, amounting to 7.4 million euros, plus interest. With sentence no. 23167/2007 ADR S.p.A. was ordered to pay damages to Elsag, amounting to 1.2 million euros, plus interest and revaluation. Before the related right should lapse, ADR S.p.A. has lodged an appeal whilst awaiting the outcome of negotiations that may lead to an agreed settlement of the dispute. At a hearing on December 18, 2009 the parties requested a brief postponement due to negotiations in progress and the case was adjourned until a hearing on June 25, 2010.

– A claim for damages, in relation to the contract for the extension and restructuring of the international terminal at Rome's Fiumicino airport and related works, has been brought by Consorzio Aerest (in liquidation). The claim amounts to approximately 2.2 million euros plus VAT, interest and revaluation. On October 8, 2004 the Court of Rome partially upheld the Consorzio Aerest's claim, requiring ADR S.p.A. to pay the consortium the sum of approximately 167 thousand euros, rejecting all other claims and apportioning the legal costs to both parties.
On April 27, 2005 Consorzio Aerest appealed against the above-mentioned sentence, substantially reiterating the claim submitted in first instance. A hearing to pronounce final judgment is scheduled for April 6, 2010.

– Finprest to obtain recognition of its right to a sum of 3.2 million euros pertaining to review of contract prices, revaluations and interest in relation to a contract (dating back to 1988) for restructuring and extension works at the "old" domestic terminal at Fiumicino airport. With partial judgment no. 6265/2008 the Court of Rome rejected the claims of the plaintiff, ATI Finprest, whilst accepting the plaintiff's claim for interest for alleged late payment of installments paid regarding revised prices during the term of the contract. In a separate ruling, the Court thus ordered the proceedings to continue with appointment of an expert to ascertain whether ADR had made delayed payments of the revised installments and, if so, to determine the relative amount of interest. In a report filed on May 5, 2009, the expert assessed the amount of interest for delayed payments and accounting to be paid by ADR at 174 thousand euros. A hearing to cross-examine the expert is scheduled for April 1, 2010.

– On December 30, 2004 ATI NECSO Entrecanales - Lamaro Appalti notified its decision to appeal sentence 35859/2003 issued by the Civil Court of Rome, summonsing ADR S.p.A. to appear before the Appeal Court of Rome. In addition to rejecting ATI NECSO's claims, the judge at the initial hearing also ordered the Company to pay ADR S.p.A.'s costs. ATI NECSO is claiming damages of 9.8 million euros, plus VAT, interest, revaluation and costs, from ADR S.p.A. in relation to seven claims posted in the accounts relating to the contract for work on the extension and restructuring of the international terminal (Satellite West) at Fiumicino airport. Due to the favorable judgment handed down in first instance, the likelihood of a negative outcome for ADR S.p.A. is deemed remote and in any case far less than the counterparty's claims. A hearing to pronounce final judgment was held on November 18, 2008. By court order of April 2009, the Court of Appeal decided that, in order to determine claims for damages to compensate for responsibility for delays in completion of the contract attributable to the purchaser, ADR, it was necessary to appoint an independent expert. At a hearing on November 24, 2009 an appointed expert was sworn in and made responsible for clarifying the relevant issues. Preliminary expert investigations began on December 21, 2009 and will be continued on March 29, 2010.

– On February 1, 2005 Fondedile Costruzioni S.r.l. lodged an appeal against sentence no. 23019/2004 of the Civil Court of Rome, which rejected all the requests made by Fondedile, and also ordered the Company to reimburse

ADR's legal costs. Such appeal reiterates the claim submitted in first instance for a total of 3.6 million euros, as well as legal and overdue interest and revaluation. A hearing to pronounce final judgment is scheduled on March 8, 2011.

– On March 31, 2006 a summons was issued in which ATI Opere Pubbliche S.p.A. - Opere Idriche S.p.A., the Company contracted to carry out works on the multistory car park (fifth module) at Leonardo da Vinci airport in Fiumicino, requests that ADR be ordered to pay the 17 reserves recorded in the accounts regarding said works, for a total of 2.0 million euros, plus legal interest, as well as legal costs and fees. The requests submitted derived from the alleged design error which obliged the contractor, ATI, to use greater quantities of material than those provided for in the project and, above all, the increase in the prices of materials used for the work in question. With the order of April 3, 2007, the judge accepted the preliminary and prejudicial questions raised by ADR S.p.A., rejecting, at the same time, the requests put forward by the plaintiff, and adjourning the hearing until March 20, 2009 in order to finalize the conclusions. In a sentence on October 10, 2009, the Court totally rejected ATI's claims.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

In conclusion, we declare that these Consolidated Financial Statements present a true and fair picture of the Group's financial position and results of operations for the year.

The Board of Directors

# REPORT OF THE INDEPENDENT AUDITORS

Deloitte.

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**AUDITORS' REPORT**
**PURSUANT TO ART. 156 AND 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

**To the Shareholders of**
**AEROPORTI DI ROMA S.p.A.**

1. We have audited the consolidated financial statements of Aeroporti di Roma S.p.A. and subsidiaries ("Aeroporti di Roma Group") as of December 31, 2009. These consolidated financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on March 30, 2009.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of Aeroporti di Roma Group as of December 31, 2009, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. The Company's Directors are responsible for the preparation of the Management Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report on Operations is consistent with the consolidated financial statements of Aeroporti di Roma Group as of December 31, 2009.

DELOITTE & TOUCHE S.p.A.

*Signed by*
Domenico Falcone
Partner

Rome, Italy
March 30, 2010

*This report has been translated into the English language solely for the convenience of international readers.*

# COMPANY FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

Aeroporti di Roma

# Contents

# BALANCE SHEET AND INCOME STATEMENT

as of December 31, 2009 (compared with December 31, 2008) - (Translation from the original issued in Italian)

| ASSETS (in euros) | | 12.31.2009 | | | 12.31.2008 | |
|---|---|---|---|---|---|---|
| **UNPAID SHARE CAPITAL DUE FROM SHAREHOLDERS** | | | 0 | | | 0 |
| **FIXED ASSETS** | | | | | | |
| **Intangible fixed assets:** | | | | | | |
| – Industrial patents and intellectual property rights | | 1,600,653 | | | 2,413,547 | |
| – Concessions, licenses, trademarks and similar rights | | 1,731,704,698 | | | 1,782,506,275 | |
| – Leasehold improvements in process and advances | | 33,173,122 | | | 21,817,476 | |
| – Others | | 215,133,990 | | | 218,529,010 | |
| | | | 1,981,612,463 | | | 2,025,266,308 |
| **Tangible fixed assets:** | | | | | | |
| – Land and buildings | | 2,797,184 | | | 3,014,107 | |
| – Plant and machinery | | 40,553,739 | | | 42,753,137 | |
| – Industrial and commercial equipment | | 1,159,153 | | | 1,254,515 | |
| – Fixed assets to be relinquished | | 95,443,225 | | | 100,187,843 | |
| – Other assets | | 3,764,730 | | | 4,429,671 | |
| – Work in progress and advances | | 27,678,130 | | | 20,239,251 | |
| | | | 171,396,161 | | | 171,878,524 |
| **Non-current financial assets:** | | | | | | |
| – Equity investments in: | | | | | | |
| - subsidiary undertakings | 10,378,132 | | | 10,378,132 | | |
| - associated undertakings | 59,330 | | | 49,001 | | |
| - other companies | 2,708,203 | | | 2,718,532 | | |
| | | 13,145,665 | | | 13,145,665 | |
| – Receivables due from others: | | | | | | |
| · within 12 months | 3,099 | | | 3,099 | | |
| · beyond 12 months | 548,166 | | | 539,365 | | |
| | | 551,265 | | | 542,464 | |
| – Other securities: | | | | | | |
| - bonds | 2,758,309 | | | 0 | | |
| | | 2,758,309 | | | 0 | |
| | | | 16,455,239 | | | 13,688,129 |
| **Total fixed assets** | | | 2,169,463,863 | | | 2,210,832,961 |
| **CURRENT ASSETS** | | | | | | |
| **Inventory:** | | | | | | |
| – Raw, ancillary and consumable materials | | 2,919,485 | | | 2,912,894 | |
| – Contract work in progress | | 10,858,369 | | | 10,505,348 | |
| – Finished goods and goods for resale: | | | | | | |
| - goods for resale | 7,245,100 | | | 8,342,453 | | |
| | | 7,245,100 | | | 8,342,453 | |
| – Advances | | 0 | | | 336 | |
| | | | 21,022,954 | | | 21,761,031 |
| **Receivables:** | | | | | | |
| – Due from clients | | 190,314,698 | | | 146,275,411 | |
| – Due from subsidiary undertakings | | 14,341,390 | | | 15,695,466 | |
| – Due from associated undertakings | | 529,543 | | | 529,543 | |
| – Due from parent companies | | 11,114 | | | 46,577 | |
| – Due from tax authorities: | | | | | | |
| · within 12 months | 719,419 | | | 2,824,047 | | |
| · beyond 12 months | 8,934,417 | | | 0 | | |
| | | 9,653,836 | | | 2,824,047 | |
| – Deferred tax assets | | 22,949,345 | | | 19,342,345 | |
| – Due from others: | | | | | | |
| - various: | | | | | | |
| · within 12 months | 54,930,579 | | | 49,083,164 | | |
| - advances to suppliers for services to be rendered | 105,744 | | | 742,609 | | |
| | | 55,036,323 | | | 49,825,773 | |
| | | | 292,836,249 | | | 234,539,162 |
| **Marketable securities** | | | 0 | | | 0 |
| **Cash on hand and in banks:** | | | | | | |
| – Bank and post office deposits | | 131,102,808 | | | 136,777,372 | |
| – Cash and notes in hand | | 569,735 | | | 882,004 | |
| | | | 131,672,543 | | | 137,659,376 |
| **Total current assets** | | | 445,531,746 | | | 393,959,569 |
| **ACCRUED INCOME AND PREPAID EXPENSES** | | | | | | |
| Accrued income and other prepaid expenses | | | 4,231,095 | | | 4,016,460 |
| **TOTAL ASSETS** | | | 2,619,226,704 | | | 2,608,808,990 |

## BALANCE SHEET - ADR SPA

as of December 31, 2009 (compared with December 31, 2008) - (Translation from the original issued in Italian)

| LIABILITIES AND SHAREHOLDERS' EQUITY (in euros) | | 12.31.2009 | | | 12.31.2008 | |
|---|---|---|---|---|---|---|
| **SHAREHOLDERS' EQUITY** | | | | | | |
| Share capital: | | | | | | |
| – Ordinary shares | | | 62,309,801 | | | 62,309,801 |
| Share premium reserve | | | 667,389,495 | | | 667,389,495 |
| Revaluation reserves | | | 0 | | | 0 |
| Legal reserve | | | 12,461,960 | | | 12,461,960 |
| Statutory reserves | | | 0 | | | 0 |
| Reserve for own shares | | | 0 | | | 0 |
| Other reserves | | | 416,300 | | | 416,300 |
| Retained earnings (accumulated losses) | | | 16,766,361 | | | 23,814,301 |
| Net income (loss) for the year | | | 5,093,594 | | | (7,047,940) |
| Total shareholders' equity | | | 764,437,511 | | | 759,343,917 |
| **ALLOWANCES FOR RISKS AND CHARGES** | | | | | | |
| For taxes, including deferred: | | | | | | |
| – For taxes | | 12,118,486 | | | 0 | |
| Other | | 42,261,660 | | | 29,336,774 | |
| Total allowances for risks and charges | | | 54,380,146 | | | 29,336,774 |
| **EMPLOYEE SEVERANCE INDEMNITIES** | | | 27,445,409 | | | 35,785,662 |
| **PAYABLES** | | | | | | |
| Due to banks: | | | | | | |
| · within 12 months | 9,281,123 | | | 1,466,057 | | |
| · beyond 12 months | 284,850,000 | | | 293,350,000 | | |
| | | 294,131,123 | | | 294,816,057 | |
| Due to other financial institutions: | | | | | | |
| · within 12 months | 13,916,513 | | | 13,906,686 | | |
| · beyond 12 months | 1,200,018,896 | | | 1,200,018,896 | | |
| | | 1,213,935,409 | | | 1,213,925,582 | |
| Advances: | | | | | | |
| – From clients: | | | | | | |
| - from the Ministry of Transport: | | | | | | |
| · within 12 months | 0 | | | 278,106 | | |
| · beyond 12 months | 4,612,234 | | | 4,770,000 | | |
| - other | 4,969,073 | | | 8,559,008 | | |
| | | 9,581,307 | | | 13,607,114 | |
| Due to suppliers: | | | | | | |
| · within 12 months | 118,081,325 | | | 133,406,174 | | |
| · beyond 12 months | 2,733,986 | | | 4,636,594 | | |
| | | 120,815,311 | | | 138,042,768 | |
| Due to subsidiary undertakings: | | | | | | |
| · within 12 months | 16,847,686 | | | 19,953,462 | | |
| | | 16,847,686 | | | 19,953,462 | |
| Due to associated undertakings: | | | | | | |
| · within 12 months | 1,002,980 | | | 1,002,980 | | |
| | | 1,002,980 | | | 1,002,980 | |
| Due to parent companies: | | | | | | |
| · within 12 months | 12,455,483 | | | 19,793,015 | | |
| | | 12,455,483 | | | 19,793,015 | |
| Taxes due: | | | | | | |
| · within 12 months | 42,671,636 | | | 32,245,817 | | |
| | | 42,671,636 | | | 32,245,817 | |
| Due to social security agencies | | 6,936,469 | | | 5,216,180 | |
| Other payables: various creditors: | | | | | | |
| · within 12 months | 46,927,972 | | | 39,003,094 | | |
| · beyond 12 months | 2,303,397 | | | 1,227,113 | | |
| | | 49,231,369 | | | 40,230,207 | |
| Total payables | | | 1,767,608,773 | | | 1,778,833,182 |
| **ACCRUED EXPENSES AND DEFERRED INCOME** | | | | | | |
| Accrued expenses and other deferred income | | | 5,354,865 | | | 5,509,455 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | | 2,619,226,704 | | | 2,608,808,990 |

as of December 31, 2009 (compared with December 31, 2008) - (Translation from the original issued in Italian)

| MEMORANDUM ACCOUNTS (in euros) | 12.31.2009 | | 12.31.2008 | |
|---|---|---|---|---|
| GENERAL GUARANTEES | | | | |
| Sureties | 110,522 | | 110,522 | |
| Other | 507,841 | | 662,680 | |
| | | 618,363 | | 773,202 |
| COLLATERAL GUARANTEES | | 0 | | 0 |
| COMMITMENTS ON PURCHASES AND SALES | | 108,268,128 | | 114,867,846 |
| OTHER | | 975,927,876 | | 939,652,570 |
| TOTAL MEMORANDUM ACCOUNTS | | 1,084,814,367 | | 1,055,293,618 |

## INCOME STATEMENT - ADR SPA

for the year ended December 31, 2009 (compared with the year ended December 31, 2008) - (Translation from the original issued in Italian)

| INCOME STATEMENT (in euros) | | Year 2009 | | | Year 2008 | |
|---|---|---|---|---|---|---|
| **TOTAL REVENUES** | | | | | | |
| Revenues from sales and services: | | | | | | |
| – Revenues from sales | 80,307,572 | | | 87,282,599 | | |
| – Revenues from services | 471,909,926 | | | 475,325,085 | | |
| – Revenues from contract work | 4,937,735 | | | 0 | | |
| | | 557,155,233 | | | 562,607,684 | |
| Changes in contract work in progress | | 353,021 | | | 2,990,000 | |
| Other income and revenues: | | | | | | |
| – Revenue grants | 470,478 | | | 94,914 | | |
| – Profits on disposals | 23,067 | | | 42,548 | | |
| – Other | 11,109,381 | | | 7,341,031 | | |
| | | 11,602,926 | | | 7,478,493 | |
| | | | 569,111,180 | | | 573,076,177 |
| **OPERATING COSTS** | | | | | | |
| Raw, ancillary and consumable materials and goods for resale | | 67,377,677 | | | 78,676,608 | |
| Services | | 120,396,430 | | | 120,222,189 | |
| Leases | | 13,180,479 | | | 12,952,141 | |
| Payroll: | | | | | | |
| – Wages and salaries | 77,727,200 | | | 79,960,960 | | |
| – Social security | 22,400,315 | | | 21,324,842 | | |
| – Employee severance indemnities | 5,599,267 | | | 6,117,922 | | |
| – Other | 982,815 | | | 1,238,140 | | |
| | | 106,709,597 | | | 108,641,864 | |
| Depreciation, amortization and write-downs: | | | | | | |
| – Amortization of intangible fixed assets | 88,203,635 | | | 86,834,234 | | |
| – Depreciation of tangible fixed assets | 19,414,637 | | | 17,898,932 | | |
| – Provisions for doubtful accounts | 5,068,481 | | | 2,486,200 | | |
| | | 112,686,753 | | | 107,219,366 | |
| Changes in inventories of raw, ancillary and consumable materials and goods for resale | | 1,090,761 | | | (140,154) | |
| Provisions for risks | | 6,419,551 | | | 0 | |
| Other provisions | | 501,000 | | | 390,000 | |
| Sundry operating costs: | | | | | | |
| – License fees | 12,425 | | | 15,006 | | |
| – Other | 8,851,901 | | | 49,679,527 | | |
| | | 8,864,326 | | | 49,694,533 | |
| | | | (437,226,574) | | | (477,656,547) |
| **Operating income** | | | 131,884,606 | | | 95,419,630 |
| **FINANCIAL INCOME AND EXPENSE** | | | | | | |
| Income from equity investments: | | | | | | |
| – Dividends from subsidiary undertakings | 0 | | | 1,097,820 | | |
| | | 0 | | | 1,097,820 | |
| Other financial income: | | | | | | |
| – From long-term receivables: | | | | | | |
| - other | 3,087 | | | 4,089 | | |
| – Securities included in fixed assets which are not equity investments | 326,807 | | | 0 | | |
| – Other: | | | | | | |
| - interest and commissions from subsidiary undertakings | 53,575 | | | 78,806 | | |
| - interest and commissions from banks | 1,691,992 | | | 7,793,837 | | |
| - interest and commissions from clients | 33,739 | | | 201,799 | | |
| - interest and commissions from others | 5,164,286 | | | 8,426,969 | | |
| | | 7,273,486 | | | 16,505,500 | |
| Interest expense and other financial charges: | | | | | | |
| – Interest and commissions due to parent company | 105,849 | | | 0 | | |
| – Interest and commissions due to subsidiary undertakings | 39,547 | | | 175,525 | | |
| – Interest and commissions due to banks | 8,348,524 | | | 15,419,596 | | |
| – Interest and commissions due to other financial institutions | 52,036,803 | | | 74,178,202 | | |
| – Interest and commissions due to others | 15,368,611 | | | 8,401,852 | | |
| – Provisions for overdue interest on written down receivables | 26,077 | | | 93,692 | | |
| | | (75,925,411) | | | (98,268,867) | |
| Profits and losses on exchange: | | | | | | |
| – Profits | 48,814 | | | 57,335 | | |
| – Losses | 12,347 | | | 6,594 | | |
| | | 36,467 | | | 50,741 | |
| **Total financial income (expense), net** | | | (68,615,458) | | | (80,614,806) |

| INCOME STATEMENT (in euros) | | Year 2009 | | | Year 2008 | |
|---|---|---|---|---|---|---|
| **ADJUSTMENTS TO FINANCIAL ASSETS** | | | | | | |
| Write-downs: | | | | | | |
| – Of equity investments | | 43,000 | | | 0 | |
| Total adjustments | | | (43,000) | | | 0 |
| **EXTRAORDINARY INCOME AND EXPENSE** | | | | | | |
| Income: | | | | | | |
| – Other | 1,801,417 | | | 611,739 | | |
| | | 1,801,417 | | | 611,739 | |
| Expense: | | | | | | |
| – Taxes relating to previous years | 12,118,486 | | | 0 | | |
| – Other | 20,173,434 | | | 5,373,219 | | |
| | | (32,291,920) | | | (5,373,219) | |
| Total extraordinary income (expense), net | | | (30,490,503) | | | (4,761,480) |
| Income before taxes | | | 32,735,645 | | | 10,043,344 |
| Income taxes of the year, current, deferred assets (liabilities): | | | | | | |
| – Current | | (31,249,051) | | | (26,676,284) | |
| – Deferred tax assets (liabilities) | | 3,607,000 | | | 9,585,000 | |
| Total taxes | | | (27,642,051) | | | (17,091,284) |
| Net income (loss) for the year | | | 5,093,594 | | | (7,047,940) |

# NOTES TO THE FINANCIAL STATEMENTS

# General principles.

*(Translation from the original issued in Italian)*

*These Notes are an integral part of the separate Financial Statements for the year ended December 31, 2009. The Financial Statements have been prepared in accordance with the law, as interpreted and integrated by the Accounting Standards issued by the Italian Accounting Profession and the Italian Accounting Standards Setter (collectively referred to as Italian GAAP), and include such* supplementary information on the Balance Sheet and the Income Statement as to guarantee a true and fair view of ADR S.p.A.'s financial position and operating performance.

The Balance Sheet data as of December 31, 2009 and the Income Statement for the year then ended are compared with the data for 2008.

The Income Statement and Balance Sheet items showing zero balances across the periods used for comparison are not shown.

The Financial Statements are expressed in euros.

# About the Company.

Leonardo S.p.A. (now ADR S.p.A.) was incorporated on January 25, 2000[1] for the purpose of acquiring holdings in airport management companies.

As a result of the privatization of ADR S.p.A., on July 31, 2000 Leonardo acquired 51.148% of the share capital of ADR S.p.A., an airport management Company founded on February 12, 1974, from IRI S.p.A. (now Fintecna S.p.A.).

This holding was increased to 95.860% following the public offerings (obligatory and residual) launched by Leonardo, in order to acquire the remaining shares of ADR S.p.A., pursuant to art. 106 of Legislative Decree no. 58/1998. The offerings were concluded on November 6, 2000 and March 23, 2001. Other shares in ADR S.p.A. were purchased on the open market. Therefore, with effect from March 29, 2001, in accordance with the action taken by the Italian Stock Exchange, ADR S.p.A.'s shares, which had been quoted since July 24, 1997, were subsequently delisted.

The deed for the ensuing merger of ADR S.p.A. and Leonardo was drawn up on May 16, and came into effect on

*(1) Leonardo was incorporated as a limited liability Company with the name of Sysira S.r.l.. The Extraordinary General Meeting of July 4, 2000 resolved to convert the Company into a joint-stock Company with the name of Leonardo S.p.A..*

May 21, 2001, under the terms of art. 2503 of the Italian Civil Code. At the time of the merger of ADR S.p.A. with Leonardo S.p.A., the latter changed its name to ADR S.p.A..
The merger adjustments were posted to the financial statements of the acquiring Company, with effect from January 1, 2001, for both statutory and fiscal purposes.

The business purpose of the merged Company, ADR S.p.A., is the construction and management of airports, including the operation of any activity connected with or complementary to air traffic of any type or specification. The Company's principal activities include the management of Rome's two airports ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with financial and organizational criteria, as per Law no. 755 dated November 10, 1973 and subsequent amendments.

This activity is carried out under a concession granted by the Italian Ministry of Infrastructure and Transport (the Concession Provider). The current concession term is due to expire in 2044. The concession, regulated by specific contractual agreements with the Concession Provider, includes the management of infrastructures and services (retail outlets, etc.) and the maintenance of plant, machinery and buildings. ADR S.p.A. also provides security screening services for passengers and carry-on and hold baggage.
Additionally, the Company is responsible for coordinating the airport infrastructure "Development Program" financed by both the Government and by the Company, with funds generated from its own resources. The special laws governing the Company's activities require that the assets utilized be indicated in the balance sheet according to legal title to ownership.

As a result, it is important to note that the assets used by the Company are classified according to four different categories, as analyzed below:

– "Company-owned fixed assets": consist of assets purchased outright by the Company using its own funds and which the Company considers will not be relinquished on expiry of the concession. This category includes temporary buildings, plant and machinery, industrial and commercial equipment and other items (principally furniture and fittings). Such assets are recorded under "tangible fixed assets";

– "fixed assets to be relinquished" consist of assets purchased by the Company using its own funds and which the Company will be obliged to transfer to the Concession Provider free of charge, in good working condition, at the end of the concession term. "Fixed assets to be relinquished" are defined as all permanent works and installations constructed on Government land within the airport. This category includes industrial buildings and plant and machinery, which are recorded under "tangible fixed assets";

- "assets received under the concession": consist of assets purchased or constructed by the Government and made available to the Company under the concession. This category primarily includes the infrastructure already present on the airport grounds before ADR S.p.A. was formed in 1974. As the Company does not hold title to such assets, they are recorded in the Memorandum Accounts under "other";

- "assets completed on behalf of the State": consist of assets resulting from construction projects carried out by the Company pursuant to the Development Program on behalf of, and financed by, the Government, for which the Company generally makes no gain or loss deriving from their construction. Such assets are recorded in two ways: either in the Memorandum Accounts under "other", reflecting the completion of a pre-agreed portion of the relevant construction project and the issuance by the Company of an invoice to the Concession Provider, or as an asset in the Company's balance sheet under "inventory: contract work in progress", reflecting the value of the portion of the relevant construction project not yet invoiced at year end.
  In order to carry out such construction projects, the Company receives a cash advance from the Concession Provider. The advance provides funds for carrying out the relevant construction projects and is recorded in the Company's balance sheet as a payable, under "advances". Thereafter, the costs actually incurred by the Company in relation to the relevant construction project are invoiced to the Concession Provider on the basis of the work completed leading to a reduction of the related payable under "advances" during the construction period. In addition, the Concession Provider makes a lump-sum payment to the Company to cover general construction costs relating to design, inspections, testing and works supervision, etc.. This lump-sum payment is equal to approximately 9% of the total amount allocated by the Concession Provider for the relevant project, including general construction costs.

The invoiced portion of assets included in "assets received under the concession" and "assets completed on behalf of the State" is recorded in the Memorandum Accounts, since such assets are used by the Company over the entire concession term.
Furthermore, the costs of any improvements or conversions carried out in relation to assets included under "assets received under the concession" and "assets completed on behalf of the State" and financed independently by the Company, where such assets have a service life of several years, are recorded in the Company's balance sheet under "intangible fixed assets", since such assets are comparable to leasehold improvements.

The value of the airport management concession, posted in the accounts at the time of ADR S.p.A.'s merger with Leonardo, represents the goodwill purchased by Leonardo and reflecting the difference between the price paid for ADR S.p.A.'s shares and the value of the relevant interest in shareholders' equity. The concession is posted among "intangible fixed assets" under "concessions, licenses, trademarks and similar rights".
As of December 31, 2009, the Company is a subsidiary of Gemina S.p.A., which owns 95.761% of the share capital.

# Exemptions.

The Financial Statements were prepared in accordance with the specifications laid down in the Italian Civil Code within the limits already specified in the introduction to the Notes. A true and fair account of the Company's financial position, operating results and cash flows was ensured without recourse to any departure from the Principles mentioned above. No exceptional cases of incompatibility arose that required application of art. 2423 paragraph IV of the Italian Civil Code.

# Explanation added for translation into English.

The Financial Statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law related to Financial Statements, interpreted and integrated by the Accounting Principles established by the Italian Accounting Profession. Certain accounting practices applied by the Company that conform to generally accepted Accounting Principles in Italy do not conform with the generally accepted accounting principles in other Countries.

# Accounting policies.

The accounting policies adopted in the preparation of the Financial Statements for the year ended December 31, 2009 are based on the prudence, going-concern and substance over form principles. They comply with the provisions of article 2426 of the Italian Civil Code and are consistent with those adopted in previous years.

The most relevant accounting policies are summarized below. A more detailed explanation of certain policies can be found in the Notes to the single classes of items.

## Fixed assets.

These are recorded at purchase cost and are revalued, where necessary, for single items in accordance with the laws applying to monetary revaluation. Directly connected incidental costs are included in the purchase cost. Should there be a permanent impairment of value of such fixed assets, the relevant fixed asset is written down accordingly. The appropriate value of such fixed assets, adjusted solely to take account of accumulated amortization or depreciation, is reinstated if the reasons for any write-downs subsequently cease to apply.

## Intangible fixed assets.

Intangible fixed assets have limited useful lives and their cost is amortized on a straight-line basis during each financial year in relation to their residual useful lives. In particular:

– *Incorporation and development costs.*

These are reported under assets at purchase cost, with the consent of the Board of Statutory Auditors, and amortized over a period of five years. The Company may only distribute dividends if there are sufficient reserves available to cover the amount of the costs not yet amortized.

– *Industrial patents and intellectual property rights.*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, over what is usually established by tax legislation as being three years.

– *Concessions, licenses, trademarks and similar rights.*

These are recorded at purchase cost. Amortization begins when the right is taken up or can be taken up, and is applied over a period of three years in the case of concessions and licenses and of not more than ten years for trademarks. The value of the airport management concession, paid by the Parent Company, Leonardo S.p.A. (now ADR S.p.A.), on acquiring its holding in ADR S.p.A., is amortized on the basis of the residual duration of the concession, which will expire on June 30, 2044.

– *Other.*

This item essentially includes:

- *leasehold improvements:* improvements (modernization, upgrades), having a service life of several years, carried out on assets belonging to third parties (held under concession or constructed on behalf of the State). These costs are amortized in relation to their residual service lives, usually less than the period of the concession;
- *ancillary charges on loans:* the charges incurred to obtain medium- and long-term loans (such as investigative charges, legal fees, etc.) are capitalized and amortized on the basis of the duration of the loan, in accordance with the financial method.

## Tangible fixed assets.

Tangible fixed assets have limited useful lives and their cost is depreciated on a straight-line basis during each

financial year according to their residual useful lives. Rates of depreciation are applied that reflect the estimated useful lives of the assets.
A summary of the rates used is provided below:

| | |
|---|---|
| **Land and buildings** | **10%** |
| **Plant and machinery** | **from 10% to 25%** |
| **Industrial and commercial equipment** | **from 10% to 25%** |
| **Fixed assets to be relinquished** | **4%, 10%** |
| **Other assets** | **from 10% to 25%** |

In accordance with articles 10 and 3 of Law no. 72 of March 19, 1983, the Company has revalued fixed assets still in its possession by 2,463,379 euros. Such fixed assets are carried at 2,372,924 euros. The original revaluation reserve was utilized in previous years to absorb losses.

– *Land and buildings.*
These are recorded at purchase cost adjusted in accordance with art. 3 of Law no. 72/1983.

– *Fixed assets to be relinquished.*
Such assets are recorded at purchase cost adjusted in accordance with the above-mentioned art. 3 of Law no. 72/1983, including any ancillary charges and subsequent development costs.
Such assets are depreciated in relation to their residual useful lives. In addition, provisions are made for transfer costs relating to the "fixed assets to be relinquished", with the aim of covering the estimated costs to be borne at the end of the concession term (in 2044), when the assets are to be handed over to the Concession Provider in good working condition.

### Non-current financial assets.

Non-current financial assets include equity investments recorded at purchase cost in accordance with the previously explained criteria applied to fixed assets. Should there be a permanent impairment in the value of an asset, due to losses sustained or to other reasons, and revenues in the near future are not expected to cover such losses, the asset is written down accordingly. In future years, should the reason for the write-down cease to apply, the original value of the asset is reinstated.
Should the Company decide to dispose of an equity investment previously accounted for in non-current financial assets, the investment is reclassified to "current financial assets".
Non-current receivables are recorded at their nominal value.

Securities held as held-to-maturity investments are recorded under non-current financial assets.

These securities are recorded at purchase cost, including any transaction costs.

The premium, representing the difference between the purchase price of the security and the final redemption value, should be recorded in the results for each reporting period throughout ownership of the security. This income represents an additional constant rate of return on the capital invested compared with the return generated by explicit interest.

Should there be an impairment in value, which may derive from a reduction in the market price or a negative exchange rate difference – or a combination of both factors – the value of the investment is written down.

## Current assets.

### Inventories.

– *Inventories of raw, ancillary and consumable materials, finished goods and goods for resale.*

These are recorded at the lower of the weighted average purchase cost and the estimated realizable value taking into account market price trends.

– *Contract work in progress.*

These assets are recorded on the basis of the percentage-of-completion method (determined on the basis of the ratio of costs sustained to the total cost of the project). The value of the works so far completed and for which repayment is considered definite is recorded among revenues. Any additional costs borne by the Company in relation to changes in the original project, as requested by the Concession Provider, constitute, depending on the nature of the changes, either a write-down of the agreed value (in the case of assets which may not be operated autonomously) or, alternatively, intangible fixed assets (where such variations are considered improvements to and/or conversions of third-party assets).

### Receivables.

These are recorded at their estimated realizable value.

### Current financial assets.

These assets are recorded at the lower of cost and realizable value.

### Cash on hand and in banks.

Such items are recorded at their nominal value subject to verification of the clearance of bank checks and the availability of bank deposits.

## Accrued income and prepaid expenses.

Accruals and deferrals are valued in accordance with the matching concept, by means of dividing costs and revenues relating to two or more financial periods over the period to which they relate.

## Allowances for risks and charges.

These are made up of provisions covering sundry losses of a determinate nature and of certain or probable occurrence. The evaluation of risks and charges also takes into account liabilities which have become known between the closure of the accounting period under consideration and the date of the preparation of these Financial Statements. Such allowances are held to be adequate to cover the related losses and charges.

## Employee severance indemnities.

Employee severance indemnities were calculated for all employees and in accordance with governing legislation. This amount was calculated for indemnities accrued up to December 31, 2009 and is shown net of any advance payments and amounts paid in the form of supplementary pension benefits or to the "Treasury Fund" set up at the Italian Social Security Institute (INPS).
Following the entry into force of the reform of supplementary pensions on January 1, 2007, the personnel of private companies with more 50 employees may choose to have their employee severance indemnities allocated to a form of supplementary pension fund or leave them with their Company. In the latter case, the Company pays employee severance indemnities into a fund set up at INPS, in accordance with the implementing Decree of January 30, 2007, denominated "Allowance for employee severance indemnities" or "Treasury Fund".
Consequently, amounts for employee severance indemnities maturing as of January 1, 2007 are classified on a monthly basis under "due to social security agencies". The following month the indemnities are paid to the supplementary pension fund or the Treasury Fund.

## Payables.

Payables are recorded at their nominal value.

## Receivables and payables recorded in foreign currency.

In line with the new provisions introduced by company law reform (article 2426 - paragraph 8-*bis* of the Italian Civil

Code), items expressed in foreign currency are posted at the historical exchange rate on the day a transaction is carried out.

Any exchange rate differences, incurred on collection of receivables or on settlement of payables denominated in foreign currency, are recorded in the Income Statement under “foreign exchange gains and losses”.

If the translation of receivables and payables denominated in foreign currency, at closing rates, results in a net gain or loss, such an amount is recorded in the Income Statement under “foreign exchange gains and losses”. As any net income deriving from translation using closing exchange rates is unrealized profit, this is allocated to a special undistributable reserve until it is subsequently realized.

## Memorandum accounts.

### General/secured guarantees given.

These are valued in accordance with the period-end residual value of the debt or securities guaranteed.

### Commitments on purchases and sales.

This item reports the value of contracts to be fulfilled and which imply a commitment, on the part of the Company, to third parties. Non-quantifiable commitments are not recorded, but are described in a relevant note if of significant value.

### Other.

– *Secured/general guarantees received.*

These are recorded at an amount approximately equal to the residual value due at period end.

– *Third parties’ assets lodged with the Company (principally assets received under the concession).*

These are recorded at values based on the latest estimate made by UTE (Tax Technical Office) in 1979 or, in the case of works financed by the State and then subsequently received under the concession, at the value of the work completed and invoiced to the Ministry of Infrastructure and Transport, in accordance with agreements.

– *Company-owned assets lodged with third parties.*

These are recorded at their net book value.

This item also includes the value of the “advertising” division leased to ADR Advertising S.p.A., as recorded in the inventory check carried out on start-up of activities.

## Revenues.

Revenues are reported net of returns, discounts, reductions and premiums as follows:

– revenues from sales: upon delivery;

– revenues from services: upon supply of the service.

## Dividends.

Dividends from subsidiary undertakings are posted to the Income Statement on an accruals basis, that is in the year in which the relevant net income is generated by the subsidiary undertaking, based on the proposed dividend approved by the Company's Board of Directors prior to the date of approval of ADR S.p.A.'s Financial Statements.

## Income taxes.

"Current taxes" are calculated on the basis of the Company's taxable income. The related payable is posted to"taxes due". Regarding participation in the domestic tax consolidation regime by ADR S.p.A., as the consolidated company, and the Parent Company, Gemina S.p.A., as the Consolidating Company, taxable income and tax losses transferred to the Consolidating Company are recorded under current tax "expense" and "income from tax consolidation", respectively, with contra-entries for amounts due to and from the parent companies.

The Consolidated Company also transfers withholding taxes, tax credits and rebates from previous tax returns to the Consolidating Company. These may be offset against IRES calculated on consolidated income.

"Deferred tax assets" and "liabilities" are calculated on the basis of temporary differences between the carrying value recorded in the Financial Statements and the tax bases of the relevant assets and liabilities, applying the tax liability method. Deferred tax assets are only recorded where there is reasonable certainty of their recoverability.

## Derivative instruments.

The positive and negative interest rate differentials, deriving from "Interest Rate Swaps", accrued at the end of the period are recorded on an accruals basis in the Income Statement among financial income and expense.

The Company's hedging policy, in accordance with obligations laid down in loan agreements, stipulates that at least 51% of borrowings should be fixed rate.

# Notes to the Balance Sheet.

## Fixed assets.

### Intangible fixed assets.

An analysis of the most important changes during the period reveals the following:

– “concessions, licenses, trademarks and similar rights” include the value of the airport concession, amounting to 1,728,302 thousand euros as of December 31, 2009. The decrease of 50,802 thousand euros is due to the combined effect of amortization for the period (52,524 thousand euros), investments (1,154 thousand euros), transfers from work in process (569 thousand euros) and negative reclassifications (2 thousand euros);

– “leasehold improvements in process and advances” increased by 11,356 thousand euros in 2009 due to the following:
  - an increase of 20,062 thousand euros for new investments,
  - a decrease of 8,413 thousand euros deriving from improvements entering service during the period and reclassified under “industrial patent and intellectual property rights”, “leasehold improvements” and “concessions, licenses, trademarks and similar rights”,
  - negative adjustments of 293 thousand euros;

– “other” intangible fixed assets decreased by 3,395 thousand euros. “Leasehold improvements” fell by 177 thousand euros due to amortization for the period (31,324 thousand euros), partly offset by purchases during the period (23,291 thousand euros), transfers from work in process (7,797 thousand euros) and reclassifications (up 59 thousand euros).
  “Ancillary charges for loans” fell by 3,218 thousand euros primarily due to the effect of amortization for the period.

The principal leasehold improvements in process (equal to 20,062 thousand euros) include:
– civil engineering works in the former Alitalia cargo warehouse (3,088 thousand euros);
– extraordinary maintenance in the customs area at Ciampino (985 thousand euros);
– implementation of HBS lines and BHS upgrades at Terminal 3 (1,750 thousand euros);
– works on external road network (1,074 thousand euros);
– upgrading works on aircraft runways and aprons (546 thousand euros);
– upgrading of paving at Terminals (667 thousand euros);

– the third airport for the Lazio region (724 thousand euros);

– new shopping arcade at boarding area H (formerly West Pier) (564 thousand euros);

– repair of sector 300 aprons (2,947 thousand euros).

The main leasehold improvements completed during 2009 (equal to 23,291 thousand euros) include:

– doubling up of the 20 kv line between the sub-station and the technology facility (999 thousand euros);

– extraordinary maintenance on runway 2 and taxiways (807 thousand euros);

– new passenger signage system in terminals (1,532 thousand euros);

| Intangible fixed assets | | 12.31.2008 | |
|---|---|---|---|
| | Cost | Amortization | Book value |
| Incorporation and development costs | 672,577 | (672,577) | 0 |
| Industrial patents and intellectual property rights | 7,448,789 | (5,035,242) | 2,413,547 |
| Concessions, licenses, trademarks and similar rights | 2,198,413,462 | (415,907,187) | 1,782,506,275 |
| Leasehold improvements in process and advances: | | | |
| – Leasehold improvements in process | 21,565,584 | 0 | 21,565,584 |
| – Advances to suppliers | 251,892 | 0 | 251,892 |
| | 21,817,476 | 0 | 21,817,476 |
| Others: | | | |
| – Leasehold improvements | 524,284,222 | (328,291,367) | 195,992,855 |
| – Ancillary charges for loans | 53,809,155 | (31,273,000) | 22,536,155 |
| | 578,093,377 | (359,564,367) | 218,529,010 |
| Total | 2,806,445,681 | (781,179,373) | 2,025,266,308 |
| (a) Including: | | | |
| *Cost* | | | |
| *Amortization* | | | |
| *Reclass from/(to) item of cost* | | | |
| *Reclass from/(to) tangible fixed assets* | | | |

– upgrade of technology facilities and serving of air treatment plant at Fiumicino and Ciampino (951 thousand euros);
– extraordinary runway maintenance at Ciampino (685 thousand euros);
– BHS implementation and maintenance at boarding area D (formerly Europe Pier) (628 thousand euros);
– repair of runway 2 underpass structures (749 thousand euros).

Once again in 2009, investment in airport infrastructure development was funded from increased boarding fees received during the year (in accordance with paragraphs 9 and 10 of art. 10, Law no. 537/1993).

| Changes during the year | | | 12.31.2009 | | |
|---|---|---|---|---|---|
| **Purchases/ Capitalization** | **Reclassifications (a)** | **Amortization** | **Cost** | **Amortization** | **Book value** |
| 0 | 0 | 0 | 672,577 | (672,577) | 0 |
| 263,935 | 46,743 | (1,123,572) | 7,759,467 | (6,158,814) | 1,600,653 |
| 1,153,690 | 568,923 | (52,524,190) | 2,200,136,075 | (468,431,377) | 1,731,704,698 |
| | | | | | |
| 20,061,790 | (8,687,781) | 0 | 32,939,593 | 0 | 32,939,593 |
| 0 | (18,363) | 0 | 233,529 | 0 | 233,529 |
| 20,061,790 | (8,706,144) | 0 | 33,173,122 | 0 | 33,173,122 |
| | | | | | |
| 23,291,333 | 7,856,036 | (31,323,873) | 555,147,606 | (359,331,255) | 195,816,351 |
| 0 | 13,484 | (3,232,000) | 53,822,639 | (34,505,000) | 19,317,639 |
| 23,291,333 | 7,869,520 | (34,555,873) | 608,970,245 | (393,836,255) | 215,133,990 |
| 44,770,748 | (220,958) | (88,203,635) | 2,850,711,486 | (869,099,023) | 1,981,612,463 |
| | | | | | |
| | *(792,236)* | | | | |
| | *283,985* | | | | |
| | *0* | | | | |
| | *287,293* | | | | |
| | *(220,958)* | | | | |

# Tangible fixed assets.

"Net tangible fixed assets" fell by 482 thousand euros, primarily due to depreciation for the period, amounting to 19,415 thousand euros, partly offset by investment totaling 19,216 thousand euros.

The most significant capitalizations during the period include:

– within the category "plant and machinery" (5,142 thousand euros): air conditioning and water treatment equipment (759 thousand euros), electrical equipment (1,112 thousand euros), security and special airport equipment (999 thousand euros), transport vehicles (476 thousand euros) and baggage inspection equipment (528 thousand euros);

| Tangible fixed assets | 12.31.2008 | | | |
|---|---|---|---|---|
| | Cost | Reval. Law no. 72/1983 | Allowances for depreciation | Book value |
| Land and buildings | 21,047,495 | 465,128 | (18,498,516) | 3,014,107 |
| Plant and machinery | 114,424,079 | 0 | (71,670,942) | 42,753,137 |
| Industrial and commercial equipment | 8,320,817 | 0 | (7,066,302) | 1,254,515 |
| Fixed assets to be relinquished | 195,386,135 | 1,907,796 | (97,106,088) | 100,187,843 |
| Other assets | 39,444,838 | 0 | (35,015,167) | 4,429,671 |
| Work in progress and advances | 20,239,251 | 0 | 0 | 20,239,251 |
| Total | 398,862,615 | 2,372,924 | (229,357,015) | 171,878,524 |

(a) Including:

*Item cost*

*Reclassification from intangible fixed assets to advances tangible fixed assets*

*Item amortization*

– within the category "assets to be relinquished" (2,424 thousand euros): civil engineering works and buildings (1,283 thousand euros) and equipment (1,141 thousand euros);
– within the category "tangible fixed assets in progress and advances" (9,782 thousand euros): boarding area F (formerly Pier C – the portion financed by ADR) (5,353 thousand euros), work on new high-capacity baggage carousels (180 thousand euros) and purchase of new boarding card printers/readers (360 thousand euros).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly Banca OPI) – described in detail in the notes to "payables" – has been granted a lien (in the form of a mortgage ranking *pari passu* with other claims) on the plant, machinery and capital goods recorded at any time in the book of depreciable assets and ADR S.p.A.'s inventory. Such a guarantee is valid until the above loans have been fully repaid.

| Changes during the year | | | | 12.31.2009 | | | |
|---|---|---|---|---|---|---|---|
| Purchases/ Capitalization | Reclassifications (a) | Disposals/ Retirements (a) | Amortization | Cost | Reval. Law no. 72/1983 | Allowances for depreciation | Book value |
| 247,481 | 17,621 | 0 | (482,025) | 21,309,677 | 465,128 | (18,977,621) | 2,797,184 |
| 5,141,740 | 1,129,202 | (9,072) | (8,461,268) | 118,315,710 | 0 | (77,761,971) | 40,553,739 |
| 362,725 | 0 | (321) | (457,766) | 8,649,379 | 0 | (7,490,226) | 1,159,153 |
| 2,424,445 | 838,141 | 0 | (8,007,204) | 198,622,485 | 1,907,796 | (105,087,056) | 95,443,225 |
| 1,258,357 | 83,076 | 0 | (2,006,374) | 40,006,593 | 0 | (36,241,863) | 3,764,730 |
| 9,781,562 | (2,342,683) | 0 | 0 | 27,678,130 | 0 | 0 | 27,678,130 |
| 19,216,310 | (274,643) | (9,393) | (19,414,637) | 414,581,974 | 2,372,924 | (245,558,737) | 171,396,161 |
| | *(42,471)* | *(3,167,187)* | | | | | |
| | *(287,293)* | *0* | | | | | |
| | *55,121* | *3,157,794* | | | | | |
| | *(274,643)* | *(9,393)* | | | | | |

# Equity investments held as non-current financial fixed assets.

| | 12.31.2008 | Changes during the year | | | 12.31.2009 |
|---|---|---|---|---|---|
| | | Acquisitions/ Equity investments | Reclassifications | Disposals/ Equity reimbursements | |
| **Subsidiary undertakings:** | | | | | |
| – Airport Invest B.V. | 2,835,206 | 0 | 0 | 0 | 2,835,206 |
| – ADR Engineering S.p.A - Unipersonale | 593,926 | 0 | 0 | 0 | 593,926 |
| – ADR Assistance S.r.l - Unipersonale | 6,000,000 | 0 | 0 | 0 | 6,000,000 |
| – ADR Tel S.p.A. | 594,000 | 0 | 0 | 0 | 594,000 |
| – ADR Advertising S.p.A. | 255,000 | 0 | 0 | 0 | 255,000 |
| – ADR Sviluppo S.r.l. - Unipersonale | 100,000 | 0 | 0 | 0 | 100,000 |
| | 10,378,132 | 0 | 0 | 0 | 10,378,132 |
| **Associated undertakings:** | | | | | |
| – La Piazza di Spagna S.r.l. | 49,000 | 0 | 0 | 0 | 49,000 |
| – Consorzio E.T.L. - European Transport Law | 0 | 0 | 10,329 | 0 | 10,329 |
| – Ligabue Gate Gourmet Roma S.p.A. (insolvent) | 1 | 0 | 0 | 0 | 1 |
| | 49,001 | 0 | 10,329 | 0 | 59,330 |
| **Investments in other companies:** | | | | | |
| – Alinsurance S.r.l. in liquidation | 6,198 | 0 | 0 | 0 | 6,198 |
| – Aeroporto di Genova S.p.A. | 1,394,436 | 0 | 0 | 0 | 1,394,436 |
| – S.A.CAL. S.p.A. | 1,306,569 | 0 | 0 | 0 | 1,306,569 |
| – Leonardo Energia S.c.a r.l. | 1,000 | 0 | 0 | 0 | 1,000 |
| – Consorzio E.T.L. - European Transport Law | 10,329 | 0 | (10,329) | 0 | 0 |
| | 2,718,532 | 0 | (10,329) | 0 | 2,708,203 |
| **Total** | 13,145,665 | 0 | 0 | 0 | 13,145,665 |

The investment in Consorzio E.T.L. - European Transport Law was reclassified from “other companies” to “associated undertakings”, as ADR S.p.A.’s stake rose from 12.5% to 25.0%, following the withdrawal of some consortium partners.

For further information regarding the performance of Group companies during 2009, reference should be made to the section “equity investments” in the Management Report on Operations.

A comparison between the carrying amount and the value of shareholders’ equity, determined on the basis of the equity method, is provided in the following table:

| | Registered office | Share capital | Shareholders' equity at 12.31.2009 | Net income (Loss) 2009 | Holding % | Corresponding book value of equity (A) | Book value (B) | Valuation art. 2426 no. 4 C.C. (C) | Surplus B-A | Surplus B-C |
|---|---|---|---|---|---|---|---|---|---|---|
| **Subsidiary undertakings:** | | | | | | | | | | |
| – Airport Invest B.V. | Amsterdam (Holland) | 101,040 | 3,558,941 | (43,428) | 100.0% | 3,558,941 | 2,835,206 | 3,558,941 | (723,735) | (723,735) |
| – ADR Engineering S.p.A. - Unipersonale | Fiumicino (Rome) | 774,690 | 1,456,947 | (203,062) | 100.0% | 1,456,947 | 593,926 | (10,169,539) | (863,021) | 10,763,465 |
| – ADR Assistance S.r.l. - Unipersonale | Fiumicino (Rome) | 6,000,000 | 5,672,343 | 325,688 | 100.0% | 5,672,343 | 6,000,000 | 5,672,343 | 327,657 | 327,657 |
| – ADR Tel S.p.A. | Fiumicino (Rome) | 600,000 | 2,810,242 | 487,036 | 99.0% | 2,782,139 | 594,000 | 2,418,335 | (2,188,139) | (1,824,335) |
| – ADR Advertising S.p.A.(*) | Fiumicino (Rome) | 1,000,000 | 1,031,876 | (988,168) | 25.5% | 244,003 | 255,000 | 337,227 | 10,997 | (82,227) |
| – ADR Sviluppo S.r.l. - Unipersonale | Fiumicino (Rome) | 100,000 | 109,603 | 4,171 | 100.0% | 109,603 | 100,000 | 109,603 | (9,603) | (9,603) |
| **Associated undertakings:** | | | | | | | | | | |
| – La Piazza di Spagna S.r.l. | Fiumicino (Rome) | 100,000 | 85,952 | (2,713) | 49.0% | 42,116 | 49,000 | 42,116 | 6,884 | 6,884 |
| – Consorzio E.T.L. - European Transport Law | Rome | 82,633 | (104,642) | (170,659) | 25.0% | (26,161) | 10,000 | (26,161) | 36,161 | 36,161 |
| **Total** | | | | | | | 10,437,132 | | | |

*(*) Holding present in the stated capital (1,000,000 euros) of the Company (including preference shares). The shareholding present in the capital (500,000 euros) in equal to 51%.*

The positive difference between the carrying amount of the equity investment in ADR Engineering S.p.A. and the valuation under article 2426 of the Italian Civil Code primarily derives from the reversal of intercompany income realized by the Company from services provided to ADR S.p.A.. Such revenues, capitalized among fixed assets, are of a temporary nature. The difference regarding ADR Assistance S.r.l. derives from the net loss reported for the previous year and is of a temporary nature, whilst the difference relating to La Piazza di Spagna S.r.l. is due to the fact that the Company is not yet operational.

As security for the loans taken out via contracts entered into with Romulus Finance S.r.l., and a syndicate of banks, EIB and BIIS (formerly Banca OPI), ADR S.p.A. has granted the lenders a lien on the Company's shareholdings in the subsidiary undertakings, ADR Tel S.p.A., ADR Advertising S.p.A. and ADR Assistance S.r.l.. Such guarantees are valid until the above loans have been fully repaid.

## Receivables due and other items under non-current financial assets.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Receivables:** | | | |
| **– Due from others:** | | | |
| · public bodies for licenses | 22,883 | 4,063 | 26,946 |
| · other | 519,581 | 4,738 | 524,319 |
| **Total** | 542,464 | 8,801 | 551,265 |

The increase in "receivables" classified among non-current financial assets, amounting to 9 thousand euros, is due to new receivables (4 thousand euros) and revaluation of the amount due from the Tax Authorities in relation to the payment of withholding tax on employee severance indemnities, as required by Law no. 662/1996 (5 thousand euros).

There are no receivables falling due beyond five years.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Other securities:** | | | |
| – Bonds | 0 | 2,758 | 2,758 |
| **Total** | 0 | 2,758 | 2,758 |

The increase during the period derives from ADR S.p.A.'s purchase in the market, on February 13, 2009, of a portion of the A4 bonds issued by the special purpose vehicle, Romulus Finance S.r.l.. The bonds, which had a face value of 4 million pounds sterling, were purchased at a price of 2.8 million euros (equal to 2.4 million pounds sterling). The A4 bonds, maturing in February 2023, earn six-monthly interest at a fixed rate of 5.441%.

# Current assets.

## Inventories.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Raw, ancillary and consumable materials | 2,912,894 | 6,591 | 2,919,485 |
| Finished goods and goods for resale: goods for resale | 8,342,453 | (1,097,353) | 7,245,100 |
| | 11,255,347 | (1,090,762) | 10,164,585 |
| Contract work in progress | 10,505,348 | 353,021 | 10,858,369 |
| Advances | 336 | (336) | 0 |
| **Total** | 21,761,031 | (738,077) | 21,022,954 |

"Inventories" registered an overall decrease of 738 thousand euros compared with December 31, 2008, primarily due to:

– a 1,097 thousand euros reduction in "goods" for resale (directly managed duty-free and duty-paid shops) partly deriving from a fall in sales, as well as from improved stock management;

– a 353 thousand euros increase in "contract work in progress", primarily relating to the State-financed portion of construction works in boarding area F (formerly Pier C).

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, EIB and BIIS (formerly) Banca OPI, ADR S.p.A. has granted the lenders a lien (in the form of a mortgage ranking *pari passu* with other claims) on the raw materials, work in progress, stocks, finished goods, goods for resale and other goods forming part of ADR S.p.A.'s inventory. Such a guarantee is valid until the above loans have been fully repaid.

# Current receivables.

| | 12.31.2008 | Changes during the year | | 12.31.2009 |
|---|---|---|---|---|
| | | Increases (+) Repayments (-) | Provisions (-) Value recoveries (+) | |
| **Due from clients:** | 183,821,525 | 47,262,371 | 0 | 231,083,896 |
| less allowance for doubtful accounts | (29,454,155) | 1,829,118 | (5,068,481) | (32,693,518) |
| less allowance for overdue interest | (8,091,959) | 42,356 | (26,077) | (8,075,680) |
| | 146,275,411 | 49,133,845 | (5,094,558) | 190,314,698 |
| Due from subsidiary undertakings | 15,695,466 | (1,354,076) | 0 | 14,341,390 |
| Due from associated undertakings | 529,543 | 0 | 0 | 529,543 |
| Due from parent companies | 46,577 | (35,463) | 0 | 11,114 |
| Due from tax authorities | 2,824,047 | 6,829,789 | 0 | 9,653,836 |
| Deferred tax assets | 19,342,345 | 3,607,000 | 0 | 22,949,345 |
| Due from others: | | | | |
| – Sundry | 49,083,164 | 5,847,415 | 0 | 54,930,579 |
| – Advances to suppliers for services to be rendered | 742,609 | (636,865) | 0 | 105,744 |
| | 49,825,773 | 5,210,550 | 0 | 55,036,323 |
| Total | 234,539,162 | 63,391,645 | (5,094,558) | 292,836,249 |

“Current receivables”, net of allowances for doubtful accounts, amount to 292,836 thousand euros, representing a net increase of 58,297 thousand euros compared with December 31, 2008. The principal changes are analyzed below.

“Due from clients”, net of allowances for doubtful accounts, amounts to 190,315 thousand euros and includes trade receivables due from clients and amounts due from Public Bodies deriving from financed works and the supply of utilities and services. The increase of 44.0 million euros compared with December 31, 2008 derives from the failure to collect amounts due to the Group from Alitalia Group Companies under special administration, totaling 26.6 million euros at December 31, 2009, the longer time taken by some customers to settle their accounts, and a rise in amounts due for the municipal surtax arising from the 2 euros increase in the passenger surtax applied since November 2008. As of December 31, 2009 receivables sold without recourse totaled 3.4 million euros (also 3.4 million euros as of December 31, 2008).

“Due from subsidiary undertakings”, totaling 14,341 thousand euros, decreased by 1,354 thousand euros compared with December 31, 2008 due to the combined effect of a decrease in trade and sundry receivables, only partly offset by an increase in financial receivables.

A breakdown of receivables due from subsidiary undertakings shows that 11,253 thousand euros derives from trading

relations ((13,891 thousand euros as of December 31, 2008) and 3,088 thousand euros from financial relations (706 thousand euros as of December 31, 2008), whilst receivables from other relations report a zero balance (1,098 thousand euros in 2008 deriving from accrued dividends).
For more information, reference should be made to the section “relations with parent companies and other related parties” in the Management Report on Operations.

“Due from associated undertakings”, amounting to 530 thousand euros, includes amounts due to the Company from the insolvent Ligabue Gate Gourmet Roma S.p.A., classified among preferential liabilities. No movements in such receivables were reported during the period.

“Due from tax authorities”, amounting to 9,654 thousand euros, includes 8.9 million euros corresponding to installments paid – in accordance with the payment schedule agreed to by the Collection Agent – of sums provisionally due as a result of the current dispute with the Customs Office. This sum constitutes an advance payment, as it has been provisionally recognized given that ADR S.p.A. has lodged an appeal against the levy of this tax.

“Deferred tax assets”, totaling 22,949 thousand euros, registered an increase of 3,607 thousand euros with respect to December 31, 2008, primarily due to provisions made to the allowances for risks and charges, especially regarding the restructuring fund. For further information, reference should be made to the item “income taxes”. The composition of deferred tax assets and changes during the period are shown in the following table (in thousand of euros).

| | | Balance at 12.31.2008 (A) | | Increase (B) | | Decrease (C) | | Change rate previous year (D) | Balance at 12.31.2009 (A+B-C+D) | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tax rate % | Tax base | Tax | Tax base | Tax | Tax base | Tax | Tax | Tax base | Tax |
| **Deferred tax assets:** | | | | | | | | | | |
| – Allowances for risks and charges | 27.50% - 32.32% | 20,272 | 6,276 | 14,701 | 4,301 | 2,778 | 812 | 0 | 32,195 | 9,765 |
| – Accumulated inventory write-downs | 27.50% | 446 | 145 | 314 | 101 | 287 | 93 | (23) | 473 | 130 |
| – Allowance for doubtful accounts | 27.50% | 28,507 | 7,840 | 3,894 | 1,071 | 878 | 241 | 0 | 31,523 | 8,670 |
| – Provisions for personnel | 27.50% | 1,910 | 525 | 9,749 | 2,681 | 1,850 | 509 | 0 | 9,809 | 2,697 |
| – Accelerated depreciation | 27.50% | 1,141 | 369 | 0 | 0 | 145 | 47 | (48) | 996 | 274 |
| – Other | 27.50% | 15,099 | 4,223 | 1,872 | 547 | 11,795 | 3,252 | (96) | 5,176 | 1,422 |
| **Total deferred tax assets** | | 67,375 | 19,378 | 30,530 | 8,701 | 17,733 | 4,954 | (167) | 80,172 | 22,958 |
| **Deferred tax liabilities:** | | | | | | | | | | |
| – Dividends | 27.50% | (55) | (15) | 0 | 0 | (55) | (15) | 0 | 0 | 0 |
| – Gains | 27.50% | (71) | (21) | 0 | 0 | (33) | (12) | 0 | (38) | (9) |
| **Total deferred tax liabilities** | | (126) | (36) | 0 | 0 | (88) | (27) | 0 | (38) | (9) |
| **Total** | | 67,249 | 19,342 | 30,530 | 8,701 | 17,645 | 4,927 | (167) | 80,134 | 22,949 |
| **Net deferred tax (assets) liabilities to Income Statement** | | | | | 3,607 | | | | | |

“Amounts due from others: sundry” rose by 5,847 thousand euros, mainly due to the increased liquidity deposited in the term current account denominated the “Debt Service Reserve Account” (5,599 thousand euros) in accordance with obligations set out in current loan agreements.

The balance of the term current account in the name of the “Security Agent” for ADR S.p.A.’s loans, denominated the “Debt Service Reserve Account”, amounted to 51,016 thousand euros as of December 31, 2009. In accordance with the procedures established in the relevant agreement, ADR S.p.A. has deposited a sum in this account to guarantee repayment of the loans.

As security for the loans governed by agreements with Romulus Finance S.r.l., a syndicate of banks, BEI and BIIS (formerly Banca OPI), ADR S.p.A. has granted the lenders the following liens. Such guarantees are valid until the above loans have been fully repaid:

- a lien (in the form of a mortgage ranking *pari passu* with other claims) on all receivables deriving from the sale of plant, machinery and capital goods and rights constituting ADR S.p.A.’s inventory, as well as other goods and rights subject to liens;
- a lien on all receivables and contracts with clients regarding ADR Tel S.p.A., ADR Advertising S.p.A., ADR Assistance S.r.l. and insurance policies.

“Amounts” due as of December 31, 2009 (292,836 thousand euros) comprise trade receivables (201,580 thousand euros), financial receivables (3,088 thousand euros) and sundry receivables (88,168 thousand euros). There are no promissory notes or similar bills.

The following table shows a geographical breakdown of the Company’s trade receivables (in thousand of euros):

| | Italy | Other EU Countries | Rest of Europe | Africa | Asia | America | Total |
|---|---|---|---|---|---|---|---|
| Due from clients | 178,731 | 10,294 | 796 | 229 | 191 | 75 | 190,316 |
| Due from parent companies | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| Due from subsidiary undertakings | 11,253 | 0 | 0 | 0 | 0 | 0 | 11,253 |
| Total | 189,995 | 10,294 | 796 | 229 | 191 | 75 | 201,580 |

There are no receivables falling due beyond five years or receivables subject to exchange rate risk.

## Cash on hand and in banks.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Bank and post office deposits | 136,777,372 | (5,674,564) | 131,102,808 |
| Checks | 0 | 0 | 0 |
| Cash and notes in hand | 882,004 | (312,269) | 569,735 |
| Total | 137,659,376 | (5,986,833) | 131,672,543 |

The Company's "cash on hand and in banks" amounted to 131,673 thousand euros at December 31, 2009, down 5,987 thousand euros with respect to the end of the previous year.

Bank deposits include the balance of the account provided for under ADR S.p.A.'s loan agreements, denominated "Recoveries Account". Any liquidity deriving from extraordinary transactions must be deposited in this account. Consequently, in 2006 the amount collected from the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.) was deposited in this account, net of related expenses; this liquidity had been allocated to financing ADR S.p.A.'s investments. As of December 31, 2009, the balance in the account amounted to 11.1 million euros (also 11.1 million euros as of December 31, 2008).

As security for the loans governed by agreements with Romulus Finance S.r.l., ADR S.p.A. has granted a syndicate of banks, the EIB and BIIS (formerly Banca OPI), a lien on all the Company's current accounts governed by a specific agreement "Account Bank Agreement". Such a guarantee is valid until the above loans have been fully repaid.

As of December 31, 2009, 46.2 million euros was held in an ADR S.p.A. current account that is not subject to a lien (even in the event of a cash sweep). This amount derives from "free" cash flow generated in previous years and may, therefore, be used for the payment of dividends under ordinary circumstances.

## Accrued income and prepaid expenses.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Prepaid expenses:** | | | |
| – Service costs | 501,148 | 6,501 | 507,649 |
| – Leased assets | 750 | 0 | 750 |
| – Payroll costs | 30,126 | (17,841) | 12,285 |
| – Other operating costs | 112,832 | (107,582) | 5,250 |
| – Financial charges | 3,371,604 | 333,557 | 3,705,161 |
| **Total** | 4,016,460 | 214,635 | 4,231,095 |

One of the most significant items is represented by "financial charges" consisting of prepayments, not accruing in the period, of the following premiums:

– 3,584 thousand euros for the monoline insurance paid to AMBAC Assurance UK, which has guaranteed the bonds issued by Romulus Finance S.r.l. that correspond to Facility A;

– 121 thousand euros paid to BIIS, the bank that has guaranteed the loan granted to ADR S.p.A. by the EIB.

# Shareholders' equity.

Changes in "shareholders' equity" during 2009 are analyzed below:

| | Share capital [a] | Share premium reserve | Revaluation reserves | Legal reserve | Statutory reserves | Reserve for own shares | Reserve for share issues (art. 2349 Italian Civil Code) | Distributable reserves | Retained earnings | Net income for the year | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of 12.31.2006** | 62,309,801 | 667,389,495 | 0 | 12,461,960 | 0 | 0 | 0 | 416,300 | 19,377,394 | 35,975,352 | 797,930,302 |
| **Allocation of net income:** | | | | | | | | | | | |
| – distribution of dividends (0,57 euros per share) | | | | | | | | | | (35,516,586) | (35,516,586) |
| – allocation of reserve | | | | | | | | | 458,766 | (458,766) | 0 |
| **Other changes:** | | | | | | | | | | | |
| – distribution of dividends (0,24 euros per share) | | | | | | | | | (14,954,352) | 0 | (14,954,352) |
| Net income for the year | | | | | | | | | | 18,932,493 | 18,932,493 |
| **Balance as of 12.31.2007** | 62,309,801 | 667,389,495 | 0 | 12,461,960 | 0 | 0 | 0 | 416,300 | 4,881,808 | 18,932,493 | 766,391,857 |
| **Allocation of net income:** | | | | | | | | | | | |
| – allocation of reserve | | | | | | | | | 18,932,493 | (18,932,493) | 0 |
| Other changes | | | | | | | | | | | 0 |
| Net income for the year | | | | | | | | | | (7,047,940) | (7,047,940) |
| **Balance as of 12.31.2008** | 62,309,801 | 667,389,495 | 0 | 12,461,960 | 0 | 0 | 0 | 416,300 | 23,814,301 | (7,047,940) | 759,343,917 |
| **Allocation of net income:** | | | | | | | | | | | |
| – allocation of reserve | | | | | | | | | (7,047,940) | 7,047,940 | 0 |
| Other changes | | | | | | | | | | | 0 |
| Net income for the year | | | | | | | | | | 5,093,594 | 5,093,594 |
| **Balance as of 12.31.2009** | 62,309,801 | 667,389,495 | 0 | 12,461,960 | 0 | 0 | 0 | 416,300 | 16,766,361 | 5,093,594 | 764,437,511 |

[a] *Including: no. 62,309,801 ordinary shares (with a unit value of 1 euro).*

ADR S.p.A.'s "share capital" amounts to 62,309,801 euros, represented by 62,309,801 shares with a par value of 1 euro each.

On May 7, 2004, pursuant to article 5 of Company's By-laws, the Board of Directors approved a capital increase in the form of a scrip issue, raising the share capital from 62,224,743 to 62,309,801 euros. Such increase was carried out via the issue of 85,058 ordinary shares with a par value of 1 euro each, and the transfer to share capital of a corresponding sum of 85,058 euros from the "reserve for share issues pursuant to art. 2349 of the Italian Civil Code".

The shares corresponding to this increase in share capital have yet to be issued and allocated.

The changes in shareholders' equity during the year reflect the net income of 5,094 thousand euros reported for 2009 and the allocation of the net loss of 7,048 thousand euros reported for 2008. This was approved by the General Meeting of Shareholders on April 15, 2009, whereby the loss was covered by releasing the same amount from "retained earnings".

The following statement shows changes in shareholders' equity during the year and a breakdown of available and distributable reserves:

| | Amount | Potential use | Available portion | Summary of uses in previous years 2007-2009 | |
|---|---|---|---|---|---|
| | | | | to cover losses | other reasons |
| **Share capital** | 62,309,801 | | | | |
| **Capital reserves:** | | | | | |
| – Reserve for share issues | 667,389,495 | (*) A, B, C | 667,389,495 | | |
| **Retained profit reserves:** | | | | | |
| – Legal reserve | 12,461,960 | B | | | |
| – Avaible reserve | 416,300 | A, B, C | 416,300 | | |
| – Retained earnings | 16,766,361 | A, B, C | 16,766,361 | (7,047,940) | (14,954,352) |
| **Total share capital and reserves** | 759,343,917 | | 684,572,156 | | |
| **Undistributable portion (ex art. 2426, no. 5)** | | | 0 | | |
| **Remaining distributable portion** | | | 684,572,156 | | |
| **Untaxed portion subject to restriction covering negative income components deducted off-balance-sheet, net of deferred tax liabilities** | | | 0 | | |
| **Remaining tax-exempt portion** | | | 684,572,156 | | |

*(*) Entirely distributable in order to reach limit established by art. 2430 of Italian Civil Code.*

Legend:
*A: to increase capital;*
*B: to cover losses;*
*C: to pay dividends.*

The available portion of reserves may be fully distributed without incurring tax expense.

# Allowances for risks and charges.

| | 12.31.2008 | Changes during the year | | 12.31.2009 |
|---|---|---|---|---|
| | | Provisions | Releases | |
| Taxation, including deferred taxes | 0 | 12,118,486 | 0 | 12,118,486 |
| Other: | | | | |
| – Current and potential disputes | 23,038,098 | 6,583,667 | (2,733,345) | 26,888,420 |
| – Insurance deductibles | 1,098,676 | 387,885 | (45,220) | 1,441,341 |
| – Restructuring | 0 | 8,187,899 | 0 | 8,187,899 |
| – Allowance to cover Group company losses | 0 | 43,000 | 0 | 43,000 |
| – Fixed assets to be relinquished | 5,200,000 | 500,000 | 0 | 5,700,000 |
| – Allowance for customer loyalty programs | 0 | 1,000 | 0 | 1,000 |
| | 29,336,774 | 15,703,451 | (2,778,565) | 42,261,660 |
| Total | 29,336,774 | 27,821,937 | (2,778,565) | 54,380,146 |

"Allowances for risks and charges", totaling 54,380 thousand euros, increased 25,043 thousand euros compared with December 31, 2008. The most important changes are analyzed below.

The "allowance for taxes, including deferred taxation" includes an estimated charge relating to the current dispute with the Customs Office, regarding a tax assessment amounting to 25 million euros. The procedure is underway to collect the sum due, which the Company is paying in 36 installments following the application submitted to the Collection Agent, after paying an advance of 4 million euros. The installments already paid, totaling 8.9 million euros, have been recognized as tax credits. At December 31, 2009, 28 installments amounting to 17.2 million euros, including interest, were outstanding. The outcome of the appeal submitted by ADR S.p.A. to the Regional Tax Commission for Rome, which the Company believes will be fully or partially accepted, is expected shortly. Based on this assumption, the liability recorded in the Financial Statements is in line with the prudent evaluation of the risk of a negative outcome.

It should be borne in mind that in the interim report for the six months ended June 30, 2009, the unpaid amounts due were recorded under "payables" whilst the total amount of the tax assessment was recorded under "receivables".

The "allowance for current and potential disputes" reports a net increase of 3,851 thousand euros, due to the combined effect of provisions of 6,584 thousand euros made in order to provide cover for likely potential liabilities, and releases of 2,733 thousand euros made to settle disputes with customers, contractors and personnel.

Provisions of 8,188 thousand euros were made to the "allowance for restructuring" to cover the restructuring program launched, which will enable implementation of redundancy schemes regarding around 280 ADR S.p.A. staff.

The "allowance for customer loyalty programs" regards the estimated cost of prizes awarded under the "Shop & Fly" scheme.

# Employee severance indemnities.

| | |
|---|---|
| Balance as of 12.31.2008 | 35,785,662 |
| Changes during the year: | |
| – Provisions charged to the Income Statement | 5,678,632 |
| – Releases to pay indemnities | (9,049,852) |
| – Releases to pay advances | (853,052) |
| – Increases/(decreases) for transfers of personnel | (3,823) |
| – Amounts allocated to pension funds or to the Treasury Fund | (4,207,501) |
| – Other | 95,343 |
| Balance as of 12.31.2009 | 27,445,409 |

“Employee severance indemnities” report a net decrease 8,340 thousand euros for the period, compared with provisions of 5,679 thousand euros (including 79 thousand euros for restructuring costs, posted under extraordinary items). This decrease primarily reflects releases for indemnities paid, amounting to 9,050 thousand euros, regarding staff redundancy schemes.

# Payables.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| Due to banks | 294,816,057 | (684,934) | 294,131,123 |
| Due to other financial institutions | 1,213,925,582 | 9,827 | 1,213,935,409 |
| Advances: | | | |
| a) from the Ministry of Transport | 5,048,106 | (435,872) | 4,612,234 |
| b) from clients | 8,559,008 | (3,589,935) | 4,969,073 |
| Due to suppliers | 138,042,768 | (17,227,457) | 120,815,311 |
| Due to subsidiary undertakings | 19,953,462 | (3,105,776) | 16,847,686 |
| Due to associated undertakings | 1,002,980 | 0 | 1,002,980 |
| Due to parent companies | 19,793,015 | (7,337,532) | 12,455,483 |
| Taxes due | 32,245,817 | 10,425,819 | 42,671,636 |
| Due to social security security agencies | 5,216,180 | 1,720,289 | 6,936,469 |
| Other payables: sundry creditors | 40,230,207 | 9,001,162 | 49,231,369 |
| Total | 1,778,833,182 | (11,224,409) | 1,767,608,773 |

The Company's "payables" fell by 11,224 thousand euros during the period. The principal reasons for such a change are analyzed below.

"Amounts due to banks", totaling 294,131 thousand euros, include:

– 293,350 thousand euros representing the principal on long-term lines of credit granted to ADR S.p.A. denominated "Term Loan Facility" (170,000 thousand euros), "BOPI Facility" (43,350 thousand euros) and "EIB Term Loan" (80,000 thousand euros);
– 781 thousand euros of amounts due from ADR S.p.A. for interest, commissions and swap differentials accrued during the period but not yet settled.

The reduction of 685 thousand euros compared with December 31, 2008 is entirely due to the interest, commissions and swap differentials component.

The characteristics of these loans are listed in the following table:

| Lender | Facility Loan | Amount (millions of euros) | | Interest rate | Repayment | Life | Maturity date |
|---|---|---|---|---|---|---|---|
| | | Granted | Used | | | | |
| Syndicate of banks | Term Loan Facility | 170.00 | 170.00 | floating rate linked EURIBOR + margin | bullet | 6 years | February 2012 |
| | Revolving Facility | 100.00 | 0.00 | floating rate linked EURIBOR + margin | revolving | 6 years | February 2012 |
| | | 270.00 | 170.00 | | | | |
| Banca BIIS | BOPI Facility | 43.35 | 43.35 | floating rate linked EURIBOR + margin | from 2010 to 2015 in six-monthly installments | 12 years | March 2015 |
| BEI | EIB Term Loan | 80.00 | 80.00 | floating rate linked EURIBOR + margin | bullet | 10 years | February 2018 |
| Total | | 393.35 | 293.35 | | | | |

The long-term line of credit denominated the "Term Loan Facility" and the "Revolving Facility" were granted on September 20, 2005 by a syndicate of banks with the mandated lead arrangers comprising Barclays Capital, Calyon S.A. (Crédit Agricole Corporate and Investment Bank since February 6, 2010), Mediobanca - Banca di Credito Finanziario S.p.A., Unicredit Banca Mobiliare S.p.A. and WestLB AG.

98,600 thousand euros of the "Term Loan Facility", initially worth 290,000 thousand euros, was repaid on September 20, 2006, with a further 21,400 thousand euros repaid on March 20, 2008, thereby reducing the loan to 170,000 thousand euros.

On November 21, 2007, at the request of ADR S.p.A., the line of credit denominated the "Revolving Facility" was reduced from the initial 200,000 thousand euros to 100,000 thousand euros, in line with projected cash flows, resulting in a reduction in the cost of borrowing.

The line of credit denominated the "BOPI Facility" was granted on February 19, 2003 by BIIS (formerly Banca OPI) (as of January 1, 2008 the bank's name was changed to BIIS - Banca Infrastrutture Innovazione e Sviluppo) and guaranteed by CDC IXIS Financial Guaranty Europe. This line of credit, which was initially granted for an amount of 85,000 thousand euros, was reduced to 43,350 thousand euros following early repayment of an amount of 28,900 thousand euros on September 20, 2006, and of an amount of 12,750 thousand euros on March 20, 2008, corresponding to the installments falling due in September 2008, and in March and September 2009.

The interest rates applied to the "Term Loan Facility", the "Revolving Facility" and the "BOPI Facility" vary in terms of the level of ADR's rating, whilst the loan granted by the EIB is not affected by the level of the rating.

"Amounts due to other financial institutions" total 1,213,935 thousand euros. The item includes the principal of 1,200,019 thousand euros due from the Company to Romulus Finance S.r.l. ("Romulus Finance") and 13,916 thousand euros consisting of interest accrued on the above-mentioned loans and not yet paid.
The increase of 10 thousand euros compared with December 31, 2008 is entirely due to the interest component.
It should be recalled that the loan granted by Romulus Finance in February 2003 arose from the transfer without recourse to Romulus Finance S.r.l. of the amount due to ADR S.p.A.'s original lenders for loans taken out in August 2001. Romulus Finance, a vehicle established pursuant to Law no. 130/1999 on securitization and controlled by two Dutch foundations, financed acquisition of the pre-existing bank loan to ADR S.p.A. via the issue of asset-backed bonds amounting to 1,265 million euros, to be listed on the Luxembourg Stock Exchange and subscribed by institutional investors.

After early repayment of "Loan B", amounting to 65,000 thousand euros, in March 2008, the loan from Romulus Finance breaks down into four lines of credit, summarized in the table below. The conditions reflect those of the bonds issued by Romulus Finance to finance the purchase of amounts due to ADR's creditor banks:

| Lender | Facility Loan | Amount (millions of euros) | Interest rate | Repayment | Life | Maturity date |
|---|---|---|---|---|---|---|
| Romulus Finance S.r.l. | A1 | 500 | fixed | bullet | 10 years | February 2013 |
| | A2 | 200 | floating rate linked EURIBOR + margin | bullet | 12 years | February 2015 |
| | A3 | 175 | floating rate linked EURIBOR + margin | bullet | 12 years | February 2015 |
| | A4 | 325 | floating rate linked EURIBOR + margin up to 12.20.2009 and after fixed rate | bullet | 20 years | February 2023 |
| Total | | 1,200 | | | | |

The bonds issued by Romulus Finance regarding Classes A1, A2, A3 and A4 are secured by the monoline insurance company, AMBAC Assurance UK Limited, which at December 31, 2009 had a lower rating (Caa2 from Moody's and CC from Standard & Poor's) than ADR S.p.A..

The level of ADR's rating affects the amount of the premium paid to AMBAC for guaranteeing the bonds, but not the interest rate applied to each class of bond.

## Hedging policy.

The hedging policy established within the framework of loan agreements with the banks and with Romulus Finance S.r.l. requires that at least 51% of the debt is fixed rate.

At December 31, 2009, 55.2% of the Company's debt was fixed rate.

On October 2, 2009 the following hedges expired:

– "Interest Rate Swaps" entered into in 2001 with Mediobanca, Barclays, UBM, Royal Bank of Scotland and Deutsche Bank, involving notional capital of 864 million euros. These contracts were renegotiated in December 2006, based on payment of an average fixed rate of 5.075%;
– "Interest Rate Swaps" with notional capital of 468 million euros until March 2008 and 495 million euros until October 2, 2009, entered into in 2004 with Mediobanca, Barclays and Royal Bank of Scotland. Under these contracts, ADR S.p.A. received a fixed rate of 3.3% and paid a floating of 3-month euribor rate with a cap of 6.0%.

Two "Interest Rate Collar Forward Start" contracts entered into on May 16, 2006 with Barclays and Royal Bank of Scotland, with a notional capital of 120 million euros each, become active on October 2, 2009. Under these contracts, ADR S.p.A. receives a floating 3-month euribor rate and pays a floating 3-month euribor rate with a cap of 5% and a floor of 3.64% from October 2, 2009 until February 20, 2012.

The above contracts have extended the Company's protection from exposure to interest rate risk by a further three years on a total notional amount of 240 million euros.

As a result of the "Interest Rate Collars", the Company's interest rate hedges now extend to 71.3% of its total borrowings.

As of December 31, 2009, the fair value of the swap agreements entered into is a negative 10.4 million euros. Details of outstanding swaps are shown below (in thousand of euros):

| | Notional | Fair value derivates as at 12.31.2009 | Purpose of the derivates | Financial risk | Financial debt hedged |
|---|---|---|---|---|---|
| COLLAR FWD START of 2006 (CASH-FLOW HEDGE) | 240,000 | (10,401) | Hedging | Interest rate | 240,000 |
| Total | | (10,401) | | | |

The financial liability hedged refers to a portion of amounts “due to other financial institutions”.
The effects of the “Interest Rate Swap” agreements on the Income Statement for the period are shown in the Notes to “financial income and expense”.

## Guarantees.

The bank loans and the loan from Romulus Finance S.r.l. are guaranteed, as described in detail in the individual balance sheet items, by:

- a lien (in the form of a mortgage) on the plant, machinery, capital goods and goods constituting ADR S.p.A.’s inventory, as well as any receivables deriving from the sale of such assets;
- a lien on all receivables, and more generally on any right deriving from contracts with clients and insurance policies;
- a lien on all of ADR S.p.A.’s bank current accounts;
- a lien on ADR S.p.A.’s shareholdings in ADR Tel S.p.A., ADR Advertising S.p.A. and ADR Assistance S.r.l.;
- “ADR Deed of Charge” (a lien under British law on loans, hedging agreements and insurance policies governed by British law).

## Commitments and covenants.

A large number of contractual regulations govern the management of ADR’s borrowings, partly due to their size, and also because of AMBAC’s requirement to protect the risk of non-compliance and insolvency on the part of ADR, thereby seeking to minimize the actual difference between the maximum rating insured and the rating of the issuer/debtor.
Such regulations include:

- financial assets may only be acquired with the permission of creditors or via a “non-recourse vehicle”, and in any case only using authorized borrowing or liquidity;
- income from the sale of financial assets may be used for investment or, if not used within twelve months of collection, must be used to repay borrowings;
- dividends may only be distributed if specific financial ratios exceed contractually pre-established thresholds, and if no events of default or trigger events have occurred;
- further loans may only be undertaken if the above financial ratios exceed determined thresholds (higher than those required under normal lending conditions) and if the rating awarded to ADR is greater than pre-defined minimum levels;
- if a maturing line of credit is not repaid at least twelve months before the maturity date, any surplus cash flow

generated during this period must be allocated on a priority basis (based on defined proportions) to the repayment of borrowing, which is known as a retention regime. However, if determined financial ratios are not met 24 months ahead of maturity, a 24-month retention regime may come into force;

– if the financial ratios are below certain predetermined minimum thresholds, or if the rating is below sub-investment grade levels, or if other specific contractually defined critical situations occur, further restrictive measures relating to cash flow management are set in motion in order to protect creditors from the risk of default by ADR S.p.A..

The principal covenants included in the current loan agreements consist of ratios, defined on the basis of final and forecast data, which measure: (i) the ratio between available cash flow and debt servicing, (ii) the ratio between discounted future cash flows and net debt, and (iii) the ratio between net debt and gross operating income.
These ratios are checked twice per year, on the application dates of March 20 and September 20, by applying the calculation methods of the respective ratios to the relative data at December 31 and June 30.

If these ratios are above specific levels, dividends may be paid and further borrowing undertaken; if on the other hand, the ratios fall below specific thresholds, a trigger event or an event of default may occur.

A trigger event results in a series of operating restrictions for ADR, especially the following:

a) a cash sweep with an obligation to use all available cash flow on the application dates (March 20 and September 20) (i) to pay interest rate installments; (ii) to repay all ADR's creditors on a *pari passu* basis; and (iii) the Romulus bonds that may not be repaid in advance should be secured via the establishment of specific cash reserves held in specific current accounts serving as a lien for AMBAC (so-called cash collateralization);
b) an embargo on the payment of dividends and prohibition of the use such funds to carry out authorized investments;
c) the right of creditors, via the "Security Agent", to obtain any information deemed necessary and to take part in devising a recovery plan and the related implementation time frames by hiring an independent expert to take part in drawing up the business plan containing the measures and remedies designed to restore an acceptable rating. Failure to implement the recovery plan could give AMBAC the right to increase the premium on the guarantee issued on the Romulus bonds;
d) prohibition of the acquisition of financial assets and of taking out new loans, even if they are designed to repay existing borrowings;
e) the transfer of all cash amounts due to ADR S.p.A. as guarantees to the creditors, with consequent notification of the debtors transferred.

**Trigger event.**

The recent downgrading of ADR's rating by Standard & Poor's on April 10, 2009 (from BB+ to BB with a stable outlook) has only had limited effects on the cost of borrowing. However, it did lead to termination of the waiver of the consequences of the trigger event, and especially the cash sweep, previously granted by the lenders at the Company's request, thus requiring activation of a new authorization procedure to maintain the validity of all the previously granted waivers.

Therefore, on April 27, 2009 ADR S.p.A. formally submitted a new waiver request regarding all the consequences of the trigger event and the cash sweep (excluding the prohibition of payment of dividends and the requirement to share information regarding the measures taken to improve the rating) which, with the exception of AMBAC, the lenders quickly authorized.

AMBAC, however, reserved the right to decide whether or not to oblige ADR S.p.A. to apply the cash sweep mechanism ahead of the next date on which it would have been applied (the September application date). On September 15 the waiver of the consequences of the trigger event and the cash sweep was formally granted until the application date of March 2010, except by AMBAC.

"Amounts due to suppliers" decreased by 17,227 thousand euros due to the contraction in the volume of investment carried out compared with 2008.

"Amounts due to subsidiary undertakings" fell by 3,106 thousand euros, primarily due to a decrease in trade payables.

A breakdown of receivables due from subsidiary undertakings shows that 12,748 thousand euros derives from trading relations (14,798 thousand euros as of December 31, 2008) and 4,100 thousand euros from financial relations (5,155 thousand euros as of December 31, 2008).

For more information on amounts due to subsidiary undertakings, reference should be made to the section "relations with Parent Companies and other related parties" in the Management Report on Operations.

"Amounts due to parent companies" include trade payables amounting to 144 thousand euros (10 thousand euros as of December 31, 2008) and amounts due to Gemina S.p.A. for tax consolidation, totaling 12,311 thousand euros (19,783 thousand euros as of December 31, 2008). The reduction of 7,338 thousand euros with respect to December 31, 2008 derives from the combined effect of:

– settlement by ADR S.p.A. of amounts due for tax consolidation regarding 2007 and 2008, totaling 19.7 million euros;
– advanced payment of taxes, amounting to 6.0 million euros;
– estimated IRES for the period, totaling 18.3 million euros.

For more information, reference should be made to the section “relations with Parent Companies and other related parties” in the Management Report on Operations.

“Taxes due”, amounting to 42,672 thousand euros, were up 10,426 thousand euros on December 31, 2008.
The principal changes include greater amounts due for municipal surtax on passenger fees, amounting to 11.0 million euros. In this regard, it should be remembered that ADR S.p.A. began charging carriers this surtax from June 1, 2004 at the rate of 1 euro, which was subsequently increased to 2 euros from April 2005, pursuant to Law no. 43 of March 31, 2005. This rate was increased by an additional 50 cents from January 1, 2007, in compliance with the provisions of Law no. 296 of December 27, 2006 (the Finance Act for 2007), and by an additional 2 euros from November 2008, pursuant to Decree Law no. 134/2008, making a total of 4.50 euros. The surtax of 1 euro provided of Law no. 43/2005 and the increase of 2 euros pursuant to Decree Law no. 134/2008 are allocated to a special fund, managed by INPS, in support of the income, employment, reorganization and retraining of air transport sector personnel.
The amount due to Tax Authorities as municipal surtax on passenger fees totaled 38,285 thousand euros as of December 31, 2009.

“Other payables: sundry creditors” rose by a total of 9,001 thousand euros primarily due to the effect of:
– the greater amount due for the contribution towards the cost of the fire prevention and fire fighting service (8.7 million euros). The amounts due recorded in the financial statements regarding the years from 2007 to 2009 total 25.7 million euros; these amounts due have yet to be settled awaiting the outcome of pending judgments relating to appeals lodged by some of the major airport operators;
– a 5.8 million euros increase in amounts due to personnel which, in addition to recognition of the lump sum payable to staff on renewal of the National Collective Labor Contract, regards the activation – following their interruption in 2008 – of performance-related bonuses;
– a 2.1 million euros increase in amounts due to former employees for outstanding employee severance indemnities;
– a reduction of 5.1 million euros in amounts due to the Civil Aviation Authority for the concession fee, primarily due to settlement of the increase in the concession fee established by Law no. 296/2006 regarding the years from 2007 to 2009.

In summary, as of December 31, 2009 total “payables” of 1,767,609 thousand euros include 1,512,166 thousand euros of a financial nature, 144,257 thousand euros of trade payables and 111,186 thousand euros of sundry items.

A breakdown of the Company’s trade payables by geographical area is not provided as it is not significant, given the limited amount due to overseas creditors (3.7 million euros out of a total of 120.8 million euros).

Payables secured by collateral on the Group's assets amount to 1,508,067 thousand euros (as described in the paragraph regarding "amounts due to banks and other financial institutions").

Payables falling due beyond five years amount to 780,869 thousand euros and regard "amounts due to banks" totaling 80,850 thousand euros (the loan from Banca BIIS of 850 thousand euros and the EIB loan of 80,000 thousand euros) and "amounts due to other financial institutions" totaling 700,019 thousand euros.

Payables in currency exposed to exchange rate risks total 19 thousand euros and refer to services supplied.

## Accrued expenses and deferred income.

| | 12.31.2008 | Changes during the year | 12.31.2009 |
|---|---|---|---|
| **Accrued expenses:** | | | |
| **– Sub-concessions and license fees** | **2,519,781** | **(239,329)** | **2,280,452** |
| **– Other** | **2,989,674** | **84,739** | **3,074,413** |
| **Total** | **5,509,455** | **(154,590)** | **5,354,865** |

# Notes to the Memorandum Accounts.

## General guarantees.

| | 12.31.2009 | | | 12.31.2008 | | |
|---|---|---|---|---|---|---|
| | Secured receivables | Unsecured receivables | Total | Secured receivables | Unsecured receivables | Total |
| Sureties: | | | | | | |
| – In the interest of third parties | 0 | 110,522 | 110,522 | 0 | 110,522 | 110,522 |
| – In the interest of subsidiary undertakings | 0 | 0 | 0 | 0 | 0 | 0 |
| Other: | | | | | | |
| – In favor of clients | 0 | 0 | 0 | 0 | 154,839 | 154,839 |
| – In the interest of subsidiary undertakings | 0 | 507,841 | 507,841 | 0 | 507,841 | 507,841 |
| Total | 0 | 618,363 | 618,363 | 0 | 773,202 | 773,202 |

## Commitments on purchases and sales.

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Commitments on purchases | | |
| – Investments: | | |
| · due from subsidiary undertakings | 10,395,570 | 12,332,960 |
| · electronic equipment | 479,046 | 173,064 |
| · maintenance and services | 2,649,306 | 1,954,079 |
| · self-financed works | 94,744,206 | 100,407,743 |
| | 108,268,128 | 114,867,846 |
| Commitments on sales | 0 | 0 |
| Total | 108,268,128 | 114,867,846 |

Regarding "commitments on purchases", on February 28, 2003 ADR S.p.A., granted IGPDecaux S.p.A. a put option on its holding in ordinary and preference shares in ADR Advertising S.p.A.. Such option is exercisable from the date of approval of the Financial Statements of ADR Advertising S.p.A. as of December 31, 2004 until December 31, 2011, on the occurrence of specific conditions. Partly due to agreements entered into between ADR S.p.A. and ADR Advertising S.p.A. regarding revision of the guaranteed minimum, the shareholder, IGPDecaux S.p.A., stated that it would not exercise the put option in 2009 and 2010.

Commitments on purchases also include ADR S.p.A.'s commitment, as an operator of airport infrastructures, to draw up and implement noise reduction and abatement plans, as required by noise pollution legislation (Law no. 477/1995) and the Ministerial Decree of November 29, 2000.
To this end ADR S.p.A. is currently assessing whether or not the relevant limits have been exceeded, and if so will proceed with preparation of the necessary noise reduction and abatement plans.
Such commitments are difficult to quantify and are, by necessity, determined on the basis of interpretations, given that there are no specific indications of the activities to be considered as "maintenance" and "extension" of infrastructures, which form the basis for calculation pursuant to Law no. 447/1995 (the framework law on noise pollution).

In view of the above, ADR S.p.A., based on available estimates at the balance sheet date, judges its overall commitment to be no more than approximately 30 million euros. This sum is thus conditional on subsequent events and on the effective program of works to be carried out.
The Company believes that future works will qualify as capital expenditure.

The agreements on the sale of the equity investment in Flightcare Italia S.p.A. (formerly ADR Handling S.p.A.), entered into on November 3, 2006, provide for a price adjustment of up to 12.5 million euros.
Of this, the amount deemed most probable to arise was charged to the income statement in the years 2006-2009 under extraordinary items with a contra-entry in allowances for risks and charges, totaling around 4.0 million euros as of December 31, 2009. The remaining amount, currently deemed unlikely to be incurred, will be re-assessed in future years.

Finally, a series of "Interest Rate Swap" contracts aimed at hedging interest rate risk on outstanding loans have been entered into. For further information reference should be made to the Notes to "payables".

# Other memorandum accounts.

| | 12.31.2009 | 12.31.2008 |
|---|---|---|
| **General guarantees received:** | | |
| – Sureties | 153,719,705 | 122,345,695 |
| | 153,719,705 | 122,345,695 |
| **Third party assets in free loan, deposited in custody, leased or similar:** | | |
| – Leased assets | 11,063 | 47,503 |
| – CAA - plant and equipment at Fiumicino | 119,811,701 | 119,811,701 |
| – CAA - plant and equipment at Ciampino | 29,293,608 | 29,293,608 |
| – Works carried out on behalf of the State | 672,998,576 | 668,060,840 |
| | 822,114,948 | 817,213,652 |
| **Goods in process deposited with third parties** | 0 | 0 |
| **Other matters in question:** | | |
| – Assets leased to subsidiary undertakings | 93,223 | 93,223 |
| | 93,223 | 93,223 |
| **Commitments to other companies** | 0 | 0 |
| **Total** | 975,927,876 | 939,652,570 |

"Third party assets in free loan, deposited in custody, leased or similar" include the value of assets received under concession at Fiumicino and Ciampino airports and the value of the work financed, completed and invoiced to the Civil Aviation Authority.

The item "Assets leased to subsidiary undertakings" includes the value of the intangible and tangible fixed assets (93 thousand euros) that form part of the "advertising" division leased by ADR S.p.A. to the subsidiary undertaking, ADR Advertising S.p.A., as reported in the division's balance sheet prepared on February 28, 2003. The above division also includes net payables due to personnel (severance indemnities, vacation pay, etc.) and social security agencies (294 thousand euros), which were settled by the parties in cash.

# Notes to the Income Statement.

## Total revenues.

### Revenues.

| | 2009 | 2008 | Change |
|---|---|---|---|
| **REVENUES FROM SALES** | | | |
| **Non-aviation activities:** | | | |
| – Duty free and Duty paid | 77,501,779 | 82,841,814 | (5,340,035) |
| – Other | 2,805,793 | 4,440,785 | (1,634,992) |
| | 80,307,572 | 87,282,599 | (6,975,027) |
| **REVENUES FROM SERVICES** | | | |
| **Aviation activities:** | | | |
| – Fees | 163,181,551 | 165,313,382 | (2,131,831) |
| – Security | 62,918,275 | 63,080,898 | (162,623) |
| – Centralized infrastructures | 35,522,371 | 36,450,523 | (928,152) |
| – Other | 29,850,817 | 24,575,173 | 5,275,644 |
| | 291,473,014 | 289,419,976 | 2,053,038 |
| **Non-aviation activities:** | | | |
| – Sub-concessions and utilities | 117,820,995 | 120,108,369 | (2,287,374) |
| – Car parks | 27,575,268 | 30,049,667 | (2,474,399) |
| – Advertising | 2,791,724 | 2,697,529 | 94,195 |
| – Refreshments | 6,951,519 | 8,732,837 | (1,781,318) |
| – Other | 25,297,406 | 24,316,706 | 980,700 |
| | 180,436,912 | 185,905,108 | (5,468,196) |
| | 471,909,926 | 475,325,084 | (3,415,158) |
| **REVENUES FROM CONTRACT WORK** | 4,937,735 | 0 | 4,937,735 |
| **Total revenues from sales and services** | 557,155,233 | 562,607,683 | (5,452,450) |
| **CHANGES IN CONTRACT WORK IN PROGRESS** | 353,021 | 2,990,000 | (2,636,979) |
| **CONTRIBUTIONS AND GRANTS** | 470,478 | 94,914 | 375,564 |
| **Total revenues** | 557,978,732 | 565,692,597 | (7,713,865) |

"Revenues" total 557,979 thousand euros. Of these, 52% derived from "aviation activities" carried out by the Company (51% in 2008) and 48% were generated by "non-aviation activities" (49% in 2008).

"Revenues from sales" amounted to 80,308 thousand euros, down 8.0% on 2008. This change was due to the reduced turnover of directly managed shops, linked to the downturn in traffic.

"Revenues from services" totaled 471,910 thousand euros, down 0.7% on 2008.

"Revenues from contract work", amounting to 4,938 thousand euros, primarily regard revenues deriving from the re-billing of the portion of works regarding the State-funded boarding area F (formerly Pier C) to the Civil Aviation Authority.
"Contributions and grants for the period" include contributions of 318 thousand euros relating to management training programs, mainly funded by Fondimpresa, and grants of 152 thousand euros from the European Union regarding the Feasibility Study for the Integrated Multimodal Transport System.

## Other information.

It is important to note that the type of activity carried out by the Company does not permit a breakdown of the various areas of activity into fully independent segments in relation to markets and customers. The "traffic" element currently affects all the Company's activities.
However, it is possible to identify segments on the basis of the type of product or service offered and the production process involved. Information regarding the resulting segments has been extracted directly from the Company's accounts. The following table provides information relating to the three principal areas of activity identified:

– Airport fees: paid in return for use of airport infrastructure;
– Centralized infrastructures;
– Non-aviation activities, consisting of:
  - sub-concessions: including fees paid by sub-concessionaires operating on airport grounds, in addition to utilities,
  - direct sales: including revenues from directly operated duty free and/or duty paid outlets.

Finally, the category, "other activities", includes the sale of advertising[2] space, the management of car parks and refreshment facilities, security, left luggage, assistance to passengers with reduced mobility, contract work on behalf of the State, etc..
The following table shows a breakdown of revenues from the segments described. It should be noted, moreover, that the revenues earned by each segment relate entirely to third parties and do not include inter-segment transactions (in thousand of euros).

*[2] Until March 1, 2003, the date on which the lease of the advertising division to the subsidiary undertaking, ADR Advertising S.p.A., came into effect; the sale of advertising space in retail outlets, on the other hand, continues to be carried out by ADR S.p.A..*

| Revenues | Fees | Centralized infrastructures | Non-aviation activities | | Other assets | Total |
|---|---|---|---|---|---|---|
| | | | Sub-concessions | Direct sales | | |
| 2009 | 163,182 | 35,522 | 117,821 | 80,308 | 161,146 | 557,979 |
| 2008 | 165,313 | 36,450 | 120,108 | 87,282 | 156,539 | 565,692 |
| Change | (2,131) | (928) | (2,287) | (6,974) | 4,607 | (7,713) |
| % change | (1.3%) | (2.5%) | (1.9%) | (8.0%) | 2.9% | (1.4%) |

Total revenues can be broken down into two macro-areas:

– “aviation” (including fees, management of centralized infrastructure, security services, left luggage, assistance to passengers with reduced mobility, etc.) amounting to 291,473 thousand euros, compared with 289,420 thousand euros in 2008;
– “non-aviation” (including sub-concessions, direct sales, the management of advertising space and car parks, refreshments and contract work on behalf of the state) amounting to 266,506 thousand euros, compared with the 276,273 thousand euros of 2008.

A geographical breakdown of revenues would not be significant given that both airports managed by the Company are located within the same country.

## Other income and revenues.

| | 2009 | 2008 |
|---|---|---|
| Revenue grants | 470,478 | 94,914 |
| Gains on disposals | 23,067 | 42,548 |
| Other: | | |
| – Releases: | | |
| · release from allowance for overdue interest | 25,898 | 61,855 |
| · release from allowances for risks and charges | 0 | 284,449 |
| – Expense recoveries | 2,045,281 | 1,648,637 |
| – Recoveries of personnel expenses | 137,229 | 150,838 |
| – Revaluations of prior years | 7,118,884 | 3,355,919 |
| – Other revenues | 1,782,089 | 1,839,333 |
| | 11,109,381 | 7,341,031 |
| Total | 11,602,926 | 7,478,493 |

“Revaluations of prior years”, amounting to 7,119 thousand euros, primarily includes the effects of updated valuations of costs and revenues, formerly estimated at the end of the previous year.

# Operating costs.

## Amortization, depreciation and write-downs.

“Amortization and depreciation” during the period amounted to 107,618 thousand euros (104,733 thousand euros in 2008), including amortization of intangible fixed assets of 88,203 thousand euros (86,834 thousand euros in

2008) and depreciation of tangible fixed assets of 19,415 thousand euros (17,899 thousand euros in 2008). Amortization of intangible fixed assets includes the charge for the amortization of the concession, amounting to 50,096 thousand euros.
Further details are provided in the Note to “fixed assets”.

“Provisions for doubtful accounts” totaled 5,068 thousand euros (2,486 thousand euros in 2008) and reflect an updated assessment of the recoverability of ADR S.p.A.’s receivables.

## Provisions for risks and other charges.

| | 2009 | 2008 |
|---|---:|---:|
| **Current and potential disputes** | 6,031,666 | 0 |
| **Insurance deductibles** | 387,885 | 0 |
| **Total** | 6,419,551 | 0 |

“Other provisions”, totaling 501 thousand euros, regard provisions for fixed assets to be relinquished and the allowance for option dealings.
Further information is provided in the Note to “allowances for risks and charges”.
It should be noted that provisions to the Income Statement are made following determination of potential liabilities not absorbed by any surplus provisions deriving from updated assessments of the risks to which the Company is exposed.

## Other operating costs.

| | 2009 | 2008 |
|---|---:|---:|
| **Concession fees** | 12,425 | 15,006 |
| **Other** | 8,851,901 | 49,679,527 |
| **Total** | 8,864,326 | 49,694,533 |

The item “other”, amounting to 8,852 thousand euros, primarily comprises:
– 1,087 thousand euros for membership fees (1,016 thousand euros in 2008);
– 3,330 thousand euros for indirect taxes and duties (2,985 thousand euros in 2008), including 1,926 thousand euros for local property taxes (ICI);
– 2,372 thousand euros for updated valuations of costs and revenues recognized in the 2008 Financial Statements (1,848 thousand euros in 2008);

In 2008 the item “other” included losses totaling 42,259 thousand euros on amounts due to the ADR from Alitalia Group Companies, incurred before they went into special administration, less the amounts due for the passenger surtax (which is offset by corresponding taxes due) and receivables relating to fees covered by specific guarantees issued in favor of ADR S.p.A., net of provisions made for doubtful accounts in previous years.

# Financial income and expense.

## Income from equity investments.

| | 2009 | 2008 |
|---|---|---|
| **Dividends from subsidiary undertakings** | **0** | **1,097,820** |
| **Total** | **0** | **1,097,820** |

No dividends will be paid by subsidiary undertakings in 2009.

In 2008 “dividends from subsidiary undertakings” included 486 thousand euros from ADR Engineering S.p.A. and 612 thousand euros from ADR Tel S.p.A..

## Other financial income.

| | 2009 | 2008 |
|---|---|---|
| **Interest and commissions on long-term receivables:** | | |
| **– Other** | **3,087** | **4,089** |
| **Financial income on securities recorded in non-current financial assets that do not qualify as equity investments** | **326,807** | **0** |
| **Other:** | | |
| **– Interest on overdue current receivables:** | | |
| **· clients** | **33,739** | **201,799** |
| **– Interest and commissions received from other companies:** | | |
| **· interest from subsidiary undertakings** | **53,575** | **78,806** |
| **· interest from banks** | **1,691,992** | **7,793,837** |
| **· other** | **5,164,286** | **8,426,969** |
| **Total** | **7,273.486** | **16,505,500** |

“Financial income on securities recorded in non-current financial assets that do qualify as equity investments” includes financial income accrued during the period on the portion – with a face value of 4 million pounds sterling – of the A4 bonds issued by the special purpose vehicle, Romulus Finance S.r.l., which ADR S.p.A. purchased on February 13, 2009.

“Interest from banks”, totaling 1,692 thousand euros, fell by 6,102 thousand euros compared with 2008 due to the reduction in interest rates as of the end of the previous period.

The item “other” essentially derives (5,147 thousand euros) from the positive differential paid to ADR S.p.A. by counterparties with whom the Company has entered into floating rate hedges. This differential is down on 2008 (8,385 thousand euros), in line with the above-mentioned reduction in interest rates and the effect of the expiry of “Interest Rate Swaps” on October 2, 2009.

## Interest expense and other financial charges.

| | 2009 | 2008 |
|---|---|---|
| **Interest and commissions paid to parent companies** | **105,849** | **0** |
| **Interest and commissions paid to subsidiary undertakings** | **39,547** | **175,525** |
| **Interest and commissions due to others and sundry charges:** | | |
| **– Interest and commissions paid to banks** | **8,348,524** | **15,419,596** |
| **– Interest and commissions paid to other financial institutions** | **52,036,803** | **74,178,202** |
| **– Provisions for overdue interest on doubtful accounts** | **26,077** | **93,692** |
| **– Other** | **15,368,611** | **8,401,852** |
| **Total** | **75,925,411** | **98,268,867** |

“Interest and commissions due to parent companies” includes interest paid to the Parent Company, Gemina S.p.A., in accordance with the tax consolidation agreement, following postponement until September 2009 of payment of the balance for 2007, totaling 13,848 thousand euros, and of the balance for 2008. amounting to 5,889 thousand euros, which fell due in June 2009.

“Interest and commissions paid to banks” and “interest and commissions paid to other financial institutions” fell sharply by 7,071 thousand euros and 22,141 thousand euros, respectively.
This is primarily due to the reduction in interest rates, but also to the reduced exposure deriving from partial repayments of loans amounting to 99.2 million euros in March 2008. These loans were refinanced by an amount of 80 million euros in June 2008.

The item “other” primarily comprises (15,122 thousand euros) the negative differential paid by ADR S.p.A. to counterparties with whom the Company has entered into hedges, including:
– 13,331 thousand euros regarding fixed rate (3.891%) “Interest Rate Swaps” expiring on October 2, 2009;
– 1,791 thousand euros regarding “Interest Rate Collars” in force as of October 2, 2009.

This differential is up 7,004 thousand euros on 2008, due to the above-mentioned lowering of interest rates.

### Foreign exchange gains/(losses).

| | 2009 | 2008 |
|---|---|---|
| Foreign exchange gains | 48,814 | 57,335 |
| Foreign exchange losses | 12,347 | 6,594 |
| Total | 36,467 | 50,741 |

The conversion of receivables and payables denominated in non-EU currencies at closing exchange rates resulted in a net loss of 836 euros.

## Adjustments to financial assets.

### Write-downs of equity investments.

This item, amounting to 43 thousand euros in 2009, includes provisions to the allowance to cover Group companies' losses, regarding the losses incurred by the subsidiary undertaking, Consorzio E.T.L., during the period.

## Extraordinary income and expense.

### Income.

| | 2009 | 2008 |
|---|---|---|
| Other: | | |
| – Income and recovery of expenses relating to previous years deriving from: | | |
| · other income and revenues | 0 | 60,000 |
| · operating costs | 42 | 64,753 |
| · amortization, depreciation and write-downs | 0 | 7,753 |
| · financial income and expense | 63 | 294 |
| · reversal of liabilities | 1,385,590 | 1,601 |
| · taxes relating to previous years | 415,722 | 477,338 |
| Total | 1,801,417 | 611,739 |

The item "reversal of liabilities" includes 1,204 thousand euros regarding the contingent assets deriving from the favorable Council of State ruling, which rejected the appeal lodged by the Antitrust Authority requesting payment of the above amount by ADR S.p.A.. The original fine of 926 thousand euros was imposed on ADR in 1993, after an investigation of ground handling services. The Antitrust Authority then increased the fine by six-monthly installments, 13 of which, in the Authority's view, were outstanding after ADR S.p.A., in 2003, had "only" paid five of the six-monthly installments due, in addition to the original fine, rather than the total of 18 six-monthly installments requested by the Authority.

## Expense.

| | 2009 | 2008 |
|---|---|---|
| Taxes relating to previous years | 12,118,486 | 0 |
| Other: | | |
| – Extraordinary expense derived from: | | |
| · operating costs | 237,990 | 744,629 |
| · payroll costs | 0 | 18,576 |
| · exceptional asset write-downs | 89,647 | 146,013 |
| | 327,637 | 909,218 |
| – Other extraordinary expense: | | |
| · payments due for lost cargo | 71,128 | 54,392 |
| · fines | 104,123 | 101,579 |
| · restructuring costs | 19,105,341 | 0 |
| · damages and compensation paid to third parties | 13,205 | 6,324 |
| · antitrust penalties | 0 | 1,878,000 |
| · costs relating to extraordinary operations | 552,000 | 2,423,706 |
| | 19,845,797 | 4,464,001 |
| | 20,173,434 | 5,373,219 |
| Total | 32,291,920 | 5,373,219 |

The item "taxes relating to previous years" comprises the estimated expense of the current dispute with the Customs Office.

The item "restructuring costs" includes the estimated total cost of the restructuring program launched by the Company during the period which will enable implementation of redundancy schemes regarding around 280 ADR S.p.A. staff.

Of the total cost of 19.1 million euros, an amount of 8.2 million euros was covered by the "allowance for restructuring" recorded under "provisions for risks and charges".

# Income taxes.

| | 2009 | 2008 |
|---|---|---|
| **Current taxes:** | | |
| – Tax consolidation expense | 18,306,419 | 10,376,331 |
| – Substitute tax | 0 | 3,377,090 |
| | 18,306,419 | 13,753,421 |
| IRAP | 12,942,632 | 12,922,863 |
| | 31,249,051 | 26,676,284 |
| **Deferred tax (assets) liabilities:** | | |
| – Deferred tax assets | (3,580,000) | (2,121,000) |
| – Deferred tax liabilities | (27,000) | (7,464,000) |
| | (3,607,000) | (9,585,000) |
| **Total** | 27,642,051 | 17,091,284 |

It should be remembered that, due to the existence of the related prerequisites, in 2007 ADR S.p.A. and the other Group Companies (ADR Engineering S.p.A., ADR TEL S.p.A. and ADR Sviluppo S.r.l.) along with the Consolidating Company, Gemina S.p.A., opted to take part in the tax consolidation regime introduced by the Tremonti Reform for the three-year period 2007-2009.

Gemina S.p.A., as the Consolidating Company, has submitted the necessary documents to the Tax Authorities, electing to participate in the optional consolidated tax regime introduced by Legislative Decree no. 344/2003.

As regards deferred taxation, it was decided to continue posting the assets and allowances that generated temporary differences in the individual companies' Financial Statements.

Pursuant to the above tax legislation, against the taxable income transferred by ADR S.p.A. to the Consolidating Company, Gemina S.p.A., "expenses relating to tax consolidation" amounting to 18,306 thousand euros (regarding IRES) have been recorded.

Taxation for 2008 included a "substitute tax" for direct taxes (IRES and IRAP), amounting to 3,377 thousand euros, aimed at aligning the differences between statutory and tax-related amounts deriving from the execution of off-balance sheet accelerated depreciation. Consequently, deferred tax assets amounting to 7,446 thousand euros allocated during previous years were reversed.

*(3) For the purposes of calculating the tax rate for IRES, IRES expense was added to the proceeds and "expense relating to tax consolidation".*

IRES(3) accounts for 55.9% of pre-tax income compared with the statutory rate of 27.5%.

Reconciliation of the statutory and effective rates is provided in the table below (in thousand of euros).

| | 2009 | 2008 |
|---|---|---|
| **Pre-tax income** | 32,736 | 10,043 |
| **Statutory rate (IRES)** | 27.5% | 27.5% |
| **Taxation at statutory rate** | 9,002 | 2,762 |
| **Effect of increases (decreases) in the ordinary rate:** | | |
| **– Tax-exempt income (gains on disposals)** | 0 | 0 |
| **– Dividends** | 0 | (302) |
| **– Non-deductible costs** | 6,717 | 6,471 |
| **– Other permanent differences** | (790) | (132) |
| **– Temporary differences (increases)** | 8,246 | 4,977 |
| **– Temporary differences (decreases)** | (4,869) | (3,400) |
| **Consolidation taxation** | 18,306 | 10,376 |
| **Effective rate** | 55.9% | 103.3% |

For further information on the calculation of deferred tax assets see the item “deferred tax assets” in the section on “receivables”.

Finally, it should be noted that, given the uncertainty surrounding the availability of government funds to pay tax rebates, contingent assets of 1,565 thousand euros have prudently not been recognized in the income statement. This sum relates to an IRES rebate deriving from the 10% deduction of IRAP for the years from 2004 to 2007.

The rebate was applied for by ADR S.p.A., for the years from 2004 to 2006, and by the Consolidating Company, Gemina S.p.A., for 2007, on February 1, 2010 and February 24, 2010, respectively.

# Other information.

## Headcount.

The following table shows the average number of employees of ADR S.p.A. by category:

| Category | 2009 | 2008 | Change |
|---|---|---|---|
| **Management** | 46.0 | 52.6 | (6.6) |
| **Administrative staff** | 176.1 | 193.6 | (17.5) |
| **White-collar** | 1,445.2 | 1,471.4 | (26.2) |
| **Blue-collar** | 383.6 | 426.3 | (42.7) |
| **Total** | 2,050.9 | 2,143.9 | (93.0) |

# Remuneration of Directors and Statutory Auditors.

In accordance with art. 2427 of the Italian Civil Code, the remuneration of Directors and Statutory Auditors is shown in the table below (cumulatively for each category in euros):

| Category | | Remuneration | Other remuneration (d) | Total |
|---|---|---|---|---|
| Directors | (a) | 118,165 | 475 | 118,640 |
| Executive Directors | (b) | 350,000 | 38,413 | 388,413 |
| Statutory Auditors | (c) | 227,700 | 22,549 | 250,249 |
| Total | | 695,865 | 61,437 | 757,302 |

*(a) Remuneration determined pursuant to art. 2389, paragraph I, of the Italian Civil Code and approved by the General Meeting of September 21, 2007.*

*(b) See resolutions of Board of Directors' Meetings of September 21, 2007, August 6, 2008 and May 11, 2009, pursuant to art. 2389, paragraph III of the Italian Civil Code.*

*(c) See resolution of the Ordinary General Meeting of April 16, 2007.*

*(d) Social security charges incurred by the Company (16 thousand euros for Directors and 17 thousand euros for Statutory Auditors) and reimbursement of expenses.*

At a meeting on August 6, 2008 the Board of Directors also approved payment of gross annual remuneration of 85 thousand euros to the members of the Supervisory Board, pursuant to Legislative Decree no. 231/2001.

# Remuneration of Independent Auditors.

In accordance with art. 149-12 of the Issuers' Regulations, which apply to ADR S.p.A. as it is a Company controlled by a listed Company (Gemina S.p.A.), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below (in thousand of euros):

| Type of service | Entity providing the service | Client | Fees 2009 |
|---|---|---|---|
| Auditing | Deloitte & Touche S.p.A. | ADR S.p.A. | 145 |
| Attestation | Deloitte & Touche S.p.A. | ADR S.p.A. | 77 |
| Auditing | Deloitte & Touche S.p.A. | ADR Engineering S.p.A.<br>ADR Tel S.p.A.<br>ADR Assistance S.r.l. | 73 |
| Total | | | 295 |

# Shareholdings of Directors and Statutory Auditors.

None of the Directors or Statutory Auditors hold shares in the Company.

# Number of shares.

The share capital of 62,309,801 shares is represented by 62,309,801 shares with a par value of 1 euro each. As of December 31, 2008, the interest of the majority shareholder, Gemina S.p.A., amounts to 95.761% (59,668,245 shares).

# Condensed Financial Statements of Gemina S.p.A. for the year ended December 31, 2008.

From August 2, 2007, ADR S.p.A. is subject to “management and coordination” by Gemina S.p.A., which wholly owned Leonardo S.r.l., subsequently merged into Gemina S.p.A..

Key data from the Financial Statements of Gemina S.p.A. as of December 31 2008, the latest available Financial Statements approved by the company’s General Meeting of Shareholders on April 28, 2009, are shown in the table below:

| BALANCE SHEET - ASSETS (in Euros) | 12.31.2008 | |
|---|---|---|
| NON-CURRENT ASSETS | | |
| Intagible fixed assets | 16,368 | |
| Tangible fixed assets | 62,833 | |
| Investment in subsidiary companies | 1,835,546,345 | |
| Investment in associated companies and joint venture | 18,072,741 | |
| Investment assets | 28,255 | |
| Capitalized receivables | 4,266,667 | |
| Other non-current assets | 581 | |
| Deferred tax assets | 2,710,607 | |
| Other non-current financial assets | 1,400,000 | |
| Total non-current assets | | 1,862,104,397 |
| CURRENT ASSETS | | |
| Trade receivables | 4,419,688 | |
| Other receivables | 24,590,992 | |
| Other current financial assets | 286,891 | |
| Cash and cash equivalents | 1,744,876 | |
| Total current assets | | 31,042,447 |
| Activities held for sales | | 0 |
| TOTAL ASSETS | | 1,893,146,844 |

| BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY (in Euros) | | 12.31.2008 |
|---|---|---|
| **SHAREHOLDERS' EQUITY** | | |
| Share capital | 1,472,960,320 | |
| Capital reserve | 200,056,535 | |
| Other reserves | 81,970,099 | |
| Profit (loss) from previuos years | 65,374,283 | |
| Profit (loss) for the year | 13,855,243 | |
| Total shareholders' equity | | 1,834,216,480 |
| **NON-CURRENT LIABILITIES** | | |
| Employee benefits | 162,343 | |
| Provisions for risks and charges | 6,000,000 | |
| Non-current net, financial libilities | 46,687,953 | |
| Total non-current liabilities | | 52,850,296 |
| **CURRENT LIABILITIES** | | |
| Trade payables | 560,679 | |
| Current financial liabilities | 3,846,094 | |
| Provisions for risks and charges | 175,861 | |
| Derivates | 128,970 | |
| Other current liabilities | 1,368,464 | |
| Total current liabilities | | 6,080,068 |
| Liabilities held for sales | | 0 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 1,893,146,844 |

| PROFIT (LOSS) FOR THE YEAR (in Euros) | | Year 2008 |
|---|---|---|
| Financial income (expense) from equity investments | | 21,026,616 |
| Financial income (expense), net | | (4,123,024) |
| Personnel costs | (1,236,110) | |
| Other operating costs | (3,343,627) | |
| Amortization, depreciation and write-down of fixed assets | (33,405) | |
| Revenues | 280,725 | |
| Other operating profit | 225,573 | |
| Total costs operating, net | | (4,106,844) |
| Profit (loss) before taxation | | 12,796,748 |
| Income tax | | 1,058,495 |
| PROFIT (LOSS) FOR THE YEAR | | 13,855,243 |

# Litigation.

Administrative, civil and labor litigation is followed by the Company through its internal legal department which has provided, for the preparation of the accounts as of and for the period ended December 31, 2009, a complete and exhaustive breakdown of the different civil, administrative and arbitration proceedings outstanding as of that date.
As regards litigation as a whole, the Company carried out a valuation of the risk of negative outcomes leading to the creation of a specific allowance under "allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. The disputes for which a negative outcome was merely possible, given the different legal interpretations, were not the object of provisions in accordance with the principles and procedures governing the preparation of Financial Statements. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

## Tax litigation.

– In 1987 a general tax audit of ADR S.p.A.'s accounts from January 1, 1985 to February 18, 1987 was carried out, focusing in addition on certain aspects relating to previous years.
  Despite the fact that the auditors found no evidence of irregular accounting practices or violations of statutory regulations, including misdemeanors punishable by fine in compliance with Law no. 516 of August 7, 1982, ADR S.p.A. was notified of certain irregularities regarding both direct and sales tax (IVA) for the years between 1982 and 1987. The Company appealed the Tax Authorities' interpretation before the competent Tax Commissions.
  During 2002, the Revenue Office appealed the sentence issued by the Regional Tax Commission for Rome – section no. 43 – before the Supreme Court. Such sentence had turned down the appeal against the sentence of the Tax Commission for the Province of Rome, dated April 9, 1999, which had accepted the grounds for ADR S.p.A.'s appeal against the allegations of income tax violations regarding the years 1985 and 1986.
  On July 10, 2002 the Tax Authorities appealed to the Supreme Court, and the Company responded by depositing its counter-evidence with the Court. At a hearing to discuss the matter on November 7, 2007, the Supreme Court accepted the appeal and referred the case to a different department of the Regional Tax Commission.
  Thus far the outcomes of the hearings conducted by the various tax commissions have been in ADR S.p.A.'s favor, confirming the legal interpretation adopted and a positive outcome for the Company.
– On November 3, 2006 the Tax Office of Rome (UTF) initiated an audit of the Company's accounts regarding taxation of the consumption of electricity.
  In its Report dated February 23, 2007, the Tax Office (UTF) informed the Company that it "intended to recover the amounts relating to the consumption tax and related local surtaxes on electricity sold to third parties for the

years between 2002 and 2005, in that, in the Office's opinion, the said amounts were not duly paid". In this regard, the Office specifies that "it is necessary to know, for each of the above years, the electricity suppliers that in the role of withholding agents applied the exemptions in question, as well as the list of sub-concessionaires that were supplied electricity with exemption and the related amounts invoiced, even if for the purposes of reimbursement".
The Tax Office (UTF) formalized the request for data and information regarding the supply of electricity for the above period. ADR replied in a letter dated June 1, 2007, reiterating that, on the basis of the legal framework governing the Company's activities, the electricity obligatorily supplied to airport premises and infrastructures utilized by other entities cannot be considered as energy "acquired by the Company and sold, subject to reimbursement of expenses, to third parties".
Between July 3 and 13, 2007, the Tax Office carried out additional audits aimed at "carrying out technical checks on the equipment and on the means of distribution and consumption of electricity on the part of ADR, in order to identify and separate the consumption subject to the tax exemption in accordance with art. 52 of Consolidated Act no. 504/1995 for the tax period January 1, 2002 - May 31, 2007".
Following the audits, the Tax Office issued 15 demands for payment of a total of 4.4 million euros, regarding failure to pay the tax on electricity consumption and the related surtax for the period 2002-2006. This amount includes interest expense, penalties for late payment and notification expenses.
Generally speaking, the disputes relate to the alleged sale to third parties of the electricity acquired by ADR, as well as the refusal to recognize the favorable terms applied in accordance with art. 52 of the Consolidated Customs Act (TULD) to entities qualifying for inclusion in the category "industrial operators". Along with the demands for payment, there were nine notifications of administrative irregularities, amounting to a total of 1.5 million euros for 2002, concerning the sanctions imposed in relation to the failed payment of the above taxes.
Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed the demands in question before Rome's Provincial Tax Commission.
At hearings in 2008 and 2009, Rome's Provincial Tax Commission granted all the appeals regarding payment of taxation and the imposition of sanctions.
The Customs Office then lodged an appeal against the sentences issued by Rome's Provincial Tax Commission.
On October 21, 2009, Lazio's Regional Tax Commission issued and filed thirteen sentences confirming the decision of the Provincial Tax Commission and rejecting the appeal lodged by the Customs Office. Regarding eight other appeals lodged by the Customs Office, allocated to the same section of the Regional Tax Commission that issued the thirteen rulings in the Company's favor, announcement of the related hearings is awaited.

- On December 27, 2006 the Municipality of Fiumicino notified ADR S.p.A. of its failure to declare and pay local property tax (ICI) for 2001 regarding Rome Airport's Hilton Hotel.

  On December 28, 2007 the Municipality of Fiumicino notified ADR S.p.A. of a tax assessment for 2002 regarding the same building previously assessed for 2001.

The Company, considering that there are valid arguments in favor of its non-liability to pay this tax, has appealed against these tax assessments to the Provincial Tax Commission of Rome.

– On August 16, 2007, the Rome II District Customs Office notified ADR S.p.A. of reported irregularities in the sales carried out at its duty free shops from January 1, 1993 to January 31, 1998. The findings essentially regard sales made to passengers traveling within the EU that exceeded duty free allowances in terms of amount and value.
  On December 18, 2007, the same District Customs Office ordered payment of sums regarding VAT, excise duties and tobacco duties, as a result of the findings set out in the assessment report. The total amount of taxes and interest charged adds up to around 22.3 million euros.
  Backed up by the opinion of its tax experts, ADR S.p.A. deems it highly likely that the legitimacy of its behavior will be recognized, and has therefore appealed this demand for payment before the Provincial Tax Commission.
  On April 6, 2009 the Provincial Tax Commission of Rome filed Sentence no. 149/39/00, which rejected the appeal lodged by the Company. Following the judgment, the Customs Office activated the procedure to collect the sum due, which the Company is paying in 36 installments subsequent to acceptance of the application submitted to the Collection Agent, after paying an advance of 4 million euros via an irrevocable payment order on April 27, 2009.
  Moreover, on 24 April 2009 the Company filed an application with the Customs Office for administrative suspension, until the Lazio Regional Tax Commission files its sentence, of collection of the sum due. On May 19, 2009 the Customs Office notified that it did not accept the request for suspension.
  The Company, backed up by its tax experts who have confirmed that there are no grounds for the imposition of such taxation, remains convinced of the substantial and formal legitimacy of its behavior. On July 14, 2009 ADR S.p.A. therefore lodged an appeal against the sentence handed down by the Provincial Tax Commission of Rome.
  On November 3, 2009 Rome's Regional Tax Commission informed ADR S.p.A. that a hearing to deal with the appeal lodged by the Company had been scheduled for February 17, 2010. For the latest information, see the section on "subsequent events" in the Management Report on Operations; regarding the accounting treatment, see the section on "allowances for risks and charges" in the Notes.
– Within the scope of annual checking procedures pursuant to art. 42 of Law no. 388/2000, on June 4, 2009 the Lazio Regional Tax Office initiated a general tax audit of ADR S.p.A. regarding IRAP and VAT for 2007. At the end of the audit, on October 29, 2009 the Company was notified of certain irregularities regarding direct taxation (IRES and IRAP), entailing higher taxation of 1,195 thousand euros, and higher VAT of 2,416 thousand euros. In acknowledging the notice, the Company has reserved its right to defend itself before the competent authorities.

## Administrative, civil and labor litigation.

Significant disputes are summarized below:

– On May 26, 1999, ADR S.p.A. appealed Ministry of Finance Decree no. 86, dated March 5, 1999, before the Lazio

Regional Administrative Court. The Decree establishes the license fees to be paid by airport operators for the years prior to 1997. Judgment is still pending.

A similar action brought by ADR S.p.A. before the Civil Court of Rome, with the aim of ascertaining that the Company is not required to pay any back-dated fees to the Ministry of Transport for the years prior to 1997, ended with the issue of sentence no. 5283/2004. This sentence, which upheld ADR S.p.A.'s position, declared that the Company has no obligation to pay the government license fees for the years prior to 1997 in application of the convention of June 26, 1974.

– In a resolution of September 20, 2000, the Antitrust Authority closed the investigation of ADR S.p.A., launched in 1999, finding that the Company had not abused its dominant position either with respect to the fees charged for ground handling services, or with regard to self-handling. The Authority did, however, find anti-competitive practices in relation to Aviation Services (Meridiana Group), although no fine was inflicted. The Company has appealed the latter finding before the Lazio Regional Administrative Court, but the date for the hearing has yet to be set.

– Alitalia and Alitalia Airport have appealed to the Lazio Regional Administrative Court against the Italian Civil Aviation Authority (ENAC) and the Director of Fiumicino Airport and against ADR S.p.A. and ADR Handling S.p.A. as interested parties. The appellants have requested the cancellation, subject to suspension, of both the Civil Aviation Authority's provisions of September 26, 2000, by which the Authority defined the centralized infrastructure at Fiumicino Airport, including the cargo storage plant, and the act of March 29, 2001, by which the Director of Rome Fiumicino Airport ordered the appellants to "cease, with immediate effect, all activities regarding cargo handling, in relation to both services subject to limits and those for which it might have been necessary to use Alitalia's cargo plant". An announcement of the date of the relevant hearing is awaited, given that the appellants have withdrawn their request for a suspension.

– The Ministerial Decree of November 29, 2000 requires the operators of public transport services and relative infrastructure to draw up action plans for the reduction and abatement of noise, and to make provisions in line with forecast penalties if such limits should be exceeded. The legislation has been independently appealed by all airport operators to the Council of State, with the aim of obtaining an annulment of Lazio Regional Administrative Court's sentence no. 3382/2002. Sentence no. 5822/2004 of September 7, 2004 partially rejected the appeals brought by the airport operators.

The Council of State has decided that airport operators have an obligation to reduce noise pollution and thus prepare noise abatement action plans under two conditions:

- identification of the boundaries of the areas covered by the Ministerial Decree of October 31, 1997;
- verification, according to a precise schedule, of instances when noise pollution limits are exceeded outside the areas covered by the regulations, as established by the Prime Ministerial Decree of November 9, 1997, with reference to be made to the limits established in municipal zoning bylaws or, in their absence, by art. 6, paragraph

1, of the Prime Ministerial Decree of March 1, 1991.

Within the areas covered by the regulations, on the other hand, emission limits (as defined by art. 3, paragraph 3 of the Prime Ministerial Decree of November 14, 1997) are only applicable "for all noise sources other than airport infrastructures". The limits established by the Ministerial Decree of October 31, 1997 remain in force. These limits "provide for three areas (zones A, B and C) with various levels of LVA (the indicator used to measure airport noise emissions and different from the "Noise Equivalent level" used to establish the levels applied in the Prime Ministerial Decree of November 14, 1997).

The obligation to make financial provisions to cover the cost of adopting noise reduction and abatement measures, regardless of whether or not the above limits have been exceeded, derives from Framework Law no. 447/1995 (art. 10, paragraph 5) and not the Ministerial Decree to which the appeal judge's sentence refers, as the latter is merely a repetition of the legal provisions referred to.

The Ministry of the Environment "assumes that the obligation to make provisions is valid regardless of whether or not the noise emission limits have been exceeded" (thus as of the entry into force of Law no. 447/1995); at the same time "all issues regarding the reasonableness of such obligation, even where limits have not been exceeded, are beyond the scope of this action, by which the appellants have appealed a regulation that merely requires communication of the provisions made".

The above sentence, moreover, does not exclude the possibility that the issue of "the reasonableness" (or otherwise) of the above regulation establishing the obligation to make provisions may be appealed by airport operators before the relevant courts. A description of the relevant accounting treatment is provided in the Notes to the "memorandum accounts".

– In 2003 ADR S.p.A. lodged an appeal with the Lazio Regional Administrative Court in which it contested the request by the Antitrust Authority of May 12, 2003 to pay a sum of 1.2 million euros, equivalent to thirteen six-monthly installments added to the fine of 0.9 million euros imposed on ADR S.p.A. in 1993, following an investigation of ground handling services.

  The appealed letter follows payment by ADR S.p.A. of an amount corresponding to only five six-monthly installments (0.5 million euros, in addition to the original fine), rather than the total of eighteen six-monthly installments requested by the Authority.

  With sentence no. 198/2004, handed down on May 6, 2004, the Lazio Regional Administrative Court accepted ADR S.p.A.'s appeal. In October 2004 the Antitrust Authority appealed the Lazio Regional Administrative Court sentence before the Council of State. In a sentence, which was notified in May 2009, the Council of State rejected the appeal lodged by the Authority.

– In September 2003 ADR S.p.A. issued notice of appeal to Lazio Regional Administrative Court against Ministerial Decree no. 14/T of March 14, 2003 (published in the Official Gazette of June 3, 2003) containing provisions regarding the payment of fees for the 100% screening of hold baggage, as interpreted, in relation to the date from which such fees are to be applicable, in Civil Aviation Authority letters dated June 3, 2003 and June 11, 2003. The main reasons for the appeal are: (a) the contradictory nature of the two letters from the Civil Aviation Authority; (b) the lack of any provision regarding collection of the fees prior to the implementation of the Ministerial Decree. The appeal aims, among other things, to recover the fees due for the period between the date the Decree became valid (June 3, 2003) and the date authorized by the Civil Aviation Authority in a separate letter (June 26, 2003). At a hearing regarding the case held on November 26, 2009 judgment was withheld.

– In 2003 ADR S.p.A. lodged an appeal with Lazio Regional Administrative Court against the Executive Decree of June 30, 2003 (Definition of airport license fees for 2003) published in the Official Gazette on July 7, 2003, as amended in the notice published in the Official Gazette on September 6, 2003. This Decree established methods different from those previously applied for calculating annual fees due from global airport operators pursuant to special laws. Such methods of calculation are deemed to be illegitimate as they introduce an element of "adjustment" to the resulting figures regarding the "earnings" that passengers produce in relation to the airport.
  In a parallel judgment in Civil Court, on July 12, 2007 ADR S.p.A. was notified of the purview of sentence no. 12189 of June 13, 2007 with which the Court of Rome, accepting ADR's request, "following misapplication of the executive Decree issued by the director of the State property office on June 30, 2003", declared "ADR S.p.A. did not owe the Italian Civil Aviation Authority any amounts greater than the license fees due for the years 2003, 2004 and 2005 calculated in conformity with Law no. 662/1996, in application of the calculation criteria set forth in the Ministerial Decree dated December 12, 1998".
  On June 16, 2008 the State property office lodged an appeal against this sentence. A hearing to pronounce final judgment has been scheduled on October 12, 2011.
– With regard to the preparatory phase for the Planning Agreement 2005-2009, in November 2005 ADR S.p.A. appealed to Lazio Regional Administrative Court for an annulment of the decisions and considerations contained in the document issued by the Ministry of Infrastructure and Transport and the Ministry of the Economy on September 22, 2005, in which ADR S.p.A. is substantially denied the right to include any component of the purchase cost of the airport management concession for Fiumicino and Ciampino in the regulatory asset base, to be used in determining the airport fees it will charge. The appeal also includes a claim for damages from the ministries concerned, in view of the unwarranted delay the above document has caused in finalizing the Planning Agreement provided for in point five of the regulatory framework annexed to CIPE (Interdepartmental Committee for Economic Planning) Resolution no. 86/2000 and art. 4 of the Ministerial Decree of November 14, 2000. The Agreement governs the determination of airport fees and the other regulated revenues earned by ADR. A date for the hearing on the merits is awaited.
– On October 28, 2005, ADR S.p.A. submitted a complaint to the European Commission asking it to examine the provisions of Decree Law no. 211/2005 regarding so-called "System requirements", which was subsequently included in Decree Law no. 203/2005, converted into Law no. 248/2005. ADR's complaint aims to bring to the

Commission's attention the fact that the above legislation violates EU law, with particular regard to the rules governing State aid.

This complaint was followed on February 20, 2006 by a further communication to the European Commission from ADR, reinforcing and expanding on the previous complaint, in response to the guidelines issued by the Ministry of Infrastructure and Transport.

– Actions brought by the Company, including those contesting certain provisions regarding the implementation of regulations introduced by Law no. 248/2005 (so-called "System requirements"), include the proceedings held before the Civil Court in February 2006 against the Ministry of Infrastructure and Transport. This regards a claim for damages, estimated at 27.6 million euros, caused to ADR S.p.A. as a result of the failure to bring airport fees into line with the target inflation rate until December 2005, in compliance with article 2, paragraph 190 of Law no. 662/1996, which was repealed by Law no. 248/2005. A hearing was held on January 19, 2010 to finalize the conclusions. Issue of the sentence is awaited.
– A further action relating to "System requirements" regards the appeal filed by ADR S.p.A. at the Lazio Regional Administrative Court in February 2006, with a view to revoking the guidelines issued by the Ministry of Infrastructure and Transport on December 30, 2005, regarding the entry into effect of Law no. 248/2005. Specifically, this regards a request for annulment of both the regulations concerning the reduction of airport fees and the Civil Aviation Authority's memorandum of January 20, 2006, fixing the level of temporary airport fees. With sentence no. 2289/2007 lodged on June 5, 2007 the Lazio Regional Administrative Court rejected the appeal. In November 2007 ADR appealed this sentence before the Council of State. An announcement of the date of a hearing to discuss the matter is awaited.
– Moreover, in March 2006 ADR S.p.A. appealed to the Lazio Regional Administrative Court, without a request for suspensive relief, against the Civil Aviation Authority's memorandum of February 3, 2006 and subsequent memoranda in which the Authority deemed it appropriate to suspend payment of royalties on the sub-concession of airport fuel supply to third parties. The suspension is to remain in force until the submission by airport operators of data regarding the costs incurred in relation to the service provided by oil companies and until the completion of checks to be carried out on these companies by the Civil Aviation Authority. An announcement of the date of a hearing to discuss the matter is awaited.
– Assaero (the National Association of Airline Carriers and Air Transport Operators) and Blu Panorama lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority's memorandum of September 15, 2006 (protocol no. 60600), with which the Civil Aviation Authority communicated the results of its investigation of the companies involved in managing all aspects of airport activities "in order to analyze the correlation between the costs incurred and the amount airport operators charge oil companies on a lump sum basis". With sentence no. 11154/2007 the Regional Administrative Court rejected the appeal. The carriers lodged an appeal on January 2, 2008.

Council of State sentence no. 1416/2009 upheld the appeal. Whilst confirming that airport operators can legitimately request payment of so-called “fuel royalties”, insofar as the royalties are effectively linked to the costs incurred by operators, and acknowledging the Civil Aviation Authority’s role in regulating the application of the royalties by operators, the Council of State ruled that the Authority must exercise this power via prior examination of concrete and reliable data, with immediate reference to the cost structure of the activities subject to regulation. In compliance with the Council of State’s sentence, after further investigation, on April 24, 2009 the Civil Aviation Authority issued a ruling in which it withdrew all the previously issued rulings as a self-protective measure. Amongst other things, it reiterated that “oil companies are obliged to directly pay amounts due to airport operators for the provision of necessary assets and equipment regarding the refueling of aircraft within the limits of established costs”.

– IBAR (Italian Board Airlines Representatives) and six carriers (Iberia, Tap, American Airlines, Delta Airlines, Ethiopian Airlines and Cyprus Airlines) lodged an appeal with the Lazio Regional Administrative Court, with a request for revocation, against the Civil Aviation Authority’s memorandum of September 15, 2006 (protocol no. 60600) (in addition to other fire prevention measures), with which the Civil Aviation Authority communicated the results of the controls carried out airports’ total operations “in order to analyze the cost correlation of what airport operators request from oil companies on a lump sum basis”. On February 27, 2008, Esso Italiana proposed taking measures to oppose the judgment. Subsequently, IBAR put forward additional grounds and requested the Regional Administrative Court to acknowledge the illegitimacy of the most recent rulings issued by the Civil Aviation Authority regarding the matter. An announcement of the date of a hearing to discuss the matter is awaited.
– IBAR, together with 13 carriers, on the one hand, and Assaero and Volare, on the other hand, in separate requests, appealed to the Lazio Regional Administrative Court, with concomitant request for suspensive relief, for the cancellation of Civil Aviation Authority rulings no. A0035898 and no. 0035899 of June 5, 2007, regarding the setting of fees for the catering carried out at Rome and Milan airports, respectively. The plaintiffs have withdrawn their request for suspension. Subsequently, IBAR put forward additional grounds and requested the Regional Administrative Court to acknowledge the illegitimacy of the most recent rulings issued by the Civil Aviation Authority regarding the matter. An announcement of the date of a hearing to discuss the matter is awaited.
– Ryanair appealed to the Lazio Regional Administrative Court requesting cancellation – with prior suspension – of Ordinance no. 14/2007 of July 9, 2007 issued by the management of Ciampino airport, stipulating that no more than 100 commercial movements by the holders of slots could be effected in any one day, with slots to be allocated between 6am and 11.30pm during the winter of 2007-2008. At the hearing held on October 11, 2007 to discuss suspensive relief, the Administrative Court rejected Ryanair’s appeal, thereby maintaining the restricted number of slots for the “winter of 2007-2008”. With Ordinance no. 5752/2007 the Council of State upheld Ryanair’s appeal (and therefore the original application for suspensive relief submitted by the airline). On March 25, 2008 Ryanair notified ADR S.p.A. of an appeal on additional grounds to the Lazio Regional Administrative Court, following the

denial by Assoclearance of two slots that did not exceed the current daily of limit of 138 slots, and which the airline had not made use of during the “summer 2007”. This denial was based on a contradictory interpretation by the Civil Aviation Authority, according to which the effects of the contested Civil Aviation Authority Ordinance remained in force, even after the ruling by the Council of State, if Ryanair were to request slots different from those allocated to it in the “summer 2007”, as only the loss of these slots would constitute the serious and irreparable harm that the ordinance intended to avoid. At a hearing held to discuss the matter on April 24, 2008, Ryanair requested that the case be adjourned until a hearing on the merits, a date for which is awaited. At the same time, regarding the carrier’s request to execute Council of State Ruling no. 5752/2007, the same judge, with Ruling no. 2046/2008, rejected Ryanair’s demands on the following grounds: “for the purposes of executing Ruling no. 5752 of November 6, 2007 the position taken by the appellant with regard to the present dispute, appears to be correct and satisfactory regarding maintenance of the same number of “summer 2007” slots previously allocated to Ryanair by the Civil Aviation Authority and Assoclearance, including the “summer 2008” season, given that the damages claimed by Ryanair should be measured only on the basis of the number of slots allocated to the airline at the time when the number of total slots allocated to Ciampino airport were reduced from 138 to 100”.

– ENI has brought a claim before the Rome Civil Court against its own client airline carriers (Air One, Alitalia, Eurofly, Livingston, Meridiana and Neos) in order to ascertain the obligation to pay oil companies the amounts regarding the license fee that the Company owes to airport operators, and, consequently, that the carriers are ordered to pay ENI the amounts accrued to this effect since October 2005 (with Decree Law no. 211/2005 regarding “System requisites” came into effect).

  In the same claim, ENI has also brought a secondary claim against airport operators, including ADR S.p.A. (and the Civil Aviation Authority for the airports managed by the State) in order to ascertain that ENI does not owe the airport operators payments for the license fee calculated on the basis of the amount of fuel supplied to airline companies. Moreover, as specifically regards ADR, on the one hand, ENI requests that it is ordered to pay an amount corresponding to the sum paid since October 2005, totaling 276 thousand euros, and, on the other, that it be determined that ENI does not owe ADR the amount of 1.1 million euros (determined up to May 31, 2006), as yet unpaid. At a hearing on November 19, 2008 Alitalia’s attorney submitted a copy of sentence no. 287/2008 of the Bankruptcy Division of the Court of Rome, declaring that the Company was insolvent. The judge therefore suspended the trial. At a hearing held on February 3, 2010, the case was adjourned until June 10, 2010.

– Air One has taken out legal proceedings at the Civil Court of Rome against Tamoil, its jet fuel supplier, as well as certain airport operators (SAB - Aeroporto di Bologna, ADR, SEA and SAVE), claiming the illegality of the payments requested by the managements of oil companies for the use of airport infrastructures, which these companies subsequently “pass on” to carriers. Consequently, Air One also requests that Tamoil – together with the above airport operators, each according to their portion of responsibility – be ordered to repay the sum paid by Air One since 2003, amounting to 2.9 million euros. A hearing has been scheduled for December 21, 2011 for final judgment.

– A series of sentences passed by the Bankruptcy Court in Rome have declared the following Companies bankrupt: Alitalia - Linee Aeree Italiane S.p.A. in a.s., Volare S.p.A. in a.s., Alitalia Express S.p.A. in a.s., Alitalia Servizi S.p.A. in a.s., Alitalia Airport S.p.A. in a.s. ADR has filed claims against the above companies. Regarding the proceedings relating to Alitalia - Linee Aeree Italiane S.p.A., ADR S.p.A.'s claim was dealt with at a hearing on December 16, 2009. Given that ADR was the only operator deemed to have adequately prepared the application and the supporting documentation, with regard to claims dating back to prior to commencement of the proceedings, and in view of the fact that certain invoices were still being checked to ensure that the service had been duly provided and the related payments made, the hearing was adjourned until another hearing on April 28, 2010. With regard to claims arising subsequent to commencement of the proceedings, the matter was adjourned until a hearing to be held on October 19, 2010. Other developments include: AZ Servizi S.p.A. in a.s.: at a hearing on October 29, 2009, examination of ADR S.p.A.'s claims was adjourned until March 30, 2010; AZ Airport S.p.A. in a.s.: at a hearing on October 15, 2009, examination of ADR S.p.A.'s claims was adjourned until March 16, 2010; Volare S.p.A. in a.s.: at a hearing on December 9, 2009, examination of ADR S.p.A.'s claims was adjourned until March 30, 2010 regarding claims dating back to prior to commencement of the proceedings, and until May 26, 2010 for claims arising subsequent to commencement of the proceedings; Alitalia Express in a.s.: at a hearing on November 25, 2009, examination of ADR S.p.A.'s claims was adjourned until March 17, 2010 regarding claims dating back to prior to commencement of the proceedings, and until May 19, 2010 for claims arising subsequent to commencement of the proceedings.

  Moreover, several legal initiatives have been undertaken at the Court of Civitavecchia, in support of ADR's claims for amounts due from Alitalia for navigation fees, secured by a lien on aircraft, also in respect of their related owners, who are jointly liable under the law.

– On November 21, 2007, ADR lodged an appeal with the Lazio Regional Administrative Court (without a request for suspension) to obtain cancellation of CIPE Resolution no. 38/2007 and the attached "Directive regarding tariff regulation of airport services offered on an exclusive basis". Subsequently, ADR appealed (also without request for suspension) against the Guidelines issued by the Civil Aviation Authority in implementation of this Directive.

  The principal grounds for the appeal regard the remuneration of invested capital and, more generally speaking, the allocation of concessionary charges, application of the single till criterion (the contribution of a percentage of commercial margins towards the determination of airport fees) and regulated tariff trends. A date for the hearing on the merits is awaited.

  On March 25, 2009, ADR S.p.A. presented additional arguments supporting its appeal before Lazio Regional Administrative Court against the Ministerial Decree of December 10, 2008, published in Official Gazette no. 42 of February 20, 2009, which approves the Civil Aviation Authority's Guidelines and abolishes the previous Ministerial Decree, which was never published in the Official Gazette and was appealed by ADR S.p.A.. A date for the hearing on the merits is awaited.

– With regard to proceedings relating to certain airport fees, details of the Lazio Regional Administrative Court's sentence issued in response to the appeals lodged by ADR S.p.A. and Air One were published on September 25, 2009. The appeals regarded the Antitrust Authority's ruling of October 23, 2008 relating to ADR S.p.A.'s alleged abuse, pursuant to art. 82 of the EC Treaty, in respect of airport fees.

  The Regional Administrative Court partially upheld ADR S.p.A.'s appeal, based on a series of complex reasons (e.g. the Civil Aviation Authority's failure to implement tariff regulations), and, as a result, reduced each component of the fine by 30%. This means that the total amount payable has been lowered from 1,668 thousand euros to 1,168 thousand euros. Again based on a series of complex reasons, the Regional Administrative Court also partially upheld the part of Air One's appeal claiming that the Antitrust Authority's investigation had omitted to examine ADR's dominant position regarding the availability of centralized infrastructures. The Lazio Regional Administrative Court accepted Air One's argument that the Antitrust Authority, in ignoring this abuse, had only focused on the deficit arising between the costs and revenues attributable to ADR deriving from its management of centralized infrastructures.

  On January 12, 2010 ADR S.p.A. appealed to the Council of State against both the sentences handed down by the Lazio Regional Administrative Court.

– In November 2009 ADR S.p.A. lodged an appeal before the Lazio Regional Administrative Court, without a request for suspensive relief, against the Civil Aviation Authority directive of July 31, 2009, protocol no. 0050644/DIRGEN/CEC, which included a table indicating the amounts of the contributions due from each operator for the fire prevention fund.

  In February 2010 additional grounds were provided against the subsequent Civil Aviation Authority directive of December 11, 2009, protocol 0087809/DIRGEN/DG which, referring to a table that had already been superseded with the previous directive of July 31, 2009, reiterated the request to airport operators to make the relative payments as soon as possible in order to "rectify non-compliance with the provisions of Law no. 296 of December 27, 2006". The principal grounds for the appeals include lack of clarity regarding the charge levied on airport operators (tax or fee for provision of service), and therefore the impossibility of identifying the competent jurisdiction.

  A date for the hearing on the merits is awaited.

– In October 2009 Volare Airlines S.p.A., a Company under special administration entered into civil proceedings before the Court of Busto Arsizio in order to obtain cancellation of payments made to ADR S.p.A. during the year prior to the carrier's entry into the insolvency procedure that was decreed on November 30, 2004, and the consequent ordering of the Company to pay back a sum of 6.7 million euros.

  The plaintiff's request is essentially based on the premise that ADR S.p.A. was aware of the insolvency of the carrier and the entire Group of which it formed part, together with Air Europe and the Volare Group, at least since 2002. A preliminary hearing was set for March 31, 2010.

- In October 2009 Air Europe S.p.A., a Company under special administration entered into civil proceedings before the Court of Busto Arsizio in order to obtain cancellation of payments made to ADR S.p.A. during the year prior to the carrier's entry into the insolvency procedure that was decreed on November 30, 2004, and the consequent ordering of the Company to pay back a sum of 1.8 million euros. The plaintiff's request is essentially based on the premise that ADR S.p.A. was aware of the insolvency of the carrier and the entire Group of which it formed part, together with Volare Airlines and the Volare Group, at least since 2002. A preliminary hearing was set for March 31, 2010.
- A judgment is pending before the Lazio Regional Administrative Court in a case brought by ADR against the Ministry of Labor and Social Policies regarding obligatory employment. The case derives from a request submitted by ADR to the Ministry of Labor, regarding the possibility of excluding ADR employees who carry out security, property surveillance and safety duties (472 staff at the time of the request) from calculation of the quota of jobs to be allocated to disabled workers, as such personnel are involved in activities that are included in or similar to those excluded under the relevant legislation (Law no. 68/1999). As the Ministry refused to grant this request, ADR S.p.A. appealed to the Regional Administrative Court with a request for preventive suspension. In a ruling on May 4, 2006, handed down with regard to the preventive suspension, the Regional Administrative Court accepted ADR's claim and consequently suspended the Ministry's refusal with immediate effect.
- A case is pending before the Court of Civitavecchia brought by a former employee who was dismissed on disciplinary grounds in 2004. Specifically, the plaintiff was dismissed regarding events that occurred during working hours, for which he was subsequently acquitted in a criminal court. Even though the dismissal was not contested in accordance with the law, the plaintiff has claimed damages amounting to around 0.8 million euros for unfair dismissal. Full acceptance of these claims is deemed highly unlikely, whilst it is considered that, in the remote possibility of any claims being accepted, only an insignificant sum would be entailed. A further hearing has been fixed for May 19, 2011.
- A group of 16 parties summonsed ADR S.p.A. and the bankrupt Ligabue Gourmet, thereby challenging the validity of ADR's sale of the West catering business unit to Ligabue, with a claim of around 9.8 million euros for damages incurred through to the end of 2006, including future damages and staff termination benefits. Despite the lack of previous decisions regarding such a case, acceptance of these claims is deemed highly unlikely. At a hearing to discuss the case on January 28, 2010, the judge ordered that counter-arguments must be submitted by April 18, 2010.
- With notification of a sentence of July 13, 2009, the appeal was concluded in the case brought by a group of 34 plaintiffs, all of whom are former ADR employees transferred to Ligabue after the sale of the West catering business unit by ADR to the latter Company, which subsequently went bankrupt. Via this notification, the Appeal Court of Rome declared the case to be closed regarding 5 plaintiffs, with whom a settlement was reached, and ordered ADR to pay a sum of 60 thousand euros to each of the remaining 29 plaintiffs, amounting to 1.7 million

euros in compensation pursuant to art. 1381 (promise of obligation or act of third person). The claim specifically regards a Ruling that dealt with the issue of employment following the bankruptcy of Ligabue signed at the Ministry of Labor and Social Policies on August 2, 2002, and endorsed by ADR and other interested companies, and the relevant national and Regional Authorities and Labor Organizations. After the grounds for the sentence were filed on January 8, 2010, a lawyer was charged with preparing an appeal to be lodged before the Supreme Court.

The following claims with regard to contract work, services and supplies are pending before civil law courts:

– ATI Alpine Bau, which was awarded the contract for works relating to the structural and operational upgrading of runway 3 at Fiumicino airport, appealed sentence no. 1347/2006 by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest from the time of the claim, totaling 0.2 million euros. The appeal reiterates the claims for damages made in first instance (66 million euros, plus legal interest accrued from the time of the claim) and a request was made to combine the three proceedings. In addition, a further appeal is pending against the partial judgment in first instance (at the hearing for final judgment held on October 20, 2009 the case was adjourned until May 25, 2010).

  At the hearing on January 10, 2007 ATI Alpine's legal counsel made a request to combine the present proceeding with the preceding underway for which a partial judgment has been made (cited above). ADR's legal experts opposed the combination of the proceedings and the judge, in accepting this opposition, rejected the request, but at the same time ordered that, merely for the purposes of reducing the number of court appearances, the present proceeding and that for which a partial judgment has been made be handled during the same hearing set for January 19, 2010. At this hearing the Court adjourned the proceedings until a hearing on May 25, 2010 to deal with the cases jointly.
– In 2002 a lawsuit was taken out by ATI Elsag S.p.A. - CML Handling Technology S.p.A. regarding payment of sums posted to accounts relating to the contract to construct the new baggage handling system at Fiumicino airport, amounting to 7.4 million euros, plus interest. With sentence no. 23167/2007 ADR S.p.A. was ordered to pay damages to Elsag, amounting to 1.2 million euros, plus interest and revaluation. Before the related right should lapse, the Company has lodged an appeal whilst awaiting the outcome of negotiations that may lead to an agreed settlement of the dispute. At a hearing on December 18, 2009 the parties requested a brief postponement due to negotiations in progress and the case was adjourned until a hearing on June 25, 2010.
– A claim for damages, in relation to the contract for the extension and restructuring of the international terminal at Rome's Fiumicino airport and related works, has been brought by Consorzio Aerest (in liquidation). The claim amounts to approximately 2.2 million euros plus VAT, interest and revaluation. On October 8, 2004 the Court of Rome partially upheld the Consorzio Aerest's claim, requiring ADR S.p.A. to pay the consortium the sum of approximately 167 thousand euros, rejecting all other claims and apportioning the legal costs to both parties.

On April 27, 2005 Consorzio Aerest appealed against the above-mentioned sentence, substantially reiterating the claim submitted in first instance. A hearing to pronounce final judgment is scheduled for April 6, 2010.

- Finprest to obtain recognition of its right to a sum of 3.2 million euros pertaining to review of contract prices, revaluations and interest in relation to a contract (dating back to 1988) for restructuring and extension works at the "old" domestic terminal at Fiumicino airport. With partial judgment no. 6265/2008 the Court of Rome rejected the claims of the plaintiff, ATI Finprest, whilst accepting the plaintiff's claim for interest for alleged late payment of installments paid regarding revised prices during the term of the contract. In a separate ruling, the Court thus ordered the proceedings to continue with appointment of an expert to ascertain whether ADR had made delayed payments of the revised installments and, if so, to determine the relative amount of interest. In a report filed on May 5, 2009, the expert assessed the amount of interest for delayed payments and accounting to be paid by ADR at 174 thousand euros. A hearing to cross-examine the expert is scheduled for April 1, 2010.
- On December 30, 2004 ATI NECSO Entrecanales - Lamaro Appalti notified its decision to appeal sentence no. 35859/2003 issued by the Civil Court of Rome, summonsing ADR S.p.A. to appear before the Appeal Court of Rome. In addition to rejecting ATI NECSO's claims, the judge at the initial hearing also ordered the Company to pay ADR S.p.A.'s costs. ATI NECSO is claiming damages of 9.8 million euros, plus VAT, interest, revaluation and costs, from ADR S.p.A. in relation to seven claims posted in the accounts relating to the contract for work on the extension and restructuring of the international terminal (Satellite West) at Fiumicino airport. Due to the favorable judgment handed down in first instance, the likelihood of a negative outcome for ADR S.p.A. is deemed remote and in any case far less than the counterparty's claims. A hearing to pronounce final judgment was held on November 18, 2008. By court order of April 2009, the Court of Appeal decided that, in order to determine claims for damages to compensate for responsibility for delays in completion of the contract attributable to the purchaser, ADR, it was necessary to appoint an independent expert. At a hearing on November 24, 2009 an appointed expert was sworn in and made responsible for clarifying the relevant issues. Preliminary expert investigations began on December 21, 2009 and will be continued on March 29, 2010.
- On February 1, 2005 Fondedile Costruzioni S.r.l. lodged an appeal against sentence no. 23019/2004 of the Civil Court of Rome, which rejected all the requests made by Fondedile, and also ordered the Company to reimburse ADR's legal costs. Such appeal reiterates the claim submitted in first instance for a total of 3.6 million euros, as well as legal and overdue interest and revaluation. A hearing to pronounce final judgment is scheduled on March 8, 2011.
- On March 31, 2006 a summons was issued in which ATI Opere Pubbliche S.p.A. - Opere Idriche S.p.A., the Company contracted to carry out works on the multistory car park (fifth module) at Leonardo da Vinci airport in Fiumicino, requests that ADR be ordered to pay the 17 reserves recorded in the accounts regarding said works, for a total of 2.0 million euros, plus legal interest, as well as legal costs and fees. The request submitted from the alleged design error which obliged the contractor, ATI, to use greater quantities of material than those provided

for in the project and, above all, the increase in the prices of materials used for the work in question. With the order of April 3, 2007, the judge accepted the preliminary and prejudicial questions raised by ADR S.p.A. rejecting, at the same time, the requests put forward by the plaintiff, and adjourning the hearing until March 20, 2009 in order to finalize the conclusions. In a sentence on October 10, 2009, the Court totally rejected ATI's claims.

The hearing was adjourned until March 20, 2009 for final judgment. In the Company's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

* * *

In conclusion, we declare that these Financial Statements, with the Management Report on Operations, present a true and fair picture of the Company's financial position and results of operations for the year and that they correspond with the underlyng accounting records.

The Board of Directors

# ANNEXES

# List of significant Equity Investments.

**AIRPORT INVEST B.V.**

| | |
|---|---|
| Date of incorporation | April 7, 1999 |
| Chamber of Commerce | Amsterdam 34113641 |
| Registered office | Strawinskylaan 3105, 1077 ZX - Amsterdam (Netherlands) |
| Tax Code | 97166530580 |
| Share capital | 101,039.90 euros represented by 155,446 shares with a par value of 0.65 euros each |
| Holding: 155,446 shares with voting rights at Ordinary General Meeting, amounting to 100% | |

**ADR ENGINEERING S.p.A. - Unipersonale**

| | |
|---|---|
| Date of incorporation | February 21, 1997 |
| Tax Code and Companies' Register | Rome 05256281006 |
| R.E.A. | Rome 867594 |
| Registered office | 00054 Fiumicino - Via Lago di Traiano, 100 |
| Share capital | 774,690 euros represented by 1,500 shares with a par value of 516.46 euros each |
| Holding: 1,500 shares with voting rights at Ordinary General Meeting, amounting to 100% | |

**ADR ASSISTANCE S.r.l. - Unipersonale**

| | |
|---|---|
| Date of incorporation | June 23, 2008 |
| Tax Code and Companies' Register | Rome 10062661003 |
| R.E.A. | Rome 1206621 |
| Registered office | 00054 Fiumicino - Via dell'Aeroporto di Fiumicino 320 |
| Share capital | 6,000,000 euros |
| 100% of voting rights at Ordinary General Meeting | |

**ADR Tel S.p.A.**

| | |
|---|---|
| Date of incorporation | July 31, 2002 |
| Tax Code and Companies' Register | Rome 07169231003 |
| R.E.A. | Rome 1014944 |
| Registered office | 00050 Fiumicino - Via dell'Aeroporto di Fiumicino, 320 |
| Share capital | 600,000 euros represented by 600,000 shares with a par value of 1 euro each |
| Holding: 600,000 shares with voting rights at Ordinary General Meeting, amounting to 100% (including 1% held via ADR Sviluppo S.r.l.) | |

**ADR ADVERTISING S.p.A.**

| | |
|---|---|
| Date of incorporation | January 10, 2003 |
| Tax Code and Companies' Register | Rome 07336861005 |
| R.E.A. | Rome 1027780 |
| Registered office | 00050 Fiumicino - Office Tower, Leonardo da Vinci Airport |
| Share capital | 1,000,000 euros represented by 500,000 ordinary shares and 500,000 preference shares both with a par value of 1 euro each |
| Holding: 255,000 shares with voting rights at Ordinary General Meeting, amounting to 51% of the share capital | |

**ADR SVILUPPO S.r.l. - Unipersonale**

| | |
|---|---|
| Date of incorporation | July 27, 2001 |
| Tax Code and Companies' Register | Rome 06708221004 |
| R.E.A. | Rome 984688 |
| Registered office | 00050 Fiumicino - Via dell'Aeroporto di Fiumicino, 320 |
| Share capital | 100,000 euros |
| 100% of voting rights at Ordinary General Meeting | |

**LA PIAZZA DI SPAGNA S.r.l.**

| | |
|---|---|
| Date of incorporation | December 17, 2003 |
| Tax Code and Companies' Register | Rome 07754621006 |
| R.E.A. | Rome 1053884 |
| Registered office | 00050 Fiumicino - Via dell'Aeroporto di Fiumicino, 320 |
| Share capital | 100,000 euros |
| 49% of voting rights at Ordinary General Meeting | |

**CONSORZIO E.T.L. - EUROPEAN TRANSPORT LAW**

| | |
|---|---|
| Date of incorporation | June 24, 1999 |
| Tax Code and VAT number | Rome 05813501003 |
| R.E.A. | Rome 924720 |
| Registered office | 00148 Roma - Viale A. Marchetti, 111 |
| Consortium capital | 82,633.11 euros |
| voting rights on Board of Directors amounting to 25% | |

**LIGABUE GATE GOURMET ROMA S.p.A. (insolvent)**

| | |
|---|---|
| Date of incorporation | November 20, 1997 |
| Tax Code and Companies' Register | Venice 03016170270 |
| Registered office | 30030 Tessera (VE) - Marco Polo Airport |
| Share capital | 103,200 euros represented by 20,000 shares with a par value of 5.16 euros each |
| Holding: 4,000 shares with voting rights at Ordinary General Meeting, amounting to 20% | |

**SOCIETÀ AEROPORTUALE CALABRESE - S.A.CAL. S.p.A.**

| | |
|---|---|
| Date of incorporation | February 23, 1990 |
| Tax Code and Companies' Register | Catanzaro 01764970792 |
| Registered office | Lamezia Terme (CZ) - Lamezia Terme Civil Airport |
| Share capital | 7,755,000 euros represented by 15,000 shares with a par value of 517 euros each |
| Holding: 2,485 shares with voting rights at Ordinary General Meeting, amounting to 16.57% | |

**AEROPORTO DI GENOVA S.p.A.**

| | |
|---|---|
| Date of incorporation | February 12, 1985 |
| Tax Code and Companies' Register | Genoa 02701420107 |
| Registered office | Genova Sestri - Passenger Terminal |
| Share capital | 7,746,900 euros represented by 15,000 shares with a par value of 516.46 euros each |
| Holding: 2,250 shares with voting rights at Ordinary General Meeting, amounting to 15% | |

# AIRPORT INVEST B.V.

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| | |
|---|---|
| **Company name** | **Airport Invest B.V.** |

## Board of Directors

| | |
|---|---|
| Chairman | Fabio Capozio |
| Directors | Luciano Acciari<br>J. C. W. Van Burg<br>J. P. Everwijn<br>Paul Schmitz |

| | |
|---|---|
| **Independent Auditors** | KPMG Accountants NV |

Information about the subsidiary undertaking, Airport Invest B.V., is provided in the section "equity investments" in the Management Report on Operations.

| RECLASSIFIED BALANCE SHEET (in thousand of euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| A. - FIXED ASSETS | 0 | 0 |
| Trade payables | (33) | (22) |
| B. - WORKING CAPITAL | (33) | (22) |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | (33) | (22) |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 0 | 0 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | (33) | (22) |
| financed by: | | |
| Share capital | 101 | 101 |
| Reserves and retained earnings | 3,501 | 3,402 |
| Net income (loss) for the year | (43) | 100 |
| F. - SHAREHOLDERS' EQUITY | 3,559 | 3,603 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 0 | 0 |
| Cash and current receivables | (3,592) | (3,625) |
| (G+H) | (3,592) | (3,625) |
| I. - TOTAL AS IN "E" (F+G+H) | (33) | (22) |

| RECLASSIFIED INCOME STATEMENT (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 0 | 0 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 0 | 0 |
| Cost of materials and external services | (74) | (49) |
| C. - GROSS MARGIN | (74) | (49) |
| Payroll costs | 0 | 0 |
| D. - EBITDA | (74) | (49) |
| Other income (expense), net | 0 | 0 |
| E. - EBIT | (74) | (49) |
| Financial income (expense), net | 31 | 149 |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | (43) | 100 |
| Extraordinary income (expense), net | 0 | 0 |
| G. - INCOME BEFORE TAXES | (43) | 100 |
| Income taxes | 0 | 0 |
| H. - NET INCOME (LOSS) FOR THE YEAR | (43) | 100 |

# ADR ENGINEERING S.P.A. UNIPERSONALE

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| | |
|---|---|
| Company name | ADR Engineering S.p.A. Unipersonale |

## Board of Directors

*(after the General Meeting of April 1, 2008*
*and the Board Meetings of April 1, 2008 and July 22, 2009)*

| | |
|---|---|
| Chairman | Marco Torsello |
| Directors | Carmine Bassetti *(until April 29, 2009)* |
| | Giorgio Gregori |
| | Ruggero Poli *(from July 22, 2009)* |
| Secretary | Riccardo Affinita *(until November 30, 2009)* |

## Board of Statutory Auditors

*(after the General Meeting of March 20, 2009)*

| | |
|---|---|
| Chairman | Antonio Mastrapasqua |
| Statutory Auditors | Pietro Cerasoli |
| | Gianpaolo Davide Rossetti |
| Alternate Auditors | Lelio Fornabaio |
| | Carlo Regoliosi |

| | |
|---|---|
| Independent Auditors | Deloitte & Touche S.p.A. |

Information about the subsidiary undertaking, ADR Engineering S.p.A. - Unipersonale, is provided in the section "equity investments" in the Management Report on Operations.

| RECLASSIFIED BALANCE SHEET (in thousand of euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 169 | 136 |
| Tangible fixed assets | 50 | 75 |
| A. - FIXED ASSETS | 219 | 211 |
| Inventory | 6,524 | 4,597 |
| Trade receivables | 2,162 | 2,890 |
| Other assets | 288 | 201 |
| Trade payables | (3,203) | (3,757) |
| Allowances for risks and charges | (311) | (61) |
| Other liabilities | (1,706) | (2,009) |
| B. - WORKING CAPITAL | 3,754 | 1,861 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 3,973 | 2,072 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 574 | 901 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | 3,399 | 1,171 |
| financed by: | | |
| Share capital | 775 | 775 |
| Reserves and retained earnings | 885 | 833 |
| Net income for the year | (203) | 538 |
| F. - SHAREHOLDERS' EQUITY | 1,457 | 2,146 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 1,972 | 0 |
| Cash and current receivables | (30) | (975) |
| (G+H) | 1,942 | (975) |
| I. - TOTAL AS IN "E" (F+G+H) | 3,399 | 1,171 |

| RECLASSIFIED INCOME STATEMENT (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 6,978 | 10,205 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 6,978 | 10,205 |
| Cost of materials and external services | (2,592) | (4,939) |
| C. - GROSS MARGIN | 4,386 | 5,266 |
| Payroll costs | (3,701) | (4,082) |
| D. - EBITDA | 685 | 1,184 |
| Amortization and depreciation | (81) | (79) |
| Allowances for risks and charges | (4) | (51) |
| Other income (expense), net | 326 | (54) |
| E. - EBIT | 926 | 1,000 |
| Financial income (expense), net | (11) | 30 |
| Adjustments to financial assets | 0 | 0 |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | 915 | 1,030 |
| Extraordinary income (expense), net | (942) | 24 |
| G. - INCOME BEFORE TAXES | (27) | 1,054 |
| Current taxes for the year | (245) | (533) |
| Deferred tax assets (liabilities) for the year | 69 | 17 |
| | (176) | (516) |
| H. - NET INCOME (LOSS) FOR THE YEAR | (203) | 538 |

# ADR ASSISTANCE S.R.L. UNIPERSONALE

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| | |
|---|---|
| **Company name** | **ADR Assistance S.r.l. Unipersonale** |
| *(after the General Meeting of April 14, 2009)* | |
| Sole Director | Elia Pistola<br>Giosuè Cammareri *(until April 14, 2009)* |

## Board of Statutory Auditors
*(after the General Meeting of August 5, 2008)*

| | |
|---|---|
| Chairman | Alberto Dello Strologo |
| Statutory Auditors | Pietro Cerasoli *(from September 28, 2009)*<br>Fernando Pergolini<br>Antonio Rivelli *(until September 27, 2009)* |
| Alternate Auditors | Pietro Cerasoli *(until September 27, 2009)*<br>Eugenio Lagomarsino |

## Independent Auditors

Deloitte & Touche S.p.A.

Information about the subsidiary undertaking, ADR Assistance S.r.l. - Unipersonale, is provided in the section "equity investments" in the Management Report on Operations.

| RECLASSIFIED BALANCE SHEET (in thousand of euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 1,724 | 714 |
| Tangible fixed assets | 1,462 | 1,816 |
| A. - FIXED ASSETS | 3,186 | 2,530 |
| Inventory | 0 | 0 |
| Trade receivables | 3,677 | 6,278 |
| Other assets | 842 | 181 |
| Trade payables | (3,029) | (4,614) |
| Allowances for risks and charges | 0 | (123) |
| Other liabilities | (2,243) | (1,478) |
| B. - WORKING CAPITAL | (753) | 244 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 2,433 | 2,774 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 6 | 45 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | 2,427 | 2,729 |
| financed by: | | |
| Share capital | 6,000 | 6,000 |
| Reserves and retained earnings | (653) | 0 |
| Net income (loss) for the year | 326 | (653) |
| F. - SHAREHOLDERS' EQUITY | 5,673 | 5,347 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 0 | 0 |
| Cash and current receivables | (3,246) | (2,618) |
| (G+H) | (3,246) | (2,618) |
| I. - TOTAL AS IN "E" (F+G+H) | 2,427 | 2,729 |

| RECLASSIFIED INCOME STATEMENT (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 13,284 | 5,335 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 13,284 | 5,335 |
| Cost of materials and external services | (2,288) | (1,100) |
| C. - GROSS MARGIN | 10,996 | 4,235 |
| Payroll costs | (9,488) | (4,369) |
| D. - EBITDA | 1,508 | (134) |
| Amortization and depreciation | (509) | (392) |
| Allowances for risks and charges | 0 | (123) |
| Other income (expense), net | 138 | 7 |
| E. - EBIT | 1,137 | (642) |
| Financial income (expense), net | 3 | 3 |
| Adjustments to financial assets | 0 | 0 |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | 1,140 | (639) |
| Extraordinary income (expense), net | 0 | 0 |
| G. - INCOME BEFORE TAXES | 1,140 | (639) |
| Current taxes for the year | (876) | (185) |
| Deferred tax assets (liabilities) for the year | 62 | 171 |
| | (814) | (14) |
| H. - NET INCOME (LOSS) FOR THE YEAR | 326 | (653) |

# ADR TEL S.P.A.

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| | |
|---|---|
| Company name | ADR Tel S.p.A. |

## Board of Directors

*(after the General Meetings of April 13, 2007, April 7, 2008 and March 30, 2009)*

| | |
|---|---|
| Chairman | Vito Mangano<br>Mario de Gennaro *(until March 30, 2009)* |
| Directors | Antonio Abbate<br>Andrea Pontecorvo |
| Secretary | Riccardo Affinita *(until November 30, 2009)* |

## Board of Statutory Auditors

*(after the General Meeting of April 7, 2008)*

| | |
|---|---|
| Chairman | Alberto Dello Strologo |
| Statutory Auditors | Lelio Fornabaio<br>Carlo Regoliosi |
| Alternate Auditors | Pietro Cerasoli<br>Eugenio Lagomarsino |

| | |
|---|---|
| Independent Auditors | Deloitte & Touche S.p.A. |

Information about the subsidiary undertaking, ADR Tel S.p.A., is provided in the section "equity investments" in the Management Report on Operations.

| RECLASSIFIED BALANCE SHEET (in thousand of euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 4,845 | 4,917 |
| Tangible fixed assets | 324 | 441 |
| A. - FIXED ASSETS | 5,169 | 5,358 |
| Trade receivables | 3,547 | 3,546 |
| Other assets | 230 | 291 |
| Trade payables | (4,476) | (4,295) |
| Allowances for risks and charges | (72) | (18) |
| Other liabilities | (1,015) | (1,073) |
| B. - WORKING CAPITAL | (1,786) | (1,549) |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 3,383 | 3,809 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 361 | 456 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | 3,022 | 3,353 |
| financed by: | | |
| Share capital | 600 | 600 |
| Reserves and retained earnings | 1,718 | 1,649 |
| Net income (loss) for the year | 492 | 687 |
| F. - SHAREHOLDERS' EQUITY | 2,810 | 2,936 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 1,116 | 707 |
| Cash and current receivables | (904) | (290) |
| (G+H) | 212 | 417 |
| I. - TOTAL AS IN "E" (F+G+H) | 3,022 | 3,353 |

| RECLASSIFIED INCOME STATEMENT (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 10,925 | 11,526 |
| Capitalized costs and expenses | 0 | 0 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 10,925 | 11,526 |
| Cost of materials and external services | (7,020) | (7,552) |
| C. - GROSS MARGIN | 3,905 | 3,974 |
| Payroll costs | (1,224) | (1,183) |
| D. - EBITDA | 2,681 | 2,791 |
| Amortization and depreciation | (1,632) | (1,439) |
| Other provisions | (49) | (46) |
| Allowances for risks and charges | 0 | (18) |
| Other income (expense), net | 219 | (98) |
| E. - EBIT | 1,219 | 1,190 |
| Financial income (expense), net | (45) | (67) |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | 1,174 | 1,123 |
| Extraordinary income (expense), net | (286) | 4 |
| G. - INCOME BEFORE TAXES | 888 | 1,127 |
| Current taxes for the year | (438) | (469) |
| Deferred tax assets (liabilities) for the year | 42 | 29 |
| | (396) | (440) |
| H. - NET INCOME (LOSS) FOR THE YEAR | 492 | 687 |

# ADR ADVERTISING S.P.A.

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| | |
|---|---|
| **Company name** | **ADR Advertising S.p.A.** |

## Board of Directors

*(after the General Meeting and Board Meeting of March 16, 2009)*

| | |
|---|---|
| Chairman | Emanuele Ludovisi |
| Managing Director | Fabrizio Du Chene De Vere |
| Directors | Andrea Belardini *(until March 16, 2009)* |
| | Mario de Gennaro *(until March 16, 2009)* |
| | Antonio Abbate |
| | Marco Torsello |
| | Andrea Ghisolfi |
| Secretary | Riccardo Affinita *(until November 30, 2009)* |

## Board of Statutory Auditors

*(after the General Meeting of March 16, 2009)*

| | |
|---|---|
| Chairman | Christian Cisternino |
| | Giancarlo Russo Corvace *(until March 16, 2009)* |
| Statutory Auditors | Pietro Cerasoli *(until March 16, 2009)* |
| | Guido Croci |
| | Giancarlo Russo Corvace |
| Alternate Auditors | Marco Baccani |
| | Pietro Cerasoli *(from March 16, 2009)* |

| | |
|---|---|
| **General Manager** | Sandro Loreti |
| **Independent Auditors** | Reconta Ernst & Young S.p.A. |

Information about the subsidiary undertaking, ADR Advertising S.p.A., is provided in the section "equity investments" in the Management Report on Operations.

| RECLASSIFIED BALANCE SHEET (in thousand of euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 1 | 2 |
| Tangible fixed assets | 1,657 | 1,699 |
| Non-current financial assets | 0 | 3 |
| A. - FIXED ASSETS | 1,658 | 1,704 |
| Trade receivables | 10,213 | 9,593 |
| Other assets | 1,860 | 2,438 |
| Trade payables | (9,783) | (9,104) |
| Allowances for risks and charges | (93) | (89) |
| Other liabilities | (818) | (1,067) |
| B. - WORKING CAPITAL | 1,379 | 1,771 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 3,037 | 3,475 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 137 | 205 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | 2,900 | 3,270 |
| financed by: | | |
| Share capital | 1,000 | 1,000 |
| Reserves and retained earnings | 1,020 | 243 |
| Net income (loss) for the year | (988) | 777 |
| F. - SHAREHOLDERS' EQUITY | 1,032 | 2,020 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 2,260 | 1,500 |
| Cash and current receivables | (392) | (250) |
| (G+H) | 1,868 | 1,250 |
| I. - TOTAL AS IN "E" (F+G+H) | 2,900 | 3,270 |

| RECLASSIFIED INCOME STATEMENT (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 20,479 | 24,840 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 20,479 | 24,840 |
| Cost of materials and external services | (19,059) | (22,143) |
| C. - GROSS MARGIN | 1,420 | 2,697 |
| Payroll costs | (884) | (885) |
| D. - EBITDA | 536 | 1,812 |
| Amortization and depreciation | (427) | (353) |
| Other provisions | (818) | (48) |
| Allowances for risks and charges | (4) | (10) |
| Other income (expense), net | (108) | (129) |
| E. - EBIT | (821) | 1,272 |
| Financial income (expense), net | (21) | (61) |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | (842) | 1,211 |
| Extraordinary income (expense), net | (128) | 0 |
| G. - INCOME BEFORE TAXES | (970) | 1,211 |
| Income taxes | (18) | (434) |
| Deferred tax assets (liabilities) for the year | 0 | 0 |
| | (18) | (434) |
| H. - NET INCOME (LOSS) FOR THE YEAR | (988) | 777 |

# ADR SVILUPPO S.R.L. UNIPERSONALE

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| | |
|---|---|
| Company name | ADR Sviluppo S.r.l. Unipersonale |

*(after the General Meeting of March 24, 2009)*

| | |
|---|---|
| Sole Director | Franco Candido Giudice |
| | Antonio Abbate *(until March 24, 2009)* |

Information about the subsidiary undertaking, ADR Sviluppo S.r.l., is provided in the section "equity investments" in the Management Report on Operations.

| RECLASSIFIED BALANCE SHEET (in euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 4,141 | 4,141 |
| Non-current financial assets | 6,000 | 6,000 |
| A. - FIXED ASSETS | 10,141 | 10,141 |
| Other assets | 2,034 | 2,888 |
| B. - WORKING CAPITAL | 2,034 | 2,888 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 12,175 | 13,029 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 0 | 0 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | 12,175 | 13,029 |
| financed by: | | |
| Share capital | 100,000 | 100,000 |
| Reserves and retained earnings | 5,432 | 1,223 |
| Net income (loss) for the year | 4,171 | 4,209 |
| F. - SHAREHOLDERS' EQUITY | 109,603 | 105,432 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 0 | 0 |
| Cash and current receivables | (97,428) | (92,403) |
| (G+H) | (97,428) | (92,403) |
| I. - TOTAL AS IN "E" (F+G+H) | 12,175 | 13,029 |

| RECLASSIFIED INCOME STATEMENT (in euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 0 | 0 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 0 | 0 |
| Cost of materials and external services | (1,547) | (2,354) |
| C. - GROSS MARGIN | (1,547) | (2,354) |
| D. - EBITDA | (1,547) | (2,354) |
| Other income (expense), net | (873) | (1,286) |
| E. - EBIT | (2,420) | (3,640) |
| Financial income (expense), net | 6,375 | 7,558 |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | 3,955 | 3,918 |
| Extraordinary income (expense), net | (309) | (11) |
| G. - INCOME BEFORE TAXES | 3,646 | 3,907 |
| Income taxes | 525 | 302 |
| H. - NET INCOME (LOSS) FOR THE YEAR | 4,171 | 4,209 |

# LA PIAZZA DI SPAGNA S.R.L.

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| RECLASSIFIED BALANCE SHEET (in euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 7,087 | 7,087 |
| A. - FIXED ASSETS | 7,087 | 7,087 |
| Other assets | 1,276 | 1,532 |
| Trade payables | 0 | (605) |
| B. - WORKING CAPITAL | 1,276 | 927 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | 8,363 | 8,014 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 0 | 0 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | 8,363 | 8,014 |
| financed by: | | |
| Paid-up capital (*) | 30,000 | 30,000 |
| Reserves and retained earnings | (11,335) | (9,050) |
| Net income (loss) for the year | (2,713) | (2,285) |
| F. - SHAREHOLDERS' EQUITY | 15,952 | 18,665 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Short-term debt | 0 | 0 |
| Cash and current receivables | (7,589) | (10,651) |
| (G+H) | (7,589) | (10,651) |
| I. - TOTAL AS IN "E" (F+G+H) | 8,363 | 8,014 |

*(*) Share capital of 100,000 euros, net of the amounts due from shareholders for unpaid called-up capital, totaling 70,000 euros.*

| RECLASSIFIED INCOME STATEMENT (in euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 0 | 0 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 0 | 0 |
| Cost of materials and external services | (1,544) | (1,561) |
| C. - GROSS MARGIN | (1,544) | (1,561) |
| D. - EBITDA | (1,544) | (1,561) |
| Other income (expense), net | (867) | (948) |
| E. - EBIT | (2,411) | (2,509) |
| Financial income (expense), net | 14 | 224 |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | (2,397) | (2,285) |
| Extraordinary income (expense), net | (316) | 0 |
| G. - INCOME BEFORE TAXES | (2,713) | (2,285) |
| Income taxes | 0 | 0 |
| H. - NET INCOME (LOSS) FOR THE YEAR | (2,713) | (2,285) |

# CONSORZIO E.T.L.

## RECLASSIFIED BALANCE SHEET AND INCOME STATEMENT

| RECLASSIFIED BALANCE SHEET (in thousand of euros) | 12.31.2009 | 12.31.2008 |
|---|---|---|
| Intangible fixed assets | 0 | 1 |
| A. - FIXED ASSETS | 0 | 1 |
| Trade receivables | 125 | 101 |
| Other assets | 0 | 98 |
| Trade payables | (312) | (143) |
| Other liabilities | 0 | (45) |
| B. - WORKING CAPITAL | (187) | 11 |
| C. - INVESTED CAPITAL, minus short-term liabilities (A+B) | (187) | 12 |
| D. - EMPLOYEE SEVERANCE INDEMNITIES (ESI) | 0 | 0 |
| E. - INVESTED CAPITAL, minus (C-D) short-term liabilities and ESI | (187) | 12 |
| financed by: | | |
| Paid-up capital | 83 | 83 |
| Reserves and retained earnings | (16) | 0 |
| Net income (loss) for the year | (171) | (17) |
| F. - SHAREHOLDERS' EQUITY | (104) | 66 |
| G. - MEDIUM/LONG-TERM BORROWING | 0 | 0 |
| H. - SHORT-TERM BORROWING (NET CASH AND CASH EQUIVALENTS) | | |
| Cash and current receivables | (83) | (54) |
| (G+H) | (83) | (54) |
| I. - TOTAL AS IN "E" (F+G+H) | (187) | 12 |

| RECLASSIFIED INCOME STATEMENT (in thousand of euros) | 2009 | 2008 |
|---|---|---|
| A. - REVENUES | 193 | 101 |
| B. - REVENUES FROM ORDINARY ACTIVITIES | 193 | 101 |
| Cost of materials and external services | (350) | (111) |
| C. - GROSS MARGIN | (157) | (10) |
| D. - EBITDA | (157) | (10) |
| Other income (expense), net | (12) | (2) |
| E. - EBIT | (169) | (12) |
| Financial income (expense), net | 0 | 0 |
| F. - INCOME BEFORE EXTRAORDINARY ITEMS AND TAXES | (169) | (12) |
| Extraordinary income (expense), net | 0 | (3) |
| G. - INCOME BEFORE TAXES | (169) | (15) |
| Income taxes | (2) | (2) |
| H. - NET INCOME (LOSS) FOR THE YEAR | (171) | (17) |

# REPORT OF THE BOARD OF STATUTORY AUDITORS

*(Translation from the original issued in Italian)*

# Report of the Board of Statutory Auditors to the Ordinary General Meeting of the Shareholders of Aeroporti di Roma S.p.A., pursuant to art. 2429 of the Italian Civil Code.

*Dear Shareholders,*

During the year ended December 31, 2009 we verified compliance with the law, the articles of association and the principles of good governance, applying the recommendations laid down in the regulations for statutory auditors established by the Italian Accounting Profession.

We attended the General Meeting and all the Board of Directors' Meetings held during the year, which were conducted in compliance with the related statutory requirements, laws and regulations.

We obtained information from the Directors regarding the overall operating performance and outlook, and on the most significant transactions, in terms of size or nature, carried out by the Company. We can, therefore, provide reasonable assurances that both the resolutions passed and the actions implemented complied with the law and the articles of association, and that they were not manifestly imprudent or risky, and did not involve a conflict of interest or compromise the value of the Company's assets.
Our discussions with the auditors engaged to carry out the Company's accounting controls did not reveal significant aspects or information to be included in this Report.

We oversaw the adequacy of the Company's organizational, administrative and general accounting structures, in part via meetings with the Supervisory Board, set up following adoption of the "Organizational, management and control model", pursuant to Legislative Decree no. 231/2001. This model was updated during the year to take account of the new crimes introduced by the legislation in force.

We assessed the reliability of the above organizational structure for the purposes of a fair presentation of operating activities, in part by obtaining information from the heads of the various departments and the auditors. After an examination of company documents, carried out on a sample basis, we have no particular observations to make in this regard. In the course of our checks, we also examined certain existing company procedures and can confirm that they have been followed by the Company.
We have not received any complaints pursuant to art. 2408 of the Italian Civil Code.
We have examined the Financial Statements for the year ended December 31, 2009. In view of the fact that the

accounts were audited by Deloitte & Touche S.p.A., we have verified the general presentation and overall compliance with the laws relating to form and content. We have no particular observations to make in this regard.
We have also checked that the Management Report on Operations has been prepared in accordance with the related regulations. In this respect, we note that, pursuant to art. 2428 of the Italian Civil Code as amended by Legislative Decree no. 32 of February 2, 2007, the Company has reported an analysis of the risk that it may be exposed to.
As far as we are aware, in preparing the Financial Statements the Directors did not apply the exemptions permitted by art. 2423, paragraph four of the Italian Civil Code.
We have verified that the Financial Statements are consistent with the disclosures and information communicated to us in the course of carrying out our duties, and we have no observations to make in this regard.

The Consolidated Financial Statements of Aeroporti di Roma S.p.A. and its subsidiaries for the year ended December 31, 2009 have been prepared in compliance with the provisions of Legislative Decree no. 127 of April 9, 1991. The Management Report on Operations has been prepared in accordance with the provisions of art. 2428 of the Italian Civil Code and art. 40 of the above Legislative Decree no. 127/1991.

*Dear Shareholders,*

The independent auditors, Deloitte & Touche S.p.A., have issued clean Reports on the separate and consolidated Financial Statements. In view of the above, we invite you to approve the financial statements for the year ended December 31, 2009, as prepared by the Board of Directors, and approve the proposal to take net income for the year to retained earnings.

*Dear Shareholders,*

The term of office of the Board of Statutory Auditors expires with approval of the Financial Statements for the year ended December 31, 2009. In thanking you for your confidence in us, we therefore invite you to elect the Board of Statutory Auditors for the three-year period 2010-2012, determining the related annual remuneration.

Fiumicino, Italy - March 30, 2010

THE BOARD OF STATUTORY AUDITORS
Giacinto Chimenti - Chairman
Giuseppe Cappella - Statutory Auditor
Alessandro Grange - Statutory Auditor
Mario Tonucci - Statutory Auditor
Luigi Tripodo - Statutory Auditor

# REPORT OF THE INDEPENDENT AUDITORS

Deloitte.

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**AUDITORS' REPORT**
**PURSUANT TO ART. 156 AND 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998**

**To the Shareholders of**
**AEROPORTI DI ROMA S.p.A.**

1. We have audited the financial statements of Aeroporti di Roma S.p.A. (the "Company") as of December 31, 2009. These financial statements prepared in accordance with the Italian law governing financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's financial statements, the balances of which are presented for comparative purposes, reference should be made to our auditors' report issued on March 30, 2009.

3. In our opinion, the financial statements give a true and fair view of the financial position of Aeroporti di Roma S.p.A. as of December 31, 2009, and of the results of its operations for the year then ended in accordance with the Italian law governing financial statements.

4. The Company's Directors are responsible for the preparation of the Management Report on Operations in accordance with the applicable law. Our responsibility is to express an opinion on the consistency of the Report on Operations with the financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report on Operations is consistent with the financial statements of Aeroporti di Roma S.p.A as of December 31, 2009.

DELOITTE & TOUCHE S.p.A.

*Signed by*
Domenico Falcone
Partner

Rome, Italy
March 30, 2010

*This report has been translated into the English language solely for the convenience of international readers.*

# RESOLUTIONS

## OF THE GENERAL MEETING OF SHAREHOLDERS DATED APRIL 15, 2010

The General Meeting:

*(Translation from the original issued in Italian)*

– approved the Board of Directors' Management Report on Operations and the Financial Statements for the year ended December 31, 2009, which report net income of 5,093,594.27 euros to be taken to retained earnings;
– fixed the number of members of the Board of Directors at thirteen for the three-year period 2010-2012, and elected the new Board to remain in office until the General Meeting held to approve the Financial Statements for the final year of their term; the following were elected as Directors: Guido Angiolini, Valerio Bellamoli, Stefano Cao, Ben Huat Ho, Giulio Maleci, Enzo Mei, Aldo Minucci, Fabrizio Palenzona, Piergiorgio Peluso, Massimo Pini, Clemente Rebecchini, Paolo Roverato and Marco Troncone;
– voted to increase the number of members of the Board of Directors to fourteen, on condition that the Local Authorities nominate their appointee by June 30, 2010; this term is subject to subsequent extension by the Board of Directors, in accordance with the provisions of art. 16.2 of the Articles of Association;
– fixed the overall remuneration to be paid to the fourteen-member Board of Directors at 140,000.00 euros, to be allocated by the Board itself pursuant to article 25 of the Articles of Association;
– elected the Board of Statutory Auditors for the three-year period 2010-2012, with the Board's term of office due to expire on the date of the General Meeting held to approve the Financial Statements for the third year of their term; the following were elected as Statutory Auditors:
  - Maria Laura Prislei, Chairwoman,
  - Luca Aurelio Guarna, Statutory Auditor,
  - Silvano Montaldo, Statutory Auditor,
  - Enrico Proia, Statutory Auditor,
  - Mario Tonucci, Statutory Auditor,
  - Piero Alonzo, Alternate Auditor,
  - Cristiano Proserpio, Alternate Auditor;
– fixed the annual remuneration of the Chairwoman at 62,100.00 euros, and of each Statutory Auditor at 41,400.00 euros.

* * *

The Board of Directors' Meeting held immediately after the General Meeting elected Fabrizio Palenzona as Chairman, Massimo Pini as Deputy Chairman and Giulio Maleci as Managing Director, assigning them the related powers.

*Graphic project:*

Roberto Conti

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Virginio Favale
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*Printing:*

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